



# ANNUAL REPORT 2021

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# — — CONTENTS — —

	Page
<b>I. Letter to shareholders .....</b>	1
<b>II. Introduction of the Company .....</b>	4
1. Date of Incorporation .....	4
2. Company History .....	4
<b>III. Corporate governance report .....</b>	27
1. Organization of company .....	27
2. Directors, President, Vice President, Assistant V.P., and Department Heads.....	30
3. Corporate governance .....	48
4. CPAs fees .....	97
5. CPA’s information .....	97
6. The chairman, president, and financial or accounting manager of the Company who had worked for the independent auditor or the related party in the most recent years .....	97
7. Information on Net Change in Shareholding and Net Change in Shares Pledged by Directors, Supervisors, Department Heads, and Shareholders of 10% shareholding or more .....	98
8. The relation of the top ten shareholders as the definition of Finance Standard Article 6 ....	99
9. Investment from Directors, Supervisors, Managers, and directly or indirectly controlled businesses .....	100
<b>IV. Stock subscription .....</b>	105
1. Capital and shares .....	105
2. Corporate bonds .....	111
3. Preferred stock .....	111
4. Issuance of global depository receipts .....	111
5. Employees stock option certificates .....	114
6. Limit on Employee New Bonus Share .....	114
7. Merger and acquisitions or stock shares transferred with new stock shares issued.....	114
8. Fund implementation plan .....	114
<b>V. Overview of business operation.....</b>	115
1. Principal activities .....	115
2. Market analysis and the condition of sale and production .....	119
3. Status of employees .....	125
4. Expenditure on environmental protection .....	126
5. Employee / employer relation .....	126

6. Information security management .....	136
7. Major agreements .....	139
<b>VI. Financial information .....</b>	<b>141</b>
1. Five-year Condensed balance sheet and comprehensive income statement .....	141
2. Five-year Financial analysis .....	145
3. Audit Committee's Review Report of 2020. ....	150
4. Consolidated Financial statements with Independent Auditors' Review Report .....	140
5. Parent Company Only Financial Statements With Independent Auditors' Report .....	150
6. Impact of financial difficulties of the Company and related party on the Company's financial position .....	150
<b>VII. Review of financial position, financial performance and risk management .....</b>	<b>151</b>
1. Financial Analysis .....	151
2. Business Performance Analysis .....	153
3. Cash flows Analysis .....	156
4. Impact of major capital expenditure on finance and business .....	157
5. Policies, reasons for gain or loss and action plan in regard to investment plans in current year and the next year.....	157
6. Risk management .....	157
7. Other important matters .....	161
<b>VIII Special disclosures .....</b>	<b>162</b>
1. Related party .....	162
2. Subscription of marketable securities privately in the most recent years .....	162
3. The stock shares of the Company held or disposed by the subsidiaries in the most recent years .....	162
4. Supplementary disclosures .....	162
5. Occurrence of events defined in Securities Transaction Law Article 36.2.2 that has great impact on shareholder's equity or security price in the most recent years and up to the date of the report printed .....	162

# I. Letter to Shareholders

Dear Shareholders:

Thank you for your long-term support for ASUS.

The fluctuations and turmoil from the COVID-19 pandemic continued throughout 2021, and cycles of lockdowns and re-openings repeated themselves around the world, bringing unexpected supply-chain and logistics obstacles. This business environment has posed ongoing challenges to our operations, but it has also presented prime opportunities for the ASUS team to grow, propose new ways of thinking, and strengthen our operational capabilities. Due to our unified efforts and ability to foster collective wisdom, we have again achieved outstanding business results in 2021.

The progression of the pandemic in the past two years has advanced society's transformation towards a digital economy and digital life. At the same time, the ASUS team has also accelerated our own transformation, further developing our trust in radical truth and transparency as well as our ability to foster collective wisdom. These parallel transformations are converging to turn ASUS into a growth enterprise that thrives through continuous evolution and innovation. In support of this, we will continue to strengthen the ASUS culture to thoroughly integrate our ethos of "transform and evolve, trust in radical truth and transparency, embrace idea meritocracy, and foster collective wisdom" into all aspects of our operations. This involves embracing the highest level of radical truth and ultimate transparency, not fearing conflict, exploring root causes, and reaching genuine team consensus, to truly foster our collective wisdom and unify as One ASUS.

Looking ahead to 2022 as we welcome economic reopening and job market recovery, we also face pressures from inflation, monetary policy adjustment, and geopolitical conflicts. The industry is still full of variables and turmoil, but we believe the transformed ASUS team is thoroughly prepared to meet these challenges. We are determined to take "the harder path" by effectively implementing strategic planning, technological innovation, and operations management. Through this, we aim to create the most ubiquitous, intelligent, heartfelt, and joyful smart life for everyone in pursuit of becoming the world's most admired innovative leading technology enterprise in the new digital era.

The following is a summary of the business operations results for 2021 and the outlook for 2022.

## **Honored as the Most Valuable International Brand in Taiwan and Ranked Among the World's Most Admired Companies**

In the spirit of our brand promise — In Search of Incredible — our product innovation, user recommendability, social responsibility, and sustainable practices have all continued to evolve, and have received international recognition and multiple prestigious awards. In 2021, ASUS was recognized again as one of Fortune's World's Most Admired Companies and was ranked at the forefront of the industry in categories such as Innovation, Social Responsibility, and Product Service Quality. Selected by Taiwan's Ministry of Economic Affairs through Interbrand's brand value assessment, ASUS was also ranked as Taiwan's Most Valuable International Brand for the eighth time. In addition, ASUS won five prestigious Brand and Communication Design Awards and 37 Design Awards from Red Dot, 15 Product Design Awards from iF, 15 Design Awards from Good Design, 20 CES Innovation Awards, and many more distinguished international awards.

## **User-Centric Design Thinking and Innovation in Products and Smart Applications**

Through the company's user-centric design thinking approach, ASUS has implemented a number of product innovations, such as the ProArt Studiobook 16 and Pro 16 creator laptops, which won Golden Pin Design Award's highest honor — the Best Design of the Year award; ROG Flow X13, the world's first 13-inch convertible touchscreen gaming laptop; the leading-edge Zenbook 17 Fold OLED foldable laptop; the trend-setting ROG Zephyrus G14 AW SE gaming laptop; ROG Maximus Z690 Extreme Glacial motherboards with top-notch water-cooling technology; ROG Strix LC RTX 3080 Ti O12G gaming graphics cards with both air- and water-cooling solutions; the ExpertBook B5 commercial laptop series; the ROG Phone 5 gaming smartphone series; the ROG Swift 360Hz PG27AQN, the world's first 1440p/360 Hz gaming monitor; and the HPC server ESC8000A-E11.

In addition to hardware, ASUS has applied the design thinking approach in new applications that seamlessly integrate hardware, software, and AI technology. Some of these innovations include the AI Overclocking, AI Cooling, AI Networking, and built-in audio applications for smart motherboards; the built-in AniMe Matrix™ programmable LED display for gaming headsets, keyboards, and peripherals; defect-detection solutions within the smart manufacturing field; and the ASUS Dial tool on creator laptops. In the field of smart healthcare, innovations include Miraico for intelligently recommending International Classification of Diseases (ICD-10) codes, the ASUS Lumos Real-World Data Platform, the next-generation medical information system xHIS, AI image diagnosis, smart wearable devices, and handheld ultrasounds.

## **Leading with Sustainable Commitments and Carbon Reduction, Building Advanced InfoSec Standards**

To advance a sustainability strategy that embraces our “Focus on Fundamentals and Results” principle, ASUS utilizes digitized data and scientific management practices in order to optimize sustainability in everything we do, focusing on the four major areas of Climate Action, Circular Economy, Responsible Manufacturing, and Value Creation. ASUS is building our Climate Action efforts through science-based reduction pathways broken down into three steps: improving energy efficiency, expanding the use of renewable energy, and removing remaining emissions. ASUS has committed to using 100% renewable energy in Taiwan-based operations centers by 2030 and in global operations centers by 2035, and we are making progress in furthering our entire value chain towards net zero. In addition, ASUS was recently honored as Asia's Most Socially Responsible Company of the Year and received an Institutional Shareholder Services ESG Corporate Rating of Prime (the highest level). ASUS was also recognized in the Morgan Stanley (MSCI) Global Sustainability Index, the Financial Times Emerging Markets Sustainability Index, and the FTSE4Good TIP Taiwan ESG Index.

In terms of managing the risks of information security, ASUS has established a dedicated unit and named a Chief Information Security Officer in addition to securing ISO 27001 information security certification. Additionally, ASUS has established operational regulations for information and communications security, regularly shares InfoSec-related knowledge with relevant organizations and industry partners, and takes measures such as conducting system-penetration tests and digital security health checks at irregular intervals to achieve world-class information security.

## **Setting Distinguished Growth Targets for 2022**

Through our unified team efforts and fostering of collective wisdom, ASUS Group consolidated revenue

for 2021 reached NT\$535.2 billion, which is 30% more than in 2020. Net profit after tax was NT\$46.6 billion, of which NT\$44.5 billion was net profit attributable to owners of the parent company, representing an increase of 68% from 2020. After-tax earnings per share (EPS) were NT\$59.98. In terms of brand operations, the combined revenue of ASUS brands for 2021 was NT\$500.4 billion (unaudited), which was a 31% increase from 2020. Brand operating profit for 2021 was NT\$48.2 billion (unaudited), which was a 90% increase from 2020.

Building upon the progress of industry digitalization and the foundation established through our corporate transformation, the ASUS team will put our "harder path" approach into practice in 2022 and set proactive growth targets that are admired in the industry. In the face of challenges such as the current turbulence and variables of the industry, the transformed and evolved ASUS team will thoroughly leverage our collective wisdom and unified efforts. Among the product lines in which ASUS currently leads the market, we will further expand this leading position. For new products, services, and solutions developed in recent years, we will establish new industries and redefine the competitive landscape with enterprising ambition. We will invest in top talent and financial resources, and establish effective management capabilities and product solutions, while rapidly expanding the scope of our operations and value creation.

Sincerely,



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ASUS Chairman

## II. Introduction of the Company

**I. Establishment date:** April 2, 1990

### II. Development history



April 1990	ASUS was incorporated at 2F, 14-2, Sec. 2, Chung-Young S. Road, Beitou District, Taipei City and collected a paid-in capital of NT\$30 million.
April 1990	Became a direct customer of Intel (U.S.A.)
May 1990	Cache 386/33 and 486/25 personal computer motherboards were popular. 486/25 was market launched with IBM and ALR synchronously and it was the milestone of computer development in Taiwan.
July 1990	ASUS completed the registration of the manufacturing facility and initiated production. The quality products made in-house were successful.
October 1990	The head office and manufacturing facilities were relocated to 4F, 10, Alley 25, Lane 425, Sec. 4, Chung-Young N. Road (changed name to "Li-Te Road" by Taipei City Government in 1993) with an area of 602 pings due to business expansion.
November 1990	EISA 486 motherboard, officially market-launched and shown at the COMDEX exhibition in early November, became a market-leading product.



March 1991	The profit of 486 in this month exceeded the profit of 386 for the first time, meaning that the 486 advanced products had become the major product of the company.
August 1991	The sales of high-unit-price EISA 486 product were satisfactory and this product helped the company generate millions of dollars of profit.



April 1992	Signed an agreement with AWARD for software authorization.
December 1992	Monthly production of motherboard and interface card exceeded 75,000 units, representing 132% growth from the same month of the prior year.



March 1993	Launched the PENTIUM (586) motherboard. ASIAN SOURCES Magazine recognized the company as one of the few manufacturers that was able to deliver this advanced 586-based mother board.
May 1993	Invested to set up a SMT production line.
June 1993	Increased the paid-in capital to NT\$308.45 million with retained earnings. Public offering was arranged accordingly.
November 1993	The company and the head engineer, Mr. Ted Hsu, were awarded with the "32-bit Personal Computer Milestone Award" of "Taiwan Personal Computer Ten-year Milestone Award" that was organized by Commonwealth Magazine, co-organized by the Institute for Information Industry, and sponsored by Intel for "having high-speed 486 advanced mother board developed successfully" and for being "the first Taiwanese information business to develop the fastest personal computer synchronized with the world that has helped Taiwan open up a path to the successes and helped define the competition of speed and flexibility in technology development."
November 1993	Mass production of PCI486 and Pentium motherboard was initiated. Pentium was the new generation of CPU and the PC with the highest speed.



December 1993	The first SMT production line was completed with pilot run and put into service. Another set of SMT was acquired in response to the expansion of production.
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January 1994	ASIAN SOURCES Magazine ranked the company's technological innovation in the first place of The TOP-10 mother board manufacturers in Taiwan and ranked the company's quality in the second place.
February 1994	C.T.Mag. (Germany) had the company's PCI rated, and with the capacity and memory of PCI Pentium and 486, the company was awarded an honorary rating.
March 1994	Attended Cebit Show in Hanover, Germany, the only motherboard manufacturer demonstrating successful Dual Pentium and was recognized by the industry and Intel accordingly.
July 1994	ASUS's initial name was Hung-Shuo Computer Inc. In July, the company officially changed the name to ASUSTeK Computer Inc.
December 1994	Taipei Factory was certified with ISO 9002.
December 1994	Purchased Taoyuan Lu-Chu Plant with an area of 2,417 pings and constructed a manufacturing facility area of 1,200 level ground that was went into service in mid-1995.



January 1995	ASIAN SOURCES Magazine had the company's quality ranked in the first place and the company's technological innovation in the first place of the Top-10 mother board manufacturers in 1994.
May 1995	China Credit Information Service, Ltd. had the company's business performance ranked in the 5 <sup>th</sup> place of the TOP-500 Manufacturers in 1994.
May 1995	The Taoyuan Lu-Chu Plant was officially put into service for production.



January 1996	Purchased the head office on Li-Te Road and the building that was rented for Taipei Plant with an area of 3,159 level ground.
April 1996	Chung-Hua Institution for Economic Research awarded the company with "Product of the Year Award" and "Enterprise of the Year Award."
June 1996	China Credit Information Service Ltd. had the company's business performance ranked in the 1 <sup>st</sup> place of "The TOP-500 Manufacturers in 1995".
August 1996	SEC had the company authorized as Class II stock listing company.
November 1996	ASUS officially went public at Taiwan Stock Exchange Corporation.



January 1997	Taoyuan Lu-Chu Plant was certified with ISO-9002.
February 1997	Leased Taoyuan Nan-Kan Plant with an area of 4,400 pings ready for production.
February 1997	The ASUS P/I-P65UP5 was awarded with the "5 <sup>th</sup> Symbol of Excellence" award by TAITRA.
April 1997	Established the Nan-Kan Plant, with an area of 4,400 pings, right next to Lu-Chu Plant, for a total monthly production of 800,000 motherboards.
May 1997	Collected funds for US\$230 million with cash in the form of overseas depository receipt GDR.
October 1997	Purchased Quay-Sun Plant with an area of 7,900 pings for the production of new NB and CD-ROM.
November 1997	Held new product presentation including NB and CD-ROM.



February 1998	Asiamoney recognized the company as the “Best Managed Companies in Taiwan.”
April 1998	Finance Asia recognized the company as “Asia’s Strongest Companies.”
October 1998	Acquired automation SMT for expanding automatic production scale; production reaches with over one million motherboards manufactured monthly.
October 1998	Presented the lightest all-in-one NB.
November 1998	The company was certified with ISO-14000.
November 1998	Asia Week had the company ranked in the first place of The International Chinese Enterprises 500 & Top-10 Manufacturer in 1998.
November 1998	Asia Week had the company’s business performance in the first three quarters of 1998 ranked in the first place of The InfoTech 100.
November 1998	Business Week (U.S.A.) had the company ranked in the 18 <sup>th</sup> place worldwide and the first place in Asia of The InfoTech 100.
December 1998	Completed the construction of Lu-Chu Plant.



March 1999	Initiated the construction of Beitou II Plant for an area of 1,453 pings planned for use.
May 1999	Ranked in the 21 <sup>st</sup> place of Top-1000 Manufacturers in the special issue of <i>Commonwealth</i> Magazine. Ranked in the 2 <sup>nd</sup> place of Top-50 Enterprises 50 for three consecutive years (2007~2009) in the special issue of <i>Commonwealth</i> Magazine. Ranked in the 6 <sup>th</sup> place of Top-1000 Manufacturers as the most profitable operation in the special issue of <i>Commonwealth</i> Magazine (hit the mark of NT\$10 billion and become the leader of information and telecommunication industry). Ranked as one of the National Top-20 Private Businesses in the special issue of <i>Commonwealth</i> Magazine.
June 1999	China Credit Information Service Ltd. recognized the Company with the honorary citation of “1999 Taiwan TOP 500.” China Credit Information Service Ltd. ranked the Company in the fourth place as the most profitable business of “1999 Taiwan TOP 500.” China Credit Information Service Ltd. ranked the Company in the third place as the highest earnings business of “1999 Taiwan TOP 500.” China Credit Information Service Ltd. ranked the Company in the third place as the best assets-management business of “1999 Taiwan TOP 500.” China Credit Information Service Ltd. ranked the Company in the fourth place as the most productive employees of “1999 Taiwan TOP 500.” Increased the paid-in capital to NT\$11.449 billion with retained earnings.
July 1999	Presented ASUS super thin NB.



January 2000	Purchased the eight pieces of land of the 4 <sup>th</sup> lot, Fong-Nien Lot, Beitou District, Taipei, for business expansion with an area of 7,186 level ground. Asiamoney ranked the Company in the second place of “Best Managed Companies in Taiwan.”
May 2000	Completed the construction of Beitou II Plant with an unable area of 1,453 level ground.
August 2000	Ranked in the first place of Tech 200 by Globalviews Magazine.
September 2000	China Credit Information Service Ltd. ranked the Company’s business performance in the third place for Top-10 Manufacturers in 1990-1999.

October 2000	Commonwealth Magazine ranked the Company in the first place of Taiwan Electronics and in the seventh place nationwide.
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March 2001	ODC (ODC refers to the certification of environmental protection without using any material hazardous to Ozone layer) was awarded to ASUS.
November 2001	Business Week ranked ASUS in the 28 <sup>th</sup> place of The InfoTech 100.
November 2001	Completed the construction of Taipei Plant with a usable area of 9,073 pings.
December 2001	Readers of PC Magazine awarded ASUS with the “Product of the Year Award” for the motherboard, NB, CD-ROM, and VGA in 2001.



January 2002	Seventeen company products were awarded the “Symbol of Excellence” this year; therefore, the Company was the biggest winner of the 10 <sup>th</sup> national “Symbol of Excellence” award.
April 2002	Recognized as the Excellent Health and Safety Institute by Taipei City Government.
April 2002	Ranked in the Top-10 of Manufacturers 1000 by Commonwealth Magazine, the Top-3 of computer and elements, and the Top-3 of most profitable businesses.
June 2002	Launched MyPal A600, the first PDA supporting Intel’s 400MHz PXA250CPU; also, it was the most light-weight, thin, and functional pocket PC.
October 2002	Recognized as the Excellent Health and Safety institute nationwide.
October 2002	Asia Week ranked ASUS in the Top-10 of Chinese Businesses 500.
December 2002	The Company shipped 17 million mother boards this year; therefore, one out of six computers was built with ASUS mother board.



January 2003	Constructed Quay-Sun Plant with 16,976.8 level ground available for use.
February 2003	The design of super-thin portable dual CD-R & CD-REW SCB-2408-D was awarded by the International Forum (iF) in Germany.
March 2003	Based on the powerful R&D capability and the excellent cooperation with Intel, ASUS launched Centrino NB to great attention.
May 2003	After receiving the award of “Symbol of Excellence” with 20 citations, more than all other competitors, ASUS was awarded the “11 <sup>th</sup> Branding Taiwan” with three citations, compared with most other companies. This demonstrated the high quality and reputation of ASUS and its ability to compete in the world on behalf of Taiwan.
June 2003	Purchased the assets of Elite Group in Chungli, including land, manufacturing facilities and equipment, and specific raw material through the subsidiary, ASUSALPHA COMPUTER INCORPORATION
September 2003	Presented S200N Centrino NB; it weighed only 905g and was the lightest-weight NB in the world.
October 2003	Presented the first 3G foldable color phone J100.
November 2003	DiGiMatrix was awarded with “Taiwan Outstanding Design Award” in 2003.



April 2004	Setup TPC product line (thermal conduction, power, and chassis) to provide consumers with comprehensive system solution.
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May 2004	ASUS W1 NB with built-in TV card and powerful multimedia software was market launched. The outstanding hair-like pattern design was awarded with multiple global awards.
June 2004	Presented the light-weight, big screen ASUS J101 phone.
June 2004	The industrial design team received eleven G-Mark in Japan, five iF awards and five Red Dot Design Awards in Germany.
December 2004	ASUS was the largest motherboard and VGA manufacturer; worldwide, one out of three computers was made with ASUS motherboards.
December 2004	ASUS became the Top-10 NB brands and the Top-5 NB manufacturers.



January 2005	ASUS was the biggest winner of “Symbol of Excellence” award for two consecutive years, with all forty nominated products receiving awards.
March 2005	ASUS W1 NB was awarded by iF (Germany) with the industrial design award that was known as Oscar Award in computer business. This was the first Chinese design awarded with iF. Invested in AzureWave Technologies Inc., which became a subsidiary, to manufacture office machine, electronic components, and computer and peripheral equipment, and to conduct the wholesales and retails sales of precision instrument and camera equipment.
October 2005	ASUS successfully developed the first environment-friendly mother board in Taiwan. Invested in AMA PRECISION INC., the subsidiary, to conduct computer elements R&D.
November 2005	ASUS was awarded with thirteen awards in the 2005 “Channel Award” competition, second to none. Invested in Enertronix, Inc., which also became a subsidiary, to conduct R&D and manufacture radio receiver and wireline communication equipment.
December 2005	The Company issued 59,592,835 stock shares in exchange for 15% stock shares of Advantech Co., Ltd. for of stock exchange and strategic alliance; the Company thus entered the industrial computer field. ASUS entered CES exhibition for the first time, introducing the concept of the “digital home.” W5A NB was awarded with CES Innovative Design & Technology Award.



January 2006	The Company and Advantech Co., Ltd. each acquired 50% shareholding of Advansus Corp. on January 3, 2006 with cash capitalization.
March 2006	The Company had stock exchanged with Askey Computer Corporation according to Merger Law with 73,662,961 shares issued for merger. Askey Computer Corporation had become a subsidiary of the Company.
May 2006	ASUS NB W2, W3, and V6 were nominated for “iF China Design award” Top-10. This was a great achievement for the Company; evidence of ASUS’s leading position of in the computer world.
June 2006	Business Weekly awarded ASUS with InfoTech 100 for eight consecutive years.
October 2006	ASUS, known for creating trust and sentiment was awarded the “2005 Top-10 Taiwan Brand Value” by Business Next Magazine.
December 2006	ASUS ATEC was awarded with the “7 <sup>th</sup> Management of Technology Award” by Chinese Society for Management of Technology.



January 2007	ASUS worked with Automobili Lamborghini to present the ASUS Lamborghini VX series NB high-speed version.
January 2007	ASUS AS-D770 and NB were crowned as Top-50 Industrial Purchasers in 2005 by the Commercial Times newspaper in Taiwan. ASUS products were the first choice for the industry, professionals; and networking users.
February 2007	ASUS was awarded with three citations in MIS Best Choice by Institute for Information Industry: Barebones and server were ranked in the first place, and advanced NB was ranked in the second place.
March 2007	ASUS presented the first 3.5G NB in Taiwan that led consumers entering new mobile phone era.
June 2007	ASUS was awarded 39 citations in the 15 <sup>th</sup> Taiwanese Excellence Awards for its excellent quality and innovation; that was second to none.
July 2007	ASUS announced plans to have brand name business and OEM/ODM business divided at the press conference of SEC in July 2007. ASUS was divided into three divisions, where brand name business was the responsibility of ASUS and OEM/ODM was the responsibility of Pegatron Corporation and Uniha Corporation, as of January 1, 2008.
July 2007	ASUS was recognized by Business next Magazine as the “2007 Top-10 Brands Taiwan.” with a brand value of US\$1.196 billion, representing a growth of 166% from the year of 2003.
October 2007	ASUS Eee PC was launched to the market in Taiwan. ASUS Eee PC was popular worldwide and one Eee PC was sold in every five seconds.
November 2007	The environmental protection effort of ASUS was recognized for the first time; Oekom, an international reputable institute for environmental protection evaluation, ranked ASUS in first place for “2007 Environmental Protection.” Also, ASUS was the first Chinese IT industry to have received such an honor in the last fifty years.
December 2007	ASUS was ranked top in the “Sustainability Award” by the Executive Yuan, presented to the Chairman of ASUS by the Minister.
December 2007	Dr. Yahya AJJ Jammeh, President of the Republic of Gambia, and his 32 officers visited the head office of ASUS and showed strong interest in Eee PC.
December 2007	Chunghwa Telecom and ASUS announced a strategic alliance to integrate the resources for the construction of a perfect digital center and get involved in charity activity with 1,000 Eee PCs donated to schools in the remote area of northern, central, southern, and eastern Taiwan to narrow down Taiwan’s digital divide.
December 2007	ASUS entered the optical field for the first time through the presentation of BrightCam AF-200 and MF-200.



January 2008	ASUS brand-name business and OEM/ODM business were officially divided. The brand-name business was the responsibility of ASUS while OEM/ODM was the responsibility of Pegatron Corporation and Uniha Corporation with each company focusing on creating their own value.
March 2008	The “Dual Hundred-Million-Plan” of ASUS was to have one hundred million NTD budgeted to win over the heart of one hundred million customers. The goal was to provide professional repair and maintenance and consulting service to more customers of ASUS.
April 2008	Intel and ASUS held the “Recycling Computer, Project of Hope” press conference to demonstrate collaboration between businesses and their determination and enterprise actions in saving energy and recycling for the good of the earth.
April 2008	ASUS Foundation was set up integrate resources effectively, give feedback society and fulfill social responsibility.
May 2008	ASUS Computer was awarded with the 16 <sup>th</sup> “Symbol of Excellence” this year and ASUS was the biggest winner. The excellent technological R&D, the humanity technology, and the innovation of ASUS resulted in fifty-one ASUS products awarded with the “Product of the year award” at the “Symbol of Excellence” this year. In particular Eee PC and R700t navigator were awarded with the “gold

	medal” award. Six products of ASUS were awarded with the “silver medal” awards. ASUS is second to none in the industry in the sense of quality and quantity.
July 2008	Enforced “Reverse Recycling Green Marketing Business Plan”
August 2008	ASUS was the designated hardware brand for Advanced Overlocking Championship (AOCC) in 2008, with the products receiving high praise. The combination of ASUS P5Q3 Deluxe, Striker II Extreme, and ENGTX280 had broken the record by performing successfully at the extreme temperature of 100°C below.
November 2008	ASUS Eee Family promoted new products including the all-in-one touch-panel screen computer Eee Top ET16 series with 15.6” touch big screen. The computer can be operated with screen touch for an effective interaction and operation with the device that is different from conventional table-top computers.
November 2008	The tough Japanese market was conquered by the easy-to-learn and easy-to-use Eee PC! According to the survey in November by the most creditable 3C survey company, Business Computer News (BCN), Eee PC was the champion in sales of Notebook and named the most popular product of the year by the Japanese lifestyle and fashion magazine DIME.
December 2008	ASUS Eee PC was named the product of the year by Forbes and Stuff Magazine in the U.K. The Japanese lifestyle and fashion magazine Dime honored Eee PC with top product. Sweeping from the west side to the east side of the Atlantic, America’s benchmark on-line retailer Amazon also selected Eee PC as the most popular Christmas gift, and it was recommended by 13 different media outlets as the best gift to give. All noted how consumers loved the high mobility of the Eee PC. Spanning Japan, Taiwan, Europe and the U.S., there is no place in the world that has not felt the effect of the Eee PC.



January 2009	ASUS was ranked top by the 24 <sup>th</sup> “consumers’ ideal brand” survey by Management Magazine V. 451 and the “businessman’s ideal brand” of Today V. 626.
February 2009	ASUS and the world leading GPS brand Garmin announced the establishment of a strategic alliance to launch a joint Garmin-ASU-brand smart phone that combines the leading smart phone and GPS technologies.
March 2009	Eee PC series had been selected the top-three models on the shopping list of the benchmark online mall “AMAZON” for multiple times. The newly launched 1000HE model of Eee PC™ had taken up the top-two spots with successful pre-order as an evidence of the popularity of Eee PC. ASUS owned the heart of American consumers with Eee PC™.
March 2009	Global design prize “Red Dot” was awarded in Germany. ASUS had been awarded “Product Design 2009 Winners” this year for five products including Eee PC S101, Eee Keyboard PC innovative computer, S121 notebook, P30 notebook, and innovative “chocolate keyboard.”
April 2009	ASUS was the biggest winner in the 3 <sup>rd</sup> Annual Taiwan Excellence Award competition for three consecutive years where a total of 53 products received the Excellence Award, including the Eee PC, which S101 was awarded the “Gold Award” this year while ASUS Bamboo U6V and P552w smart phone were awarded with “Silver Awards.”
April 2009	ASUS launched the energy-saving motherboards P5Q PRO Turbo and P5Q Turbo on the Earth Day. P5Q PRO Turbo and P5Q Turbo were designed with unique Xtreme Phase power design and ASUS 2 <sup>nd</sup> generation EPU smart energy-saving chips to save power consumption; They system monitors itself automatically, adjusts the power supply, reduces temperature, and increases power efficiency up to 96%.
April 2009	ASUS was held up to the world the gold standard for green products by CNN and TIME Magazine. Eee PC 1000HE was appraised by CNN in the program of “Your Green World.” ASUS Bamboo U6V was awarded” “Green Design 100” by TIME Magazine for the artistic design and environmental protection value.



May 2009	ASUS introduced the thinnest mini notebook, Eee PC 1008HA Seashell! Seamless Eee PC 1008HA Seashell gave a sense of fashion, which was originated from the idea of seashell; weighted only 1.1kgs, presented a sexy, slim body only 18mm thick, and featured a 92% Baby Touch keyboard and a power-saving 10.1" LED display.
May 2009	ASUS was ranked No. 1 for "product and service quality" and "innovation" in the "Asian Business 200" by Wall Street Journal in Asia. ASUS received the highest ranking in the 3C industry under "domestic industry" in the "Asian Business 200."
June 2009	ASUS's pioneering motherboard was the first to pass Energy Star 5.0 certification. ASUS was certified for professional energy-saving for the second time since the initial recognition as the gold standard for green products manufacturer by CNN and TIME Magazine.
September 2009	ASUS introduced the brand new ASUS UL Series, demonstrating Turbo 33 duo-core effect, 12-hour long-lasting power, and a super-thin notebook that broke the myth of permanence and efficiency conflict and established a brand new standard for mobile computation.
October 2009	ASUS was recognized for innovation in energy-saving effort. ASUS computer was the first one in the world to receive third party validation of "Environmental Product Declaration (EPD)" and the first to win "carbon footprint (carbon neutrality)" certification. ASUS was the first enterprise in Taiwan to receive the gold environmental protection logo of EPEAT of the United States; the Company is also the first top-ten computer brand in the world to receive the "EU Flower" certification. ASUS has dedicated itself to the principles of green environment, carbon-reduction, and care for the Earth.



January 2010	ASUS P6X58D Premium was the first USB 3.0 motherboard in the world to receive USB-IF (USB Implementers Forum) certification and led consumers entering USB3.0 high-speed transmission era.
February 2010	The Company held its extraordinary shareholders' meeting on February 9, 2010, and passed a resolution for the spin-off of its ODM business. This resolution required the Company to spin off the ODM assets and business (the Company's 100%-owned long-term equity investment in Pegatron) to the Company's wholly owned existing subsidiary Pegatron International Investment Co., Ltd. Pegatron International Investment Co., Ltd. will issue new shares to the Company and the shareholders of the Company as consideration. The Company will have a capital reduction of \$36,097,609 or a capital reduction of approximately 85%. It is expected that the Company will acquire approximately 25% of the equity in Pegatron International Investment Co., Ltd. and that the shareholders of the Company will in total acquire approximately 75% of the equity in Pegatron International Investment Co., Ltd. The spin-off date is expected to be June 1, 2010.
February 2010	ASUS introduced the first Smart3 Garmin-Asua M10, the perfect smart phone for navigation, daily life, superpower community function, and a multi-functional Windows smart phone.
February 2010	ASUS introduced the first USB 3.0 ASUS N series mobile video flagship notebook with built-in SonicMaster sound technology. It is the gold standard of mobile video and audio theater.
March 2010	ASUS was awarded with international industrial design prizes again – the chocolate keyboard was awarded with the gold medal of iF design in Germany.
April 2010	Participated in Taiwan Pavilion Shanghai Expo2010 with the high-performance computer BA5190 exhibited for light screen performance, water table lamps, and window on Taiwan. The high-performance machines were used to display the beauty of Taiwan to the guests visiting the Taiwan Pavilion from all over the world.
April 2010	The 18 <sup>th</sup> "Symbol of Excellence" was awarded to ASUS, the biggest winner of the year. Gold Medal was awarded to Eee Keyboard PC including five nominations of Gold Medal and 36 "Symbol of Excellence" Awards. ASUS was the biggest winner of the "Symbol of Excellence" for seven consecutive years and awarded with the "Outstanding Award" of the year.

June 2010	The G51 3D notebook of ASUS was awarded the 2010 Taipei International Computer “Product of the Year Award” and “Display & Digital Entertainment Award.” Eee PC™ 1015PE was awarded the Red Dot Design Award in Germany and “Green ICT Award” at COMPUTEX 2010. AP-N53 Mini Dual Band Wireless Router won the recognition of the review panel with its light, compact, portable, and powerful network shareware. AP-N53 Mini Dual Bank Wireless Router is the Best Choice, with four awards awarded consecutively.
August 2010	ASUS marketed the “Own SonicMaster and enjoy the sound of music” SonicMaster notebook. Mr. David Lewis of Bang & Olufsen was the designer. NX90 gave not only extreme video shock but also stylish classic design elements.
August 2010	In recognition of ASUS’s dedication to environmental protection, energy saving, and society involvement for years, ASUS was awarded with the 2010 Top-Ten Corporate Citizenship Award by <i>CommonWealth</i> Magazine.
September 2010	ASUS was awarded with the Top-Three Brands of the “2010 Top-Ten Taiwan Brands” by the MOEA, Foreign Trade Association, and Interbrand. The overall brand value had increased up by 5% from the year of 2009 for a record high of US\$1.285 billion.
October 2010	ASUS constructed “Florabot” technology view for the four chambers of the dream house at “Taipei Expo2010.”



January 2011	ASUS was recognized with eight awards at iF Product Design in Germany, and was the biggest winner of the year.
March 2011	ASUS introduced the Eee Pad Transformer of Android® 3.0 operating system. The Eee Pad Transformer featured the “deformation” function. Eee three-in-one base and multiple expansions, superior to any other TabletPC in market. Transformer also includes (USB 2.0/SD/micro SD slot) and 16-hour UPS.
March 2011	The first green brands chart was introduced in Taiwan, with a focus on ten industries and 155 brands to encourage the green brands for the good of the society taking as a whole. ASUS outperformed others and was recognized in the category of information industry with the “Super Green” award.
April 2011	ASUS participated in the largest design convention in the world: The design week in Milano Italy with the theme of “Senses Remix” embracing all kinds of sensory experience, directing visitors to explore how technology enrich hearing sense, sense of sight, and sense of touch. The exhibition center was the best ever.
April 2011	The Gold Medal and Silver Medal of the 19th “Symbol of Excellence” were awarded to the 45 products of ASUS, the biggest winner of the year.
April 2011	The 2011 Energy Star Certification was held in Washington D.C. in the United States. ASUS was awarded with “Excellence in Efficient Product Design”. The exclusive ASUS developed Super Hybrid Engine (SHE) with super energy-saving techniques has been appraised by the Environmental Protection Agency (EPA).
May 2011	ASUS Eee Pad Transformer won the 2011 Taipei Computex Best Choice Award in category of the Best Choice of the Year, Best Design Award and the Best Choice in “Computer and Systems.” The world’s first halogen-free monitor, VW247H-HF and Bamboo series notebooks, U43SD were awarded with the Green ICT Award. The o!Play Gallery high-speed USB 3.0 player was awarded Best Choice in the category of “Display and Digital Entertainment” while the Two-Way HDMI Streaming Media Center WAVI won the Best Choice in the “Telecommunication category.” ASUS outperformed the competition with seven awards.
June 2011	ASUS agreed to establish the Shou Yang Digital Technology Co., Ltd with AAEON Technology for M&A, based on the consolidation date of June 1 <sup>st</sup> , 2011. Shou Yang was the surviving corporation after the merger and acquisition, the Company was renamed AAEON Technology on July 4 <sup>th</sup> , 2011. ASUS Group is holding 65% of the integrated ownership.
June 2011	ASUS introduced its new branding vision “In Search of Incredible.” which was incorporated in the ASUS N series and debuted with Jay Chou’s special version of notebook, exhibiting the cross—boundary interaction of technology and arts.



July 2011	The TAITRA organized the “Top 100 Taiwan Brands” as part of the centennial celebration of the founding of Taiwan. ASUS products were recognized by the judges and consumers to be selected as one of the top 100 Taiwan products.
September 2011	ASUS was ranked as the top 3 international brands of Taiwan for the 9 <sup>th</sup> consecutive years and the market value of the brand is valued at NT1.637 billion.
October 2011	ASUS released of the latest ZENBOOK™ super-slim notebook in step with the world. Chairman Jonney Shih first released the product in New York, followed by London, Milan and Taipei. The synchronized global disclosure.
November 2011	ASUS cooperated with NVIDIA and launched the world’s first 10.1-in Android-based TabletPC carrying NVIDIA® Tegra® 3 4-core processor. The product, equipped exclusively with the ASUS Eee keyboard base, inherits the concept and spirit of “transformation” from ASUS, and exhibits exceptional action and battery life.
November 2011	ASUS announced its major deployment in cloud computing by launching the “ASUS Private Clouding” to integrate clouding platform, enterprise application software, and comprehensive solutions for server systems, so that enterprises can quickly build exclusive private clouds with all-in-one convenience and safety.
December 2011	ASUS officially released the worlds’ first 4-core processor carrying NVIDIA® Tegra® 3 while exhibiting the Google Android 4.0 ICS (Ice Cream Sandwich) based ASUS transformation TabletPC for the first time.



January 2012	ASUS won six product innovation awards in CES exhibition, in the categories of wireless portable, personal electronic products, audio equipment, computer hardware, and components. PadFone was awarded with the Best of Innovations Award in the category of wireless portable products, demonstrating ASUS’s leadership in the field of digital life products.
January 2012	ASUS was the biggest winner for the 9 <sup>th</sup> consecutive year in the 20 <sup>th</sup> Taiwan Boutique Awards; a total of 50 products received awards.
January 2012	The National Center for High-Performance Computing adopted ASUS ESC4000 server to complete the establishment of the largest GPU super computer in Taiwan. It was the first time ASUS was listed (in 234 <sup>th</sup> place) in the global Top 500 super computers, and in the 37 <sup>th</sup> place in the Green 500 Super computers category.
April 2012	ASUS announced the series “Happiness 2.0” with new laptop standards, featuring the five dimensions in Beauty, Sound, Touch, Instant On, Instant Connect, and Cloud, which aim to comprehensively enhance user experience.
May 2012	ASUS was awarded with HSPM certificate (Hazardous Substance Process Management) from IECQ becoming the world’s first computer company to receive the prestigious awarded.
June 2012	In the 2012 Best Choice competition, ASUS again won several awards in six categories. ASUS Transformer Pad Infinity and PadFone won the Best Choice Gold Awards in the Computer & System category, and Innovative and Smart Mobile Device categories. Eee Box EB1033 also won the Green ICT Award with recycling rates as high as 90%. The ASUS P1 LED Projectors and O!Play Smart TV were awarded with Best Choice in category of Display & Digital Entertainment. Moreover, EA-N66 Dual-Band Wireless-N900 Ethernet Adapter won Best Choice in category of Computex.
June 2012	For the first time, ASUS cooperated with Google to develop the Jelly Bean Nexus 7 Tablet with the latest Android 4.1 Jelly Bean operating system. Nexus 7 combines the robust hardware design power of ASUS and the latest Google software service, integrating the outstanding hardware/software combination to create market-changing advantages.
October 2012	ASUS released the PadFone™ 2 in Milan and Taipei in a synchronized global presentation. The phone is noted for being highly intuitive and convenient for consumers.
October 2012	ASUS released the latest series of products carrying Windows 8 operating system. Chairman Jonney Shih first released the product in New York, followed by CEO Shen Zhen in Taipei, driving new products such as ASUS TAICHI, ASUS Transformer AiO, and ASUS Transformer Book to new peaks.



January 2013	Fifteen ASUS products received Innovation Awards at the CES exhibition. The winning product categories covered innovative design and technological scope, including premium game hardware and accessories, computer hardware and components, computer peripherals and equipment, TabletPC, and e-readers, mobile computing devices, display, and wireless portable products.
February 2013	MWC listed the TabletPC product in its Global Mobile Awards 2013 for the first time and ASUS Nexus 7 was the first Taiwanese TabletPC to win the award from MWC.
April 2013	ASUS collaborated with Taipei City Government to build Taipei iCloud providing five cloud services, including “Citizen Cloud,” “Enterprise Cloud,” “Education Cloud,” “Health Cloud,” and “Open Data Cloud” to offer diverse and convenient cloud applications for Taipei citizens.
April 2013	ASUS collaborated with UniMax Electronics Inc. to develop the “Smart Navigation & Infotainment System.” The system was first introduced to Toyota electric vehicle through the “Sun Moon Lake Scenic Area Smart Electronic Vehicle Pilot Project.”
April 2013	ASUS was again the biggest winner in the 21st Taiwan Excellence Awards and has received the most awards in 11 consecutive years, with a total of 41 products receiving awards. Of particular note; PadFoneTM2 was awarded with Gold Award and ASUS TAICHITM awarded with Silver Award.
May 2013	ASUS joined Chunghwa Telecom to expand the cloud service market, offering innovative and diverse cloud services to consumers through personal cloud, family cloud, health cloud, and creativity cloud. ASUS also launched multi-monitor and digital content integration to upgrade cloud experience countrywide.
June 2013	ASUS presented “WE TRANSFORM” at Computex, stressing ASUS’s continuous innovation in leading digital reform, and conveying its pursuit of unparalleled brand spirit. ASUS launched an epoch-marking innovative transformer product, the ASUS Transformer Book Trio. Carrying Windows 8 and Android dual Operation Systems, it is the first transformer product in the world that integrates laptop, TabletPC and desktop computer in one.
June 2013	ASUS’s digital service was recognized by Digital Times and was awarded the “Digital Service Bench Enterprise.”
July 2013	ASUS launched a new-generation Nexus 7 with Google, which carries an innovative built-in wireless charging function and comes with 1920x1200 Full HD (323ppi) to become the leader of 7” TabletPC.
July 2013	ASUS ESC4000/FDR G2 Server was adopted by, two super computers, SANAM and Seneca Data Cluster ranked 52th and 364th place respectively in the TOP500 Supercomputer list in 2013, for high-powered performance and ultimate processing speed. At the same time, the two products comply with eco-friendly standards, receiving recognition through the 4th and 194th place on the green500 org list.
August 2013	Leading in the motherboard brand, ASUS re-established a new milestone by adopting Z870C motherboard with Intel Z87 chipset to become the world’s first certified motherboard for WINDOWS 8.1 WHQL.
September 2013	ASUS Transformer Book Trio was introduced during the Intel Developer Forum by Chairman Jonney Shih. The brand-new mainstream ASUS Transformer Book T100 is the first world’s first device integrating laptop, TabletPC and desktop PC all-in-one. The ASUS Transformer Book Trio was simultaneously introduced in San Francisco, USA.
September 2013	ASUS Foundation donated 2,000 TabletPC to digitally disadvantaged areas and families in Taiwan and overseas via the Ministry of Foreign Affairs, Ministry of Education and Tzu Chi Culture and Communication Foundation. All levels of education, libraries, residents in remote areas and children of low household income will benefit in nine allied countries from this donation.
September 2013	ASUS participated in the 2013 Taiwan Designers’ Week, with the ASUS Design Center featuring “Capture – In Search of the Moment” to explore surprising and touching beautiful moments in life through the pursuit of aesthetics whose context is hidden in both tangible and intangible things. Through a dynamic vision of technology progress, ASUS builds an imaginary blueprint of literacy and design, accomplishing ASUS’s brand spirit “In Search of Incredible.”

October 2013	ASUS was awarded with First Place for 2013 as the “Most Prestigious Benchmark Company in Taiwan” in the category of Appliances and Information Service Industry from <i>CommonWealth</i> Magazine. ASUS demonstrated outstanding performance in 10 competency indicators including forward-looking and innovation, talent fostering, customer experience, business performance, and citizen responsibility.
November 2013	ASUS ranked top in the “Ideal Brands for Business Elites” in category of laptop computer awarded by Business Today for the sixth consecutive year.
November 2013	ASUS was awarded the top 3 international brands in Taiwan for the 11th year in a row. In 2013, ASUS brand value again hit a record high, reaching \$1.711 billion US, establishing a new milestone for ASUS’s corporate philosophy of “In Search of Incredible.”
December 2013	In the 22th Taiwan Excellence Awards revealed in 2013, ASUS received the greatest number of awards for the 11th consecutive year. Among the 50 products awarded, six products received the Gold Award.



January 2014	At the 2014 CES, ASUS released the smart ZenFone with exceptional product personality; new transformer PadFone mini; the transformer PadFone X in joint cooperation with AT&T; the Transformer Book Duet (TD 300), and ROG Swift PG278Q WQHD monitors exclusively designed for computer gamers. T
February 2014	ASUS presented two major applications at the 2014 Mobile World Congress (WMC): the user interface of ASUS ZenUI smart mobile device and PixelMaster image processing technology. The intuitive ZenUI brings to consumers a brand-new system interface for user experience, while the PixelMaster image processing technology provides more exquisite and lively images.
March 2014	ASUS outperformed in the 2014 iF Awards, receiving awards for 11 products among the 4,352 products from 51 participating countries. ASUS also received highest honors in design for three major project categories.
March 2014	The list of 2014 Red Dot Design Awards showed that ZenFone and the ROG Maximus VI Formula motherboard outperformed 4,815 participating design works from 53 participating countries based on ASUS’ innovative design concept that encompasses ‘humanity’, ‘aesthetics’ and ‘performance’. These products were recognized by international experts with the Red Dot Award in the category of consumer electronic product design.
April 2014	ASUS held the global launch of the ZenFone series, including the ZenFone5, ZenFone 6 and PadFone mini, in National Taiwan University Sports Center, inviting over thousands of ZenFans to participate.
April 2014	The 22nd Taiwan Excellence Award of 2014 was announced, and it was the 12th consecutive year that ASUS won the most awards.
May 2014	ASUS held a Sports Day on its 25th anniversary, with over 6,000 employees and their families taking part in the event. ASUS Chairman Jonney Shih, Vice Chairman and President Jonathan Tsang, and CEO Jerry Shen jointly lit the opening fire, symbolizing hope, teamwork and sportsmanship, which drive ASUS towards becoming the world’s most admired company in the new digital era.
May 2014	ASUS held an ASUS Cloud Day and announced the ASUS Cloud strategy, establishing a common industry platform that integrates interdisciplinary resources and collaborates to expand local synergy to international market.
May 2014	ASUS, Show Chwan Health Care System, and Chung Hwa Telecom jointly promoted the release of Palau Health Cloud Service by providing local health care services to Palau residents, using the professional advantages afforded by integrating Taiwanese cloud technology, IT and healthcare. This resulted in the creation of the first transnational health cloud services.
June 2014	Three ASUS products received the Best Choice Award from Computex 2014. ASUS also received 17 Computex Design & Innovation Awards.
August 2014	Unimax, an ASUS subsidiary, and Hotai Motor jointly released the world’s first ‘Toyota smart driving system’, which seamlessly integrates an ASUS tablet with a vehicle to offer a smart driving experience.

September 2014	In cooperation with Google, ASUS released ZenWatch, the Company's first smartwatch using Android Wear at the 2014 IFA in Berlin, Germany. The exquisitely-crafted smartwatch features superior aesthetics, smart applications and wellness management to provide users with a sophisticated timepiece. ZenWatch marked the Company's official entrance into the wearable market.
October 2014	ASUS was recognized for being one of the best enterprises in the Home Appliance and Information Service Industry category by CommonWealth Magazine.
November 2014	ASUS design innovations were recognized with 17 Good Design Awards 2014 from the Japan Institute of Design Promotion (JDP). Awarded products included 7 laptop computers, 2 tablets, 3 desktop computers, plus motherboards, projectors, LED monitor, All-in-One PCs and a tablet cover. ZenBook UX305 laptop and the S1 mobile LED projector were further honored with inclusion in the annual Good Design Best 100 list.
December 2014	ZenFone 6 and the S1 projector were awarded with the highest prestige in IT monthly top 100 innovative products with recognition in "Innovation Gold Quality Award."
December 2014	An ASUS-powered supercomputer was awarded top position in the prestigious Green500 list of the world's most power-efficient supercomputers. The L-CSC computing cluster used 160 ASUS ESC4000 G2S servers, opening up a brand-new milestone for ASUS's In Search of Incredible brand benchmarking.
December 2014	11 ASUS products were selected as the "Gold Pin Design Award". In particular ASUS ZenBook UX301 laptop was awarded the prestigious Best Design of the Year Award.
December 2014	ASUS was recognized for the second consecutive year as the number-one Taiwanese brand in the Best Taiwan Global Brands Awards 2014, with a new record high for estimated brand value of US\$1,723 million.
December 2014	ASUS entered the wearable device market with ZenWatch, which was officially launched in the Taiwanese market.



January 2015	The ASUS 'Experience 2Morrow' event was held at the 2015 International CES press conference, with three breakthrough designs announced that combine performance, power and design aesthetics: Transformer Book Chi, ZenFone 2 and ZenFone Zoom.
January 2015	ASUS has sold over 500 million motherboards worldwide since its foundation in 1989; Placing side-by-side, these motherboards could circle the earth nearly four times.
January 2015	ASUS strengthened its comprehensive customer service program by launching the first 'one-hour mobile phone quick repair' service. This innovation helps create unrivaled customer satisfaction with fast, convenient customer-oriented services.
February 2015	ASUS was awarded the Medal of Diplomatic Contribution Award from the Ministry of Foreign Affairs, recognizing ASUS Foundation's commitment to reducing the digital gap in Asia Pacific and Central/South America.
February 2015	ASUS was awarded the Service Model Brand Award from the biggest 3C digital marketplace in Taiwan, Guang Hua 3C Purchase Magazine. Both laptop and motherboard products received Channel Model Brand Awards.
February 2015	ASUS released the world's fastest and most complete SuperSpeed+ USB 3.1 motherboard and expansion card.
February 2015	U.S. Forbes Magazine announced the 2014 World's Most Admired Company List and ASUS was ranked 6th in the computer industry category.
March 2015	ASUS is named 2nd place in the 3C category of the Power Brand survey conducted by Manager Today magazine in Taiwan.
April 2015	ASUS introduces the AiCam, a smart cloud-based camera.
April 2015	ASUS graphics cards sales reach 125 million and celebrate an industry-leading 8,000+ global awards since 1996.
April 2015	ASUS is the most recognized company at the Taiwan Excellence Awards for the 13th consecutive year. More than 40 ASUS products receive Taiwan Excellence certification.
April 2015	ASUS VivoWatch, the first ASUS wearable, designed with a focus on fitness and wellness, debuts at Milan Design Week.

May 2015	ASUS opens its first experiential shop in Syntrend Space in Taipei, with Zensation as its design theme.
June 2015	ASUS presents <i>Zensation</i> at the Computex press event and launches Zen-inspired products, including ZenPad, ZenFone Selfie, and Zen Aio, along with ROG gaming products.
June 2015	ASUS receives more Computex awards than competitors, including 6 Best Choice awards and 8 Computex d&i awards.
August 2015	ASUS introduces the Z170 motherboard series, with Intel 6th gen Core™ processors.
August 2015	ASUS holds the <i>Incredible Comes to Latin America</i> press event in San Paulo, launching the ZenFone in Latin America.
October 2015	ASUS Chairman Jonney Shih joins the Asian Leader Summit and is awarded Outstanding Leader by Future Magazine in Taiwan.
October 2015	ASUS achieves 2nd place in the 2015 Taiwan Innovative Enterprises survey, organized by the Ministry of Economic Affairs.
October 2015	UniMax, an ASUS subsidiary, receives the National Yushan Awards for its Intelligent Navigation System.
November 2015	ASUS introduces Chromebit, the world's smallest Chrome OS device; which transforms any HDMI-compatible TV or monitor into a Chrome OS desktop.
December 2015	ASUS introduces the world's fastest tri-band router, RT-AC5300.
December 2015	ASUS ranks No. 1 in notebook sales in Taiwan, with 54% of market share; the ASUS GTX graphics series reaches 35% of global market share.
December 2015	ASUS is recognized as the No. 1 Taiwanese brand for the 3rd consecutive year during the Best Taiwan Global Brands Awards, with estimated brand value of US\$1.78 billion.



January 2016	ASUS wins five 2016 CES Innovation Awards.
January 2016	At CES, ASUS announces a partnership with Google for creating innovative computing solutions for next-generation consumer IoT smart home products.
January 2016	ASUS ROG GX700, the first liquid-cooled gaming laptop, is launched in Taiwan.
February 2016	For the 2nd consecutive year, ASUSTeK is named among the World's Most Admired Companies by Fortune magazine.
February 2016	ASUS introduces the 970 PRO GAMING/AURA, the world's first 970 AMD gaming board with official NVIDIA® certification.
February 2016	ASUS introduces the world's first USB Type-C™ powered portable display, MB169C+.
February 2016	ASUS wins 13 iF Product Design awards, setting a new company record for wins during an iF Design event.
March 2016	In collaboration with Taipei City, Academia Sinica, and Realtek, ASUS Cloud introduces the first smart city air pollution monitoring project: Air Box PM2.5.
March 2016	ASUS wins the Channel NewsAsia Innovation Luminary award.
April 2016	ASUS wins 15 Red Dot Product Design awards, setting a new company record for wins during a Red Dot Design event.
April 2016	ASUS Design Center presents the Glow of Life exhibition during Milan Design Week in Italy. The exhibition features a forest of illuminated tree sculptures that visitors interact with using their smartphones to create mesmerizing displays of light and color.
April 2016	ASUS wins Taiwan Excellence Awards for the 14th consecutive year. A total of 47 products are awarded.
May 2016	ASUS initiates the Beyond VR Ready program, leveraging advanced engineering, research and cutting-edge technologies to create the best VR experiences. ASUS works closely with leading industry partners to ensure that all components and devices are compatible with the latest VR technology.
May 2016	ASUS hosts the Zenvolution press event at Computex 2016 to unveil Zenbo, the first ASUS robot, along with an advanced portfolio of third-generation mobile products designed to provide users with revolutionary functionality for pursuing their passions. The lineup includes the all-new ZenFone 3 Series, featuring ZenFone 3 Deluxe, ZenFone 3, and ZenFone 3 Ultra; ZenBook 3, an ultrasleek and lightweight notebook



	with a premium aluminum design; and ASUS Transformer 3 and ASUS Transformer 3 Pro, the world's most versatile PCs that feature an unrivalled combination of mobility, convenience and expandability.
May 2016	ROG hosts the Join the Republic press event at Computex 2016, celebrating its first decade of premium gaming innovation and market leadership — and unveiling a new lineup of elite gaming gear.
June 2016	ASUS is the first consumer IT headquarters in the world to complete UL's landfill waste diversion validation procedure and receive their Zero Waste to Landfill verification (UL ECVP 2799).
June 2016	ASUS opens the first ROG VR amusement pavilion — FuVision VR — in Taiwan.
July 2016	ASUS officially launches the beautifully designed ZenFone 3 series in Taiwan.
August 2016	ASUS unveils ZenWatch 3 at the IFA press event in Berlin.
August 2016	ASUS purchases a plot of land (5,710 square meters), where it will build its new headquarters.
September 2016	ASUS showcases two servers, ESC4000 and ESC500 G4, to demonstrate the latest in super computer technology at the NVIDIA GPU Technology Conference event.
September 2016	ASUS marks success in the Japanese market. As well as retaining its No. 1 position among Android tablet makers, the company captures majority market share for 2-in-1 computers and SIM-free smartphones.
October 2016	ASUS wins nine Good Design 2016 awards.
November 2016	ASUS Chairman Jonney Shih attends the 18 <sup>th</sup> Nikkei Global Management Forum to share the ASUS experience of navigating paradigm shifts.
November 2016	ASUS partners with Mika Ninagawa, a famous modern art photographer in Japan, to work on creative assets for ASUS ZenBook 3, ASUS ZenFone 3, ASUS ZenPad 3S and other Zen 3 Series products, and to produce limited-edition accessories that include her signature.
November 2016	ASUS wins eight CES 2017 Innovation awards.
November 2016	ASUS is ranked Taiwan's No. 1 international brand in the Best Taiwan Global Brands survey for the 4th consecutive year, with a brand value of US\$17.48 billion for 2016.
December 2016	ASUS wins ICT Month Innovative Elite Gold awards for ZenFone 3, ROG Swift PG348Q, and Reco Smart projects.
December 2016	ASUS ranks No. 1 for the 9th consecutive year in the Laptop Computer category of the Ideal Brands for Business Elites survey conducted by Business Today.
December 2016	ASUS introduces Aura Sync technology — the world's first RGB lighting that can synchronize and support all devices with Aura functionality, including motherboards, graphic cards, keyboards, mice and PC components and accessories developed by third-party hardware producers.
December 2016	ASUS wins the 2016 National Sustainable Development Award in the Enterprise category, as presented by the Executive Yuan. The award recognizes the company's commitment to energy conservation, environmental protection, green innovation, socially responsible supply chain management, employee care, and corporate social participation.
December 2016	ASUS holds a special event to unveil three major usage scenarios for Zenbo.



January 2017	In cooperation with the National Police Agency, ASUS announces that each ZenFone will be preloaded with a new Police Service app that offers convenient emergency services for users, starting in 2017.
January 2017	ASUS ROG wins seven Taiwan Esport Top Gear Awards.
February 2017	ASUS is the biggest winner of Taiwan Excellence Awards for the 15th consecutive year, with a total of 44 products receiving Excellence Awards.
February 2017	Social Value International certifies the SROI report issued by ASUS, marking the first time that a global consumer IT company receives SROI certification.
February 2017	ASUS wins 15 iF Product Design awards, setting a new company record for wins during an iF event.

March 2017	ASUS Chairman Jonney Shih visits a Zenbo customer in person to provide them with a unique customer service experience as well as to receive feedback about the user's experience with Zenbo.
April 2017	ASUS adopts a 500-meter coastal area in Bali, Taiwan, and together with its employees voluntarily cleans the area to assist the national Environmental Protection Administration in efforts to beautify Taiwan's coast.
April 2017	Laptop Magazine names ASUS the No. 2 laptop brand, worldwide, ranking it highest in design, value and selection.
April 2017	ASUS receives nine Red Dot design awards.
April 2017	To celebrate International Earth Day, ASUS organizes a team of volunteers to participate in environmental cleanup activities.
May 2017	ROG partners with worldwide League of Legends champions SK telecom T1 to bring new innovations and trends to the gaming market.
May 2017	ASUS partners with IBM in Taiwan to announce a new cloud strategy for a smart city and IOT development involving Watson, IBM's questing-answering computer system, and the ASUS Cloud OmniStor data center.
May 2017	ROG becomes official sponsor of the Asia division of Rift Rivals in the worldwide League of Legends competition held by Riot Games and Garena.
May 2017	ASUS receives 20 Computex awards, including eight Best Choice awards and 12 Computex d&i awards. Zenbo, ROG Swift PG27UQ, and Blue Cave all win Best Choice Golden awards.
May 2017	ASUS announces five new thin and lightweight laptops during the Computex 2017 press event, including ASUS ZenBook Pro, ZenBook 3 Deluxe, ZenBook Flip S, VivoBook Pro 15 and VivoBook S15.
May 2017	ROG unveils a full lineup of new gaming gear at Computex 2017, including the world's thinnest and most powerful gaming laptop, ROG Zephyrus.
June 2017	Acknowledging World Environment Day, ASUS announces that it recycled more than 10,935 tons of e-waste in 2016, representing approximately 12.2% of the total estimated weight of products sold over the year. The company sets new goals for 2020 and 2025, aiming to increase recycling rates to 15% and 20%, respectively.
July 2017	Askey, an ASUS Group subsidiary, collaborates with Taipei's Transportation Department to create the first smart bus station.
August 2017	ROG and Logitech co-establish a professional esports arena.
August 2017	ASUS ranks No. 6 in the Commonwealth Magazine survey that tracks CSR and sustainability efforts of large corporations.
August 2017	ROG launches new gaming gear at IFA 2017, including ROG Chimera gaming laptop and ROG Strix XG35VQ curved gaming monitor.
September 2017	Zenbo and Fengfu collaborate on Zenbo Baby+ project, with the goal of developing content that will help make Zenbo the smartest and friendliest partner for preschool children.
September 2017	ASUS Chairman Jonney Shih receives T3 Lifetime Achievement Award for his contributions to the global technology industry.
October 2017	ASUS and Qualcomm work with the city of Tainan, FarEasTone and Industrial Technology Research Institute to innovate a new method of mobile learning to provide teachers and students with a new medium for learning and an external teaching platform.
October 2017	ASUS hosts beach cleanup activities to demonstrate its commitment to caring for the environment.
October 2017	ROG teams up with 168inn to create Asia's first gaming ihotel.
October 2017	ASUS ranks No. 26 on Forbes Top Regarded Companies, and is the only Taiwanese company named in the top 100.
October 2017	ASUS is chosen to represent Taiwan in Facebook's Made by Taiwan brand advertisement campaign.
October 2017	ASUS participates in the Guandu Festival for the third consecutive year, celebrating local community and traditions.
October 2017	ASUS receives a Green award from Cannes Lions and PwC for dedication to the environment across global operations.
November 2017	ASUS receives 15 Good Design awards.
November 2017	Zenbo is released in China, and ASUS collaborates with TenCent on Zenbo Qrobot project to create smart home lifestyles.

November 2017	ASUS works with HsinChu city government to launch the first smart city public data platform.
November 2017	ASUS ranks No. 1 in Interbrand's survey of Taiwanese brands, with a brand value of US\$1.678 billion.
November 2017	Taiwan Institute for Sustainable Energy presents ASUS with an award in its Top 50 Corporate Sustainability Report category.
November 2017	ASUS hosts a night running event to encourage healthy lifestyles for its employees.
December 2017	ASUS receives 35 Taiwan Excellence awards, making it the largest winner for 16 consecutive years.
December 2017	In collaboration with Kaohsiung Medical University, Chung-ho Memorial Hospital, Crux-healthtec and National Sun Yat-sen University, ASUS launches the ASUS Healthcare platform to promote better healthcare management.



January 2018	ASUS receives Taipei City government's Youth Enterprise Award for efforts to provide career plans and opportunities for young professionals.
January 2018	ASUS RS700-E9 Series servers and WS C621E SAGE workstations are awarded for high performance across 18 different standards by the Standard Performance Evaluation Corporation.
January 2018	ASUS Cloud announces cooperation with 7-ELEVEN's ibon and FamilyMart's FamiPort to offer cloud services for printing, taking the lead by being the first cloud platform to offer this service to private enterprises.
January 2018	Fortune magazine names ASUS in its World's Most Admired Companies list.
January 2018	Thomson Reuters names ASUS in its Top 100 Global Technology Leaders list.
January 2018	ASUS CEO Jerry Shen leads 300 colleagues in the Standard Chartered Marathan to promote a healthy lifestyle for all employees.
February 2018	ASUS Foundation's 10th anniversary film receives three awards at the 2018 Taipei Golden Eagle Micro-Movie Festival.
February 2018	For the 15th consecutive year ASUS wins iF design awards for product innovation and design, setting a new record with 18 product awards.
March 2018	ASUS opens its first flagship store in Tokyo, providing Japanese consumers and tourists with immediate, high-quality service.
March 2018	ASUS subsidiary Unimax becomes a member of the SDL consortium which is tasked to create a unified infrastructure for smart car navigation systems.
March 2018	ASUS announces successful completion of its validation procedure in UL Environment's Circularity Facts program.
March 2018	ROG becomes official sponsor of the 107 National Intercollegiate Athletic Games.
April 2018	ASUS receives 16 Red Dot design awards.
April 2018	ASUS launches its first AI smartphone, ZenFone 5, for the Taiwan market.
April 2018	ASUS receives PwC Taiwan's Environmental Profit and Loss report, which measures supply chain impacts on the environment.
April 2018	ASUS and Flipkart, India's largest e-commerce marketplace, announce a long-term strategic partnership in which Flipkart becomes a premier ASUS partner and seller of smartphones, starting with models that have been specially designed to address local demand.
April 2018	The ASUS ROG "Republic of Gamers" has elected as the sole brand sponsor of MetalHogs PUBG League and PUBG SEA Championship.
April 2018	ASUS, Taiwan Mobile, and Quanta Computer Incorporated formed the "Taiwan Artificial Intelligence A Team" combining advantages of the three companies in AI field, and have won the "Project of Establishment for Cloud Services and Big Data Computation Facilities, and Integrated Hierarchy Storage System" from the National Center for High-Performance Computing.
May 2018	ASUS has won seven major awards in the Australian PC Awards, and the number of won awards is leading all the brands.
May 2018	ASUS has launched a new commercial management system, Zenbo Management Console (ZMC) and ASUS Zenbo have officially entered the commercial market.



June 2018	The ASUS Republic of Gamers (ROG) held the press conference “For Those Who Dare” in the 2018 Taipei International Computer Show (COMPUTEX) to launch brand new e-sports product line, including the first smartphone for e-sports, ROG Phone.
June 2018	ASUS’ Chairman Jonney Shih led a team to host the 2018 Taipei International Computer Show (COMPUTEX) press conference, to launch the new notebook series, including ASUS ZenBook and ASUS VivoBook, as well as the wearable blood pressure monitor, “ASUS VivoWatch BP.” It also announced to delegates that the famous Hollywood actress Gal Gadot shall be the brand ambassador for notebook computers and All-in-One products.
June 2018	ASUS’s products won 6 “Best Product Awards” and 11 “Innovative Design Awards” at the 2018 COMPUTEX.
June 2018	The ASUS ROG (Republic of Gamers) won 22 media ratings in 20 countries around the world, with the highest honor, the “No.1 E-sports brand,” voted by users.
June 2018	ASUS launched the world’s first external hard drive with E-sport lighting effect, ASUS FX.
June 2018	ASUS launched the large-power smart phone, ZenFone Max Pro, in Russia, and signed a memorandum of cooperation with MTS, the largest local telecommunication provider, for a long-term strategic partnership.
August 2018	The ASUS ROG (Republic of Gamers) demonstrated the flagship model G703GI at ChinaJoy 2018. The CINEBENCH R15 score for practical running exceeded 1646 points, becoming the No. 1 e-sports notebooks in the world.
August 2018	ASUS’s first four-sided narrow-framed notebook, VivoBook S13 was released in Taiwan.
August 2018	ASUS, the ROG (Republic of Gamers), and Far East University have collaborated, to set up the e-sports classroom for “Multimedia and Game Development Management Department,” the first academic facility aiming to cultivate “players.”
August 2018	ASUS has ranked among the top ten companies in the world for Corporate Citizenship Awards.
August 2018	ASUS released the world’s smallest notebook in the 2018 IFA, the brand new ASUS ZenBook series.
September 2018	The ASUS ROG (Republic of Gamers) was rated the Best E-sports Notebook by Laptop Magazine.
September 2018	The first e-sports mobile phone of The ASUS ROG (Republic of Gamers) - “ROG Phone” was released in Taiwan, leading the global market.
September 2018	The ASUS ROG (Republic of Gamers) has partnered with the world’s largest game publisher, Activision Publishing, Inc.
October 2018	ASUS Foundation welcomed its 10th anniversary.
October 2018	The world’s first 17-inch narrow-frame e-sports notebook, ROG Strix SCAR II, under the ASUS ROG (Republic of Gamers), was released.
October 2018	ASUS was selected as one of the most trustworthy companies by <i>Forbes</i> . It is the only selected Taiwanese company, ranked 52nd among all, and ranked second among global computer hardware manufacturers, only after Apple.
October 2018	The smallest 15-inch notebook in the world - ASUS ZenBook 15 was released in Taiwan.
October 2018	ASUS e-sports notebooks’ market shares in five Southeast Asian countries (Indonesia, Philippines, Vietnam, Malaysia and Thailand), are the highest in four of them (Indonesia, Philippines, Vietnam and Malaysia).
October 2018	ASUS was awarded nine awards in the Japanese Good Design Awards.
November 2018	ASUS’ e-sports notebooks have the largest market shares in 12 European countries (UK, France, Netherlands, Sweden, Portugal, Belgium, Czech Republic, Hungary, Romania, Serbia, Russia and Ukraine) in nearly 22 countries in Europe; with the holistic market share of nearly 24%, it becomes the leader in more than one-half of the European market.
November 2018	The first 802.11ax dual-band wireless router in the world, the ASUS RT-AX88U, was launched in Taiwan.
November 2018	ASUS LIFE CORPORATION under ASUS Group, worked with Show Chwan Health Care System to establish the precision medical services.
November 2018	ASUS was awarded 22 Taiwan Excellence Awards, and the number of awards led the peers for 17 consecutive years.

November 2018	ASUS was awarded the highest honor from the Ministry of Labor - "National Occupational Safety and Health Award - Corporate Benchmark Award."
November 2018	Ten product series, including ASUS motherboard, displays and e-sports notebooks, have won three European awards, including "European Hardware Association Community Award", "Hardware Info Community Award 2018" and "KitGuru Reader Award 2018."
November 2018	"Taiwan Artificial Intelligence A Team" formed by ASUS, Taiwan Mobile and Quanta Computer Incorporated, has created the first AI supercomputer, TAIWANIA 2. Its computation performance is ranked 20th in the world and the energy efficiency is ranked 10th in the world.
November 2018	ASUS won the highest honor of Taiwan Corporate Sustainability Awards (TCSA), "The Most Prestigious Sustainability Awards, Top Ten Domestic Corporates," as well as other seven awards, including "Supply Chain Management," "Social Inclusion," "Climate Leadership," "Growth through Innovation," "Circular Economy Leadership," and "Corporate Sustainability Report Award."
November 2018	ASUS LIFE CORPORATION under the ASUS Group engaged the pilot project of the Taipei City United Hospital for field testing, to establish a model of precision medical services.
November 2018	For 40 consecutive quarters, ASUS has led the Taiwanese LCD market in terms of market share.
December 2018	The Board of Directors of ASUS passed three proposals: (1) Setting up a Co-CEO; (2) The plan for strategic transformation of mobile phones; (3) AIOT new strategic business plan, to activate the team inheritance and transformation, committing to become the king of e-sports and the AIOT industry.
December 2018	ASUS launched the first e-sports computation mainframe, Gaming Station GS30.
December 2018	The ASUS ROG (Republic of Gamers) has been ranked first in global professional e-sports display for four consecutive years.



January 2019	The ASUS light and thin notebook series has been No. 1 in terms of market share for seven consecutive years.
January 2019	ASUS ROG (Republic of Gamers) won four CES 2019 Innovation Awards.
January 2019	ASUS and Taiwan Mobile have jointly launched the "Enterprise Storage Cloud" service.
January 2019	ASUS has been selected among the world's most respected companies in <i>Fortune</i> magazine for the fourth time.
February 2019	The ASUS ROG (Republic of Gamers) has formed an alliance with the ESL One 2019 E-sports Tournament, becoming the only officially designated partner of computers and screens in the world.
February 2019	ASUS CLOUD CORPORATION was invited as the keynote speaker in the innovation conference in 4 Years From Now(4YFN), the World Mobile Communications Conference in Barcelona. ASUS was the only representative from Taiwan to participate the EU PULSE project, and shared the experience of smart medical development.
March 2019	The ASUS notebook computer has become the sales champion in the Taiwanese market for 16 consecutive years.
March 2019	The conceptual film of ASUS, "Sustainability 2020" was awarded with the "Excellent Environmental Resources" and "Excellent Management" awards at the 2019 Taipei Golden Eagle Micro-movie Festival. The Corporate Social Responsibility Report was awarded with the "Asia Sustainability Report" Award.
March 2019	ASUS has won 22 awards in the 2019 iF design awards.
March 2019	The world's smallest flip notebook, ASUS ZenBook Flip 13 was released in Taiwan.
April 2019	ROG Zephyrus S was selected as the first place among the world's top ten best e-sports notebooks by TechRadar 2019; ROG G703GI and ROG Strix GL502 were the fifth and seventh place, respectively.
April 2019	ASUS was awarded 21 awards in the 2019 German Red Dot Design Award.

April 2019	The ASUS ProArt™ series introduced the first professional display supporting Dolby Vision PA32UCX/PQ22UC in the world.
April 2019	The ROG Zephyrus S e-sports notebook won the T3 award.
May 2019	In the eastern Europe market as a whole, ASUS continues to be the champion of market share, where we received the award of “Best laptop brand 2018” from the largest local IT media “Connect Magazine” in Romania. In terms of gaming laptops, our ROG Zephyrus GX501 won the “2018 Best gaming product award.”
May 2019	Official launch of ASUS ZenBook S13 (UX392) in Taiwan with the world’s highest screen-to-body ratio of 97%.
May 2019	In the TWCCcon jointly held by ASUS, Quanta, and Taiwan Mobile, the trial run of Taiwan AI supercomputer that set new record of world ranking was announced.
May 2019	Mr. Jonney Shih, the ASUS Chairman announced the new generation of ASUS ZenFone 6 smartphone, the first product with notch-less design that combined with the innovative flip-up camera.
May 2019	At COMPUTEX 2020, ASUS won a total of 17 awards, including 6 Best Choice Awards and 11 COMPUTEX d&i Awards. Product launch of 30th-Anniversary special edition: Smartphone- ASUS ZenFone 6 Edition 30, laptop computer- ASUS ZenBook Edition 30, motherboard- ASUS PRIME X299 Edition 30 and conceptual motherboard- ASUS PRIME Utopia.
June 2019	The world’s first Wi-Fi 6 Mesh network system- ASUS AiMesh AX6100 tri-band Wi-Fi system launched in Taiwan.
June 2019	Alliance between ROG (Republic of Gamers) and Tencent Game to build ROG Phone 2 for joint-improvement of gaming experience on mobile phones.
June 2019	ASUS was selected by the “LAPTOP Magazine” as 2nd in “Best global laptop brand of the year” and 1st in “Innovation.”
June 2019	ASUS launched a full series of ASUS ZenBook laptops in Brazil, including the first ZenBook laptop- ZenBook 14 (UX433) Made in Brazil.
July 2019	ROG became the official hardware sponsor for ESPN EXP series competition.
July 2019	ROG Phone II was launched and became the world’s first gaming mobile phone equipped with the latest Qualcomm® Snapdragon™855+ high-frequency computing platform.
July 2019	Alliance between ASUS Cloud and Certis Group from Singapore for development of intelligent security application and cooperation in global promotion.
August 2019	ASUS received the CHR (Corporate Health Responsibility) Award 2019.
August 2019	The world’s largest and fastest 4K UHD FreeSync 2 HDR gaming monitor- ROG Strix XG438Q launched in Taiwan.
August 2019	ASUS, Quanta, and Taiwan Mobile cooperated again to acquire the “AI big data mainframe computer establishment” for the National Center for High-Performance Computing.
August 2019	In IFA Berlin 2019, ASUS introduced the diversified digital solution exclusively customized for business professionals, health/ fitness training lovers and gamers, where the ASUS ProArt creator series were promoted to the strategic position of subsidiary brand.
September 2019	Limited edition of ROG’s demountable gaming laptop Mothership (known as aircraft carrier in gaming) launched in Taiwan.
September 2019	ASUS signed a Memorandum of cooperation with the NCSIST (National Chung-Shan Institute of Science & Technology) for joint-development in cloud computing and AI applications.
September 2019	ASUS 1P & 2P servers made 246 world records in the standard test under SPEC (Standard Performance Evaluation Corporation).
September 2019	Mr. Jonney Shih, the ASUS Chairman led team members to New Delhi for the grand announcement of our latest gaming mobile phone “ROG Phone II” and its exclusive all-around expansion kit.
September 2019	The ASUS “RS500A-E10-I2U” server proudly ranked 1st under numerous AMD platform tests.
September 2019	ASUS obtained 4 Good Design awards in Japan.
October 2019	Official commercial operation of Taiwan’s first national AI cloud computing platform- “TWCC AI Cloud” constructed by the National Center for High-Performance Computing together with ASUS, Quanta and Taiwan Mobile for investing in top-tier server, cloud and AI technology application.

October 2019	Mr. Jonney Shih, the ASUS Chairman personally visited Brazil for the announcement of our latest ZenFone 6 and ROG Phone II.
October 2019	ASUS was listed among top 20 global brands in Taiwan for 7 consecutive years.
October 2019	Official launch of the new ASUS ProArt creator series in Taiwan.
November 2019	The world's first ROG Zephyrus S with display at a renewing rate of 300Hz underwent premier sale in Taiwan.
November 2019	ASUS honored with 11 CES 2020 Innovation Awards.
November 2019	Official commencement of ASUS headquarter "LiGong Building" that received LEED v4 BD+C (new building category) platinum certificate from USGBC (US Green Building Council).
November 2019	ASUS won 13 Taiwan Excellence Awards and the ASUS ZenBeam S2 portable projector won a Silver Award.
November 2019	ASUS received 9 Global and Taiwan Corporate Sustainability Awards. Among them, Mr. Jonney Shih, the ASUS Chairman received the GCSA Excellence Award.
December 2019	ASUS received the world's first performance appraisal certificate as per ISO 20400- Sustainable Procurement Guidance from SGS.
December 2019	ASUS Cloud and AI R&D Center stationed in Tainan to build intelligent city with the Government.



January 2020	In CES 2020, ASUS announced innovative new products in fashion, commercial and gaming series, covering numerous laptop computers, motherboards, desktop computers, monitors, routers and AIoT appliances.
January 2020	In CES 2020, ROG announced whole new series of innovative gaming products including 14-inch ultra slim gaming laptop computer ROG Zephyrus G14 boasting with most powerful computing capacity in the world, as well as gaming peripherals over ROG Swift 360Hz and ROG Swift PG32UQX monitors, ROG Pugio II and ROG Strix Impact II Wireless mice, as well as ROG Z11 ITX case.
January 2020	From January to November 2019, ASUS stood solid as head of macro and regional markets over the EMEA (Europe Middle East and Africa) area. For November in particular, we even secured a landslide leading position with almost 50% of market share in the UK, Hungary, and Finland.
January 2020	For the fifth time, ASUS was listed among the world's most admired companies by Fortune Magazine.
January 2020	The world's fastest gaming monitor, ASUS TUF Gaming VG279QM at 280Hz launched in Taiwan.
February 2020	ASUS received 13 iF design awards including the 5 top design awards, namely the BEST OF Taiwan, TOP 3 Computer, TOP 10 Asia, TOP 10 Companies and TOP 10 Inhouse Design Teams.
February 2020	ASUS has been a sales champion in Taiwan for 17 consecutive years in laptop and desktop computers.
March 2020	ASUS ranked as 1st in Taiwanese market share for 16 seasons over gaming laptop computers, where we stood solid as a leading gaming brand.
March 2020	ASUS cooperated with the Taoyuan General Hospital by applying ASUS ZenFone Max Pro and ASUS VivoWatch into the fight against coronavirus pandemic. Furthermore, the remote conference kit and work-from-home solutions were introduced, where the strength of technology built a solid shield for pandemic prevention.
March 2020	ASUS has been a sales champion in Taiwan for 15 consecutive years in laptop computers.
March 2020	ASUS servers made 578 world records, the best results ever in SPEC (Standard Performance Evaluation Corporation) standard test. The quantity of our champion items were way ahead of competitors by 30%, which secured us as the leading brand in the server system and its motherboard, as well as workstation and its motherboard.

March 2020	The world's first 43-inch DSC gaming monitor ROG Swift PG43UQ launched in Taiwan.
April 2020	ASUS received 26 Red Dot design awards in 2020 in Germany. The number of awards set a new record.
May 2020	With outstanding results in smart prevention of pandemic, ASUS Taoyuan Hospital joined hands for the second time to establish a smart medical care laboratory.
May 2020	AICS and National Yang-Ming University jointly promoted the "ASUS - Yang-Ming Program" industry-academia collaboration R&D center.
May 2020	ASUS business notebooks and desktop computers were the 2019 annual sales champions.
May 2020	ASUS Z490 chipset motherboard debuted, and ProArt series motherboards were introduced for the first time.
June 2020	Welcoming the new digital era, the ASUS AIoT team built all-new smart manufacturing solutions to promote rapid transformation of industries.
June 2020	ASUS obtained the ISO 27001 Information security management certification to reinforce information security of operations.
June 2020	Cheng Hsin General Hospital and AICS collaborated to develop a medical care smart platform.
June 2020	ASUS continued to be listed as one of the "constituents of the Taiwan Sustainability Index", and promote it's pandemic-fighting actions.
June 2020	ROG formed a collaboration with DJ "Alan Walker".
July 2020	The world's quickest 240Hz portable gaming monitoring ROG Strix XG17AHP debuted.
July 2020	ASUS AIoT team collaborated with Axiomtek and Chin Fong Machine to create smart stamping defect detection solutions.
July 2020	ROG announced the ROG Phone 3 and its full lineup of peripherals.
July 2020	ASUS conveyed the brand philosophy and spirit of ProArt, committing hardware and software resources worth millions to help nurture young creators, and helping the bereaved children to bravely pursue their dreams.
August 2020	ASUS released ASUS VivoWatch SP and smart medical care solutions to add value to its segments of health management and smart medical care.
August 2020	ASUS and Show Chwan Memorial Hospital jointly established an AI medical innovation center to promote digital transformation of Taiwan's medical services.
August 2020	The latest 5G flagship smartphone ASUS ZenFone 7/7 Pro debuted globally.
August 2020	ASUS and Changhua Christian Hospital joined hands to plan for smart medical care.
September 2020	ROG Meta Buffs conference introduced a new generation of gaming gear to take gaming experience to another level.
September 2020	ASUS announced the 11th generation Intel Core processor PCs, and the first laptop to obtain the Intel Evo platform design verification.
September 2020	ROG launched the co-branded "ROG Zephyrus G14-ACRNM Limited Edition" with ACRONYM®.
September 2020	ASUS was selected by the "LAPTOP Magazine" as the "Best Global Laptop Brand of the Year."
October 2020	ASUS and its ROG won 15 awards in the Japan's Good Design Award competition.
October 2020	Show Chwan Memorial Hospital introduced the use of ASUS VivoWatch for advanced health check.
October 2020	ASUS announced the "Carotid artery ultrasonic image AI analysis system."
October 2020	Propelled by the Golden Triangle strategy, the 2020 Q3 PC shipments had a year-over-year increase of 45%.
November 2020	ASUS LCD monitors ranked #1 in market share in Japan.
November 2020	ASUS, Kaohsiung Medical University Hospital and ACT Genomics joined hands to provide AI precision cancer treatment.
November 2020	ASUS teamed up with NTU's Center for Artificial Intelligence and Advanced Robotics.
November 2020	ASUS servers ranked #1 in 683 categories of SPEC performance.

November 2020	19 consecutive years of dominance, ASUS again won 27 kinds of awards in the Taiwan Excellence Award competition this year.
December 2020	ASUS won 16 categories of awards in the CES 2021 Innovation Awards.



January 2021	ASUS held its Be Ahead product launch conference at the CES 2021.
January 2021	ASUS and Chung Shan Medical University Hospital AI medical care applications won the National Innovation Award, jointly promoting the “Inter-hospital Process Sharing” practice to protect patent privacy.
February 2021	ASUS and National Yang-Ming University signed an AI forward-looking plan to accelerate the development of innovative diagnosis and treatment of lung cancer, dementia and mental illness.
February 2021	ASUS gaming notebooks ranked #1 in 2020 market share. The entire lineup is equipped with RTX 30 graphics cards, taking the performance of ROG/ASUS TUF to another level.
February 2021	For the sixth time, ASUS was listed among the world’s most admired companies by Fortune Magazine.
February 2021	ASUS home laptops and desktop computers were the best sellers in Taiwan for 18 and 11 consecutive years, respectively.
February 2021	ASUS business laptops and desktop computers were the top sellers in 2020.
February 2021	ASUS recognized as one of the top 100 global innovation institutions in 2021.
March 2021	ASUS released the world’s best gaming mobile phone ROG Phone 5.
March 2021	ASUS obtained the ISO27001 certification and HIPAA Assessment, setting new benchmarks for medical information security.
April 2021	New weapon in telecare - ASUS and Intel jointly launched a smart medical care mobile vehicle.
April 2021	New height in number of awards won. ASUS won 37 prizes in the Red Dot Design Award of Germany.
April 2021	Exciting innovation! ASUS won 15 prizes in the iF Product Design Award and 7 top design benchmarks.
April 2021	ASUS announced that by 2035, 100% of its global operations will use renewable energy.
May 2021	At Computex 2021, ASUS wins 11 awards with its outstanding innovation and design capacity, becoming the brand with the most awards in the event.
May 2021	Worldwide release of ASUS Zenfone 8 5G flagship smartphones.
July 2021	ASUS teams up with Olive, an American healthcare startup unicorn, to relieve the burden on 775 hospitals across the United States.
July 2021	ASUS Smart Healthcare introduces its early lung cancer medical image smart interpretation system, the first deep-learning open-source software tool available for free download, to facilitate industry-academic collaboration in the medical field and in teaching and clinical applications.
August 2021	ASUS and NTUH Hsin-Chu Branch signs a memorandum of collaboration to launch the use of voice medical records.
August 2021	Chairman Jonney Shih serves as the chairman of the ninth batch of the board of the Taiwan Business Council for Sustainable Development, further accelerating the integration of Taiwanese companies with the International Sustainability Standard.
August 2021	ASUS and Fortune Electric Value Co., Ltd. jointly develop AI license-plate recognition DC charging stations.
September 2021	ASUS AIoT team launches smart detection solutions to promote rapid transformation of industries.
September 2021	ASUS wins five 2021 Red Dot Awards for Brands and Communication Design, in the Digital Solutions, Corporate Brand Design and Identity, Film and Animation, Packaging Design, and Interface and User Experience categories.
September 2021	ASUS and Chung Shan Medical University Hospital jointly introduce a smart health management app to improve patient experience with AI and mobile services.

September 2021	ASUS and Show Chwan Hospital jointly release a nursing form voice recognition system.
September 2021	ASUS accounts for 64% of laptop computers using Microsoft operating systems in September in Taiwan.
October 2021	Esports enters the National Games for the first time! ASUS Republic of Gamers (ROG) becomes the exclusive official hardware brand.
October 2021	ASUS and leaders in the medical field jointly announce five smart medical care achievements: a medical information system smart platform; a medical big data platform; a smart medication safety system; a smart coding and medical decision-making management; and a personalized smart health management platform, to lead the digital transformation of medical care.
November 2021	The Q3 2021 sales of ASUS gaming laptops place the company as the champion of the category for 23 consecutive quarters. The September market share was about 2.4 times that of the second-placed manufacturer!
November 2021	ASUS Foundation, Chunghwa Post and Chunghwa Telecom jointly hold a donation ceremony entitled <i>Computer Recycling to Protect Wellness of Remote Areas</i> to reduce the digital divide.
November 2021	ASUS and ROG won 15 awards in the Japan's Good Design Award competition.
November 2021	ASUS and Tainan City Government create an urban dynamic images AI sensor platform to establish a new application standard for smart city governance.
November 2021	ASUS and ROG win 13 prizes in the Taiwan Excellence Award event. The ROG Phone 5 Ultimate/Pro gaming phone won the silver medal award.
November 2021	ASUS Foundation, World Vision Taiwan and HSBC Bank jointly promote the public <i>Cultivating Digital Education</i> welfare project in Taiwan's Remote Areas, and donate recycled computers.
December 2021	ASUS is ranked as the most valuable international brand in Taiwan for the eighth time.
December 2021	ASUS tops the list of the Best Taiwan Global Brands Award in 2021, with a brand value of US\$1.871 billion.
December 2021	ASUS Foundation won the Social Education Contribution Award.
December 2021	ProArt Studiobook 16/Pro 16, a creator laptop from ASUS, won the highest honor of the Golden Pin Design Award, Best Design of the Year.



January 2022	ASUS and Taipei Veterans General Hospital sign a memorandum of understanding for smart medical care to jointly develop AI medical services and build a smart hospital.
January 2022	ASUS collaborates with Taipei Municipal Guandu Hospital to construct a cloud medical information system.
January 2022	ASUS breaks its own record to win 20 innovation awards at CES® 2022 in the United States.
January 2022	ASUS Smart Healthcare is recognized by the National Biotechnology and Medical Care Quality Award for its handheld ultrasonic medical solutions and AI endoscopic lesion detection system, winning the Symbol of National Quality.
February 2022	ASUS is selected as one of the World's Most Admired Companies in <i>Fortune</i> magazine for the seventh time.
March 2022	ASUS laptop computers continue to be the leader in terms of market share in 2021, and have been the champion in sales in Taiwan for 19 consecutive years.
March 2022	ASUS collaborates with National Health Research Institutes and NVIDIA® to build Taiwan's first AI supercomputer dedicated to biomedical applications, accelerating the development of AI applications in Taiwan's biomedical industry.
April 2022	ASUS wins 39 prizes in various categories in the Red Dot Design Award of Germany, again setting its own record in the number of awards won.

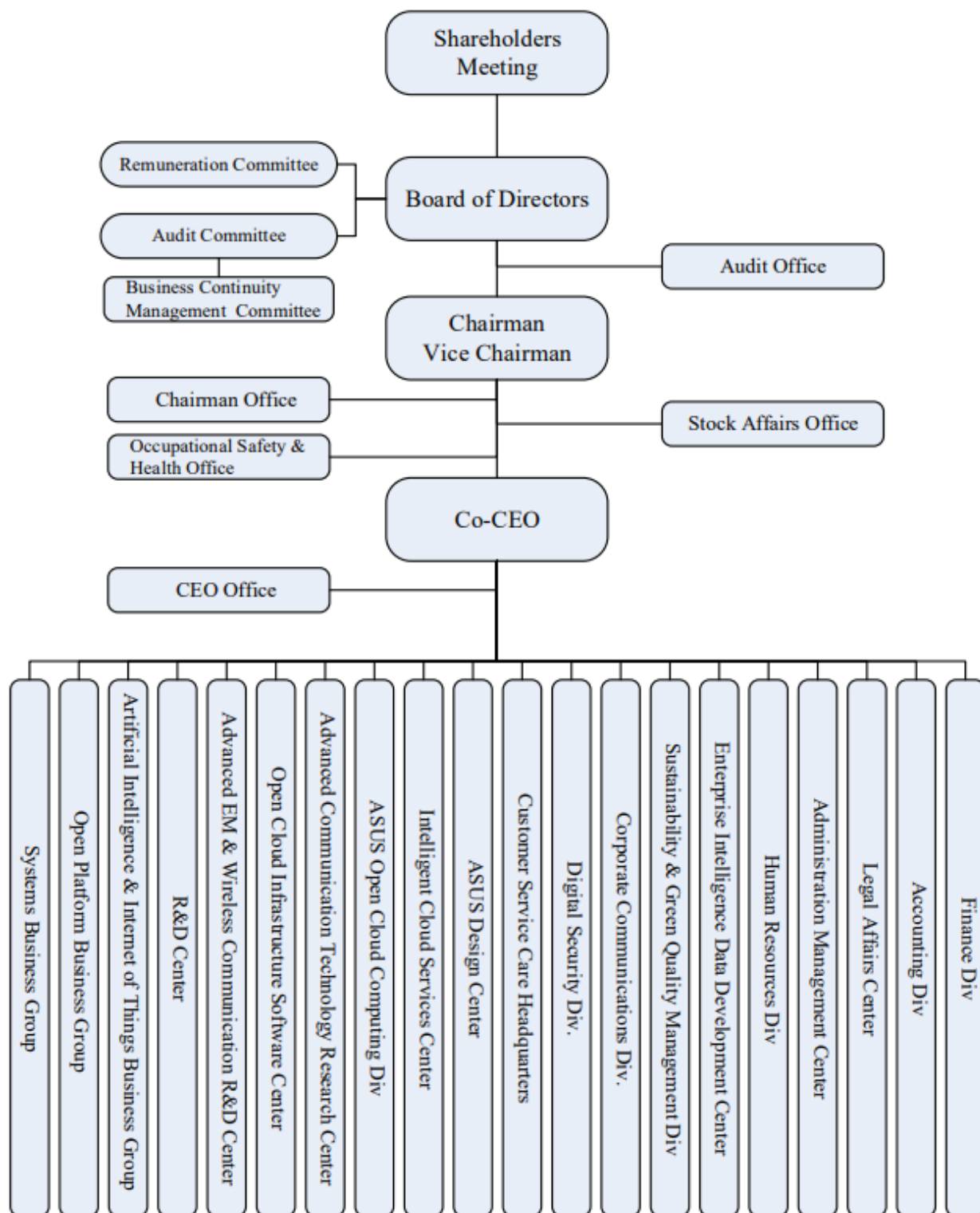


### III. Corporate governance report

#### I. Corporate Organization

##### (I) Organization Chart

Effective date: 2021.12.31





## (II) Department Function Description

### CEO

Plan and manage the Company's strategies, draft up operating objectives, direct and supervise the operation of business units.

### Audit Office

Audit the Company's system and the enforcement of internal regulations, procedures, and authorization with corrective actions offered.

### Stock Affairs Office

Responsible for managing the Company and its subsidiaries' stock affairs; also arrange and execute the shareholders' meetings, the board meetings and functional committee and related matters.

### Labor Safety & Health Office

Conduct occupational health and safety management through the Plan-Do-Check-Act Cycle.

### Systems Business Group

Responsible for managing the R&D and operation of system related product lines.

### Open Platform Business Group

Responsible for managing the R&D and operation of component related product lines.

### Artificial Intelligence & Internet of Things Business Group

Responsible for managing the R&D and operation of component related product lines.

R&D Center, Advanced EM & Wireless Communication R&D Center, Open Cloud Infrastructure Software Center, Intelligent Cloud Services Center, Advanced Communication Technology Research Center, ASUS Open Cloud Computing Div and ASUS Design Center  
Develop the common R&D technology need by business units.

### Sustainability & Green Quality Management Div

Integrate green environment, social charity, and international enterprise ongoing protocol to construct the core competence of an enterprise for long-lasting business operation.

Integrate overall and companywide product R&D and customer service; also, offer suggestions and guidance for process improvement and establishment in order to upgrade product quality.

### Customer Service Care Headquarters

Provide customers with comprehensive service and total solutions.

### Digital Security Div

Responsible for promote and implement information security and product security, to support business the basis of security.

### Corporate Communications Division

Responsible for executive communication, corporate vision development and global PR management.

### Enterprise Intelligence Data Development Center

Plan and implement IT infrastructure to support business strategy and growth.

### Human Resources Division

Responsible for global talent management and managing employee satisfaction.

### Administration Management Center, Legal Affairs Center, Accounting Div and Finance Div

Arrange the planning and enforcement of the Company's finance, accounting, regulatory, administration, and public works.

## II. Directors, President, Vice President, Junior VP, and Department Heads

### 1. Directors

Title	Nationality/ Country of Origin	Name	Gender & Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Base Date: April 10, 2022				Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Shares	%	Current Shareholding	Spouse & Minor Shareholding	Shareholding by Nominee Arrangement				Title	Name	Relation
Chairman	R.O.C.	Jonney Shih	Male 61-70	2019.06	3	1994.05	30,093,638	4.05	30,093,638	4.05	0	0	MBA of National Chiao Tung University Business Division's President of ACER	Note 1	Director	Jonathan Tsang	2nd consanguinity
Vice Chairman	R.O.C.	Ted Hsu	Male 51-60	2019.06	3	1993.06	7,346,683	0.99	7,346,683	0.99	1,950,924	0.26	EMBA, National Chiao Tung University Vice President of Pegatron	Note 2	None	None	None
Director	R.O.C.	Jonathan Tsang	Male 61-70	2019.06	3	1999.04	1,423,093	0.19	1,423,093	0.19	0	0	MBA of Houston University Chairman of TAICS Chairman of ASGL	Note 3	Chairman	Jonney Shih	2nd consanguinity
Director	R.O.C.	S.Y. Hsu	Male 51-60	2019.06	3	2011.06	107,019	0.01	107,019	0.01	8,233	0.00	EMBA of National Chengchi University Engineer of Won-Chuan Co. Ltd.	Note 4	None	None	None
Director	R.O.C.	Samson Hu	Male 51-60	2019.06	3	2012.06	100,592	0.01	100,592	0.01	0	0	Institute of Computer Science, National Chiao Tung University Junior V.P. of Acer	Note 5	None	None	None
Director	R.O.C.	Eric Chen	Male 51-60	2019.06	3	2008.06	157,527	0.02	157,527	0.02	12,275	0.00	Department Of Mathematics, Tamkang University Corporate Vice President of ASGL	None	None	None	None
Director	R.O.C.	Joe Hsieh	Male 51-60	2019.06	3	2011.06	0	0.00	0	0.00	805	0.00	Computer Engineering, Boston University EMBA of National Taiwan University Engineer of ASUS (USA)	Note 6	None	None	None
Director	R.O.C.	Jackie Hsu	Male 51-60	2019.06	3	2016.07	20,353	0.01	21,000	0.01	0	0	M.S. in Information Management, National Chengchi University Corporate Vice President of ASGL	Note 7	None	None	None
Director	R.O.C.	Jerry Shen	Male 61-70	2019.06	3	2002.05	3,370,309	0.45	1,741,309	0.23	19,313	0.00	Electrical Engineering Graduate Institute, National Taiwan University General Manager of ACER / Chief Executive Officer, ASUS	Note 8	None	None	None
Director	R.O.C.	Tze-Kaing Yang	Male 61-70	2019.06	3	2016.07	0	0.00	0	0.00	0	0	Ph.D of Business Management, National Cheng Chi University Political Deputy Minister, the Ministry of Finance, R.O.C.	Note 9	None	None	None

Title	Nationality/ Country of Origin	Name	Gender & Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Base Date: April 10, 2022						Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Shares	%	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement						
									Shares	%	Shares	%	Shares	%					
Independent Director	R.O.C.	Chung-Hou Tai	Male 71-80	2019.06	3	2016.07	36,459	0.01	36,459	0.01	0	0	0	0	M.S. in Management Sciences , Tamkang University Co-founder of Acer	Note 10	None	None	None
Independent Director	R.O.C.	Ming-Yu Lee	Male 61-70	2019.06	3	2016.07	0	0.00	0	0.00	0	0	0	0	M.S. in Accounting, National Chengchi University Accountant of ROC	Note 11	None	None	None
Independent Director	R.O.C.	Chun-An Sheu	Male 71-80	2019.06	3	2016.07	0	0.00	0	0.00	0	0	0	0	MBA , Rider University (USA) National Tax Administration of Southern Taiwan Province,Ministry of Finance	Note 12	None	None	None

Note 1: Chairman of the following companies: Hua-Cheng Venture Capital Corp., Hua-Min Investment Co., Ltd., ASUSTOR INC., ASUS INTERNATIONAL LIMITED, CHANNEL PILOT LIMITED, and NEXT SYSTEM LIMITED.  
Director of the following companies: ASKEY, SHINEWAVE INTERNATIONAL INC., ASUS TECHNOLOGY INCORPORATION, AAEON TECHNOLOGY INC., iMotion Group Inc., GAUIS HOLDINGS LIMITED, Youngmen Computer Co., Ltd., TeYang Tech Inc., Ming-Chun Computer(\*), and eCrowd Media, Inc.

Note 2: Chairman of eBizprise Inc. and Director of ASMEDIA TECHNOLOGY INC., EUSOL Biotech Co., Ltd., iMotion Group Inc. and Medus Technology Inc..

Note 3: Chairman of the following companies: ASUS TECHNOLOGY PTE. LIMITED and ASUS GLOBAL PTE. LTD.

Director of the following companies: UNIMAX ELECTRONICS INC., AAEON TECHNOLOGY INC., Hua-Cheng Venture Capital Corp., Hua-Min Investment Co., Ltd., and KARTIGEN BIOMEDICINE INC.

Note 4: Chairman of UPI Semiconductor Corp.; Director of the following companies: AAEON TECHNOLOGY INC., Hua-Cheng Venture Capital Corp., APAQ TECHNOLOGY CO., LTD. and ASUS COMPUTER INTERNATIONAL.

Note 5: Chairman of JOTECH LTD.

Director of ASUS CLOUD CORPORATION, ASUS TECHNOLOGY INCORPORATION, Hua-Min Investment Co., Ltd., ASKEY, ASUS COMPUTER INTERNATIONAL and TAIWAN WEB SERVICE CORP.

Note 6: Director of the following companies: ASUS LIFE CORPORATION, PORTWELL INC., ASUS Technology (Suzhou) Co. Ltd., ASUS COMPUTER INTERNATIONAL, GOING CHAMPION ENTERPRISE CO., LTD., NATIONAL FIBER TECHNOLOGY(\*) and Shine Mao Invest Inc.

Chairman of the following companies: ASUS CLOUD CORPORATION, Advanced Cloud Technology, KUO-CHENG ENTERPRISE CO., LTD.(\*), SHUN-MAO INVESTMENT(\*) and ASUS Technology Licensing Inc..

Note 7: Director of PORTWELL INC. and ASUS AUSTRALIA PTY LIMITED.

Note 8: Chairman of the following companies: iMotion Group Inc., i-Waylink Inc., ASMEDIA TECHNOLOGY INC. and INTERNATIONAL UNITED TECHNOLOGY CO., LTD.

Director of the following companies: PORTWELL INC., POSIFLEX TECHNOLOGY INC., Embedded City Taiwan Limited and Enrich Investment Inc.

Note 9: Director of the following companies: Huiyang Private Equity Fund Co., Ltd, CHIEN KUO CONSTRUCTION CO., LTD., Airti Inc., Pegatron Corporation and TTY BIOPHARM COMPANY LIMITED.  
Chairman of Yangtze Associates.

Note 10: Chairman of the following companies: InveStar Corporation and DIGITIMES.

Director of the following companies: Fullerton, WAFER WORKS CORPORATION, Chief Telecom Inc., Lumens Digital Optics Inc., GTTW, 21ViaNet Group, Inc., and WAFER WORKS.

Independent Director of NEW RICH DESIGN.

Note 11: Independent Director of KINSUS INTERCONNECT TECHNOLOGY CORP. ; Supervisor of Arphic Technology co., LTD.

Note 12: Independent Director of TA CHEN INTERNATIONAL, INC. and TA CHEN STAINLESS PIPE COMPANY LIMITED.

Note 13: Since the tenure of the Vice Chairman Ted Hsu had been suspended 8 years from the 2008 to 2016, the average tenure of the Board of Directors is 12.92 years.

Note 14: The shareholdings stated in the table exclude trust shareholdings that are with the "rights to use" reserved.

Note 15: Chairman and General Manager or equivalent positions of the Company not served by the same individual, nor are they spouses or first-degree kinship to each other.

Note 16: (\*) Standards for the English transliteration of company's name or individual's name.

## **2. Education and training of directors**

Title	Name	Date	Sponsor	Course Title	Hours
Chairman	Jonney Shih	Aug 11, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Enterprise-wide digital resilience -- On emergency response and recovery from the perspective of ransomware.	3
		Nov 10, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Analysis of important tax measures and trends at home and abroad	3
Vice Chairman	Ted Hsu	Aug 11, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Enterprise-wide digital resilience -- On emergency response and recovery from the perspective of ransomware.	3
		Nov 10, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Analysis of important tax measures and trends at home and abroad	3
Director	Jonathan Tsang	Aug 11, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Enterprise-wide digital resilience -- On emergency response and recovery from the perspective of ransomware.	3
		Nov 10, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Analysis of important tax measures and trends at home and abroad	3
Director	S. Y. Hsu	Aug 11, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Enterprise-wide digital resilience -- On emergency response and recovery from the perspective of ransomware.	3
		Nov 10, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Analysis of important tax measures and trends at home and abroad	3

Title	Name	Date	Sponsor	Course Title	Hours
Director	Samson Hu	Aug 11, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Enterprise-wide digital resilience -- On emergency response and recovery from the perspective of ransomware.	3
		Nov 10, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Analysis of important tax measures and trends at home and abroad	3
Director	Eric Chen	Aug 11, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Enterprise-wide digital resilience -- On emergency response and recovery from the perspective of ransomware.	3
		Nov 10, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Analysis of important tax measures and trends at home and abroad	3
Director	Joe Hsieh	Aug 11, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Enterprise-wide digital resilience -- On emergency response and recovery from the perspective of ransomware.	3
		Nov 10, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Analysis of important tax measures and trends at home and abroad	3
Director	Jackie Hsu	Aug 11, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Enterprise-wide digital resilience -- On emergency response and recovery from the perspective of ransomware.	3
		Nov 10, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Analysis of important tax measures and trends at home and abroad	3
Director	Jerry Shen	Aug 11, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Enterprise-wide digital resilience -- On emergency response and recovery from the perspective of ransomware.	3
		Nov 10, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Analysis of important tax measures and trends at home and abroad	3
Director	Tze-Kaing Yang	Sep 16, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Enterprise sustainable development -- Environmental protection and regulatory compliance management	3
		Nov 11, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Understand related party transactions, irregular transactions and insider trading from practical cases	3

Title	Name	Date	Sponsor	Course Title	Hours
Independent Director	Chung-Hou Tai	Oct 27, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Understand related party transactions and irregular transactions from practical cases	3
		Nov 10, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Analysis of important tax measures and trends at home and abroad	3
Independent Director	Ming-Yu Lee	Aug 11, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Enterprise-wide digital resilience -- On emergency response and recovery from the perspective of ransomware.	3
		Oct 28, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Analysis of practical cases of ethical management, CSR and ESG	3
		Nov 10, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Analysis of important tax measures and trends at home and abroad	3
		Aug 11, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Enterprise-wide digital resilience -- On emergency response and recovery from the perspective of ransomware.	3
Independent Director	Chun-An Sheu	Nov 10, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Analysis of important tax measures and trends at home and abroad	3

### 3. Directors' Professional Qualifications and Independent Directors' Independence Status

Criteria Name Title	Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Total number of positions serving as Independent Director for the other Public Companies
Jonney Shih Director	He has served as the chairman of ASUSTek Computer since 1993, leading the Company's strong growth over 30 years of rapid changes and challenges in the industry. Under his leadership, ASUS has become the world's largest motherboard brand and a top-three consumer notebook computer brand. He possesses the necessary experience in industrial operations, technological research and development and corporate business.	The employee of ASUS	0
Ted Hsu Director	Since the early days of ASUS, he has held various managerial positions within the Company, overseeing R&D, supply chain management and production processes, and is an all-round management talent. He has profound professional capabilities in research and development of both software and hardware. His keen observation and outstanding insights enable him to clarify the root cause and make the best judgment often at critical moments in complex situations and problems, further making ASUS a leading brand in Taiwan's IT industry. He possesses the necessary experience in industrial operations, technological research and development and corporate business.	The employee of ASUS	0
Jonathan Tsang Director	He joined the ASUS management team in 1997. He has always encouraged the team to begin with the end in mind and empathize with others and grasp the strategic turning points of the new generation IoT from the perspective of user scenario to commit to the development of forward-looking technologies in the fields of communication, cloud computing, smart home and smart city. He hopes that the Company can be a trend setter to open new opportunities during the era of paradigm shift. He possess the necessary experience in industrial operations, marketing management and corporate business.	The employee of ASUS	0
S.Y. Hsu Director	He joined ASUS in 1993 and led the team to develop the EeePC, which was hailed as a sustainability innovation by Harvard Business Review. He has prepared ahead for the benchmark of the people-oriented 'design thinking' and the R&D team under his leadership has thoroughly realized the ASUS culture based on consumer needs. In addition to pursuing innovation, he also values sustainable operations, and the team under his leadership has continuously strengthened green competitive advantages of products. He is currently focusing on the creation of new business models, and introducing startup creativity to build new ecosystems for the corporate group. He possesses the necessary experience in industrial operations, technological research and development and corporate business.	The employee of ASUS	0
Samson Hu Director	Since joining ASUS in 2001, he has led the team to develop many product projects using 'design thinking', and introduced the concept of 'User-Centered' into the innovation process to provide an unparalleled user experience. The most significant breakthrough was the Transformer Pad, which opened the new trend of mobile computing with 2-in-1 computers. He also has extended the concept of 'User-Centered' to the field of ASUS customer service, committed to bringing attentive services to consumers around the world. In recent years, he has also strengthened the Company's efforts in environmental, social and governance (ESG) related fields, such as joining RE100. He possesses the necessary experience in industrial operations, technological research and development and corporate business.	The employee of ASUS	0



Eric Chen Director	Since joining ASUS in 1994, he has accumulated extensive professional knowledge in brand development, marketing, global sales, new market planning and operations. He has successfully incorporated user and customer insights into the feedback loop which has helped ASUS become a global technology leader. He possess the necessary experience in industrial operations, marketing management and corporate business.	The employee of ASUS	0
Joe Hsieh Director	Since joining ASUS in 1991, he has led the motherboard team to develop multiple product lines and actively developed new products such as the Republic of Gamers high-end series and AiO PCs, successfully taking ASUS to a global leadership position. He is now committed to providing integrated and innovative solutions for the new digital generation, integrating innovative services in the field of cloud computing, IoT and AI to the core of big data to develop remote medical care devices, medical voice assistance systems, healthcare wearable devices, elderly care and other smart Solutions. He possess the necessary experience in industrial operations, marketing management and corporate business.	The employee of ASUS	0
Jackie Hsu Director	Since joining 1996, he has led the continuous innovation of open platforms and AIoT business groups. During his tenure in major markets such as the United States and China, he applied his deep market insights and the ASUS 'User-Centered' business philosophy to create many dazzling achievements for the brand. He possess the necessary experience in industrial operations, marketing management and corporate business.	The employee of ASUS	0
Jerry Shen Director	He holds a master's degree from the Graduate Institute of Electrical Engineering of National Taiwan University. He had served as the manager of the R&D Department at Acer Computer. He joined ASUSTeK Computer in 1994, and served as the CEO from 2008 to 2018. He has led teams to adhere to the brand philosophy of 'Find Your Zen' and implement the 'User-Centered' design principle to create many amazing products and services. He is currently the chairman of ASMedia Technology and International United Technology. Facing the rapidly emerging IoT market, he established iMotion in 2019 to actively engage in cross-industry integration. He has strategically planned the 'ABC' (AI, Big Data, Cloud Computing) to develop comprehensive solutions to build an easy, convenient and seamless smart daily life for consumers. He possesses the necessary experience in industrial operations, technological research and development and corporate business.	Not an employee of the Company or any of its subsidiaries	0
Tze-Kaing Yang Director	He holds a doctoral degree from the Department of Business Administration of National Chengchi University. He had served as the president of China Development Industrial Bank, a policy advisor of the Executive Yuan, executive secretary of the National Development Fund of Taiwan, Political Deputy Minister of the Ministry of Finance, acting chairman of the Bank of Taiwan and other key roles, specializing in the fields of finance and economics. He has taught at National Chengchi University and National Chiao Tung University. He possesses the necessary experience in industrial operations, finance and corporate business.	Not an employee of the Company or any of its subsidiaries	0
Chung-HouTai Independent Director	He is an independent director of the Company, concurrently serves as the convener of the audit committee and a member of the remuneration committee. He was also a co-founder of Acer Computer and served as the chairman of Chief Telecom and Richtek Technology and is now the chairman of InveStar Capital and DigiTimes. He has won the Feng-Zhang Lu Memorial Medal, 1988 National Ten Outstanding Young Persons, Excellent Businessman Medal and other awards. He possesses the necessary experience in industrial operations, technological research and development and corporate business.	Meets the independence criteria specified in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public	1

		Companies two years before being elected and during the term of office.	
Ming-Yu Lee Independent Director	He is an independent director of the Company, concurrently serving as the convener of the remuneration committee and a member of the audit committee. He has a CPA license in Taiwan. He has worked in Ernst & Young Taiwan and has served as an associate professor of the Accounting Department at National Chengchi University and a member of the Standards Committee of the Internal Audit Association. He has taught at National Chengchi University, specializing in financial statement auditing and validation and tax planning. He possess the professional knowledge in auditing, accounting, taxation, etc. and the experience required by the Company's business operation.	Meets the independence criteria specified in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies two years before being elected and during the term of office.	1
Chun-An Sheu Independent Director	He is an independent director of the Company, con-currently serving as a member of the remuneration committee and the audit committee. He has served as the director of National Taxation Bureau of the Southern Area under the Ministry of Finance, deputy director-general of the Taxation Administration under the Ministry of Finance and the director-general of the National Taxation Bureau of Taipei, and has extension experience in taxation. He has taught at Soochow University and Hungkuo Delin University of Technology, specializing in the tax law of the Republic of China. He possess the professional knowledge in accounting, taxation, etc. and the experience required by the Company's business operation.	Meets the independence criteria specified in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies two years before being elected and during the term of office.	2

Note 1: None of the directors has been in any of the circumstances listed in Article 30 of the Company Act.

Note 2: None of the directors has been a governmental, juridical person or its representative as defined in Article 27 of the Company Act.

#### 4. Board diversity and independence

##### (1) Diversity of the board

The Company's diversity policy is based on Article 20 of the Corporate Governance Best Practice Principles, which formulates that the composition of the board should take into consideration of diversity, and supports the Company's operations, business types and development needs. It should include and is not limited to the standards of the following two aspects:

- Background and value: Gender, age, nationality, culture etc.
- Knowledge and skills: Career background (*e.g.*, law, accounting, industry, finance, marketing or technology), professional skill and industry experience.

In terms of specific management objectives, the Company's board guides the Company's strategy and

supervises the management, and is responsible to the Company and shareholders. In terms of the operation and arrangement of the corporate governance system, the board exercises its powers in accordance with laws and regulations, the Articles of Incorporation or the resolutions of the shareholder meetings. All board members shall possess the knowledge, skills and characters needed to exercise their duties.

In terms of the achievement of diversity, the board currently has a total of 13 members, all of whom have professional knowledge and skills. The directors have skills covering management of industry, technology research and development, marketing management, finance, accounting and taxation and the details are as follows: The Board of directors as a whole has been equipped with various capacities required for duty execution. The Company also pays attention to the independence and gender equality of the composition of the board of directors. The Company has planned to increase the number of independent directors in the next election of directors. The number of independent directors should not be less than 1/3 of all directors and at least one of them should be female as specific objectives for the diversity of the board.

Diversification Item Name	Gender	Concurrent positions as employees of the Company or subsidiaries	Service term of independent directors	Professional knowledge and skills				
				Industry Operating	Technology R&D	Marketing Management	Finance	Accounting Taxation
Jonney Shih	Male	V		V	V			
Ted Hsu	Male	V		V	V			
Jonathan	Male	V		V		V		
S.Y. Hsu	Male	V		V	V			
Samson Hu	Male	V		V	V			
Eric Chen	Male	V		V		V		
Joe Hsieh	Male	V		V		V		
Jackie Hsu	Male	V		V		V		
Jerry Shen	Male			V	V			
Tze-Kaing Yang	Male			V			V	
Chung-Hou Tai	Male		6 years	V	V			
Ming-Yu Lee	Male		6 years					V
Chun-An Sheu	Male		6 years					V

(2) Independence of the board

- The Company's board of directors has 13 members, of which 3 are independent directors, or 23.08%.
- 38.46% of directors concurrently serve as employees of the Company, 23.07% of them serve as employees of subsidiaries and 38.46% of them do not have employee status.
- Therefore, there is no violation of the provisions of Paragraph 3 and 4 of Article 26-3 of the Securities and Exchange Act.

**5. State the name and shareholdings ratio of the directors and supervisors who are an institutional shareholder; also, the name and shareholding ratio of the top-ten shareholders:** Not applicable since the Company's directors and supervisors are nature persons.

## (II) Information of the management

Title	Nationality/ Country of Origin	Gender	Name	Date Elected	Base Date: April 10, 2022						Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement				Title	Name	Relation
					Shares	%	Shares	%	Shares	%					
Chief Branding Officer	R.O.C.	Male	Jonney Shih	Apr 30, 1994	30,093,638	4.05	0	0	0	0	MBA of National Chiao Tung University Business Division`s President of ACER	Reference to Director Information	None	None	None
Chief Strategy Officer	R.O.C.	Male	Ted Hsu	May 1, 2016	7,346,683	0.99	1,950,924	0.26	0	0	EMBA, National Chiao Tung University Vice President of Pegatron	Reference to Director Information	None	None	None
CO-Chief Executive Officer	R.O.C.	Male	S.Y. Hsu	Mar 10, 2008	107,019	0.01	8,233	0.00	0	0	EMBA of National Chengchi University Engineer of Won-Chuan Co. Ltd.	Reference to Director Information	None	None	None
CO-Chief Executive Officer	R.O.C.	Male	Samson Hu	Sep 10, 2008	100,592	0.01	0	0	0	0	Institute of Computer Science, National Chiao Tung University Junior V.P. of Acer	Reference to Director Information	None	None	None
Chief Operating Officer	R.O.C.	Male	Joe Hsieh	Mar 10, 2008	0	0.00	805	0.00	0	0	Computer Engineering, Boston University EMBA of National Taiwan University Engineer of ASUS (USA)	Reference to Director Information	None	None	None
Corporate Vice President	R.O.C.	Male	Henry Yeh	Sep 10, 2008	48,781	0.01	245	0.00	0	0	Department of Electrical Engineering, National Taiwan University V.P. of TwinHead	Note 1	None	None	None
Corporate Vice President	R.O.C.	Male	Alex Sun	Jul 1, 2010	12,786	0.00	1,000	0.00	0	0	Ph. D of Electronic Engineering, University of Southern California Deputy-researcher, Chung-Shan institute of Science and Technology	Note 2	None	None	None
Corporate Vice President	R.O.C.	Male	Taiyi Huang	Oct 15, 2018	0	0.00	0	0.00	0	0	Ph. D of Department of Information Science (and Engineering), University of Illinois at Urbana-Champaign Microsoft Principal Group Engineer Manager	None	None	None	None
Corporate Vice President	R.O.C.	Male	Albert Chang	Nov 1, 2019	12,000	0.00	0	0.00	0	0	Ph. D of Electrical Engineering, National Taiwan University Motherboard Business Unit Product R&D Center AVP, ASUS	None 3	None	None	None
Corporate Vice President	R.O.C.	Male	Tenlong Deng	Nov 1, 2019	182	0.00	0	0.00	0	0	Master of Communications Engineering, National Chiao Tung University Senior manager, the Industrial Technology Research Institute	None	None	None	None

Corporate Vice President	R.O.C.	Male	Chih-Peng, Wu	Nov 1, 2019	88,306	0.00	0	0.00	0	0	Department of Electronic Engineering, Chun Yuan Christian University Multimedia Business Unit AVP, ASUS	Note 4	None	None	None
Corporate Vice President	R.O.C.	Male	Kent Chien	Nov 1, 2019	745	0.00	0	0.00	0	0	Master of Business Administration, National Cheng Kung University Project manager of China Productivity Center, ASUS	Note 5	None	None	None
Corporate Vice President	R.O.C.	Male	Vincent Chiou	Nov 1, 2019	126	0.00	0	0.00	0	0	Institute of Computer Science, National Chiao Tung University Display Business Unit AVP, ASUS	None	None	None	None
Corporate Vice President	R.O.C.	Male	Benson Lin	Mar 3, 2021	45,039	0.01	0	0.00	0	0	EMBA, National Chiao Tung University V.P. of Commercial Computer Unit, ASUS	None	None	None	None
Corporate Vice President	R.O.C.	Male	Rex Lee	Mar 3, 2021	1,308	0.00	477	0.00	0	0	Master of Business Administration, National Chengchi University V.P. of Personal Computer System Division, ASUS	None	None	None	None
Chief Financial Officer	R.O.C.	Male	Nick Wu	Aug 11, 2015	457	0.00	161	0.00	0	0	MBA, Vanderbilt University The Deputy Manager of China Development Industrial Bank	Note 6	None	None	None
Comptroller	R.O.C.	Female	Winnie Liu	Aug 11, 2015	649	0.00	0	0	0	0	Institute of Accounting, Soochow University Audit Director of TAIWAN MOBILE	Note 7	None	None	None
Corporate Governance Officer	R.O.C.	Female	Francy Jeng	Nov 11, 2020	38,000	0.01	0	0	0	0	Department of Accounting and Statistics, Takming University Division Director of Stock Affairs Office, ASUS	None 8	None	None	None

Note 1: Director of Power eXponent, Ltd and ASUS LIFE CORPORATION.

Note 2: Director of ASUS Technology Licensing.

Note 3: Director of PORTWELL INC, PORTWELL INC, UPI Semiconductor Corp., DEEPO1 LIMITED and LELTEK.

The Chairman of SHINEWAVE INTERNATIONAL INC.

Note 4: Director of UNIMAX ELECTRONICS INC.; Executive director of Quantum Could International Pte. Ltd.

Note 5: Director of UNIMAX ELECTRONICS INC.; Executive director of QC Serve AB.

Note 6: Supervisor of the following companies: Hua-Min Investment Co., Ltd., Hua-Cheng Venture Capital Corp., LELTEK and TAIWAN WEB SERVICE CORP.

Director of ASUS PROPERTIES (VIETNAM) LTD.

Note 7: Director of Askey Technology (Jiangsu) Limited; Supervisor of ASUS Technology Licensing.

Note 8: Supervisor of Medus Technology Inc.

Note 9: The shareholdings stated in the table exclude trust shareholdings that are with the "rights to use" reserved.

Note 10: The Company did not have stock option issued up to the date of the annual report issued; therefore, the Company's management did not have stock option shares.

Note 11: Chairman and General Manager or equivalent positions of the Company not served by the same individual, nor are they spouses or first-degree kinship to each other.

### Education and training of the management

Title	Name	Training Date		Sponsor	Course Title	Hour
		Start	End			
Comptroller	Winnie Liu	Aug 19, 2021	Aug 20, 2021	ACCOUNTING RESEARCH AND DEVELOPMENT FUNDATION	Issuer Securities Dealer Accounting Supervisor Continuing Education Course	12
Corporate Governance Officer	Francy Jeng	Aug 11, 2021	Aug 11, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Enterprise-wide digital resilience -- On emergency response and recovery from the perspective of ransomware.	3
		Oct 7, 2021	Oct 7, 2021	Securities and Futures Institute	Case studies of fraud in enterprise financial statements	3
		Oct 14, 2021	Oct 14, 2021	Securities and Futures Institute	On Legal Risks and Countermeasures of Directors and Supervisors from the Perspectives of Major Enterprise Malpractice Cases	3
		Oct 26, 2021	Oct 26, 2021	Securities and Futures Institute	On Corporate Tax Governance and Tax Technology Solutions from the Perspectives of ESG Trends and the Pandemic Environment	3
		Nov 10, 2021	Nov 10, 2021	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Analysis of important tax measures and trends at home and abroad	3

Note: For education and training of managers who are also directors, refer to the “Education and Training of the Directors” on this annual report.

(III) Remuneration of Directors, Supervisors, President, and Vice President

**1. Remuneration of Directors**

Title	Name	Director's Remuneration						Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Remuneration of part-time employees						Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Supervisors from an Invested Company Other than the Company's Subsidiary			
		Base Compensation (A)		Severance Pay (B) (Note 1)		Remuneration to Directors (C)		Allowances (D)		Salary, Bonuses, and Allowances (E)		Severance Pay (F) (Note 2)		Remuneration to Employee (G)							
		From ASUS	Companies in the financial statements	From ASUS	Companies in the financial statements	From ASUS	Companies in the financial statements	From ASUS	Companies in the financial statements	From ASUS	Companies in the financial statements	From ASUS	Companies in the financial statements	Cash amount	Stock amount	Cash amount	Stock amount				
Chairman	Jonney Shih																				
Vice Chairman	Ted Hsu																				
Director	Jonathan Tsang																				
Director	S.Y. Hsu																				
Director	Samson Hu	0	0	0	0	150,635 thousand	0	0	0	0.34%	0	0	207,297 thousand	336,399 thousand	432 thousand	756 thousand	18,131 thousand	30,187 thousand	376,495 thousand	517,977 thousand	3,000 thousand
Director	Eric Chen																				
Director	Joe Hsieh																				
Director	Jackie Hsu																				
Director	Jerry Shen																				
Director	Tze-Kaing Yang																				
Independent Director	Chung-Hou Tai																				
Independent Director	Ming-Yu Lee	3,000 thousand	3,000 thousand	0	0	18,000 thousand	0	0	0	0.05%	0	0	0	0	0	0	0	0	21,000 thousand	21,000 thousand	None
Independent Director	Chun-An Sheu																				

- Please provide clear statement on payment policy, system, standard and structure for remuneration of independent director, as well as relationship with amount of remuneration payment according to factors such as duties undertaken, risks and time invested: All independent directors of the Company served as member in the audit committee and salary/ remuneration committee with fixed director remuneration; additionally, a share in distributed director remuneration is entitled according to the level and contribution in participating company operation.
- Further to disclosure in table above, the remuneration received by company directors over recent years for services provided to all companies in the financial report (e.g. serving as non-employed consultant): None.



## Remuneration Bracket

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies in the consolidated financial statements (H)	The Company	The Company and all reinvestment companies (I)
Below 2,000,000				
1,000,000(included)~2,000,000(not included)				
2,000,000(included)~3,500,000(not included)				
3,500,000(included)~5,000,000(not included)				
5,000,000(included)~10,000,000(not included)	Jerry Shen, Tze-Kaing Yang, Chung-Hou Tai, Ming-Yu Lee, Chun-An Sheu	Jerry Shen, Tze-Kaing Yang, Chung-Hou Tai, Ming-Yu Lee, Chun-An Sheu	Jerry Shen, Tze-Kaing Yang, Chung-Hou Tai, Ming-Yu Lee, Chun-An Sheu	Tze-Kaing Yang, Chung-Hou Tai, Ming-Yu Lee, Chun-An Sheu
10,000,000(included)~15,000,000(not included)	S.Y. Hsu, Samson Hu, Joe Hsieh, Eric Chen, Jackie Hsu	S.Y. Hsu, Samson Hu, Joe Hsieh, Eric Chen, Jackie Hsu	Eric Chen, Jackie Hsu	Jerry Shen
15,000,000(included)~30,000,000(not included)	Jonney Shih, Ted Hsu, Jonathan Tsang	Jonney Shih, Ted Hsu, Jonathan Tsang	Jonathan Tsang	
30,000,000(included)~50,000,000(not included)			Jonney Shih, Ted Hsu	Jonney Shih, Ted Hsu, Jonathan Tsang
50,000,000(included)~100,000,000(not included)			S.Y. Hsu, Samson Hu, Joe Hsieh	S.Y. Hsu, Samson Hu, Joe Hsieh, Eric Chen, Jackie Hsu
Over 100,000,000				

Note 1: No actual payout for pension funds for that year. It is a provision for pension.

Note 2: The content of remuneration disclosed in this table is different from the income defined by Income Tax Law; therefore, this table is used for the purpose of disclosure instead of tax levy.

## 2. Remuneration of President and Vice President

Title	Name	Salary (A)		Severance Pay (B) (Note 1)		Bonuses and Allowances (C)		Remuneration to Employee (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation Paid to Supervisors from an Invested Company Other than the Company's Subsidiary
		The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	Cash amount	Stock amount	The Company	Companies in the financial statements	
Chief Branding Officer	Jonney Shih													
Chief Strategy Officer	Ted Hsu													
CO-Chief Executive Officer	S.Y. Hsu													
CO-Chief Executive Officer	Samson Hu													
Chief Operating Officer	Joe Hsieh													
Corporate V.P.	Henry Yeh													
Corporate V.P.	Alex Sun													
Corporate V.P.	Taiyi Huang	58,514 thousand	59,138 thousand	1,494 thousand	1,512 thousand	419,333 thousand	419,343 thousand	38,359 thousand	0	38,359 thousand	0	517,700 仟元	518,352 仟元	None
Corporate V.P.	Albert Chang											1.16%	1.16%	
Corporate V.P.	Tenlong Deng													
Corporate V.P.	Chih-Peng Wu													
Corporate V.P.	Kent Chien													
Corporate V.P.	Vincent Chiou													
Corporate V.P.	Benson Lin													
Corporate V.P.	Rex Lee													

### Remuneration Bracket

Range of Remuneration	Name of President and Vice President	
	The Company	Invest in other companies (E)
Below 2,000,000		
1,000,000(included)~2,000,000(not included)		
2,000,000(included)~3,500,000(not included)		
3,500,000(included)~5,000,000(not included)		
5,000,000(included)~10,000,000(not included)	Henry Yeh	Henry Yeh
10,000,000(included)~15,000,000(not included)	Jonney Shih, Ted Hsu, Alex Sun	Jonney Shih, Ted Hsu, Alex Sun
15,000,000(included)~30,000,000(not included)	Taiyi Huang, Tenlong Deng, Vincent Chiou, Benson Lin	Taiyi Huang, Tenlong Deng, Vincent Chiou, Benson Lin
30,000,000(included)~50,000,000(not included)	Albert Chang, Rex Lee	Albert Chang, Rex Lee
50,000,000(included)~100,000,000(not included)	S.Y. Hsu, Samson Hu, Joe Hsieh, Chih-Peng Wu, Kent Chien	S.Y. Hsu, Samson Hu, Joe Hsieh, Chih-Peng Wu, Kent Chien
Over 100,000,000		

Note 1: No actual payout for pension funds for that year. It is a provision for pension.

Note 2: The content of remuneration disclosed in this table is different from the income defined by Income Tax Law; therefore, this table is used for the purpose of disclosure instead of tax levy.

### 3. Names of managers receiving remuneration to employees, and status of allocation thereof

	Title	Name	Stock Amount	Cash Amount (estimated amount)	Total	Ratio of Total Amount to Net Income (%)
Managers	Chief Branding Officer	Jonney Shih	0	43,296 thousand	43,296 thousand	0.0972%
	Chief Strategy Officer	Ted Hsu				
	CO-Chief Executive Officer	S.Y. Hsu				
	CO-Chief Executive Officer	Samson Hu				
	Chief Operating Officer	Joe Hsieh				
	Corporate V.P.	Henry Yeh				
	Corporate V.P.	Alex Sun				
	Corporate V.P.	Taiyi Huang				
	Corporate V.P.	Albert Chang				

	Corporate V.P.	Tenlong Deng			
	Corporate V.P.	Chih-Peng Wu			
	Corporate V.P.	Kent Chien			
	Corporate V.P.	Vincent Chiou			
	Corporate V.P.	Benson Lin			
	Corporate V.P.	Rex Lee			
	Chief Financial Officer	Nick Wu			
	Comptroller	Winnie Liu			
	Corporate Governance Officer	Francy Jan			

(IV) Compare and state the ratio of total remuneration paid to the Company's Directors, President and V.P. by the Company and the companies in the consolidated financial statements to net income in the last two years; also, describe the policy, standard, and combination of remuneration paid; moreover, the procedure of defining remuneration and its relation to business performance and future risks.

1. Analyze the ratio of the total remuneration paid to the Company's Directors, President, and V.P. in the last two years to net income:

Year (Note 1)	Total remuneration	Ratio of the net profit after tax
2020	507,161 thousand	1.91%
2021	831,470 thousand	1.87%

Note 1: It meant for the year of the income generated.

2. The remuneration policies, standards and packages, the procedures for determining remuneration and their relationship to the Company's operating performance

- (1) The remuneration is divided into pay and bonus:

Pay to directors: subject to the provisions of Article 17 of the Articles of Incorporation, the Company provides payments to directors for performing their duties for the business of the Company, whether or not the Company is operating at a profit or at a loss. The payments of directors is authorized at board meetings based on their level of participation in and contribution to the Company's operations. However, only the directors who also serve on the salary and remuneration committee shall receive the pay.

Bonuses to directors: according to Article 20 of the Company's Articles of Incorporation, the Company's annual profit shall be retained in advance to make up for the previous accumulated loss, and no more than 1% of the balance shall be allocated as the bonuses to directors (the actual annual percentage is 0.3 %).

(2) Managers' salary and remuneration include monthly salary, bonuses for three national festival holidays, annual performance bonus and other rewards based on the profitability for the year. The amount of remuneration paid for each manager is subject to the general level of remuneration and benefits paid by industry peers and the Company's business performance, personal position and contribution in the year should also be considered. The Company's Human Resources Division submits the proposal for the remuneration to the salary and remuneration committee for review and the proposal is then submitted to the board for approval.

(3) Relationship to the Company's operating performance and future risks

The Company conducts regular performance appraisal of directors every year in accordance with the Board Performance Appraisal Measures. The results are reported at the board meeting the next year as reference for review and improvement and used as the basis for nomination or salary and remuneration of directors.

The standard for remuneration of directors, president and vice presidents fully considers the directors' professional capacity, the Company's operation and financial status and the directors' other contribution to the Company.

The Company examines future operational risks and corporate social responsibility at any time and reviews the remuneration system in a timely manner to maintain a balance between the Company's sustainable operations and risk management.

### III. Corporate governance Implementation

#### (I) Board of Directors

The 2021 Board of Directors convened 8 meetings (A). The following is the attendance of the directors:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Notes
Chairman	Jonney Shih	8	0	100%	
Vice Chairman	Ted Hsu	8	0	100%	
Director	Jonathan Tsang	8	0	100%	
Director	S.Y. Hsu	8	0	100%	
Director	Samson Hu	8	0	100%	
Director	Eric Chen	8	0	100%	
Director	Joe Hsieh	8	0	100%	
Director	Jackie Hsu	8	0	100%	
Director	Jerry Shen	7	0	87.5%	
Director	Tze-Kaing Yang	8	0	100%	
Independent Director	Chung-Hou Tai	8	0	100%	
Independent Director	Ming-Yu Lee	8	0	100%	
Independent Director	Chun-An Sheu	8	0	100%	

Other mentionable items:

1. If any of the following circumstances happens in the operation of the Board of Directors, it shall describe the date, term, agenda, opinion of independent directors and the Company's treatment of these opinions:

(1) The provision of the Securities and Exchange Act, Article 14-3:

Board of Directors Meeting Date	Resolution	Opinions of independent directors	Company's treatment of the pinions.	Resolution results
The 12th time of the 12 <sup>th</sup> term Feb 4, 2021	The Company's strategic investment collaboration with Portwell, Inc.	None	N/A	The matter is approved by all the attendees
The 13th time of the 12 <sup>th</sup> term Mar 17, 2021	Assessment of Q4 2020 major accounts reclassified as lending of funds.	None	N/A	The matter is approved by all the attendees
The 14th time of the 12 <sup>th</sup> term May 12, 2021	Assessment of Q1 2021 major accounts reclassified as lending of funds.	None	N/A	The matter is approved by all the attendees
The 17th time of the 12 <sup>th</sup> term Aug 11, 2021	Assessment of Q2 2021 major accounts reclassified as lending of funds.	None	N/A	The matter is approved by all the attendees
The 18th time of the 12 <sup>th</sup> term	1. Assessment of Q3 2021 major	None	N/A	The matter is approved by all

Nov 10, 2021	accounts reclassified as lending of funds. 2. The Company's lending of funds to its subsidiary Askey Computer Corp.			the attendees
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- (2) In addition to the previous provisions, other resolutions of the Board meeting against which independent directors make objections or reserve opinions or submit written statements:  
None.

2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting shall be specified:

Director's Name	Contents of motion	Reasons for recusal	Participation in voting
Jonney Shih, Samson Hu	Motion of the 18th meeting of the 12th term: The Company's lending of funds to its subsidiary Askey Computer Corp.	Con-currently serving as a director at Askey, therefore considered as a stakeholder.	Recusal due to conflict of interest, did not participate in voting.

3. Evaluation of the functions of the board of directors in the current year and last year: The Company's board of directors operates in accordance with the Company's "Rules of Procedure for Board Meetings" and related laws. The corporate governance officer, the executive financial officers and chief auditors will also attend a directors' meeting and produce relevant reports to directors for reference. Meanwhile, in order to upgrade the board members' competency, the Company will invite external trainers to give lessons and arrange advanced studies for the board members.
4. The Attendance of the independent directors at board of directors' meetings in 2021:  
(V: Attendance in Person; \*: By Proxy; X: Absent / Leave)

Name	First Jan 20, 2021	Second Feb 4, 2021	Third Mar 17, 2021	Fourth May 12, 2021	Fifth Jul 1, 2021	Sixth Jul 21, 2021	Seventh Aug 11, 2021	Eighth Nov 10, 2021
Chung-Hou Tai	V	V	V	V	V	V	V	V
Ming-Yu Lee	V	V	V	V	V	V	V	V
Chun-An Sheu	V	V	V	V	V	V	V	V

5. Implementation of the Board's evaluation

The Company has conducted the 2021 performance appraisal of the Company's board of directors and functional committees in January 2022 according to the "Self-Evaluation of the Board of Directors." The evaluation information is shown as follows. The results show that the board of directors and functional committees have overall operated properly and conformed to the principle of corporate governance.



Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Aspect
Perform once a year	Jan 1, 2021~ Dec 31, 2021	Board of Directors	Internal self-assessment on board members	The measurements should include at least the following five aspects: 1. Participation in the operation of the Company. 2. Improvement of the quality of the board of directors' decision making. 3. Composition and structure of the board of directors. 4. Election and continuing education of the directors. 5. Internal control.
		Individual directors	Internal self-assessment on board members	The measurements should include at least the following six aspects: 1. Understand the objectives and missions of the Company. 2. Understanding of directors' job responsibilities. 3. Participation in the operation of the Company. 4. Internal relationship management and communication. 5. Professionalism and continuous education of directors. 6. Internal control.
		Functional Committee	Internal self-assessment on board members	The measurements should include at least the following five aspects: 1. Participation in the operation of the Company 2. Understanding of functional committee's job responsibilities. 3. Improvement of the quality of the committee' decision making. 4. Makeup of the functional committee and election of its members. 5. Internal control.

(II) Audit Committee Meeting Status:

The 2021 Audit Committee convened 4 meetings (A). The following is the attendance of the Independent Director:

Title	Identity	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Notes
Convener	Independent Director	Chung-Hou Tai	4	0	100%	
Member	Independent Director	Ming-Yu Lee	4	0	100%	
Member	Independent Director	Chun-An Sheu	4	0	100%	

Other mentionable items:

I. The operation of the Committee has the following matters as the major works of the year:

(1) Fair presentation of the financial statements.

- (2) The delegation (discharge), independence and performance of the CPAs.
- (3) The delegation (discharge), independence and performance of the CPAs.
- (4) Compliance with the relevant laws and regulations by the Company.
- (5) Control over the existing or potential risks of the Company.

## II. Operation of the Committee in 2021:

Audit Committee (Session/Meeting Date)	Contents of motion	Securities and Exchange Act, Article 14-5	Independent directors' opinion	Resolution results
The 7 <sup>th</sup> time of the 2 <sup>ed</sup> term Mar 17, 2021	Report on the annual risk control implementation		None	The matter is approved by all the attendees
	Audit report of the Company		None	
	Assessment of CPA's independence for 2020.		None	
	Standards and changes of audit fees of the Company's and some subsidiaries' CPAs.		None	
	Assessment of Q4 2020 major accounts reclassified as lending of funds.	V	None	
	Ratification of the annual business report and financial statement for 2020.	V	None	
	Profit distribution of 2020.		None	
	Presentation of the "Annual Internal Control System Statement for 2020."		None	
The 8 <sup>th</sup> time of the 2 <sup>ed</sup> term May 12, 2021	Audit report of the Company		None	The matter is approved by all the attendees
	Report on the operating status of the subsidiary Askey Computer		None	
	Assessment Q1 2021 major accounts reclassified as lending of funds	V	None	
	2021Q1 consolidated financial statements	V	None	
The 9 <sup>th</sup> time of the 2 <sup>ed</sup> term August 11, 2021	CPA's report on Q2 2021 financials		None	The matter is approved by all the attendees
	Audit report of the Company		None	
	Assessment of Q2 2021 major accounts reclassified as lending of funds.	V	None	
	2021Q2 consolidated financial statements	V	None	
	Standards and changes of audit fees of the Company's and some subsidiaries' CPAs.		None	
	Ratification of the increasing total of tariffs pledged		None	
The 10 <sup>th</sup> time of the 2 <sup>ed</sup> term November 10, 2021	CPA's report on Q3 2021 financials		None	The matter is approved by all the attendees
	Audit report of the Company		None	
	Assessment of Q3 2021 major accounts reclassified as lending of funds.	V	None	
	2021Q3 consolidated financial statements	V	None	
	Approved the Company's	V	None	

	lending of funds to its subsidiary Askey Computer Corp.			
	2022 Annual Audit Plan		None	

Note: There were no other resolutions which was not approved by the Audit Committee but was approved by two thirds or more of all directors in 2021.

III. There were no recusals of independent directors due to conflicts of interests in 2021.

IV. Descriptions of the communications between the independent directors, the internal auditors, and the independent auditors in 2021 (which should include the material items, channels, and results of the audits on the corporate finance and/or operations, etc.):

- i. Audit on communication channel between superintendents and independent directors
  - a. Based on the status of executing the annual audit plan, submit the audit report from the previous month at each month's end, compile quarterly improvement tracking report and hand it to each committee member for reference. In case of any doubt, communicate via telephone and mails at all times.
  - b. In the Audit Committee meeting and board meeting held quarterly, report significant audit business of the company and subsidiary company to the committee members. In case of major abnormalities, immediate report shall be made and notified to each committee member for review. Up till the most recent meeting, no particular incident raised.
  - c. During normal times, direct contact with the independent director could be made via telephone, mails, messages or in person as needed and the communication was well.

2021 Summary of communication between independent director and internal audit superintendent:

Date	Nature	Communication focus	Communicate results
Mar 17, 2021	Audit Committee	2020 Report on Q4 audit tasks and improvement tracking status	No comment
		2020 Resultant report on overall self-assessment of internal control and implementation at operation level	No comment
May 12, 2021	Audit Committee	2021 Report on Q1 audit tasks and improvement tracking status	No comment
August 11, 2021	Audit Committee	2021 Report on Q2 audit tasks and improvement tracking status	No comment
November 10, 2021	Audit Committee	2021 Report on Q3 audit tasks and improvement tracking status	No comment
		The 2022 Audit plan and work focus was submitted with description on risk assessment results.	No comment

ii. Communication matters and methods between accountant and independent director:

- a. The accounts have explained the audit (review) of financial statements and the key audit matters of financial reports of the year at the audit committee meeting and discussed with independent directors, and the results of communication were positive.

- b. In addition to communication at the audit committee meeting, accounts and independent directors may engage in thorough communication through phone calls, video, letters and messages if there are any doubts about the reports.

2021 Summary of communication between independent director and internal audit superintendent:

Date	Nature	Communication focus	Communicate results
Mar 17, 2021	Audit Committee	The subject and nature were set as 2020 Review on compiled and individual finance report	No comment
May 12, 2021	Audit Committee	The subject and nature were set as 2021Q1 Review on compiled and individual finance report	No comment
Aug 11, 2021	Audit Committee	The subject and nature were set as 2021Q2 Review on compiled and individual finance report	No comment
Nov 10, 2021	Audit Committee	The subject and nature were set as 2021Q3 Review on compiled and individual finance report	No comment
Dec 15, 2021	Video Conference - Independent Directors and Accountants Only	The subject is 2021 Annual Audit Plan	No comment



Assessment Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	
(1) Has the Board of Directors established a diversity policy, set goals, and implemented them accordingly?	V		(1) The Corporate Governance Best Practice Principles formulates the diversity policy for the Company's board members and the specific management objectives to be implemented in accordance with the policy. For the implementation status, please refer to the board diversity and independence section of the annual report.
(2) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		(2) The Company also established the GreenASUS and Business Community Management Committee, as well as the risk management platform, personal information protection committee and information security management committee. Each committee drafts relevant topics for analytical discussion, inter-department communication, coordination and execution.
(3) Does the Company establish a standard to measure the performance of the Board, and implement it annually and provided the results to the board as the reference for directors' remuneration and nomination and renewal?	V		(3) The Board Performance Appraisal Measures have been approved by the board and it is stipulated that the board shall conduct performance appraisal of the board as a whole, board members and functional committees. The Company has completed the abovementioned performance appraisal in January 2022 and reported the results at the board meeting on March 16, 2022. For the appraisal process and content, please refer to the section on the operation of the board in the annual report.
(4) Does the Company regularly evaluate the independence of CPAs?	V		(4) Every year, the Company evaluates independence and competence of the certified public accountant according to the “Independence statement” issued by the accounting institute of such an accountant. Should the result of evaluation indicate compliance with the independence standard of the Company that such an individual is qualified to act as certified public accountant for the Company, the results of relevant evaluation will be submitted to the audit committee and board of directors' meetings for review and approval. See Note 1 for the criteria of independence evaluation.

Assessment Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Y	N	Explanation	
4. Does the Company allocate competent and suitable number of administrators, as well as appointing administration managers in charge of relevant affairs to company administration (including but not limited to providing data required for director execution, assisting directors to comply with legal regulations, legally conducting relevant affairs on board of directors and shareholders meetings, as well as producing minutes for such meetings)?	V		<p>The Company's Shareholder Services Office is responsible for corporate governance-related tasks. On November 11, 2020, the board resolved to appoint the director of Shareholder Services Office Jun-Yi Cheng as the head of corporate governance. Director Cheng has served as the head of the Company's shareholder service department and corporate governance unit for more than three years, meeting the requirements for being the head of corporate governance.</p> <p><b>The main authority should include the following:</b></p> <ul style="list-style-type: none"> <li>● Relevant matters on directors' meeting, audit committee meeting, remuneration committee meeting and shareholders' meeting were conducted as per legal requirements.</li> <li>● Assistance offered for director inauguration and advanced study.</li> <li>● Assistance offered to provide data required for director execution.</li> <li>● Assistance offered to directors for adhering with relevant legal regulations.</li> <li>● Other matters stipulated in accordance with the Company's article of incorporation or contracts.</li> </ul> <p><b>2020 corporate governance tasks performance key points</b></p> <p>1. Relevant matters on directors' meeting, audit committee meeting, remuneration committee meeting and shareholders' meeting were conducted as per legal requirements</p> <p>(1) Handle issues related to meeting preparation and convening in accordance with the law, assist in drafting the agenda and compiling proposal information, provide meeting members with sufficient meeting information and related needs in a timely and appropriate manner, and assist in meeting procedures and meeting records.</p> <p>(2) Assist in the announcement of meeting resolutions or important messages and other regulatory compliance matters, and track the implementation of resolutions.</p>	Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”



Assessment Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Y	N	
			<p>2. Arrange directors’ continuing education courses. All directors have met the standard of completing at least six hours of continuing education courses for the year.</p> <p>3. Arrange meetings between independent directors, certified accountants, audit supervisors, and business heads to communicate and exchange information to help independent directors to carry out their duties.</p> <p>4. Assist directors to comply with regulations, and remind directors of the rights and obligations and development of relevant laws and regulations.</p> <p>5. Help the Company implement relevant corporate governance regulations, review the scoring requirements of corporate governance evaluation indicators and help all business units conduct such evaluation tasks.</p> <p>6. Help the Company’s legal affairs unit assess the “Director and Supervisor Liability Insurance” policies that meet the needs of the Company and directors to protect the Company.</p> <p>For the status of continuing education of the Company’s head of corporate governance: Please refer to the annual report - “Status of Managers’ Education and Training.”</p>
5. Does the Company setup communication channels between the investors (including but not limited to the shareholders, employees and suppliers), establish the Investor Relation area on the Company’s website and respond to the issues of corporate social responsibilities concerned by the investors?	V		Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	V		Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”
7. Information Disclosure (1) Does the Company have a corporate website to disclose both financial standings and the status of corporate	V	(1) The Company has established a website of investor relations <a href="http://www.asus.com/tw/Investor/">http://www.asus.com/tw/Investor/</a> for regular disclosure of relevant	Compliant with the Code of “the Corporate Governance Best-Practice Principles for

Assessment Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	
governance (2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesperson system, webcasting investor conferences)? (3) Does the Company publish and declare its annual financial report within two months after the end of the accounting year, as well as publish and declare financial report of Q1, Q2, Q3 and monthly operation status prior to specified deadlines?	V		<p>information on financial business and company administration. (2) The Company establishes specialist in charge of information collection and disclosure with implementation of spokesperson system as the external communication. The corporate conference process will also displayed at the Company website.</p> <p>(3) The Company publishes financial report and monthly operation status according to regulations under Article 36 of the Exchange Act.</p> <p>The company has a large number of subsidiaries and affiliates, and is unable to announce and file the annual financial reports within two months after the end of the fiscal year.</p>
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		<p>(1) For information regarding employees' rights and care for employees, please refer to the section on “Labor-Employer Relation” of this annual report.</p> <p>(2) The Company has built up the Investor Relations area on its official website.</p> <p>(3) The Company has established related information of the liability insurance for all directors and supervisors in the Company's Article of Incorporation. The insurance amount, coverage, rate and other important information will be reported to the Board on a regular basis.</p> <p>(4) To improve the supervision and management function of the Board of the Directors, the Company follows the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” promulgated by competent authority and develops the “Board of the Directors Meeting Standards” with arrangement of advanced study for the directors to pursue advanced study from time to time. (Please refer to “Education and Training of Directors” in this annual report)</p> <p>(5) The Company establishes maintenance office and consumer hotlines worldwide to protect the rights of the consumers. The Company also signs contract with clients to provide relevant products and services.</p> <p>(6) The Company follows the laws and regulation with emphasis on labor-employer relation, providing employment opportunity.</p> <p>Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”</p>

Assessment Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Explanation			
	Y	N		
			<p>creating own branding, expanding export, and fulfilling social responsibilities.</p> <p>(7) In the succession planning program, the successor not only must have the outstanding capabilities in the technology industry, but also acknowledge the Company’s operation philosophy and implement it. Their personality traits must include “humbleness, honesty, hard-working, cleverness, and courage,” or the five virtues of ASUS, while being trustworthy, innovative, and trusted by clients.</p> <p>In order to introduce new management concepts, the Company allows the open discussions before making decisions, and selects the most correct decision. The reshaping of the company culture and management philosophy has been activated, by referring the innovative management concepts of international companies, and taking “leverage the collective wisdom, select the best creativity” as the core. The Company also continues to train the young generation of the management team, as a talent succession plan for the future management team.</p> <p>The training programs for senior management successors are divided as vision leadership, operating decision-making, strategy execution, driving innovation, and talent inheritance. Through the above-mentioned “five forces for executive leadership,” to train their professional management capabilities and integrated application, for developing their capability in decision-making and judgement.</p> <p>(8) Other company: The governance matters are gradually implemented, taking consideration of the current situation of the Company and regulations.</p>	
9. The Company shall describe the improvements with reference to the corporate governance evaluation results issued by the CG Center of Taiwan Stock Exchange Corporation, and shall make available the prioritized enhanced measures for the matters that have not been improved.	V		ASUS particularly disclosed the information on our website to meet the corporate governance requirements. The Company will make improvement progressively according to the plan to be made for the matters that have not been improved.	Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”

Note 1: Assessment criteria of accountant's independence

Assessment	2021 Assessment result (Y/N)	Independence (Y/N)
1. The designated accountant does not have direct or indirect financial interest relationship with the Company.	Y	Y
2. The designated accountant does not have a financing or guarantee relationship with the Company or any director or supervisor of the Company.	Y	Y
3. The designated accountant does not take into account the possible loss of the client to affect his/her auditing task.	Y	Y
4. The designated accountant does not have close business relationship or potential employment relationship with the Company.	Y	Y
5. The designated accountant does not have contingent fees related to his/her auditing task.	Y	Y
6. The designated accountant does / did not currently/ in the recent two years serve as a director, supervisor, or manager of the Company or play a role having significant influence on the audit case.	Y	Y
7. The non-audit service that the firm of the designated accountant offered to the Company does not have direct influence on any important items of the audit case.	Y	Y
8. The designated accountant does not promote or act as an intermediate for the shares or other securities issued by the Company.	Y	Y
9. The designated accountant does not serve as the advocate of the Company nor as the representative of the Company to mediate the dispute between the Company and any third party.	Y	Y
10. The designated accountant does not have kinship with any director, supervisor, or manager of the Company or the person having significant influence on the audit service.	Y	Y
11. No former partner of the designated accountant serves as a director, supervisor, or manager of the Company or in a position having significant influence on the audit case within one year after relieved of his/her office.	Y	Y
12. The designated accountant did not receive any gift or present of great value from the Company or any director, supervisor, or manager of the Company.	Y	Y
13. The designated accountant did not accept any inappropriate selection of accounting policies or inappropriate disclosure.	Y	Y

#### (IV) Compensation Committee Meeting Status:

##### 1. Formation and Responsibilities of ASUS Compensation Committee :

###### (1) Formation of Committee :

The Member of Committee consists of three people appointed by the BOD resolution, whereas one of them is the convener. The professional qualification and independence of the members comply with the provisions set forth in Article 5 and Article 6 of Guidelines for Functions in Compensation Committee.

###### (2) Responsibilities of Committee :

The Committee shall exercise the care of a good administrator to faithfully perform the following duties and present its recommendations to the board of directors for discussion.

- i. Periodically review the guidelines and propose recommendation for revision.
- ii. Formulate and periodically review the performance appraisal for ASUS directors and managers with policy, system, standards, and structure for salary and remuneration.
- iii. Periodically evaluate and specify the salary and remuneration for ASUS directors and managers.

The Committee fulfilling the aforementioned functions shall comply with the following principles :

- i. Ensure the arrangement of salary and remuneration in line with relevant laws and regulations that are sufficient to attract outstanding personnel.
- ii. The performance appraisal and salary/remuneration for directors and managers shall refer to common peer standards for payout with consideration of personal performance and company salary/remuneration concept, business performance and rationality of future risk association.
- iii. Directors and managers shall not be misled with introduction of pursuit of salary/remuneration to engage in conducts exceeding the risk appetite of the Company.
- iv. The proportion of bonus to directors and senior managers in short-term performance and the payout time for some changing salary and remuneration shall be determined with consideration of industry characteristics and the business nature.

##### 2. The Members of ASUS Compensation Committee:

Title	Criteria Name	Professional Qualification and Experience	Number of Other Taiwanese Public Companies Concurrently Serving as a Compensation Committee Member
Independent Director	Ming-Yu Li	Refer to pages 35 - Disclosure of Directors' Professional Qualifications Information	1
Independent Director	Chung-Ho Tai		1
Independent Director	Chun-An Sheu		2

##### 3. Operations of ASUS Compensation Committee:

- (1) The members of the Remuneration Committee of the Company: 3 people.
- (2) Period of the 4<sup>th</sup> term: June 18, 2019 to June 17, 2022.
- (3) The Salary and Remuneration Committee convened 3 meetings in 2021 (A). The qualification of the members and their attendance are as below:

Title	Identify	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Notes
Convener	Independent Director	Ming-Yu Li	3	0	100%	
Member	Independent Director	Kenneth Tai	3	0	100%	
Member	Independent Director	Chun-An Shen	3	0	100%	
Other mentionable items: 1. The board of directors decline to adopt, or will modify, a recommendation of the Remuneration Committee: None 2. Any member’s objection to or reservations about motion resolved by the Remuneration Committee: None 3. The treatment to the Compensation Committee by the Company: No special opinion expressed by any members in the year.						

4. Discussion of the cause and resolution result of ASUS Compensation Committee recently:

Date	Discussion	Resolution results
Jan 20, 2021 The 5 <sup>th</sup> time of the 4 <sup>th</sup> term	Approved the Company's motion for allocation of year-end bonus to managers in 2020.	The matter is approved by all the attendees
Mar 17, 2021 The 6 <sup>th</sup> time of the 4 <sup>th</sup> term	Approved the motion for allocation of remuneration to directors and employee bonus from earnings of 2020.	The matter is approved by all the attendees
Jul 21, 2021 The 7 <sup>th</sup> time of the 4 <sup>th</sup> term	1. Passage of the proposal for compensation distribution to directors for 2020. 2. Approved the Company's motion for allocation of mid-year bonus to managers in 2021.	The matter is approved by all the attendees
Jan 25, 2022 The 8 <sup>th</sup> time of the 4 <sup>th</sup> term	Distribution of 2021 year-end bonuses and performance bonuses for managers	The matter is approved by all the attendees
Mar 16, 2022 The 9 <sup>th</sup> time of the 4 <sup>th</sup> term	Approved the motion for allocation of remuneration to directors and employee bonus from earnings of 2021.	The matter is approved by all the attendees

(V) Sustainable Development Implementation Status as Required by the Taiwan Financial Supervisory Commission

Assessment Item	Implementation Status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and the reasons
	Y	N	Summary	
1. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	V		The Company has established a permanent unit known as the Sustainability & Green Quality Managing Center in charge of promoting policies and actions related to corporate social responsibility. GreenASUS and SERASUS (Social and Environmental Responsibility) management committee meetings are held regularly with the CEO serving as the managing representative to promote sustainability affairs and monitor the results, as well as reporting annual plan and performance of sustainability to the board of directors.	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies.
2. Does the Company follow a significant principle to conduct risk assessment on the environment, society and administration related to the company operation, as well as setting relevant risk management policy or strategy?	V		ASUS established Risk Management Platform to the Business Continuity Management (BCM) Committee to review the external sustainability framework, social investment requirements, international development trends and other topics, analyze Risk of impact on ASUS. At the same time, ASUS established enterprise risk management measures to develop management strategies for major risks to strengthen corporate resilience.	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies.
3. Environmental issues (1) Did the Company establish a suitable system of environmental management according to its industrial characteristics?	V		(1) The Company has passed the ISO14001 Environmental management certification since 1998. Up till now, we still follow the PDCA (Plan, Do, Check, Act) system and request proper control.	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies.
(2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	V		(2) ASUS has established its 2025 Sustainability Goals, one of which is the main topic of "Circular Economy." which includes improving the energy efficiency of products and using eco-friendly materials, such as PCR plastics, recycled pulp for paper packaging materials and others. Through the rigorous audit by international environmental protection agencies, the Company obtains its green product certification.	
(3) Did the Company evaluate climate change on potential risks and opportunities for corporate at present and in future, as	V		(3) The Company supports and adopts the TCFD (Task Force on Climate-related Financial Disclosures) issued by FSB	

Assessment Item	Implementation Status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and the reasons
	Y	N	Summary	
<p>well as taking correspondent measures on climate-related topics?</p> <p>(4) Over the past two years, did the Company take statistics on total mass of greenhouse gas emission, water consumption and waste, as well as setting policy on energy conservation together with reduction of carbon, greenhouse gas, water consumption or other waste management?</p>	V		<p>(Financial Stability Board), which discloses financial influence caused by climate change based on administration, strategy, risk management, indexes and target frame. In 2021, the Company announced that it has joined the RE100 initiative to commit to using renewable energy in all of its global offices by 2035. Together with the Taiwan Climate Partnership formed by Taiwan's leading technology companies, it shows its determination and practical actions to reduce carbon emissions.</p> <p>(4) We reduced environmental footprint according to the environmental management policy, where our headquarter received LEED platinum certificate from USGBC. Furthermore, annual statistics on greenhouse gas emissions, water consumptions and waste weight for setting reduction targets and gradual optimization of environmental performance every year.</p>	
<p>4. Social issues</p> <p>(1) Did the Company set relevant management policy and procedures according to related legal regulations and the "International Bill of Human Rights"?</p> <p>(2) Did the Company set and implement reasonable measures of staff welfare (including remuneration, leave and other welfare), and adequately reflect operation performance or achievement in the staff remuneration?</p>	V  V		<p>(1) The Company has drafted and disclosed policy on declaration of human rights according to the "Universal Declaration of Human Rights" under the UN, as well as setting the internal standard.</p> <p>(2) Every year, the Company would refer to information such as price standard in Taiwan and salary standard in the same industry for reasonable adjustment of monthly salary. The amount of bonus and level of individual occupation interlinks with the company/ unit/ personal performance. Performance appraisal is conducted at each year-end, in addition to acknowledge performance of excellent staff and promote development via the appraisal system, the Company also adheres with social responsibility of teammate caring by assisting staff with falling performance to achieve goals via the performance improvement program. Regarding daily work duty, all staff are entitled to flexible work hours and specified days</p>	<p>In line with the Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies.</p>



Assessment Item	Implementation Status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and the reasons
	Y	N	Summary	
(3) Did the Company provide staff with a safe and healthy work environment, as well as implementing regular training on safety and health?	V		<p>of personal/ sick leaves with full salary except for certain staff due to the work nature. In addition to special leaves per annum, all staff are entitled to another 7 days of Happiness leave. The Company has established regulations such as "Work rules," "Duty management measures" and "Vehicle/Motorcycle parking management measures" that specify items that staff shall adhere with and welfare entitled.</p> <p>(3) In addition to legal provision of exclusive occupational safety and health units, the Company continued to approve the ISO 45001 labor safety and health management system. All new, current and out-sourced personnel shall receive the occupational safety and health training for personal safety and health. Carry out environmental consideration and safety and health risk identification and conduct emergency response drills every year.</p>	
(4) Did the Company establish an effective training program for staff on development of occupational capacities?	V		<p>(4) The Company fully promotes the "Learning &amp; Growth Plan," where the superintendents assist staff to develop capacity required, as well as providing feasible solutions that comply with organizational and personal development. We hold the concept of "aptitude-based teaching" that takes core-value of the Company and occupational capacity required at each level as foundation to assess the need in personal work. The superintendents would discuss and plan with staff on their personal learning program for the year, which makes learning more systematic and more efficient.</p>	
(5) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set policies to protect consumers' or customers' rights and consumer appeal procedures?	V		<p>(5) ASUS has passed verification for the ISO 9001 Quality management system and ISO 14001 Environmental management system to ensure that product and services comply with relevant legal regulations and criteria worldwide. ASUS set up Privacy Protection Policy to protect Customer privacy and data security, and the policy</p>	

Assessment Item	Implementation Status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and the reasons
	Y	N	Summary	
(6) Did the Company set policy of supplier management that requests suppliers to follow relevant specifications on topics such as environmental protection, occupational safety and health or human right of labors, as well as disclosing the status of implementation?	V		<p>description is published on the official website. At the same time, the consumer appears procedures and methods have been established, which are available through our technical hotline 0800-093-456/ email or website for technical support (<a href="http://support.asus.com.tw">http://support.asus.com.tw</a>).</p> <p>(6) ASUS is a full member of RBA (Responsible Business Alliance). We adopted the RBA code and other international standards as the foundation of our supply chain management, which covered five aspects, namely labor, safety &amp; health, environment, ethics and management system, as well as strengthening protection for women and youth laborers. We request all suppliers to adhere with rules of conduct, where the level of practice is reviewed via auditing. Additionally, the ISO 20400 sustainable procurement management has been promoted with third-party-certified sustainability management introduced to procurement policy and practice, where we head towards the goal of sustainable operation covering administrations, environmental protections, labor rights, safety and health.</p>	
5. Does the Company refer to report editing criteria or guidance that are common internationally for producing CSR report and discloses non-finance information of the Company? Did the above-mentioned report receive assurance or guaranteed comments from the third-party verification unit?	V		<p>The 2021 Corporate sustainability report published in 2022 was based on GRI Standards 2021 Update, which also adopted the sustainability indicators of the Sustainability Accounting Standards Board (SASB). Commissioned SGS Taiwan to adopt the AA1000AS Type 2 High Level Assurance. Complied with the reporting principles for inclusiveness, sustainability, materiality and completeness of the report, as well as taking into account the quality principles of accuracy, balance, clarity, comparability and timeliness.</p>	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies.
6. If the Company has established its sustainable development code of practice according to "Listed Companies Sustainable Development Code of Practice," please describe the operational status and differences: The Company has fulfilled its corporate social responsibility based on the "Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies".				
7. Other important information to facilitate better understanding of the Company's implementation of sustainable development: Please refer to the ASUS sustainability report and website at <a href="https://csr.asus.com/english/index.aspx">https://csr.asus.com/english/index.aspx</a>				

## (VI) Corporate Social Responsibility

In August 2019, the 181 CEO's of corporate roundtable conferences mutually signed the statement that committed to lead corporations for benefitting all interested parties including clients, staff, suppliers, communities and shareholders. The new statement replaced the administration direction in part and outlined the modern standard of corporate responsibilities.

With 30 years since its establishment, ASUS went through numerous operative transformations, where the public focus on ASUS capability of generating financial profit also extended to overall performance on environmental protection, culture of caring and taking social responsibilities that helped achieve our economic growth. It is a significant subject for ASUS on how to utilize the sustainability strategy for promoting innovation and becoming a better corporate.

We believe that sustainability should not be a mere PR (Public Relations) method to vamp up the corporate image. Instead, it shall allow us to carry the social responsibility by solving problems in societies and the environment, as well as seeking humankind well-being while pursuing our operation growth at the same time. Therefore, ASUS has merged sustainability with operation concept by starting from ethical honesty. Each of our decision processes included consideration on environmental and social aspects, which were expected to provide genuine contribution to humankind together with our partners and clients.

In 2009, ASUS established an exclusive unit for sustainable development, which deals with sustainability topics such as grasp global trends on sustainable development, analytical administration, environment and society. By combining the operation core, product innovation and service, the direction of strategic sustainability was set together with project promotion. Along with initiation of a reconstruction program by the organization, the sustainable unit was reformed as the "Sustainability & Green Quality Management Center" The unit was provided with the position of Chief Sustainability Officer (CSO) in charge of grasping and analyzing global trends in sustainability, managing goals and practical actions under sustainability policy, as well as regularly submit annual critical plans of sustainability and result from performance to the board of directors for review.

In order to perform lateral inter-unit coordination on critical topics such as product, supply chain and organizational operation with high influence in the corporate, we have established the "GreenASUS and SERASUS management committee" in addition, where CEO authorized the Chief Sustainability Officer (CSO) as the representative with meeting held bi-monthly. The committee members come from departments of business operation, procurement, customer service, administration and legal affairs. Lateral inter-unit communication and coordination are conducted for effective resource allocation, so

all ASUS staff may contribute consistent effort on sustainability, which properly combines sustainability with operation cores and become part of the corporate competitiveness.

In response to the increasingly complex risks faced by business, such as: trade wars, extreme weather, COVID-19, information security incidents, etc., ASUS has expanded the management scope of the “Enterprise Risk Management Platform” to the “Business Continuity Management Committee” in 2020. Establish the BCM committee to enable decision-making supervisors to understand the whole picture on a common platform. The chairman supervises the development of strategies, and collaborates with co-CEOs, chief operating officer and senior business executives as the decision-making team to supervise the effectiveness of operations. Identify possible future challenges, establish good protection measures in advance, and demonstrate organizational resilience.



Results of sustainable governance:

- (1) 2021 Asia Sustainability Reporting Awards -- Asia's Best Sustainability Report (Large Company) - Silver; Asia's Best Supply Chain Reporting - GOLD; Asia's Best Supply Chain Reporting - Silver.
- (2) Enterprise rating of "Prime Level" by the Institutional Shareholder Services (ISS) ESG in 2021.
- (3) 2021 member of the S&P Global, The Sustainability Yearbook 2021, 2022.
- (4) Top 100 Global Innovators 2022 by Clarivate.
- (5) Ranked No. 1 in the list of value ranking of Taiwan's global brands 8 times (2013-2019, 2021)
- (6) Acquisition of 「Asia's Most Socially Responsible Company of the Year」 Award.
- (7) Selected as a component of the MSCI Global Sustainability Indexes for six consecutive years (2014-2019).

- (8) Selected as a component of the FTSE4Good Emerging Index for six consecutive years (2016-2021).
- (9) Selected as a component of FTSE4Good Emerging Index and TIP Taiwan ESG Index for five consecutive years (2017-2021).
- (10) Listed in the “World’s Most Admired Companies” six times by Fortune Magazine of the US.
- (11) The most trusted company in the world selected by Forbes. The only top 100 enterprises in Taiwan that has been selected for three consecutive year (2017-2019).
- (12) First electronic company in the world that obtained the ISO 20400 Sustainable procurement certificate in 2019.
- (13) 2019 GCSA (Global Corporate Sustainability Award): Global sustainability excellence award and Global best practice award.
- (14) 2019 TCSA (Taiwan Corporate Sustainability Award): 7 awards including the supply chain management award, social inclusion award, climate leader award, innovative growth award, circular economy leader award, Top 50 comprehensive performance award in service industry under corporate sustainability and gold award in service industry under corporate sustainability.
- (15) 2018 Asia Sustainability Reporting Award: Acquisition of Asia's Best Supply Chain Reporting and nominated for Asia's Best SDG Reporting.
- (16) For 2017 and 2018, the Company was selected among the Top Ten Corporate Citizen Award by CommonWealth Magazine for two consecutive years.

#### Sustainability focus

ASUS referred to the “Defining materiality” published by GRI & ROECOSAM for establishing a materiality process. After selecting major subjects on sustainable risks or influence that can be elaborated among extensive topics, we identified the significant topics that impose great influence and focus. Opinions from interested parties in different fields help with plotting clear vision, which confirms the role ASUS shall undertake in the society and solve challenges faced.

#### 1. Circular economy and product responsibility

At ASUS, we see the circular economy as the key towards sustainable operation. From passive pollution prevention in the past and compliance with legal regulations, we changed to initiative and preemptive measures with the goal of detaching operation growth from resource consumption. From the product life cycle of “cradle to grave,” we extended it as “cradle to cradle,” which formed a circulating model of “resources, products and then regenerated resources.”

We are well aware that the model of a circular economy could not be achieved with one step. Therefore, we analyzed the trend of international development and referred to the research report from Accenture. Combining our proud digital technology while fusing mindset of circular economy into product design and service, we applied four processes, optimization of materials selection, lean design, continuity of use and recycling, where we adopted numerous measures to improve resource efficiency.

#### Initiative strategy of prohibiting hazardous chemicals

Certain chemicals display acceptable risks currently, but may be determined as control necessity in future, which interrupts the possibility of product or part circulation. ASUS has taken an initiative management strategy that precedes legal requirements by restricting over 300 types of chemicals. In addition to preventing influences on laborers and the environment, such action also helps circulated usage of resources.

#### Non-usage of halogen flame retardants at 85.2% of parts

Halogen flame retardants cause hazard to the environment and human health from incomplete combustion. Furthermore, the parts containing halogen cannot be reused due to encroachment under halogen acid, which is against the interest of the circular economy. ASUS has adopted the halogen-free policy since 2010, and gradually introduced halogen-free hard drives and batteries starting 2019 and PCB substrates starting 2021. In the future, more components and products will follow the ban on halogen flame retardants, where we commit in reducing usage of halogen flame retardants, provided that alternative technology and economy are feasible without affecting the product performance and quality.

#### Product from use of Post-Consumer Recycled (PCR) plastic

From 2019, all commercial computers from ASUS contain more than 5% of PCR. For certain screens, the recycled plastics were even obtained from recycled products. Since 2017, more than 1,064 tons of PCR have been used. After overcoming the technical, material stabilizing and cost thresholds in future, we will be committed to increase the percentage of utilizing recycled plastics and extend to other products.

#### Eco-Friendly Packaging Design

Since 2020, ASUS has gradually adopted the use of FSC-certified paper materials. In 2021, a total of 20 tons were used and the use of plastics has also been reduced. Therefore, we reduced wastage by designing reduction of internal space for packaging, which reduced volume of product packaging and use of materials. Reduce the single-use packaging materials and optimize the packaging for reuse. For example, the packaging boxes can be quickly assembled into a professional monitor hood or a laptop stand. The stacking efficiency during transportation was also considered, where damage caused by transporting products of different dimensions at same time was reduced for improving the transportation efficiency.

#### Energy-Efficiency Product Design

ASUS has adopted the use of external power supplies that have the highest energy efficiency level, Level VI, on the market for its products. The internal specifications are 10% more stringent than the law for products that are in the power-off status. ASUS's new notebooks launched in 2021 on average perform 37.6% better than the Energy Star standard.

#### Global product recycling service

Recycling service provided among 77% of the sales market worldwide, where the recycling amount reached 14% of global sales.

ASUS provided recycling service in Taiwan, Europe, North America, China and India. Through recycling and resource circulation, replaced electronic products were given new value and life, which created the next wave of opportunity for economic development and became the key of the circular economy.

#### Eco Product sales at 86.6% of turnover

The Green Mark helps consumers to identify products or services with environmental quality better than the legal requirements. It is deemed as one of the most suitable methods to realize circular economy. In 2020, ASUS acquired a total of 7 Green Marks in Europe, North America and Asia for maximizing resource benefits, promoting energy conservation and reducing emission of greenhouse gases.

The milestones of GreenASUS are outlined as following:

- (1) The first corporate worldwide that acquired the UL certification on Circularity Facts Program in 2018.
- (2) In 2016, we received the “Zero Waste to Landfill” certificate from UL (internationally renowned certification institute), which made us the first corporate in the electronic consumable industry worldwide to receive such certification.
- (3) ASUS was awarded the HSPM certificate (Hazardous Substance Process Management) by IECQ in 2012 and became the first computer company to win such honor in the world. This reflects that the efforts spent by ASUS in environmental protection and green action were recognized again.
- (4) The first receiving the electronic information products pollution control voluntary certification (RoHS) certificate for notes as awarded by China Quality Certification Center in 2012.
- (5) In 2011, ASUS continued its green design and extended the EPEAT environmental protection label to EeePC, EeeBox and monitors, and at the same time promoted it to the registration of EPEAT in other countries.
- (6) Received the China Environmental Labelling Certificate for multiple series of notebooks, desktops and PC in 2011.
- (7) Received Best Choice Award in 2011 and Green ICT Award for VW247H-HF and U43SD in 2011.
- (8) Received Best Choice Award, and Green ICT Award for EeePC 1015PE in 2010.
- (9) Greenpeace organized an Electronics Survey in 2010, with respect to the use of chemical substance in a product, energy efficiency, extension of the life cycle of products and other issues. The Company’s VW247H-HF won 7.5 points out of 10, ahead of the other brands, and ranked 1<sup>st</sup> for the monitor products. Meanwhile, the notebook UL30A also ranked 1<sup>st</sup> for notebooks. Accordingly,

the Company became the only manufacturer to receive the championship for two products at the same time.

- (10) The Company was invited to take part in the Electronics Take Back Coalition in the U.S.A. in 2012, and achieved remarkable performance in the area of computers.
- (11) The Company's U30Jc notebook received Japan Eco Mark in 2012 and became the first one of the global top 10 IT suppliers, which received such honor.
- (12) The Company's U30Jc received Korean Eco-Label in 2010.
- (13) The Company released the first halogen-free motherboard (P7P55D-E/HF) and the first 920x1080 halogen-free LED monitor (VW247-HF) in the world in 2010.
- (14) The Company released halogen-free series in 2009, including notebooks, PADs, LCD monitors, EeePC, and VGA, etc.
- (15) The Company's notebook U series and EeeBox received EU Flower and Czech environmental protection mark in 2009.
- (16) The first notebook in Taiwan, the Company's notebook N series, received EU Flower and Czech environmental protection mark in 2008.
- (17) The first notebook in Taiwan, the Company's notebook N series, received EPEAT gold medal in 2008.
- (18) The Company received the excellent achievement, B+, for the "computer and peripheral devices" of Oekom international environmental performance competition in Germany in 2007, ranking 1<sup>st</sup> place among the international own-brand manufacturers participating the competition with respect to computer and peripheral devices.

## 2. Climate Action

The climate change is a contemporary global issue that has far-reaching implications and challenges the United Nations Framework Convention on Climate Change in the 21st session of the Conference of the Parties, COP21(The 21st session of the Conference of the Parties, COP21), which officially revealed the low-carbon future that must be faced by the world and declared the coming of the low carbon and sustainability era. As the Paris Agreement carries out the low-carbon transformation, aiming to control the temperature increase within two Celsius degrees, the Financial Stability Board (FSB) has released the "Climate-Related Financial Disclosure Proposal, Recommendations of the Task Force on Climate-related Financial Disclosures" providing financial exposure guidance related to global corporate climate change..

In the COP 26 in 2021, countries reached a consensus to issue the Glasgow Climate Pact, reaffirming the commitment of the 2015 Paris Agreement and reinforcing the global measures to combat global warming with the goal of curbing the temperature rise of 1.5°C.



ASUS supports the TCFD structure to disclose the financial risks and opportunities derived from the climate change, as well as core information such as governance, strategy, risk management, indicators and targets.

Governance	
Oversight of the Board of Directors to risks and opportunities related to climate change	<ul style="list-style-type: none"> <li>- The ASUS Enterprise Sustainable Development Policy was approved by the Chairman. As the highest responsible person for the Group's sustainability issues, the Chairman includes and is responsible for approving the corresponding climate change strategies.</li> <li>- The annual sustainability report will be presented to the board of directors, including the implementation results of the Sustainability goals and the progress of the greenhouse gas reduction target</li> <li>- Business Continuity Management Committee has been established, belonging to the Audit Committee. Business Continuity Management Committee has been established, belonging to the Audit Committee. Business Continuity Management Committee is supervised by the chairman to develop strategies, and co-CEOs, chief operating officer and senior business executive work as the decision-making team to supervise the effectiveness of operations. Identify possible future challenges, establish good protection measures in advance, and demonstrate organizational resilience, including climate-related risks and opportunities.</li> </ul>
The authorities and duties of management to assess and manage risks and opportunities related to climate change	<p>The CEO is the highest responsible executive for climate change and sustainable management. The following units were established for promoting topics on climate actions and target management with regular report submitted to the board of directors annually:</p> <ul style="list-style-type: none"> <li>- The Sustainability and Green Quality Management Center is the dedicated unit for sustainability issues, and led by the Chief Sustainability Officer (CSO). The Office is responsible for analyzing the global sustainability pulses, implementing related sustainability projects, and reporting to the Chief Operating Officer. At the same time, sustainable development is one of the Task Units of the Business Continuity Management Committee, which reports climate change-related risk management indicators every quarter.</li> <li>- The GreenASUS and SERASUS Management Committee with the sustainability director serving as representative and report to the CEO. In charge of lateral inter-department coordination and cooperation, where topics of sustainable strategy and climate action are</li> </ul>

	carried out on product, operation and value chain management. Bi-monthly committee meeting.
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Strategy	
Short, medium and long-term risks and opportunities identified	<p>According to the transformation and physical risks recommended by TCFD and CDP, assess the probability/frequency of each risk and opportunity and the degree of impact on operations, and identify the risks of priority concern after ranking the risks and opportunities, including:</p> <ul style="list-style-type: none"> <li>- Physical risk: Extreme severe climate disasters.</li> <li>- Transitional Risk: Mandatory product and service regulations, carbon tax/renewable energy practices, changes in customer behavior.</li> </ul> <p>Opportunities include: Develop or expand low-carbon emissions products and services, innovative new products and services, etc.</p>
How climate change-related risks and opportunities affect operations, strategy and financial planning for the organization	<p>ASUS adopted the Intended Nationally Determined Contributions (INDC) and the 2°C scenario to simulate financial risk exposure. Identify the risks of carbon tax, renewable energy and energy efficiency regulations faced by supply chain, operations and products. Changes in consumer behavior involve many assumptions and require large-scale global surveys; therefore, scenario one is used instead. At the same time, the physical risk is highly uncertain due to the frequency, scale, duration, and location of the event, and a model simulation needs to be further developed.</p> <p>Based on the analysis results of major risks under scenario simulation, ASUS has re-established new climate action targets. In addition to incorporating renewable energy into its operational strategy, it will lead the supply chain to reduce greenhouse gas emissions.</p>
Impacts to organizational operations, strategies and financial planning in different climate change scenarios	<p>Based on new climate actions, we estimate the following impacts under the global climate actions:</p> <ul style="list-style-type: none"> <li>- Operation: ASUS does not make energy-intensive products to be immediately affected. However, considering that all major global manufacturers have adopted renewable energy as an operational strategy, and that Taiwan's laws and regulations have gradually expanded the user base of renewable energy, we have planned a goal of using 100% renewable energy in our global operations by 2035, and are now working toward RE100.</li> <li>- Product: According to ASUS's observation and analysis, government bodies around the world have adopted the</li> </ul>

	<p>previous edition of Energy Star as a reference for establishing laws and regulations. Since 2013, all notebook computers manufactured by ASUS have complied with Energy Star specifications, so there is no potential risk. In response to ever-stringent laws and regulations in the future, we are determined in setting the efficiency of our products better than the Energy Star standard, while maintaining the performance.</p> <ul style="list-style-type: none"> <li>- Supply chain: Under BAU, carbon emissions increase with the production scale, and the future supply chain will face the levy of carbon tax, leading to the increase in operating costs. Therefore, ASUS has established an emission inventory to identify major emission sources, and required all supply chain partners to comply with the ISO 14001 certification, setting environmental management goals and conducting annual surveys of carbon footprint. Set emissions intensity targets for the supply chain to control the pass-through cost of carbon tax.</li> </ul>
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Risk Management	
Procedures for the organization to identify and assess risks associated with climate change	Analyze the transformation risks and physical risk impacts and potential opportunities faced by each stage of the value chain. Major climate risks are monitored by the Business Continuity Management Committee based on the governance structure.
Procedures for the organization to manage risks associated with climate changes	<p>Regarding major climate risks and opportunities, ASUS develops management measures to mitigate, transfer or control these risks and opportunities, from the aspect of product and service, supply chain and self-operations, the main actions include:</p> <ul style="list-style-type: none"> <li>- Products and services: Introducing a green design platform, continuously investing in research and development of innovative energy, and improving the efficiency of energy use for soft- and hardware. Regarding the power of shutdown mode accounting for the largest percentage, the limit is 10% stricter than the regulatory requirements.</li> <li>- Supply chain: Under the continuous RBA audit mechanism, facilitating suppliers to strengthen their resilience to respond to climate change, requesting the supply chain to comply with the ISO 140001 certification and set environmental management goals,</li> </ul>

	<p>and drive the supply chain to transform to low-carbon manufacturing.</p> <ul style="list-style-type: none"> <li>- Operations: Introducing the ISO 50001 energy management system, identifying high energy consuming hotspot areas and equipment, and gradually improving their energy efficiency, and collaborating with renewable energy vendors to gradually adopt renewable energy.</li> </ul>
Describe how procedures for identifying, assessing, and managing risk associated with climate change are integrated into the overall risk management structure of the organization	<p>In order to reduce the impact of risk events on ASUS when they occur, each task unit under the Business Continuity Management Committee conducts pre-event risk assessment, simulation and exercises, identifies feasible prevention strategies, and establishes crisis management procedures and recovery plans for continuous improvement and risk reduction. The Sustainability and Green Quality Management Center is the main responsible unit handling climate-related risks, and it reviews the effectiveness and resilience of ASUS's climate risk management.</p>

Indicators and targets	
Disclose the indicators used by the organization to assess climate change related risks and opportunities when setting strategies and managing risks	<p>ASUS sets key performance indicators based on the locations of climate change shocks:</p> <ul style="list-style-type: none"> <li>– Operating aspect: Greenhouse gas emissions (ton) and use of renewable energy</li> <li>– Product aspect: Energy efficiency is better than the percentage required by Energy Star</li> <li>– Supply chain: Extent of reduction of carbon emissions intensity.</li> </ul>
Disclose Scope 1, 2 and 3 greenhouse gas emissions and related risks.	<p>Continue to carry out greenhouse gas inventory. For the inventory information of the past years, please refer to the ASUS Corporate Social Responsibility Report and official website:</p> <p>Refer to the “Greenhouse Gas Inventory Protocol – Second Edition of Corporate Accounting and Reporting Standards” to establish the detail list of greenhouse gas emissions inventory.</p> <p>For suppliers and OEM vendors with significant greenhouse gas emissions, the greenhouse gas inventory is conducted in accordance with the “Enterprise Value Chain Category Three Accounting and Reporting Standards.” In addition, the category three emissions of employee travel are also inventoried continuously.</p>
Objectives for managing climate change-related risks and opportunities	<p>ASUS's current carbon emissions reduction baseline is unable to truly reflect the long-term strategy of mitigating climate risks due to changes in the structure of power consumption. Based</p>

by the organization, and the deviation between the performance and objectives	<p>on the analysis results of the simulations and the science-based emissions reduction pathways, new climate action goals are established, with 2020 as the base year:</p> <ul style="list-style-type: none"> <li>- Operation: Reduce 50% of carbon emissions from ASUS global operations centers by 2030. Use 100% renewable energy in Taiwan-based operations centers by 2030, and in global operations centers by 2035.</li> <li>- Supply chain: Ensure that key suppliers achieve a 30% reduction in carbon intensity rates by 2025.</li> <li>- Product: Ensure that each year's key products demonstrate energy-efficiency that's 30% above the</li> <li>- Energy Star standard.</li> </ul>
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Significant milestones of other climate actions over recent years are briefly described as follows:

- (1) In October 2021, we announced the participation in the global RE100 initiative, and are committed to using renewable energy 100% in the operations in Taiwan in 2030 and expanding the implementation to the operations worldwide by 2035.
- (2) The new ASUS headquarter "LiGong Building" received LEED (new building category) platinum certificate from USGBC.
- (3) ASUS's new notebooks launched in 2021 on average perform 37.6% better than the Energy Star standard, helping consumers to reduce carbon emissions during use and enhance green competitiveness.
- (4) In 2016, ASUS headquarters received LEED platinum certificate from USGBC and diamond certificate under Taiwan green building.
- (5) In 2016, our headquarter acquired the silver standard among existing buildings under Taiwan Intelligent Green Building.
- (6) In 2016, we passed the certification of ISO 50001 Energy management system.
- (7) In 2013, we were honored with the "Energy conservation label among commercial buildings in Taipei City."
- (8) As per carbon footprint standard PAS 2050:2008 announced by BSI, we completed the life cycle CFV (Carbon Footprint Verification), where the Company received the first laptop computer certificate issued by DNV (international verification company) with carbon footprint certification according to PAS 2050:2008. ASUS further analyzed the CFV result and derived the ecological design, where we launched the laptop computer U53SD- Bamboo version with the concept of green innovation. In addition to natural bamboo that replaced conventional material of plastic, our U53SD was equipped with the exclusive SHE (Super Hybrid Engine) technology for energy conservation, which improved the product carbon footprint with material replacement and efficiency improvement from energy consumption. As per carbon neutralization standard PAS 2060:2010 announced by BSI, we achieved the product status of carbon neutralization in 2012 via replacing residual carbon emission after product reduction in carbon credit transactions, where the Company received the carbon

neutralization certificate issued by DNV (international verification company) according to PAS 2060.

- (9) In 2011, we were honored with “Excellence in Efficient Product Design” among 2011 Energy star awards held by the US EPA (Environmental Protection Agency) due to the development on ultra-energy saving technology that could effectively reduce power consumption together with workmanship dependent by monitor products that were easy to recycle and energy saving.
- (10) In 2010, we were rated by the Taiwan EPA as excellent corporate with energy saving and carbon reducing actions, where we were honored with the “Energy saving and carbon reducing label.”
- (11) In 2010, our U53Jc bamboo model received the PAS 2050 / ISO14067 “Carbon footprint” certificate.
- (12) In 2009, we were the first laptop computer manufacturer in the world that received the “Type III EPD (Environmental Product Declaration)” and “Product carbon footprint” certificates.

### 3. Sustainable supply chain management

ASUS acknowledges that sustainability not only concerns the organization per se but also covers the suppliers in the entire value chain during the life cycle of a product, including procurement of down-stream raw materials, production, and use of products and waste of products. With respect to the problems seen at each stage, including the stage of procurement of raw materials, such as mineral conflicts, use of hazardous substances correspondent to the stage of production, laborers’ human rights, and electronic waste goods control at the stage of waste of goods, ASUS defined different countermeasures to be taken by the suppliers, ranging from the ISO under the PDCA framework constructed by the organization internally to international organizations attended by the Company externally to integrate external resources to control and manage the risk jointly.

The ASUS supply chain management operates in three stages. All the suppliers who are qualified to cooperate with ASUS must pass the quality audit of new supplies in the first stage, we also acquired the ISO 9001 and 14001 certificates, where the ASUS Code of Conduct Compliance Declaration and Statement of Assurance Regarding Prison or Forced Labor were signed. A sustained risk management mechanism is established in the second stage to manage the transaction risks on an ongoing basis. It requires all the suppliers to sign a statement of compliance with the code of conduct, commit themselves to observance of human rights, health and safety, environment, ethics, and management system requirements, and cooperate with ASUS to implement the annual risk management, including the self-evaluation and audit of social responsibilities, regulatory audit of Green Mark, investigation of carbon and water footprints, and investigation of conflict minerals. Suppliers’ ESG performance is included in the Q3 quarterly business review (QBR) as the basis for continuous collaboration and order allocation.

The EICC (Electronic Industry Citizenship Coalition) is a nonprofit organization of the global electronic industry dedicated to fulfilling corporate social responsibility.

It was renamed as Responsible Business Alliance (RBA) in 2017. Through formulating the standard Code of Conduct, RBA implements the human rights and environmental protection. As a full member at the highest level of the RBA, ASUS is committed to abide by the RBA Code of Conduct and further refers to the requirements of other voluntary international standards (e.g. SA8000 and PAS7000) to establish the stricter Supply Chain Code of Conduct. In addition to ensuring more protection of the child labor, compulsory labor as well as female and pregnant employees, the purpose of this code of conduct is to create a healthy and safe working environment, promote environment-friendly processes, and encourage suppliers to direct more resources toward the topics of social responsible and continual improvement.

Respect for human rights is in the core value of ASUS, which is shown in the corporate code of conduct policies and applies to the Company's global operations, including our supply chain. All ASUS employees are treated with respect and fairness, and suppliers are required to comply with all relevant legal, social and environmental standards. ASUS formulates statements on human rights and transparently discloses human rights management reports.

To monitor the ongoing risk management performance of the supply chain, ASUS carries out identification of suppliers based on the features of the industries in the supply chain, purchase modes, and geographic relationships. Management measures are determined depending on the level of the risk. For the suppliers identified as higher risk, an independent third party will work together with our internal audit department to conduct on-site audit according to the Supply Chain Code of Conduct. The results of the audit will be incorporated into the QBR (Quarterly Business Review) report and used as an important basis for the management to allocate resources and make decisions on continuous cooperation.

In order to improve and focus on the management capability of the supply chain, a supply chain plenary session is held every year to communicate the supply chain management systems and requirements of ASUS, give a lecture on the latest international laws and regulations, and share the best practices in the industry. A global supply chain management platform is established to provide an official outward communication channel, create a mechanism for approval of materials and finished products in terms of their compliance, and collect supply chain investigation information.

In addition to the above-mentioned major topics, we also disclosed the following topics concerned by other interested parties:

#### 1. Care for employees

ASUS adheres to the management philosophy for “training, cherishing and caring employees to enable ASUS folks to exert their potential to the utmost”. ASUS identifies employees as its most important assets. Each of them is talent who needs to be treated diligently. Therefore, ASUS is dedicated to establishing the well-founded management system and environment, and integrates internal and external

resources to create well-founded caring system and communication platform. The integration of resources is intended to transform the Company's strengths into ASUS cultural assets to be preserved, communicated, and memorized in each ASUS employee's mind, so that employees may exert their potential without limitation and keep pursuing organizational and individual growth and objectives.

#### Benefit Package that Exceeds the Law

In addition to providing social insurance as required by the law, the Company offers comprehensive group insurance policies and the coverage is expanded to employees' families. At the same time, a number of benefits are provided, including meal allowances, birthday gifts, health check allowances, etc. As for leave and attendance, paid personal or sick leaves are granted and ASUS employees also enjoy a number of days of Happiness Leave every year, in which they can plan their personal time off.

#### Employee Care Website

The Company extends care via the website to share and ease the work pressure together with employees, help employees' self-management and achievement of balanced development of work and life. The contents of the website include release of work pressure, positive thinking, and other information helpful for the employees' personal work or life.

#### Diversified communication channels

ASUS has boosted the electronic promotional materials and blogs in the territories of Taiwan in the past years. The two-way open communication model between employees and supervisors have been implemented for years, in addition to the other fair communication channels between employees, work teams and high-rank management internally and externally, such as ASUS intranet EIP, DigiTrend magazine, corner promotional materials, 24-hour emergency service hotline ext. 22119 for ASUS employees, humane care hotline ext. 21799. During the heightened alert of the domestic pandemic situation, ASUS tried to use online streaming for the first time to conduct direct conversation with employees. The practice broke through the space limitation of working from home, enabling employees to interact with the co-CEOs online.

#### Dual-Track Talent Development

Linking the corporate culture, core values and global strategic planning, the ASUS talent training system is divided into three major functions, including core values, management leadership and professional skills. For high-level, middle-level and junior managers and general employees, we provide rich training courses and digital self-directed learning resources to nurture diverse talents.

#### Disaster relief

The Company has planned a care program for employees who suffer from material disasters to provide support to employees and their family members in case of serious



disaster or emergency, and to extend care, assistance and record employees and their family members who suffer diseases or accidents, so that employees and their family members may feel ASUS's family love and care. Meanwhile, ASUS will manage the safety care for the employees of ASUS's subsidiaries all over the world, and employees who take business travel or are expatriated at the workplace, in order to ensure their safety.

## 2. Social engagement

ASUS is used to valuing and pursuing the orientations and objectives including "shortening the digital gap", "upgrading innovative ability", "training of technology talents", "contributing to industrial-academic cooperation" and "promoting environmental protection and energy saving". In 2008, ASUS founded ASUS Foundation in hopes of "utilizing ASUS resources, caring for people, protecting the earth, creating learning opportunities, providing pre-job training, and remedying the digital divide". It calls on people to take actions for the public welfare and care the communities more positively in the hope to give feedback to society on a specific and ongoing basis, extend the range of service, and be conscientious to take corporate social responsibilities.

ASUS Foundation, through the connection and cooperation with governments and non-profit-making organizations everywhere, encourages and invites the public to value and concern the society-related issues in various manners and via various activities. Meanwhile, it also hopes to accumulate the collective energy through more concrete action force, and extends to more diversified platforms, feed more benefits back to society via connection with different organizations, upgrade the global information education and promote the exchange and development in the world, in order to become a global digital education portal dedicated to providing software and hardware integration service and achieve ASUS's vision for the global citizen.

During the period when the ravaging pandemic was at its peak in 2021, the Company continued to use its business to show its care for the society. The core philosophy of sustainability extended from the value chain to the care for the society.

Social and public welfare results:

### (1) Pandemic Control by Technology

#### a. Support Learning Without Classroom

During the ravaging pandemic situation in 2021, educational institutions in Taiwan implemented the measures of "Learning Never Stops" In order to care for disadvantaged students, ASUS donated a total of 1,000 laptops to elementary and middle schools, disadvantaged families and after-school care programs around Taiwan. In order to add educational resources during the pandemic, ASUS provided its cloud and computing-related resources to educational institutions, medical institutions, government agencies, private enterprises, industrial and academic research start-up teams in various counties

and cities. The total amount of materials donated by ASUS was valued about NT\$50 million.

b. Pandemic control with technology: donation of software and hardware

ASUS provided innovative technologies to meet the needs of medical care, pandemic control and other public health fields, people's livelihood, academic research and education, etc. and a quota of a total of 5,000 hours of Taiwan Computing Cloud (TWCC) GPU for high-speed computing and AI resources were provided. As for hardware, the Company donated smart watches and ultrasonic equipment to help medical institutions including National Taiwan University, Taipei Veterans General Hospital, Taoyuan, Taoyuan Hospital, Shuangho Hospital and others to fight the pandemic.

c. Donation of vaccine

In order to assist the nationwide pandemic control efforts, ASUS donated NT\$200 million to support the Tzu Chi Foundation in donating vaccines to the competent authorities of Taiwan. The donation purchased 5 million doses of vaccines for the general public to increase the vaccination rate and protect the health of the people.

(2) Refurbished Computer and Digital Training Program

Since establishment in 2008, shortening digital divide has been the purpose of ASUS Foundation. Through cooperation between NPO (Non-Profit Organization), volunteer groups and government units, digital learning centers were set up worldwide to assist in solving local problems of digital divide. We contributed to society with practical and continuous actions, where we expected to cultivate international talents and realize ASUS ideals as a global citizen.

The ASUS digital inclusion program covers three major strands, namely “establish fundamental hardware and reduce digital divide,” “improve education for talent cultivation and create digital opportunity,” as well as “culture conservation and transmission for realizing digital inclusion.” The living quality of minorities was improved by information technology with preservation of traditional cultures locally.

The refurbished computers served by the donated non-profit-making organizations are primarily volunteer workers, cram schools for disadvantaged child students, seniors, physically and mentally handicapped, and new inhabitants. Meanwhile, the recipients who received the refurbished computers may also apply the software programs and services provided by ASUS Foundation, e.g. set-up of social community, control over files, paperwork, promotional portal, so as to upgrade its administrative capability and extend its global view and create competitiveness in the future. Such software and teaching materials are expected to benefit a total of 30,000 persons directly and indirectly.

With the digital divide remediation as our mission, the ASUS Foundation has worked together with the ASUS Volunteer Club since 2015 to give digital teaching services to the organizations that have received the recycled computer donations. The practical service allows ASUS to understand the actual needs of users and give feedback to the design of the product and service to improve the positive relationship between the ASUS products and end users. The ASUS Foundation has a special page on the Facebook to promote the communication between the recipients and share the benefits of the recycled computers.

In 2021, ASUS supported the measures of "Learning Never Stops" for educational institutions in Taiwan, donating a total of 1,000 laptops to elementary and middle schools, disadvantaged families and after-school care programs. The Company collaborated with Chunghwa Post and World Vision Taiwan and HSBC Bank Taiwan to donate a total of 450 refurbished computers to help students in remote areas.

ASUS "Recycled Computer Donation" Love Earth Project, you can visit at the following website:

<https://www.facebook.com/asusecopc/>

For more details about the "Refurbished computer digital training plan", you may access them at the following website:

<http://www.asusfoundation.org>

### (3) Digital Learning Center

Since 2009, the ASUS Foundation has participated in the ADOC 2.0, a project of APEC, and worked with the Ministry of Foreign Affairs to help local nonprofit organizations in ADOC member states and in the countries having formal diplomatic relationship with Taiwan establish digital learning centers, promote learning of digital applications, and remedy digital divides between countries, townships, cities, ages, and sexes in the hope to allow people to live a more convenient and happier life.

Since 2009, the ASUS Foundation had the support of the ADOC (APEC Digital Opportunity Center) and the Ministry of Foreign Affairs. In addition to recycled and brand new computer donations, ASUS IT volunteers have made efforts to promote digital learning, improve the digital capability of the children in remote areas, poor young students, women, and aged people, and provide practical training opportunities. For 13 years, we have assisted more than 39 countries to establish digital opportunity centers, with more than 500 computer classrooms, and donated a total of 18,000 information devices such as new ASUS computers, recycled computers and tablets. Other than donating computers, the information volunteer services has been applied to promote the digital learning, to enhance the digital capabilities of rural children, poor young students, women and seniors, as well as to provide internship. The number of benefitted people from the program exceeded 550,000.

Since 2015, the program has been renamed as Taiwan Digital Opportunity Center (TDOC). Through the power of the government and private enterprises, we share Taiwan's love and resources with the rural or disadvantaged groups around the world, and help local disadvantaged children and academic institutions to enhance their digital capabilities.

The countries that received donations until now:

10 countries in the Asia Pacific	Taiwan, Philippines, Cambodia, Vietnam, Indonesia, Thailand, China, Malaysia, Laos, Myanmar
5 countries in Central Asia	India, Sri Lanka, Turkey, Nepal, Jordan
7 countries in Africa	Tanzania, South Africa, Zimbabwe, Swaziland, Kenya, Nigeria, Burkina Faso
15 countries in Central and South America	Ecuador, Paraguay, Panama, Nicaragua, Dominica, Honduras, Belis, Haiti, Peru, Saint Vincent, Saint Kitts and Nevis, Mexico, El Salvador, Guatemala, St Lucia
2 countries in European	Netherlands, Russia

(4) ASUS local volunteer worker project

ASUS will select international volunteer workers each year and assign them to provide service in the remote areas of foreign countries, and will care for domestic disadvantaged groups. In addition to encouraging employees to participate in various volunteer workers' services or public welfare event, ASUS will provide each employee with the volunteer worker's leave for two day per year and reimbursement for the expenditure of event.

Domestic Volunteer Service Achievements:

[http://www.asusfoundation.org/article\\_achievements.aspx?id=8](http://www.asusfoundation.org/article_achievements.aspx?id=8)

(5) ASUS international volunteer worker project

Due to the raging COVID-19 pandemic around the world in 2021, ASUS suspended the services of international volunteer projects under the premise of protecting the health and safety of all colleagues and volunteers. Please refer to the following website for information on volunteering projects in previous years:

[http://www.asusfoundation.org/article\\_achievements.aspx?id=3](http://www.asusfoundation.org/article_achievements.aspx?id=3)

(6) "Heartfelt 99" project under Taiwan PTS (Public Television Service)

The "99-second (pronounced the same as "lasting" in Mandarin) film selection campaign co-organized by ASUS Foundation and Taiwan PTS started in 2009 and headed towards the 11th campaign this year. The campaign was the first activity in Taiwan that allowed youths to tell stories via films, so the younger generation could express their caring towards the society through the film selection. In order to convey the core value of "Heartfelt 99," the traditional way of using the theme of the year was set aside to break constraints, and instead simply used "Heartfelt" to open a broader creative space for young students. Chairman Jonney Shih said that during the filming of the promotional video, "Traveling around the world, I found that the most beautiful thing is still the

heartfelt touch in Taiwan.” No matter where we are, we will find many good stories as long as we feel them with our heart. Therefore, we hope to invite more young people to participate in the image creation, and to discover the truth, goodness and beauty of Taiwan through camera lenses. The 12th Heartfelt 99 nationwide campus short clip competition drew the participation of 915 students from 183 teams from 65 schools. Over the past 12 years, 90% of colleges and universities in Taiwan have participated in the competition. The rich and diverse topics include air pollution issues, animal protection, marine ecology, COVID-19, gender identity, family values, etc. Well-known directors and actors are invited to serve as judges this year and we look forward to encouraging more young creative minds to use film works to express care for the society.

(7) The Growth and Training Program of "Children Are Us

ASUS has cared about disadvantaged people for a long time and supported their lifelong development by taking feasible actions in addition to providing specific learning opportunities to remedy digital divides and supporting them with grant-in-aid. ASUS has recruited 9 full-time employees with mental disabilities since 2008. The Children Are Us Bakery House - ASUS Branch" is established permanently in the ASUS staff canteen, and all the proceeds are donated to Children Are Us Foundation to help more children with mental disabilities.

From shy and embarrassed interaction with people, to feeling comfortable to approach coworkers, thanks to the enthusiasm of ASUS folks, the employees with mental disabilities work happily in ASUS every day. They learn skills and build self-confidence during work. Their parents are comfortable to leave their lovely angels in ASUS for training without need to take care of them the whole day long, reducing the burden of the family and society to a great extent. To improve their skill, the Children Are Us Bakery House introduces different products continuously to help them learn new skills and have more feeling of freshness and achievement in addition to simple calculation and customer reception service.

(8) Money collection, fund raising, and donation of materials

In 2021, ASUS invested in public welfare activities. The major recipients were ASUS Foundation and educational and social organizational of public interest.

Category	Items
Cash Donation	Company donation (including ASUS Foundation / BU donation)
Cash Donation	Disabled employee wage
Cash Donation	Mentally disabled children counter profit feedback
Cash Donation	Employee payment care and death pension benefits (Concern for employees' family for social stability)
Cash Donation	Money and materials donation raised by the Company
Cash Donation	Support the procurement of vaccines by Taiwan government authorities
Hours of Service	Corporate volunteers service hours conversion
In-kind Donation	Refurbished computer recycle value
In-kind Donation	Donation of ASUS computers

In addition to participating in various social activities, ASUS prepares budgets every year to sponsor different groups and organizations to fulfill corporate social responsibility. ASUS has always abided by its core values in realizing its vision of contributing to the human society. In response to the pandemic situation in 2021, ASUS changed its public welfare donation activities to online procurement to support public welfare groups, with charity sales and donations totaling more than NT\$ 200 million (including vaccine donations). The efforts benefited 37 social welfare organizations and helped more than 6,000 schoolchildren, families and the elderly.

#### (9) Evaluation of Social Return on Investment (SROI)

ASUS adheres to its "Data-based measurement and technology-based management" principle to implement the sustainability policy, so it has introduced the concept of social return on investment (SROI) and through unified measurement methods and reporting principles, non-profit activities can also produce performance measurement information for decision-making and management practices. ASUS has also monetized the benefits of the Second Life for Computers - Empowering People in Need program and obtained the first globally certified SROI report in the technology industry in Asia and Taiwan. The monetization effectively helps ASUS evaluate corporate social responsibility programs and ensures that NGOs, volunteer groups and digital learning centers can make fully utilize the resources provided by ASUS.

For the latest news and promotional activities about ASUS social and environmental responsibility, please view the Company's website at:

<http://csr.asus.com/chinese/>

ASUS Sustainability Report (Chinese version) (English version)

<https://csr.asus.com/chinese/article.aspx?id=61>

<https://csr.asus.com/english/article.aspx?id=4>

(VII) Ethical Corporate Management and deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Assessment Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Did the Company set a policy of honest operation passed by the board of directors together with specification of such policy and methods in the regulations and external documents, as well as commitment from the board of directors and high-tier management on active realization of the operation policy?</p>	V		<p>1. In order to adhere to and realize the philosophy of ethical management, ASUS established its “Employees’ Code of Ethical Conduct” based on the regulations of the Responsible Business Alliance (RBA) and the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies, specifying that all employees (including directors and executives, etc.) must strictly abide by relevant ethical policies to prevent and eliminate unethical business practices. The Annual Report and Sustainability Report described the company policy of ethical operations, as well as status of active realization committed by the board of directors and operations management. The Annual Report and Sustainability Report described the company policy of ethical operations, as well as status of active realization committed by the board of directors and operation management.</p>	Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
<p>(2) Did the Company establish risk assessment mechanism against dishonest conducts, together with regular analysis and assessment on operation activity containing greater risk of dishonest conducts within the operation scope, as well as the preventive measures accordingly to at least contain</p>	V		<p>2. ASUS requests all external vendors to sign the “Honesty commitment.” Should the external units cause damage to the Company with violation to anti-bribing and anti-corruption clauses, penalty will be claimed with necessary legal actions taken according</p>	

Assessment Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary	
<p>various conducts under Article 7, Paragraph 2 of the “Honest operation rules for listed and OTC (Over-The-Counter) companies.”?</p> <p>(3) In the “Preventive program against dishonest conducts,” does the Company specify operation procedures, conduct guidelines, punishment and appeal system again violation together with practical execution, regular review and correction of the said Program?</p>	V		<p>to requirements under the “Honesty commitment” signed.</p> <p>3. It is specified in “Employee Code of Conduct” that illegitimate political contribution, improper charity donation or sponsorship, unreasonable gifts, treatment or other illegitimate interests are prohibited. Specifications of punishment and complaints channel against violation were set, where a report was made to the board of directors on the result of execution and review for improvement.</p>	
<p>2. Fulfill operations integrity policy</p> <p>(1) Does the Company evaluate business partners’ ethical records and include ethics-related clauses in business contracts? Regular report (at least once per annum) was made to the board of directors covering the status of monitoring and execution on policy of honest operation and preventive program against dishonest conduct.</p> <p>(2) Did the Company set an exclusive unit under the board of directors to promote honest operation of the corporate, with regular reports (at least once per annum) made to the board of directors covering status of monitoring and execution on policy of honest operation and preventive program against dishonest conduct?</p>	V		<p>1. To put into effect the avoidance of transaction with suppliers of deceitful conducts, the Company also developed Supplier Conduct Standards for new suppliers to present “Declaration of ASUS Group Contractor/Supplier Conduct Compliance” upon conducting qualification assessment in addition to requesting transacting suppliers to sign the “Supplier Integrity Commitment Letter.”</p> <p>2. (1)Unit for Promoting In order to improve the ethical corporation management, the Human Resources Division in the Company is in charge of promoting adherence with corporate policy of honest operation and ethical conducts, which assists the board of</p>	Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”



Assessment Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Y	N	Summary	
			<p>directors and operation management to set, monitor and execute the policy and prevention program together with relevant unit, as well as ensuring realization of the “Code of ethical conduct for employees.” Announcement of revision on measures will be submitted to the board of directors in advance for discussion and approval under resolution. Announcement of revision on measures will be submitted to the board of directors in advance for discussion and approval under resolution. The status on the supervision of the implementation is reported at board meetings at least once a year.</p> <p>(2)Operations and Execution</p> <p>Regarding internal propaganda and education, ASUS provides employees worldwide with a digital learning course on the “Code of ethical conduct for employees,” where new employees must complete the study within a month after reporting on duty. Employees worldwide are encouraged to review the materials every year as a way to convey the importance of ethics and the compliance with the code of conduct.In order to maintain employee awareness on zero violation against the regulation when facing clients and interacting with the suppliers, the Company</p>	

Assessment Item	Implementation Status		Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	
(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		provides each employee with the “Reminder card on unfair competition and bribing”. since 2017, employees are required to carry the card with them as a reminder. All employees are reminded not to accept bribes and illegal gifts before Chinese national holidays, and the Company clarifies and advocates for the proper to all its employees from time to time.
(4) In order to realize honest operation, has the Company established effective accounting and internal control systems, where the internal audit unit sets relevant auditing programs according to results from risk assessment on dishonest conduct, as well as reviewing status of following preventive measures against dishonest conduct, or commissioning the accountant to review?	V		3. In the “Code of ethical conduct for employees,” the Company has set relevant regulations on preventing conflict of interests. Reporting mailbox are specified on employee cards and internal EIP website and ASUS Official Website of the Company for exposing inadequate conducts. 4. In addition to establishment of adequate accounting and internal control systems, ASUS also prohibits external account or keeping of secret account. The status of adherence with said systems are regularly reviewed by internal auditing personnel and reported to the board of directors.
(5) Does the Company regularly hold internal and external educational trainings on operational integrity?	V		5. Honesty is very important in ASUS culture. The Company set precise and practical conduct indicators, which are listed among measures of annual performance. In order to realize promotion of honest operation and recognizing necessity on

Assessment Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
			Summary	
	Y	N		
			<p>honesty and adherence to principles, ASUS has planned live and online courses thoroughly, which include relevant legal training on company policy, Code of ethical conduct for employees, information security and PDPA (Personal Data Protection Act). A total of 41,127 personnel and 27,229.4 hours on educational training related to honest operation was completed in 2021, which covers the following courses:</p> <p>i. Code of ethical conduct for employees:</p> <p>a. New employee: the contents covers insider trading (*Note), antitrust, conflict of interests, hosting and socializing, as well as confidential information and gifts.</p> <p>(*Note) Including what inside information, insider trading actors and regulated subjects mean, and facts that constitute violations of insider trading, and statutory interpretations, etc.</p> <p>b. Annual training: the emphasis lies on key concepts and propaganda of practical cases.</p> <p>ii. Training for new employees: the contents cover corporate policy, culture, sustainable operation, the salary system, concept of honest operation, ASUS Management System and internal control and internal audit.</p>	

Assessment Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary	
			iii. Training on information security and personal information: The content covers common information security threats such as Business email fraud and phishing, personal information definition and application, confidential information and confidentiality obligations, etc.	
3. Operation of the integrity channel (1) Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		1. The Company’s “Investors Relations” webpage discloses the channel (audit@asus.com) for filing grievances, and the relevant disciplinary and grievance system are subject to the Company’s “Employees’ Code of Ethical Conduct” and “Workplace Rules.”	Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
(2) Does the Company establish standard operating procedures for confidential reporting on investigating accusation cases?	V		2. The processing procedures are included: 1. Case clarification; 2. Case acceptance; 3. Collection and confirmation of evidence; 4. Meeting with relevant units; 5. Punishment in accordance with regulations.	
(3) Does the Company provide proper whistleblower protection?	V		3. The Company will adopt confidential and necessary protection measures for whistleblowers.	
4. Strengthening information disclosure (1) Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company’s website and MOPS?	V		1. The Company discloses the relevant content and information of the Code of Integrity Management on the company’s official website, Corporate Sustainability and annual report. 2. If necessary, the status of ethical corporate management is disclosed in the “material information” section on the Company’s Corporate	Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Assessment Item	Implementation Status		Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	
			Sustainability and Investor Website.
5. If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation There have been no differences			
6. Other important information to facilitate a better understanding of the Company’s ethical corporate management policies: In addition to this Annual Report, please refer to the information of disclosure related to ASUS’s Corporate Sustainability <a href="http://csr.asus.com/chinese/index.aspx">http://csr.asus.com/chinese/index.aspx</a> .			

(VIII) Approach to search the corporate governance best-practice principles defined by the Company and related regulations:

The Company has defined its “corporate governance best-practice principles”. Please see the “important internal rules” in the “corporate governance” section on the Company’s investor relation website: <http://www.asus.com/tw/Investor/> °

(VIII) Other important information that helps understand corporate governance:

1. Execution of Rights for Investor Relationship, Supplier Relationship, Stakeholder Relationship: ASUS upholds to integrity and maintains long-term cooperation for co-prosperity with various business partners. Please attain critical information from the investor relationship website and Corporate Social Responsibility website.
2. Pursuit of Study for Directors: Please refer to the disclosure matters on this Annual Report.
3. Director Liability Insurance: The Company has insured liability insurance for all directors .
4. Establish a good internal material inside information and disclosure mechanism in accordance with the ASUS “Procedures for Handling Insider Material Information” to avoid improper leakage of information and assure consistency and correctness in the announcement of public ASUS information. The operating procedures and the educational advocacy for relevant laws and regulations shall be notified to the Company directors, managers, and all employees through internal company website, contracts, and courses and announcements for education and training for due compliance of relevant procedures. In 2021, all board members attended online courses on regulatory requirements for insider trading and all 13 board members have learned and understood relevant information on the laws and regulations. Managerial officers and all employees also have attended online course on the "Ethics and Code of Conduct for Employees" (which covers information on insider trading). A total of 14,910 people completed the training for an achievement rate of 100%.

Please refer to the “internal rules” of “corporate governance” on the Company’s homepage for the operating procedure in details: <http://www.asus.com>

(X) Enforcement of internal control

1. Declaration of Internal Control: Please refer to Page 187.
2. If the Company is requested by the SEC to retain CPA’s service for examining internal control system, the Independent Auditor’s Report must be disclosed: None

(XI) The punishment delivered to the Company and the staff of the Company, or, the punishment delivered by the Company to the staff for a violation of internal control system, the major nonconformity, and the corrective action in the most recent years and up to the date of the annual report printed: None

(XII) Resolutions reached in the Shareholders’ Meeting or by the board of directors in the most recent years and up to the date of the annual report printed:

1. The important resolutions of the general shareholder meeting:

Date	Major resolutions	Review of execution
Jul 30, 2021 AGM  (The original date of 2021.06.10 postponed due to the pandemic)	1. To adopt 2020 Business Report and Financial Statements.	The proposal was approved by proxy as it was and would be the basis for the 2020 profit distribution.
	2. To adopt the proposal for distribution of 2020 profits.	The proposal was approved by proxy. The board of directors set the record date of allocation of dividend on August 8, 2021, and date of allocation of cash dividend on August 26, 2021.
	3. Amendment to the “ARTICLES OF INCORPORATION”	The proposal has been voted and approved with resolution, which is executed according to the revise’s clauses.
	4. Amendment to the “Rules for Election of Directors”	The proposal has been voted and approved with resolution, which is executed according to the revise’s clauses.

2. The important resolutions of the Board of Directors:

Date	Major resolutions
Jan 20, 2021	<ol style="list-style-type: none"> <li>1. Project report of the Company's subsidiary JINSHUO CULTURAL DIFFUSION CO., LTD.</li> <li>2. Approved on donating to the ASUS Foundation for 2021.</li> <li>3. Approved the proposal on the 2020 year-end performance bonus distribution to managers.</li> </ol>
Feb 4, 2021	Approved the strategic investment cooperation proposal between the Company and PORTWELL INC.
Mar 17, 2021	<ol style="list-style-type: none"> <li>1. Report on the performance and results of the performance evaluation of the board of directors and functional committees of the Company in 2020.</li> <li>2. Approved the assessment of CPA’s independence for 2020.</li> <li>3. Approved the company and some subsidiaries' accountants' fiscal and tax signing public expense standards and changes</li> <li>4. Approval of whether the company’s major accounts should be transferred to capital loans for Q4, 2020.</li> <li>5. Approved the proposal of the 2020 compensations to directors and employees.</li> <li>6. Approved the annual business report and financial statement for 2020.</li> <li>7. Approved the proposal on profit distribution of 2020.</li> <li>8. Approved the proposal on the amendments to the “Articles of Association” of the Company.</li> <li>9. Approved the proposal on the amendments to the “Rules for Election of Directors” of the Company.</li> <li>10. Approved the matters of convening 2021 Shareholders’ meeting.</li> <li>11. Approved the lifting of restrictions on the non-compete clause of the Company’s managers.</li> <li>12. Approved the company's new bank "Foreign Exchange and Derivative Commodity Trading Quota" proposal</li> <li>13. Approved the case of signing a bank loan contract and annual contract extension for the Company.</li> </ol>

Date	Major resolutions
	14. Approved the presentation of the “Statement of Internal Control System for 2020.”
May 12, 2021	<ol style="list-style-type: none"> <li>1. Approval of whether the company’s major accounts should be transferred to capital loans for 2021Q1.</li> <li>2. Approved the consolidated financial statements for 2021Q1.</li> <li>3. Approved the Company’s new proposal on “Foreign Exchange and Derivative Commodity Trading Quota”</li> <li>4. Approved the Company's signing of the Comprehensive Credit Line Agreement with banks.</li> </ol>
Jul 1, 2021	<ol style="list-style-type: none"> <li>1. Approved the postponement of the 2021 annual general meeting.</li> <li>2. Approved the date of record for distribution of 2020 cash dividends.</li> </ol>
Jul 21, 2021	<ol style="list-style-type: none"> <li>1. 2020 Corporate Social Responsibility Report Issuance Report.</li> <li>2. Report on the results of 2020 corporate governance evaluation.</li> <li>1. Approved the proposal of the annual renewal of the company’s bank credit.</li> <li>2. Approved the proposal for compensation distribution to directors.</li> <li>3. Approved the Company’s mid-year performance bonus distribution for managers in 2020.</li> </ol>
Aug 11, 2021	<ol style="list-style-type: none"> <li>1. Approved the proposal of whether the major accounts of the company should be transferred to the capital loan for 2021Q2.</li> <li>2. Approved the consolidated financial statements for 2021Q2.</li> <li>3. Approved the company and some subsidiaries' accountants' fiscal and tax signing public expense standards and changes for 2021.</li> <li>4. Ratification of the approval of the increasing total of tariffs pledged</li> </ol>
Nov 10, 2021	<ol style="list-style-type: none"> <li>1. The corporate integrity management implementation status report</li> <li>2. Report on the performance status of the Company’s intellectual property management.</li> <li>3. Approved the case of whether the major accounts of the company should be transferred to the capital loan for 2021Q3.</li> <li>4. Approved the consolidated financial statements for 2021Q3.</li> <li>5. Approved the donation to Tzu Chi Charity Foundation.</li> <li>6. Approved the Company's lending of funds to its subsidiary Askey Computer Corp.</li> <li>7. Approved the presentation of “2022 Annual Audit Plan.”</li> </ol>
Jan 25, 2022	<ol style="list-style-type: none"> <li>1. Report on the renewal of directors and supervisors liability insurance policies.</li> <li>2. Approved on donating to the ASUS Foundation for 2022.</li> <li>3. The salary and remuneration committee reviewed the distribution of 2021 year-end bonuses and performance bonuses for managers</li> </ol>
Mar 16, 2022	<ol style="list-style-type: none"> <li>1. Reported on 2021 performance appraisal of the board and functional committees and the results</li> <li>2. Approved the assessment of CPA’s independence for 2020.</li> <li>3. Approval of whether the company’s major accounts should be transferred to capital loans for 2022Q4.</li> <li>4. Approved the acquisition of right-of-use "assets of smart factory in Shulin".</li> <li>5. Approved the proposal of the 2021 compensations to directors and employees.</li> <li>6. Approved the annual business report and financial statement for 2021.</li> </ol>



Date	Major resolutions
	7. Approved the proposal on profit distribution of 2021. 8. Approved the proposal on the amendments to the “Procedures for Acquisition or Disposal of Assets”. 9. Passed the proposal on the full re-election of directors of the 13th intake. 10. Approved the list of candidates for the 13th batch of directors nominated by the board 11. Approved the matters of convening 2022 Shareholders’ meeting. 12. Approved the presentation of the “Statement of Internal Control System for 2021.”

(XIII) Major Issues of Record or Written Statements Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors in 2021 and as of the Date of this Annual Report: None

(XIII) Resignation or Dismissal of the Company’s Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit and R&D: None

#### IV. CPAs fees

Unit: NT\$ thousands

Accounting Firm	Name of CPA		Period Covered by CPA’s Audit	Audit Fee	Non-audit Fee
PricewaterhouseCoopers, Taiwan	CHOU, CHIEN-HUNG	LIN, CHUN-YAO	Jan 1, 2021~ Dec 31, 2021	7,800	3,830
Note: The non-audit service fees include NT\$1,200 thousand for enterprise master files and country-by-country reporting services, NT\$1,030 thousand for international tax services and consulting services, NT\$860 thousand for subsidiaries’ financial information review services, NT\$500 thousand for correction and appeals review of profit-seeking enterprise tax services, NT\$140 thousand for patent trust business model tax consulting services, NT\$70 thousand for salary for non-executive employees review service and NT\$30 thousand for registration of new medical materials manufacturing service.					

(I) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the accounts of the audit fees before and after the change and the reasons shall be disclosed: None.

(II) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10% or more, the reduction in the amount of audit fees, reduction percentage, and reasons therefor shall be disclosed: None.

**V. CPA’s information:** None.

**VI. If the chairman, president, and financial or accounting manager of the Company who had worked for the independent auditor or the related party in the most recent year, the name, title, and the term with the independent auditor or the related party must be disclosed:** None.

**VII. Information on Net Change in Shareholding and Net Change in Shares Pledged by Directors, Department Heads and Shareholders of 10% Shareholding or More:**

**(1) Information on Net Change in Shareholding**

Title	Name	2021		As of April 10, 2022	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman & Chief Branding Officer	Jonney Shih	0	0	0	0
Vice Chairman & Chief Strategy Officer	Ted Hsu	0	0	0	0
Director	Jonathan Tsang	0	0	0	0
Director & CO-Chief Executive Officer	S.Y. Hsu	0	0	0	0
Director & CO-Chief Executive Officer	Samson Hu	0	0	0	0
Director	Eric Chen	0	0	0	0
Director & Chief Operating Officer	Joe Hsieh	0	0	0	0
Director	Jackie Hsu	0	0	0	0
Director	Jerry Shen	(274,000)	0	0	0
Director	Tze-Kaing Yang	0	0	0	0
Independent Director	Chung-Hou Tai	0	0	0	0
Independent Director	Ming-Yu Lee	0	0	0	0
Independent Director	Chun-An Sheu	0	0	0	0
Corporate V.P.	Henry Yeh	0	0	0	0
Corporate V.P.	Alex Sun	0	0	0	0
Corporate V.P.	Taiyi Huang	0	0	0	0
Corporate V.P.	Albert Chang	0	0	12,000	0
Corporate V.P.	Tenlong Deng	0	0	0	0
Corporate V.P.	Chih-peng Wu	0	0	0	0
Corporate V.P.	Kent Chien	44,000	0	(44,000)	0
Corporate V.P.	Vincent Chiou	0	0	0	0
Corporate V.P.	Benson Lin	(6,000)	0	6,000	0
Corporate V.P.	Rex Lee	0	0	0	0
Chief Financial Officer	Nick Wu	0	0	0	0
Comptroller	Winnie Liu	0	0	0	0
Corporate Governance Officer	Francy Jeng	0	0	0	0

(2) Stock transfers to related parties: None.

(3) Pledge of stock rights to related parties: None.

## VIII. Information on relationships among the top ten shareholders

Base Date: April 10, 2022

Name	Current Shareholding		Spouse's / minor's Shareholding		Shareholding by nominee arrangement		Specify the names and relations of the top-10 shareholders who are related-parties or spouse or kindred within the 2nd degree of kinship	
	Shares	%	Shares	%	Shares	%	Name	Relation
Jonney Shih	30,093,638	4.05	0	0	0	0	None	None
Cathay United Bank managed Expert Union Limited Investment account	20,684,542	2.78	0	0	0	0	None	None
ASUS's Certificate of Depository with CitiBank (Taiwan)	19,684,932	2.65	0	0	0	0	None	None
Yuanta Taiwan High Dividend Fund Account	13,961,641	1.88	0	0	0	0	None	None
New Labor Pension Fund	13,949,752	1.88	0	0	0	0	None	None
Morgan Stanley Co. International PLC	12,436,524	1.69	0	0	0	0	None	None
Silchester International Investors International Value Equity Trust	11,037,000	1.49	0	0	0	0	None	None
Fubon Life Insurance Co., Ltd.	10,027,000	1.35	0	0	0	0	None	None
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	9,933,937	1.34	0	0	0	0	None	None
Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds	9,042,511	1.22	0	0	0	0	None	None

# IX. Ownership of Shares in Affiliated Enterprises:

## Total Shareholding Ratio

Base date: Dec.31.2021, Unit: Share; %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
ASUS TECHNOLOGY INCORPORATION	19,000,000	100.00			19,000,000	100.00
ASKEY COMPUTER CORP.	480,000,000	100.00			480,000,000	100.00
HUA-CHENG VENTURE CAPITAL CORP.	114,500,000	100.00			114,500,000	100.00
HUA-MIN INVESTMENT CO., LTD.	68,000,000	100.00			68,000,000	100.00
UNIMAX ELECTRONICS INC.	21,300,000	100.00			21,300,000	100.00
JINSHUO CULTURAL DIFFUSION CO., LTD.	-	100.00			-	100.00
JOTECH LTD.			3,000,000	100.00	3,000,000	100.00
TAIWAN WEB SERVICE CORP.	29,900,000	100.00			29,900,000	100.00
ASUS CLOUD CORPORATION	23,645,558	94.58			23,645,558	94.58
ONYX HEALTHCARE INC.	1,694,112	5.60	20,697,900	68.40	22,392,012	74.00
INTERNATIONAL UNITED TECHNOLOGY CO., LTD.	11,323,167	69.25	515	0.00	11,323,682	69.25
SHINEWAVE INTERNATIONAL INC.	5,468,750	50.99	1,000	0.01	5,469,750	51.00
ASMEDIA TECHNOLOGY INC.	24,457,660	35.40	7,317,655	10.59	31,775,315	45.99
NEXT SYSTEM LIMITED	8,560,974	43.48			8,560,974	43.48
AAEON TECHNOLOGY INC.	43,756,000	29.44	16,718,000	11.25	60,474,000	40.69
UPI SEMICONDUCTOR CORP.	20,135,968	28.48	3,753,937	5.31	23,889,905	33.79
GAIUS HOLDINGS LIMITED	16,386,481	35.00			16,386,481	35.00
IMOTION, GROUP INC.	22,950,000	25.50	4,050,000	4.50	27,000,000	30.00
Portwell, Inc.	29,493,170	30.00			29,493,170	30.00
LELTEK HOLDINGS CO., LTD.	8,418,740	22.78			8,418,740	22.78
DEEP01 LIMITED	674,908	21.96			674,908	21.96
JOINT POWER EXPONENT, LTD.	1,040,000	8.00	960,000	7.38	2,000,000	15.38
JIE-LI TECHNOLOGY CO., LTD.	2,247,888	6.29	4,111,660	11.49	6,359,548	17.78
ASUS COMPUTER INTERNATIONAL	50,000	100.00			50,000	100.00
ASUS HOLLAND B. V.	10,800,000	100.00			10,800,000	100.00

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
ASUS INTERNATIONAL LIMITED	89,730,042	100.00			89,730,042	100.00
ASUS GLOBAL PTE.LTD.	28,000,000	100.00			28,000,000	100.00
QUANTUM CLOUD INTERNATIONAL PTE. LTD.	830,001	100.00			830,001	100.00
PT.ASUS TECHNOLOGY INDONESIA JAKARTA	8,415	99.00	85	1.00	8,500	100.00
PT.ASUS TECHNOLOGY INDONESIA BATAM	4,168,989	99.00	42,111	1.00	4,211,100	100.00
CHANNEL PILOT LIMITED			30,033,000	100.00	30,033,000	100.00
ASUS TECHNOLOGY PTE. LIMITED			44,419,424	100.00	44,419,424	100.00
ASUS EGYPT L. L. C.			-	100.00	-	100.00
ASUS MIDDLE EAST FZCO			107	100.00	107	100.00
ASUS COMPUTER (SHANGHAI) CO., LTD.			-	100.00	-	100.00
ASUS TECHNOLOGY (HONG KONG) LIMITED			500,000	100.00	500,000	100.00
ASUS TECHNOLOGY (SUZHOU) CO., LTD.			-	100.00	-	100.00
ASUSTEK COMPUTER (SHANGHAI) CO. LTD.			-	100.00	-	100.00
ASUSTEK Computer (CHONGQING) CO., LTD.			-	100.00	-	100.00
ASUS INVESTMENTS (SUZHOU) CO., LTD.			-	100.00	-	100.00
ASUS COMPUTER GMBH			-	100.00	-	100.00
ASUS FRANCE SARL			5,300	100.00	5,300	100.00
ASUSTEK (UK) LIMITED			50,000	100.00	50,000	100.00
ASUS KOREA CO., LTD.			158,433	100.00	158,433	100.00
ASUS POLSKA SP. Z O. O.			1,000	100.00	1,000	100.00
ASUS TECHNOLOGY PRIVATE LIMITED			20,134,400	100.00	20,134,400	100.00
ASUS EUROPE B. V.			375,000	100.00	375,000	100.00
ASUS TECHNOLOGY (VIETNAM) CO., LTD.			-	100.00	-	100.00
ASUSTEK ITALY S. R. L.			-	100.00	-	100.00
ASUS SPAIN, S.L.U.			3,000	100.00	3,000	100.00
ASUS JAPAN INCORPORATION			20,500	100.00	20,500	100.00

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
ASUS COMPUTER CZECH REPUBLIC S. R. O.			-	100.00	-	100.00
ASUS CZECH SERVICE S. R. O.			-	100.00	-	100.00
ASUS SERVICE AUSTRALIA PTY LIMITED			950,000	100.00	950,000	100.00
ASUS AUSTRALIA PTY LIMITED			350,000	100.00	350,000	100.00
ASUS INDIA PRIVATE LIMITED			33,500,000	100.00	33,500,000	100.00
ASUS ISRAEL (TECHNOLOGY) LTD.			50,000	100.00	50,000	100.00
PT. ASUS SERVICE INDONESIA			1,500,000	100.00	1,500,000	100.00
ACBZ IMPORTACAO E COMERCIO LTDA.			549,469,000	100.00	549,469,000	100.00
ASUS PERU S. A. C.			4,195,740	100.00	4,195,740	100.00
ASUS HOLDINGS MEXICO, S. A. DE C. V.			51,120	100.00	51,120	100.00
ASUS COMPUTER COLOMBIA S. A. S.			74,489	100.00	74,489	100.00
ASUS HUNGARY SERVICES LIMITED LIABILITY COMPANY			-	100.00	-	100.00
ASUS PORTUGAL, SOCIEDADE UNIPessoal LDA.			30,000	100.00	30,000	100.00
ASUS SWITZERLAND GMBH			3,400	100.00	3,400	100.00
ASUS NORDIC AB			3,000	100.00	3,000	100.00
ASUS (THAILAND) CO., LTD.			20,000	100.00	20,000	100.00
ASUSTEK COMPUTERS (PTY) LIMITED			1,000	100.00	1,000	100.00
ASUSTEK COMPUTER MALAYSIA SDN. BHD.			500,000	100.00	500,000	100.00
ASUS SERVICE (THAILAND) CO., LTD.			60,000	100.00	60,000	100.00
ASUS CHILE SPA			1,000	100.00	1,000	100.00
ASUS PHILIPPINES CORPORATION			1,059,995	100.00	1,059,995	100.00
ASUS BILGISAYAR SISTEMLERI TICARET.LIMITD.SIRKETI			2,046	100.00	2,046	100.00
ASUS TEKNOLOJI SERVISLERI TICARET LIMITED SIRKETI			3,000	100.00	3,000	100.00

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
QC SERVER AB			500	100.00	500	100.00
ASUS PROPERTIES (VIETNAM) LTD.			-	100.00	-	100.00
LIMITED LIABILITY COMPANY A25			-	100.00	-	100.00
ASUS UKRAINE LIMITED LIABILITY COMPANY			-	100.00	-	100.00
eMES (SHUZHOU) CO., LTD.			-	100.00	-	100.00
ASUS CLOUD SINGAPORE PTE. LTD.			-	100.00	-	100.00
ASUS CLOUD (LUXEMBOURG) S. A R. L			-	100.00	-	100.00
ASUS LIFE CORPORATION			500,000	50.00	500,000	50.00
WT MICROELECTRONICS			171,000,000	21.44	171,000,000	21.44
ASKEY INTERNATIONAL CORP.			10,000,000	100.00	10,000,000	100.00
DYNALINK INTERNATIONAL CORP.			8,160,172	100.00	8,160,172	100.00
MAGIC INTERNATIONAL CO., LTD.			114,942,014	100.00	114,942,014	100.00
EcoLand Corporation			780,000	33.91	780,000	33.91
ASKEY DIGITAL TECHNOLOGY CORP.			3,000,000	100.00	3,000,000	100.00
WONDALINK INC.			9,242,232	100.00	9,242,232	100.00
ASKEY (VIETNAM) COMPANY LIMITED			2,883,359	100.00	2,883,359	100.00
WISE ACCESS (HK) LIMITED			1,600,000	100.00	1,600,000	100.00
SILIGENCE SAS			4,623,090	95.95	4,623,090	95.95
ASKEYUK CO. LIMITED			1,000,000	100.00	1,000,000	100.00
MAGICOM INTERNATIONAL CORP.			91,030,000	100.00	91,030,000	100.00
ASKEY COMMUNICATION GMBH			100,000	100.00	100,000	100.00
ASKEY DO BRASIL TECHNOLOGY LTDA.			3,700,000	100.00	3,700,000	100.00
ASKEY CORPORATION (THAILAND) CO., LTD.			20,000	100.00	20,000	100.00
ASKEY JAPAN CO., LTD.			500,000	100.00	500,000	100.00
YANG XU ELECTRONIC TECHNOLOGY (SHANGHAI) LTD.			-	100.00	-	100.00
ASKEY TECHNOLOGY (JIANGSU) LTD.			-	100.00	-	100.00

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
AAEON ELECTRONICS, INC.			490,000	100.00	490,000	100.00
AAEON TECHNOLOGY CO., LTD.			8,807,097	100.00	8,807,097	100.00
AAEON TECHNOLOGY (EUROPE) B. V.			-	100.00	-	100.00
AAEON TECHNOLOGY GMBH			-	100.00	-	100.00
AAEON INVESTMENT CO., LTD.			15,000,000	100.00	15,000,000	100.00
AAEON TECHNOLOGY SINGAPORE PTE. LTD.			465,840	100.00	465,840	100.00
ONYX HEALTHCARE (SHANGHAI) LTD.			-	100.00	-	100.00
AAEON TECHNOLOGY (SUZHOU) INC.			-	100.00	-	100.00
ONYX HEALTHCARE USA, INC.			200,000	100.00	200,000	100.00
ONYX HEALTHCARE EUROPE B. V.			100,000	100.00	100,000	100.00
IHELPER INC.			1,716,000	47.67	1,716,000	47.67
IBASE TECHNOLOGY INC.			56,138,481	33.60	56,138,481	33.60
LITEMAX ELECTRONICS INC.			9,083,921	21.75	9,083,921	21.75
WINMATE INC.			14,341,000	19.77	14,341,000	19.77

Note: Company investment under Equity Method.



## IV. Capital and Shares

### I. Capital and shares

#### (1) Capitalization

##### 1. Type of Shares

As of April 10, 2022 / Unit: Shares

Type of Shares	Authorized Shares			Remarks
	Outstanding Shares (Note)	Unissued shares	Total	
Order common stock	742,760,280	4,007,239,720	4,750,000,000	

Note: Listed stock

##### 2. Issued Shares

Month / Year	Par value (NT\$)	Authorized shares		Paid-in Capital		Remarks		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Source of capital	Capital Increased by Assets Other than Cash	Approval date and approval no. of capitalization by the SEC, Ministry of Finance
1990.03	10	3,000	30,000	3,000	30,000	Incorporation	—	—
1990.11	10	8,000	80,000	8,000	80,000	Cash \$50 million	—	—
1991.12	10	15,000	150,000	15,000	150,000	Cash \$40 million Retained earnings \$30 million	—	—
1993.04	10	19,900	199,000	19,900	199,000	Cash \$49 million	—	—
1993.09	10	30,845	308,450	30,845	308,450	Retained earnings \$109.45 million	—	1993.08.27 SFE Ruling (82) Tai-Tsai-Cheng (1) No. 30832
1994.08	10	45,033.7	450,337	45,033.7	450,337	Retained earnings \$141.887 million	—	1994.07.21 SFE Ruling (83) Tai-Tsai-Cheng (1) No. 32675
1995.06	10	60,000	600,000	60,000	600,000	Retained earnings \$149.663 million	—	1995.06.15 SFE Ruling (84) Tai-Tsai-Cheng (1) No. 35196
1996.09	10	200,000	2,000,000	120,000	1,200,000	Cash \$12 million Retained earnings \$588 million	—	1996.06.28 SFE Ruling (85) Tai-Tsai-Cheng (1) No. 40947
1997.05	10	650,000	6,500,000	323,000	3,230,000	Cash (GDR) \$210 million Retained earnings \$1.82 billion	—	1997.05.05 SFE Ruling (86) Tai-Tsai-Cheng (1) No. 30903 1997.04.17 SFE Ruling (86) Tai-Tsai-Cheng (1) No. 30279
1998.06	10	1,400,000	14,000,000	811,500	8,115,000	Retained earnings \$4.885 billion	—	1998.05.21 SFE Ruling (87) Tai-Tsai-Cheng (1) No. 44748
1998.10	10	1,400,000	14,000,000	813,500	8,135,000	Cash \$20 million	—	1998.08.30 SFE Ruling (87) Tai-Tsai-Cheng (1) No. 35007
1999.06	10	1,400,000	14,000,000	1,144,900	11,449,000	Retained earnings \$3.314 billion	—	1999.05.20 SFE Ruling (88) Tai-Tsai-Cheng (1) No. 47786
1999.08	10	1,400,000	14,000,000	1,146,400	11,464,000	Cash \$15 million	—	1999.06.16 SFE Ruling (88) Tai-Tsai-Cheng (1) No. 53605
2000.06	10	2,000,000	20,000,000	1,567,104	15,671,040	Retained earnings \$4.20704 billion	—	2000.05.26 SFE Ruling (89) Tai-Tsai-Cheng (1) No. 45450
2001.06	10	2,100,000	21,000,000	1,976,880	19,768,800	Retained earnings \$4.09776 billion	—	2001.06.06 SFE Ruling (90) Tai-Tsai-Cheng (1) No. 135654
2002.07	10	2,100,000	21,000,000	1,998,880	19,988,800	Retained earnings \$220 million	—	2002.06.26 SFE Ruling (91) Tai-Tsai-Cheng (1) No. 0910134921

Month / Year	Par value (NT\$)	Authorized shares		Paid-in Capital		Remarks		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Source of capital	Capital Increased by Assets Other than Cash	Approval date and approval no. of capitalization by the SEC, Ministry of Finance
2003.07	10	2,450,000	24,500,000	2,281,740	22,817,400	Retained earnings \$2.8286 billion	—	2003.07.08 SFE Ruling Tai-Tsai-Cheng (1) No. 0920130466
2004.08	10	2,872,000	28,720,000	2,552,914	25,529,140	Retained earnings \$2.71174 billion	—	2004.07.12 FSC Ruling Jin-Kwong-Cheng (1) No. 0930130836
2005.07	10	3,380,000	33,800,000	2,861,205	28,612,054	Retained earnings \$3.082914 billion	—	2005.06.23 FSC Ruling Jin-Kwong-Cheng (1) No. 0940125161
2005.12	10	3,380,000	33,800,000	2,920,798	29,207,982	Stock shares \$595,928,350	—	2005.12.22 FSC Ruling Jin-Kwong-Cheng (1) No. 0940157381
2006.01	10	3,380,000	33,800,000	2,924,521	29,245,209	Convertible bond for stock \$37,226,200	—	2006.02.03 Jin-So-Son-Tzi No. 09501019910
2006.03	10	3,380,000	33,800,000	2,998,184	29,981,838	Stock shares \$736,629,610	—	2006.01.13 FSC Ruling Jin-Kwong-Cheng (1) No. 0940161197 2006.02.27 FSC Ruling Jin-Kwong-Cheng (1) No. 0950106726
2006.04	10	3,380,000	33,800,000	3,040,064	30,400,638	Convertible bond for stock \$418,799,510	—	2006.04.21 Jin-So-Son-Tzi No. 09501073310
2006.08	10	3,860,000	38,600,000	3,407,070	34,070,701	Retained earnings \$3.67006377 billion	—	2006.06.27 FSC Ruling Jin-Kwong-Cheng (1) No. 0950126632
2007.04	10	3,860,000	38,600,000	3,412,083	34,120,829	Convertible bond for stock \$50,127,660	—	2007.04.26 Jin-So-Son-Tzi No. 09601090540
2007.09	10	4,250,000	42,500,000	3,652,687	36,526,871	Retained earnings \$2.40604146 billion	—	2007.06.29 FSC Ruling Jin-Kwong-Cheng (1) No. 0960033204
2007.09	10	4,250,000	42,500,000	3,682,512	36,825,116	Stock share \$298,245,610	—	2007.08.27 FSC Ruling Jin-Kwong-Cheng (1) No. 0960044647
2007.10	10	4,250,000	42,500,000	3,708,507	37,085,068	Convertible bond for stock \$259,951,830	—	2007.10.22 Jin-So-Son-Tzi No. 09601256950
2008.01	10	4,250,000	42,500,000	3,728,359	37,283,589	Convertible bond for stock \$198,521,460	—	2008.01.17 Jin-So-Son-Tzi No. 09701012350
2008.04	10	4,250,000	42,500,000	3,740,652	37,406,517	Convertible bond for stock \$122,927,710	—	2008.05.13 Jin-So-Son-Tzi No. 09701109460
2008.08	10	4,250,000	42,500,000	3,751,832	37,518,315	Convertible bond for stock \$111,798,020	—	2008.08.19 Jin-So-Son-Tzi No. 09701207890
2008.09	10	4,750,000	47,500,000	4,245,897	42,458,967	Retained earnings \$4.94065172 billion	—	2008.07.17 Jin-So-Son-Tzi No. 0970036193
2008.10	10	4,750,000	47,500,000	4,246,051	42,460,513	Convertible bond for stock \$1,545,780	—	2008.10.22 Jin-So-Son-Tzi No. 09701269640
2009.07	10	4,750,000	47,500,000	4,219,926	42,199,262	Purchased Treasury stock for cancellation with decrease of \$261,250,000	—	2009.07.15 Jin-So-Son-Tzi No. 09801153240
2009.08	10	4,750,000	47,500,000	4,246,777	42,467,77	Retained earnings \$268,512,150	—	2009.07.01 Jin-So-Son-Tzi No. 0980032762
2010.06	10	4,750,000	47,500,000	637,016	6,370,166	spin-off and capital reduction \$36,097,608,610	—	2010.04.09 Jin-So-Son-Tzi No. 0990013609
2010.09	10	4,750,000	47,500,000	627,016	6,270,166	Purchased Treasury stock for cancellation with decrease of \$100,000,000	—	2010.09.14 Jin-So-Son-Tzi No. 09901209730
2011.03	10	4,750,000	47,500,000	617,016	6,170,166	Purchased Treasury stock for cancellation with decrease of \$100,000,000	—	2011.04.01 Jin-So-Son-Tzi No. 10001064750
2011.08	10	4,750,000	47,500,000	752,760	7,527,603	Retained earnings \$1,357,436,570	—	2011.06.29 Jin-So-Son-Tzi No. 1000030060
2013.11	10	4,750,000	47,500,000	742,760	7,427,603	Purchased Treasury stock for cancellation with decrease of \$100,000,000	—	2013.11.21 Jin-So-Son-Tzi No. 10201237880

### 3. Information for Shelf Registration: None

#### (2) Shareholder Structure

As of April 10, 2022

Status of shareholders QTY	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	4	34	492	109,858	1,394	111,782
Shareholding	10	49,445,326	102,291,312	226,164,540	364,859,092	742,760,280
Shareholding Percentage	0.00	6.66	13.77	30.45	49.12	100.00

#### (3) Distribution of Shareholding

##### 1. Common Share

As of April 10, 2022

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1- 999	71,341	15,766,520	2.12
1,000- 5,000	34,627	61,122,966	8.23
5,001- 10,000	2,789	20,893,735	2.81
10,001- 15,000	895	11,275,072	1.52
15,001- 20,000	452	8,198,485	1.10
20,001- 30,000	462	11,658,334	1.57
30,001- 40,000	223	7,891,293	1.06
40,001- 50,000	120	5,583,543	0.75
50,001- 100,000	286	20,601,853	2.77
100,001- 200,000	213	30,068,400	4.05
200,001- 400,000	132	37,264,453	5.02
400,001- 600,000	56	27,235,594	3.67
600,001- 800,000	38	26,016,333	3.50
800,001- 1,000,000	25	22,428,553	3.02
Over 1,000,001	123	436,755,146	58.81
Total	111,782	742,760,280	100.00

##### 2. Preferred Share: None

#### (4) Major Shareholders

As of April 10, 2022

Shareholders	Shareholding	Shareholding	Percentage (%)
Jonney Shih		30,093,638	4.05
Cathay United Bank managed Expert Union Limited Investment account		20,684,542	2.78
ASUS's Certificate of Depository with CitiBank (Taiwan)		19,684,932	2.65
Yuanta Taiwan High Dividend Fund Account		13,961,641	1.88
New Labor Pension Fund		13,949,752	1.88
Morgan Stanley & Co. International Plc		12,436,524	1.69
Silchester International Investors International Value Equity Trust		11,037,000	1.49
Fubon Life Insurance Co., Ltd.		10,027,000	1.35
Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds		9,933,937	1.34
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		9,042,511	1.22

#### (5) Market Price, Net Worth, Earnings, and Dividends per Common Share

Unit: NT\$/Share

Fiscal year			2020	2021	As of March 31, 2022 (Note 9)
Item					
Market Price Per Share (Note 1) (Note 3)	Highest Market Price		265.0	428.0	385.0
	Lowest Market Price		167.0	250.0	355.0
	Average Market Price		227.08	346.67	371.91
Net Worth Per Share (Note 2)	Before Distribution		271.64	312.79	-
	After Distribution		245.64	(Note 8)	
Earnings per share	Weighted Average Shares (Note 3)		742,760 thousand shares	742,760 thousand shares	-
	Earnings per shares (Note 3)	Before adjustment	35.76	59.98	-
		After adjustment	35.76	(Note 8)	
Dividends per Share	Cash dividends		26	(Note 8)	-
	Stock dividends	Dividends from Retained earnings	0	(Note 8)	-
		Dividends from Capital Surplus	0	(Note 8)	-
	Accumulated Undistributed Dividend (Note 4)		-	-	-
Analysis of return on investment	Price/Earning Ratio (Note 5)		6.35	5.78	-
	Price/Dividend Ratio (Note 6)		8.73	(Note 8)	-
	Cash Dividend Yield (Note 7)		11.45	(Note 8)	-

- Note 1: List the highest and lowest market price per share; also, calculate the average market price per share in accordance with the trade amount and shares.
- Note 2: Please base the information on the shares issued at year-end and the resolution for stock distribution in the Board of Directors and Shareholders Meeting.
- Note 3: If the stock dividend is to be adjusted retroactively, please list the earnings per share before and after the adjustment.
- Note 4: According to the regulations of security issuance, if the dividend that is not distributed can be accumulated till the year with retained earnings, the accumulated unpaid dividend of the year must be disclosed.
- Note 5: Profit ratio = Closing price per share of the year / Earning per share.
- Note 6: Earning ratio = Closing price per share of the year / Cash dividend per share
- Note 7: Cash dividend yield rate = Cash dividend per share / Closing price per share of the year
- Note 8: Subject to the approval of the annual shareholders meeting.
- Note 9: The data collected up to March 31, 2022 were included in the report printed on April 10, 2022 for data accuracy.

## (6) Execution of Dividend Policy

### 1. Dividend Policy

The Company's dividend policy is set by the board of directors subject to the Company's overview of business, need for funding, capital expenditure and budget, internal and external environmental changes and shareholders' equity. The dividend shall be no less than 50% of the earnings after tax of the current year, if no other special circumstances shall be taken into consideration. The industrial environment in which the Company operates is changeable and the Company is still growing for the time being. In consideration of the Company's long-term financial planning and to satisfy shareholders' need toward cash inflow, the cash dividend to be allocated each year shall be no less than 10% of the total stock dividend.

### 2. Proposed Distribution of Dividends:

- (1) In the 2021, the net income after tax was NT\$44,549,798,013, the distributable surplus was NT\$42,319,410,828. After take into consideration of the unappropriated earnings of prior years of NT\$88,063,906,749, the total distributable surplus was NT\$130,383,317,577. The proposed distribution of shareholder dividends was NT\$31,195,931,760, which is NT\$42 per share and will be paid in cash.

(Please refer to the Company's 2021 Earnings Distribution Table)

- (2) If the dividend ratio of the earnings distribution is changed and must be adjusted as a result of a change in the number of outstanding shares, it is proposed to have the Chairman authorized in the meeting of shareholders to arrange necessary adjustments.
- (3) Shareholder cash dividend that is less than NT\$1 should be rounded up to dollar; also, fractional shares will be purchased by persons arranged by the Chairman, authorized by the meeting of shareholders
- (4) Upon the approval of the annual meeting of shareholders, it is proposed that the Chairman be authorized to resolve the dividend record date and other relevant issues.

### **Distribution of Retained Earnings**

In 2021		Unit: NT\$
Account	Amount	Note
Unappropriated earnings - beginning	88,063,906,749	
(+) 2021 Net Income	44,549,798,013	
(+) Change in associates and joint ventures accounted for under equity method	0	
(+) Disposal of financial assets at fair value through other comprehensive	2,471,769,574	
(-) Appropriated 10% legal reserve	(4,702,156,759)	
2021 Distributable surplus	42,319,410,828	
Distributable earnings - current	130,383,317,577	
(-) Distributions :		
Shareholder bonus	31,195,931,760	NT\$42 per share
2021 Unappropriated earnings	11,123,479,068	
Unappropriated earnings - ending	99,187,385,817	

Note: Earnings distribution of the year is appropriated from the 2021 after-tax distributable earnings.

(7) Impact of the proposed stock dividend in shareholders meeting on business performances and EPS:  
None

(8) Compensation to Employees and Directors

1. Scope of remuneration to employees and directors referred to in the Articles of Incorporation

The amount to cover accumulated loss shall be reserved from the earnings of this year, and no less than 1% of the balance as the remuneration to employees and no more than 1% of the balance as the remuneration to directors.

The subject of above-mentioned staff remuneration distribution shall include staff of controlling and subsidiary company that complies with certain conditions.

2. The basis for estimating the remuneration to employees and directors for calculating the number of shares to be distributed as remuneration to employees, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

When allocating remuneration to employees from stock, the basis for estimation shall be based on the closing price on the day prior to resolution of the board of directors and by taking into consideration the ex-right and ex-dividend effect. Notwithstanding, in the case of the accounting treatment of the discrepancy between the actual distributed amount and the estimated figure, it shall be identified as accounting changes and stated as the income of the year of allocation.

3. Allocation of remuneration adopted by the board of directors in 2021

(1) Remuneration to employees and directors to be allocated in cash:

	Amount (NT\$)
Remuneration to employees	3,204,068,890
Remuneration to directors	168,635,205

Any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized: None.

(2) The amount of remuneration to employees distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total remuneration to employees: N/A, in order to deal with the expensed remuneration to employees and directors.

4. The actual remuneration allocated to employees and directors actually in 2020:

(1) The actual remuneration allocated to employees and directors:

	Amount (NT\$)
Remuneration to employees	1,865,638,448
Remuneration to directors	98,191,497

(2) Discrepancy between said amount and remuneration to employees and directors: None.

(9) Buyback of Common Stock: None.

**II. Status of issuance of corporate bonds:**

(I) Corporate bonds: None

(II) Convertible bonds: None

(III) Exchangeable Bonds: None

(IV) Self registration in Taiwan: None

(V) Bond with warrants: None

**III. Preferred shares: None**

**IV. Issuance of global depository receipts**

Item	Date of issuance (process)
Issue date	May 30, 1997
Location of issuance and trade	London / Luxembourg Note 1: Location for issuance and trade changed from London to Luxembourg starting March 28, 2013.
Total amount	US\$235, 830,000
Unit Price	US\$11.23 / GDR

Total issuance			21,000,000 GDRS			
Source of common stock recognition			One GDR stands for one common stock share of ASUS Note 2: The Company's stock exchange ratio has changed from one GDR for one common stock share to one GDR to five common stock shares since January 2, 2008. Note 3: ASUS had capital reduction arranged on June 24, 2010. The proportion of outstanding convertible is 1,000 shares for 150 shares.			
Total marketable security shares recognized			Stands for 21,000,000 common stock shares of ASUS			
Rights and obligations of GDR holders			Please refer to Attachment A			
Trustee			None			
GDR institute			CITIBANK, NA			
Depository institute			Citibank Taiwan Limited			
Outstanding GDR			3,936,986 GDRS (December 31, 2021)			
Issuance and expense amortization throughout the issuance period			It is to be amortized in three years on average after issuance according to Article 243 of Company Law			
GDR agreement and depository agreement			Please refer to Attachment B			
Market price per unit (US\$)	2021	Highest	US\$ 73.27			
		Lowest	US\$ 44.75			
		Average	US\$ 61.74			
	As of April 10, 2022	Highest	US\$ 68.91			
		Lowest	US\$ 62.53			
		Average	US\$ 65.99			
Item	GDR				Total marketable security shares recognized	
	Date	Amounts	Price	Issue Amount	Shares	Price / Per share
Date and remainder of initial issuance A	86/05/30	21,000,000	USD11.23	235,830,000	21,000,000	0
Date and Remainder of Additional Issuance After the Initial Issuance B	87/06/15	25,478,476	0	0	25,478,476	0
	87/10/26	56,628	0	0	56,628	0
	88/06/14	18,893,413	0	0	18,893,413	0
	88/08/30	69,309	0	0	69,309	0
	89/08/11	23,830,652	0	0	23,830,652	0
	90/08/30	20,663,365	0	0	20,663,365	0
	92/08/01	6,256,511	0	0	6,256,511	0
	93/08/15	10,924,803	0	0	10,924,803	0
	94/08/29	10,654,365	0	0	10,654,365	0
	95/09/21	13,439,142	0	0	13,439,142	0
	96/09/20	6,310,972	0	0	6,310,972	0
	97/01/02	-126,062,109	0	0	0	0



	97/09/30	3,142,032	0	0	15,710,161	0
	98/09/23	64,927	0	0	324,639	0
	99/06/24	-29,514,114	0	0	-147,570,571	0
	100/09/01	1,111,472	0	0	5,557,362	0
Total Number of Remainder for Issuance D	6,319,844				31,599,227	

#### Attachment A

1. Voting rights: No voting rights may be exercised directly but the GDR institute shall be instructed to exercise voting rights according to the GDR agreement.
2. Dividend distribution, stock option, and other rights:
  - (1) Entitled to distribution of dividend and stock shares just like the common shareholders of ASUS. GDR institute may have GDR issued proportionally to shareholdings or increase the common stock shares recognized with each GDR or have stock dividend sold on behalf of GDR holders and with the income distributed to GDR holders proportionally.
  - (2) GDR institute reserves the said rights provided to GDR holders within the scope defined by the law of R.O.C. or international law, or, GDR institute may have the said rights sold on behalf of GDR holder and with the income distributed to GDR holders proportionally.

#### Attachment B

1. GDR agreement:
  - (1) Transfer/split: The ownership of GDR is evidenced by EUROCLEAR and CEDEL book transaction and split system.
  - (2) Dividend and others:
    - ① Cash dividend in US\$ net of GDR institute fees and tax withholding is distributed to GDR holders proportionally to their holdings.
    - ② For the distribution of stock dividend, GDR holders are to have the total GDR adjusted proportionally to the shareholding ratio recognized with GDR holdings; also, adjusted the GDR of GDR holders accordingly. GDR institute may have the income distributed to GDR holders proportionally.
    - ③ When issuing new stock shares for cash capitalization or arranging stock option, GDR institute may (I) arrange stock subscription or (II) entrust the said right to GDR holders; however, the new stock shares for cash capitalization are limited to the exemption registered with SFC.
    - ④ GDR institute must strive to have cash dividend and stock dividend distributed to GDR holders.
  - (3) Voting rights: Unless otherwise agreed upon, GDR institute must base on the GDR agreement, law of R.O.C., and the instruction of GDR holders to exercise the voting rights of the marketable security recognized with GDR.

2. Depository agreement:

- (1) Submit marketable security for the issuance of GDR.
- (2) Inform GDR institute to have GDR issued.
- (3) Deliver marketable security for the exchange of GDR
- (4) Confirm the volume of GDR monthly
- (5) Confirm the volume of GDR on the registration date

**V. Employee stock option certificates:** None.

**VI. Limit on Employee New Bonus Share:** None.

**VII. Merger and acquisitions or stock shares transferred with new stock shares issued:**

- (1) The merger completed, stock shares transferred, and new stock shares issued in recent years and up to the date of the annual report printed:
  1. The opinions of the security underwriter who is responsible for merger, accepting other company's stock share, and issuing new stock shares in the most recent quarter: None
  2. If the business performance of the last quarter does not meet expectation, please state the impact on shareholder's equity and the corrective action proposed: None
- (2) If the merger is completed, stock shares is transferred, and new stock shares are issued in recent years and up to the date of the annual report printed, the information of the merger and the merged or acquired company must be disclosed: None

**VIII. Fund implementation plan**

Up to the last quarter before the printing of the financial statements, outstanding equity issuance or marketable security subscription or the completed equity issuance or subscribed marketable security without success: Not Applicable

## **V. Overview of Business Operation**

### **I. Principal activities**

#### **(I) Operating Scope**

Founded in 1989, ASUS is one of the world's leading providers of 3C solutions and committed to providing the most innovative products and applications to individuals and businesses. Since the establishment of ASUS, we have assembled many outstanding talents, and worked together for the vision of brand. We have achieved operational growth goals and excellent performance many times, and thus becomes one of the most important brand companies in Taiwan.

The Company's main areas of business are the design, research, development and sales of electronics and information products. In many of its electronics-integrated products, the Company has offered excellent quality and industry-leading technology, which have won many awards. In 2021, ASUS again was recognized as one of the "World's Most Admired Companies" by "Fortune Magazine" of the United States. The product categories span motherboards, graphics cards, laptops, smart phones, displays, routers and a full range of technology product solutions; the Company is also actively expanding its esports products and creates a variety of applications in new areas of AIoT. ASUS is committed to pursuing unparalleled technological innovations, creating a thoughtful intelligent life and ubiquitous happiness for global users; the vision of the brand is to become "a leading technology innovative enterprise highly respected by the new digital generation." ASUS has about 15,000 employees around the world, and has a world-class R&D team of more than 5,000 people. Its products are sold in more than 70 countries around the world and have won more than 11 awards every day on average. The product innovation, design and quality have been recognized by the global market.

The core of ASUS business is PC-related products. In 2021, the proportions of its products were 67% for computer-related products, 33% for component-related products and others.

Product development projects:

- a. Digital control wireless transmission technology CPU MB
- b. Advanced 3D graphics cards
- c. Smartphones
- d. High Performance thin-and-light laptops
- e. ScreenPad Plus dual-screen laptops
- f. ProArt creator laptops
- g. High-speed router / Network switch / Firewall / VPN
- h. New-generation advanced servers
- i. Professional gaming LED displays & PCs
- j. ChromeOS devices
- k. AIoT solutions (Smart Manufacturing, Smart Healthcare, Smart Retail)

In 2022, ASUS's main direction for the product strategy and business objectives are as

follows. Computer system products will be quickly strengthened for product innovation and operation, looking forward to prospects of operation and planning for positive growth goals, and achieve a growth rate outperforming the industry with the board and open-platform product lines. ROG and all e-sports-related products, along with the expansion of the esports industry and esports user base, become the important long-term growth momentum, the annual growth rate will be targeted on double-digits, and gradually become a lion in the industry. For mobile phones, the focus will be on esports users and expert users, establishing a market leading position and brand value for a specific user group. Responding to the new industry trend of AIoT, several product projects and market positioning will be initiated, to grasp the opportunities for market evolution and growth. For more information and plans related to R&D, please refer to “Future R&D Plans and Estimated Investment” in “Risks”

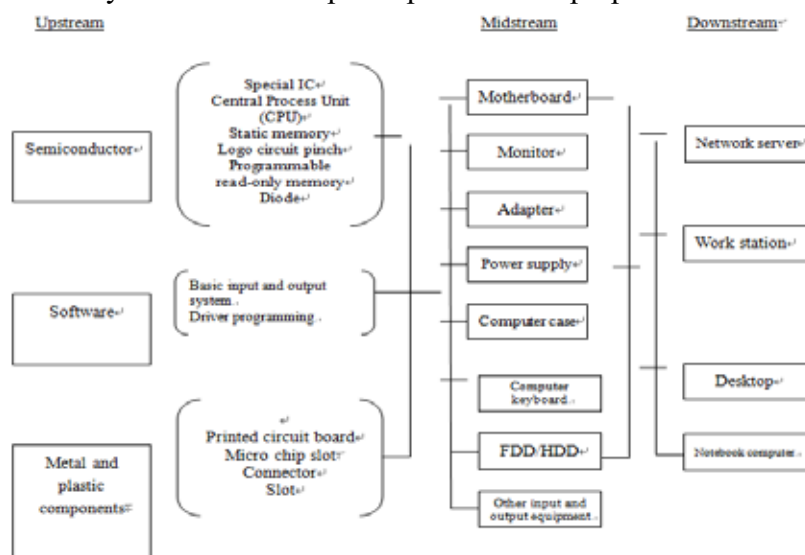
## (II) Industry Overview

### 1. Progress and development of the industry:

The market for thin & light laptop computers continues to expand. The emerging digital content and multimedia entertainment industries as well as the needs of the PC gamers drive the demand for 3D multimedia and high-performance video and audio. It is foreseeable that multimedia entertainment will create more demands for laptop computers with advanced equipment. The development of our laptops incorporates not only the qualities of ‘lightweight, thin, small, and visually attractive’ but also of ‘personalization, video and audio entertainment, wireless communication, and our commitment to a green environment.’

### 2. Correlation of the upstream, midstream, and downstream of the industry:

In terms of the correlation of upstream, midstream, and downstream parts of the industry, the upstream industry includes semiconductor (IC design, wafer foundry, and testing and packaging), electronic parts (passive components, rectifier diode, etc.), and others (LED, printed circuit board, connector, etc.). Midstream industry includes optoelectronic (monitor, LCD, etc.), electronic parts (motherboard, VGA, etc.), and computer peripherals (computer case, mouse, keyboard, etc.). Downstream industry includes desktop computers and laptops.



### 3. Product development trends:

Cloud computing generally means that the user connects from a terminal to a remote sever or device via the internet for access to data or application services. This is an important emerging business opportunity of the technology industry. AI and deep learning of the computer as well as development of brand-new types of automatic equipment will change the work and life of human beings. This will be the focus in the development of the technology industry

ASUS plans to invest resources in the development and promotion of various products and solutions for cloud services, robots, smart homes, and high-speed computation applications in order to enhance their portability, easy-to-use properties, connection capabilities and service depth, and provide the user with the ultimate application experience.

### 4. Competition:

The pandemic reshaped the way of life and work of all human beings, and greatly accelerated the development of human society to a digital life of remote work, home learning, and online entertainment, further driving the inelastic demand for computers and computer peripherals. In the future, products and services adopting the human-centered and digital economic model approach will flourish. Product design must also focus on personalized design, and differentiate and segment products based on the needs of individual target consumers. Therefore, the use of marketing strategies is increasingly important in order to create profit for each industry operator.

In response to the needs of users of the new digital generation, ASUS continues to adopt user-centered design thinking and product and smart application innovation and expand the user base for gaming, business and creation. At the same time, the future development trend of notebook computers aims to incorporate new technologies to increase product value, such as lightweight, easy to carry, energy saving, green and environmental protection, etc. to make ASUS products stand out from its competitors and win mindshare. In recent years, ASUS's gaming laptops have grown significantly faster than the market; the aim is to continue to expanding its market share.

MB, VGA, and CD-ROM are key segments of the computer components industry that form a supply chain along with CPU, chips, and PCB connectors. ASUS has kept a profound and excellent relationship with these businesses. To upgrade the product development technique and ensure stable supply of components, ASUS cooperates with many agents and distributors in the global channel architecture. ASUS is the leading brand in many markets including Europe, Asia and America, and the value of the brand and its identification are widely recognized by the users.

## (III) Research and Development

ASUS has committed to R&D excellence since the day of its incorporation to rely on in-house innovation for the R&D, production, and marketing of advanced motherboards, graphics cards, laptops, tablets, servers and smartphones; and to develop 4C (computers, communications, consumer electronics, and automobile electronics) integrated products.

For ASUS, the R&D Division and the R&D Center have a positive correlation working together. The R&D Center focuses on technology studies and commercialization of creativity. The R&D Center is entrusted with the responsibility to conduct preliminary studies and assessments on the key software and hardware technology, modules, and applied program development platform in depth. This work provides reference for the R&D director in judging technology trends and partner selection. The R&D Division focuses on system integration, product introduction and commercialization. Technology is transformed to generate income, and then part of that income is contributed back to support the creativity or technology supplier. This cycle allows R&D to sustain continuous development. These commitments to R&D, and the incentives provided by the Company's management, allow ASUS to continuously recruit talented R&D. In the constantly-changing computer world, ASUS has key technologies and leading products enabling it to compete in the market and to create product value. The 2021 R&D expenses were NT\$20.1 billion, accounting for about 4% of the total revenue.

ASUS continues to commit R&D resources in new types of computer products such as gaming laptops, content-creation laptops, commercial laptops and new ChromeOS computing devices. ASUS has also launched a number of new applications based on design thinking that integrate software, hardware and AI technology, such as the four smart applications of motherboards that offer overclocking, cooling, networking and built-in audio; laptops with the ScreenPad Plus multitasking secondary touchscreen; ASUS Dial rotary control for creator laptops; the Armoury Crate app in gaming products for integration and optimization of control software; Aura Sync to synchronize lighting effects; gaming headsets and keyboard peripherals with built-in AniMe Matrix™ ROG dynamic programmable LED displays; defect-detection solutions in the field of smart manufacturing; Miraico ICD 10 smart coding for the smart medical care field; Lumos medical big data platform; xHIS next-generation medical care information system; AI image diagnosis; smart wearable devices, handheld ultrasound and other smart health solutions. In terms of enhancing the core capabilities of esports computers, ASUS leads the industry, to introduce LCD displays with a refresh rate of 144 Hz and a 3-millisecond response time, as well as the innovative Active Aerodynamic System (AAS) cooling technology, to launch the most powerful compact esports notebooks on the market. Enhancing consumer experience and creating consumer value are the core spirits of ASUS. ASUS has been a pioneer in launching 2-in-1 gaming laptops which bring an excellent user experience to players around the world through flexible and diverse user scenarios. For the world's first 4K dual-screen gaming laptops, the second screen can be lifted and slid back through an all-new four-way screen hinge to seamlessly connect to the main screen, which offers extraordinary wide field of view, comfortable viewing angle and true immersion. Via the partnership with the giant in the game industry, Activision, ASUS co-developed game lighting effects that enhance the player experience, as well as using new wireless technologies to achieve wireless transmission without dead spots; in addition, to ensure screen color accuracy and uniformity, ASUS ProArt™ TruColor display technology ensures that each display complies with the rigorous PANTONE® color certification requirements and provides precise color to esports players, designers and other content creators. As consumers demand higher quality color rendering, ASUS becomes the first brand to equip a full range of products with OLED screens, including portable and powerful mainstream creator laptops which provide the best screen choice for all types of users.

The specific products in the recent year:

R&D planned in 2022:

- a. Digital control wireless transmission technology CPU MB
- b. Advanced 3D graphics cards
- c. Smartphones
- d. High-performance thin-and-light laptops
- e. Dual-screen ScreenPad Plus laptops
- f. ProArt creator laptops
- g. High-speed routers / network switches / firewalls / VPNs
- h. New-generation advanced servers
- i. Professional gaming LED displays & PCs
- j. ChromeOS devices
- k. AIoT Solution (Smart Manufacturing, Smart Healthcare, Smart Retail)

(IV) Short-term and long-term development plans:

1. Short-term development plan;

ASUS will continue to follow the brand spirit of 'In Search of Incredible' to develop green technology products, entertainment, and cloud computing. Product development covers three platforms, blending advanced digital technology with the user's life experience. Open platform products include motherboards, graphic cards, LCD monitors and servers; system products include laptops, smartphones, tablets and desktops. AIoT products include artificial intelligence solutions in smart manufacturing, smart healthcare, smart retail and other fields.

2. Long-term development plan:

We have entered a people-oriented mobile computing era, where all physical and virtual computation, data access and interaction are integrated via the internet. In the future, users will not have to adapt to product functions but the product functions will be reconfigured to conform to user demand. The boundaries between mobile, tablet, laptop and other mobile devices will eventually be eliminated. In the new digital era, the power of the internet will eventually turn the screens of mobile devices into media centers connected to the cloud. Information will not be owned exclusively but will be readily available to all; transmission and sharing will be the key. As the leader of brand technology, ASUS believes in the power of the open platform. We must embrace the ubiquitous era of cloud computing with an open mind, building a versatile solution for the next generation of cloud computing.

## **II. Market analysis and the conditions of sales and production:**

(1) Market analysis:

1. Sales regions:

Unit: NT\$ thousands

Item \ Year	2020		2021	
	Subtotal	Total	Subtotal	Total
Sales to TW		21,419,537		28,999,151
Sales to region outside of Taiwan		395,773,510		506,239,584
America	107,573,633		132,380,886	
Asia Pacific / Oceania	162,267,972		222,885,520	
Europe	123,254,852		145,888,224	
Africa	2,677,053		5,084,954	
Net sales		417,193,047		535,238,735
(-) Revenue from contracts with customers from discontinued operations		(4,412,608)		-
Total		412,780,439		535,238,735

## 2. Market share and market demand and supply and market growth:

### (1) Market demand and supply of computer components:

ASUS motherboards have taken the largest global market share for several years in a row, mainly because of our superior R&D design capacity, massive production scale, complete upstream/downstream component supply chain, product quality, and controlled production costs; all of which become our powerful competitive advantage.

ASUS released the high-quality, high-performance and high-price optimized motherboards with respect to the high-rank, mid-rank and low-rank markets, in order to domain the global motherboard market absolutely and continue the most advantaged product and leadership in the industry. Since ASUS was founded in 1989, the sales of its motherboards have exceeded 500 million pieces, absolutely leading ahead of the others in the same trade.

### (2) Market demand and supply of NB:

The availability of laptop computers has grown substantially throughout the world. ASUS has worked in the laptop computer industry for over 15 years, demonstrating a remarkably-sustained performance in product quality, R&D technology, and business development. According to research conducted by an international market survey institute, ASUS stands in the world's top three Windows OS consumer laptop computer suppliers and constantly leads the industry in terms of product innovation, attaining high brand value and consumer recognition. The 2021 research institute estimated the shipment of ASUS consumer laptop computers to take about 13% of the global market share.

### (3) Short-term development of IT industry:

With the arrival of the cloud computing era, ASUS plans to introduce a series of cloud computing-related services and products with a specific solution designed to provide cloud computing for mobile computing, multimedia entertainment, and electronic commerce. This solution will embrace the quality of portability, ease-of-use,



connection, and in-depth service, all reinforced to provide users with information at their fingertips, anywhere and at any time. Professionals can use cloud computing business tools to explore business opportunities and upgrade competitiveness, while also sharing rich and diversified multimedia entertainment with family members.

### 3. Competitiveness, advantages and disadvantages of development, and responsive strategies

Industrial development and vision:

#### (1) Advantages

- a. In response to the needs of users of the new digital generation, products and services adopting the human-centered and digital economic model approach will flourish in the future, and the human-centered design thinking process is an important direction of development in the future. Consumers seek better user experience and higher product value. This complies with the persistent operating philosophy and the product development capability of ASUS, and will be the focus in our business operation.
- b. The pandemic greatly accelerated the development of human society to a digital life of remote work, home learning, and online entertainment, further driving the inelastic demand for computers and computer peripherals. New types of computers, such as gaming notebook, content creation notebook, business notebook and Chrome OS, continue to create new markets and demands. ASUS will also establish appropriate business goals and resource commitment according to different market and product segmentation to accelerate product and smart application innovation. ASUS launches of the ROG Phone and Zenfone in the smartphone market have been well evaluated and created excellent sales. ASUS will have competitive advantages in the evolution of the hardware industry with the support of our products.

#### (2) Disadvantages and responsive strategies

The novel coronavirus ravaging the world has threatened human life and health, and greatly affected the global economy, world trade, job market and industry supply chain, resulting in fluctuations in demand, currency exchange rates, raw materials costs, and making operations more difficult. However, human societies can mostly evolve in response to impacts, and we are happy to see that with the world working together to fight the pandemic, active economic policies and administrative measures will appropriately mitigate the effects.

ASUS expects to have a more flexible and efficient organizational operation, with three business groups being formed including: System Business Group, Open Platform Business Group and Smart IoT Business Group in order to aggregate resources and be more responsive to market changes. To create greater value and expand the operation scope, we established the Intelligent IoT Group at the end of 2019. The Group linked and integrated internal and external ASUS resources, teams, re-investment companies and industrial partners for active business development of intelligent IoT and new smart solutions in various application fields. With the smart manufacturing solutions completed with quality tests, we actively developed projects

such as intelligent medical care, intelligent retail, and intelligent cities. Each business group will then be able to focus on improving procedure, form optimal strategy, and execute strategy completely.

Through the implementation of the Golden Triangle Strategy with design thinking, market positioning and NPS user recommendations, ASUS has formed a true, transparent, and synergized team. In the future, ASUS will continue to invest resources in products that have economies of scale and competitive advantages as well to support the three business groups having the most competitive product lines and sales channels. ASUS is dedicated to providing consumers with better products and services, to upgrade the brand value in the minds of consumers and ultimately to turn consumer's brand recognition into market share.

Operating environment:

(1) Advantages

- a. ASUS is capable of leading the industry in developing advanced technology and specifications using its excellent R&D resources, and gaining favorable market penetration and solidifying its market leadership.
- b. ASUS controls its costs with excellent innovative concepts in high-efficiency channel and digital marketing, which reduce operational expenditures and achieve effective marketing.
- c. ASUS has long been committed to eco-friendliness, energy-saving and sustainability with multiple green technology products based on innovative core technology. ASUS intends to acquire business opportunities and market recognition for products fulfilling the global trend for green and eco-friendly appeal.

(2) Disadvantages:

- a. Export industries are subject to substantial fluctuations in foreign exchange. Managers must consider risks associated with fluctuations in foreign exchange rates. The market demand changes due to economic factors. The fluctuation of the raw material cost in recent years is another factor that affects the cost of production.
- b. The uncertainties of supply-chain shipment also affect product shipment momentums and sales.
- c. New competitors enter the niche markets, such as esports laptops, compact laptops, and content-creation laptops, affecting margins.

(3) Responsive strategies:

ASUS will closely watch the change of the exchange rate, implement supply chain management adequately, and balance the exchange rate risk and cost fluctuation appropriately.

Internal conditions

(1) Advantages

- a. Stable financing with sufficient funds.

- b. Improved inventory management system.
- c. Develop an excellent pool of talent, manage the R&D direction and schedule effectively, and lead the industry with technical capacity.
- d. The overall strategic planning also takes consideration of short-term indicators and long-term development objectives to keep ahead of industry development trends.
- e. The Company values people and continues to improve employee welfare treatment and welfare facilities.

(2) Disadvantages:

As ASUS grows significantly in both business operation and organizational structure, it is crucial to expand and improve the effectiveness of our management.

Product and technological development:

(1) Advantages:

- a. ASUS has created a strong R&D team. The excellent R&D talents of ASUS are recognized in the industry, with many patents awarded and many new products constantly in development.
- b. Many of the department heads and management of ASUS have a technological background. They thoroughly understand industrial trends and product development technology enabling them to take full advantage of development-to-plan product lines in depth, to apply recourses effectively, and to generate added value.
- c. The Company made early investments in important new products such as wearable devices, robotics and intelligent home products, with considerable R&D and marketing resources to ensure that the products lead the competition.

(2) Disadvantages:

Currently the sales channel for mobile computing device products differs from computer products, and requires the deployment of highly-efficient channel partners in addition to improving the sales operation efficiency.

Sales and marketability:

(1) Advantages

- a. Under the operation of a strong sales management program, ASUS has achieved competitive computer sales in most regions, limiting the impact that adverse economic situations in one area has on the corporate operations. By deploying product lines across the market, the Company can properly reduce the impact of economic risks.
- b. The pandemic has driven inelastic demand for computers and computer peripherals, and demand is strong in markets around the world, including Europe, America, and the Asia-Pacific region. ASUS has planned and acquired good brand and channel positioning.
- c. The Company mostly has the leading positions in each product line, and is the No.1 in terms of the global market share of motherboards. In terms laptops, it ranks No.1

in Taiwan and Hong Kong, Southeast Asia (Indonesia, Malaysia, Thailand), Europe (France, Romania) and America. ASUS has also achieved good performance in other regions. According to research institutions, the ASUS high-end gaming laptops achieved the No.1 market share in the world in 2021. In recent years, the growth of gaming laptops has significantly outperformed the market. Moreover, for the global website service, official websites in multi-lingual versions have been established, to implement the business strategy of localization, and deep cultivation of the local markets.

(2) Disadvantages:

The operating performance of overseas subsidiaries depends on effective management of channels and creation of brand orientation and value. The overseas subsidiaries' HR and management mechanism must meet said two important objectives.

(2) Application and production process of major products:

1. Application of major products:

- a. Motherboards, graphics cards, and optical drives are important elements for desktop computers and servers. ASUS is in a leading position worldwide with all the aforementioned products.
- b. The market boundaries among laptops, tablets, and smart phones are increasingly blurred; with the significant market size, ASUS continues to strengthen product differentiation and seize market opportunities in product innovation.
- c. The quality and technical demand for wireless broadband communication products is extremely high and ASUS holds the key technologies allowing it to develop high-quality products with trust and word-of-mouth reputation from customers.

2. Production Process of Major Products

More than 90% of processes are automated

- a. MB and VGA: Automatic SMT → Pick and place → soldering pot → burning → test
- b. NB, tablet and other products: Automatic SMT → pick and place → soldering pot → burning → PCB test → assembly → system test

(III) Supply of major raw materials:

The main raw materials used by ASUS are chipsets, memory, logic ICs, printed circuit boards, LCDs, etc. The suppliers of raw materials are mostly well-known domestic and foreign manufacturers with good quality and reputation in the industry. All the companies have collaborated with ASUS for many years; and they are good suppliers who can ensure the normal supply of raw materials and maintain competitive advantages.

(IV) Major Customers with over 10% net sales and Suppliers with over 10% total purchases (Included discontinued operations) of the last two fiscal years

1. Major Suppliers of the last two fiscal years

Unit: NT\$ thousands

Item	2020				2021				2022Q1 (Note 1)			
	Name	Amount	Percentage of net annual purchase (%)	Relation with issuer	Name	Amount	Percentage of net annual purchase (%)	Relation with issuer	Name	Amount	Percentage of net purchase of Q1 (%)	Relation with issuer
1	F Suppliers	65,007,110	20	None	F Suppliers	83,667,575	19	None				
					AV Suppliers	58,920,486	13	None				
	Others	261,986,017	80		Others	304,413,818	68					
	Net purchase amount	326,993,127	100		Net purchase amount	447,001,879	100					

Note 1: The 2022Q1 financial statements audited by the CPA were not yet available up to the print of annual report on April 10, 2022.

Note 2: Causes of increase and decrease: The major suppliers of the ASUS Group did not change substantially in 2021 and 2020.

## 2. Major Customers of the last two fiscal years:

The sales income of one customer from the consolidated company between 2021 and 2020 did not show 10% of the consolidated net operating income.

(V) Production/Sales Quantities and Value over the Past Two Year: Not Applicable.

(VI) Sales quantities and values of the last two fiscal years:

Unit: Piece (unit); NT\$ thousands

Major product	year	2020				2021			
		Domestic Sales		Export Sales		Domestic Sales		Export Sales	
		QTY	Amount	QTY	Amount	QTY	Amount	QTY	Amount
IT products		2,564,496	17,961,657	52,708,253	308,817,768	2,981,687	24,351,180	57,378,405	426,262,955
Others		-	671,130	-	2,518,537	-	1,765,820	-	4,940,621
Total		-	18,632,787	-	311,336,305	-	26,117,000	-	431,203,576

Note: The abovementioned information refers to ASUSTeK Computer Inc. refer to the annual report of other listed subsidiary companies for more information.

## III. Employees

Status of employees over the past two years and up to the date of the report printed

April 10, 2022

Year		2020	2021	As of April 10, 2022
Employee	Direct Labor	0	32	39
	Indirect labor	6,396	6,925	6,975
	Total	6,396	6,957	7,014
Average age		36	36.4	36.6
Average years of service		7.1	7.1	7.1
Education (%)	Ph. D.	0.59%	0.59%	0.55%
	Masters	56.25%	54.77%	54.25%
	College /University	40.6%	41.97%	42.47%
	Senior High School	2.33%	2.37%	2.4%
	Junior High School and below	0.23%	0.3%	0.33%

Note: The abovementioned information refers to ASUSTeK Computer Inc. Refer to the annual report of other listed subsidiary companies for more information °

#### **IV. Expenditure on environmental protection**

(I) Material capital expenditure invested in environmental protection activity:

1. The Company established GreenASUS and SERASUS Committee dedicated to boosting the sustainability management system certification, international environmental protection awards and green innovation projects. Please see Section III. Corporate Governance Report (6) Corporate Social Responsibility herein.
2. ASUS fellows will join environmental protection organizations and get involved in environmental protection activities.
3. We implement the “Digital Inclusion Project” to recycle IT apparatuses and donate them to schools in remote areas after repair. This not only reduces the waste materials but also helps to fill the urban-rural gap.
4. Arrange environmental protection, recycling, and merciful donation activities from time to time; also, contribute the income generated to charities activities.
5. We cooperate with the government to introduce ISO50001 energy management system to build an energy baseline every year and use PDCA to set up energy saving goals and ensure continual improvements in order to maintain implementation and reach the goal of reduction every year.

(II) The total amount of loss and fine paid for environmental pollution in 2021 and up to the date of the report printed: None.

(III) Estimated environmental protection expenses:

1. The Company will continue to promote the ISO 50001 energy management systems to improve energy efficiency, and at the same time plan the use of renewable energy and take relevant actions to slow down global climate change while reducing the operational impact caused by climate risks.
2. ASUS will continue to invest in green design, green procurement, green production, and green marketing for fulfilling corporate social responsibility to the earth.
3. The Company will plan the capital expenditure related to environmental protection based on GreenASUS and SERASUS.

#### **V. Employee/employer relations**

The realization of business goals relies on the commitment, deduction, and effort of employees; however, employees cannot exercise their talents without the support of the employer; therefore, a harmonious employer-employee relation is what ASUS after. ASUS has treated employees with an honest and open attitude; also, has working regulations and rules defined in the Company’s Work Code for the reference of employees. In terms of salary, benefit, and training policy, it is designed to help employees realize their objectives; therefore, they are able to have themselves heard and to have their working safety secured; also, their work satisfaction and profound economic interest fulfilled without the need of organizing an

union. Employer and employees are unified and share the same concept to work for the future of the organization.

Based on the respect and promise to employees, ASUS follows the international regulations of UNGC, UDHR and ILO to formulate human rights policies and does not discriminate employees due to race, sex, age, parties, religion, and the disability. Hiring of an employee must be subject to the local minimum age requirements, local regulations, EICC and other relevant regulations. The human right declaration shall be revealed accordingly.

#### (I) Employee's welfare package

ASUS always takes human respect and employee care as one of the management philosophies. To ensure the living conditions of employees and hold the belief of sharing profits with all employees, we provide a fair and legal internal and external bonus and remuneration system based on the average gross national income and price index, industry compensation level, and internal equal pay for equal work condition to determine the bonus and remuneration for the employees. The reasonable amount and distribution are proposed to the Board of Directors after being reviewed by the neutral Remuneration management Commission. The remuneration for the managerial officers is distributed after approved by the Boards of Directors. The amount distributed to the employees or managers is also determined depends on the importance of the job, contribution and personal performance. In order to encourage employees to work hard without worry, besides basic security and bonus, ASUS specially supports and sponsors related welfare projects. Employees also organize employee welfare organizations for planning and implementation of the welfare matters. Major points of the current welfare projects are listed below:

1. ASUS has the following benefits provided in accordance with Company Law:

Health insurance, labor insurance, group insurance, the total amount contributed to staff personal retirement account may not be less than 6% monthly salary, accrual pension reserve according to old contribution plan deposited in Bank of Taiwan, arrearage reserve, and appropriating welfare fund with a percentage of sales revenue and paid-in capital.

2. ASUS has the following benefits provided specially:

Season-greeting bonus and performance bonus, annual physical health check up, E-Library, Employee Assistance Programs(EAP), Employee Sports and Recreational Center – Taoran Hall: offering lukewarm swimming pool/SPA, gym, pool room, and aerobics room as well as employee café, featuring multiple functional sites and welfare measures.

3. “Employee Welfare Committee”

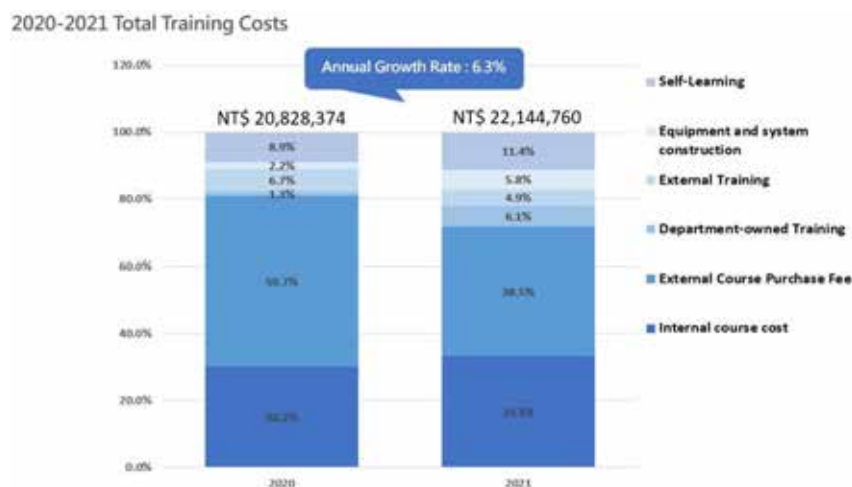
Birthday & Season-greeting bonus, wedding/funeral/celebration and emergency financial aid, group activities, scholarship and financial aid to employee's children, Winter & Summer vacations' children's winter & summer camp, employee benefits Vouchers, and using departmental-based “Teamwork” activities and cooperate with literary units for discount offers so that the peers can implement art and literature appreciation.

#### (II) Education and training

Talents are the cornerstone of an enterprise's success. ASUS believes that only when every employee fully demonstrates the ASUS DNA: ASUS 5 Virtues, Focus on Fundamentals and Results, Lean Thinking, Innovation and Aesthetics, in their jobs can the vision of "To become the world's most admired innovative leading technology enterprise in the new digital era." be fulfilled. The Company will then strive to be among the world-class green high-tech leaders and to provide valuable contributions to humanity.

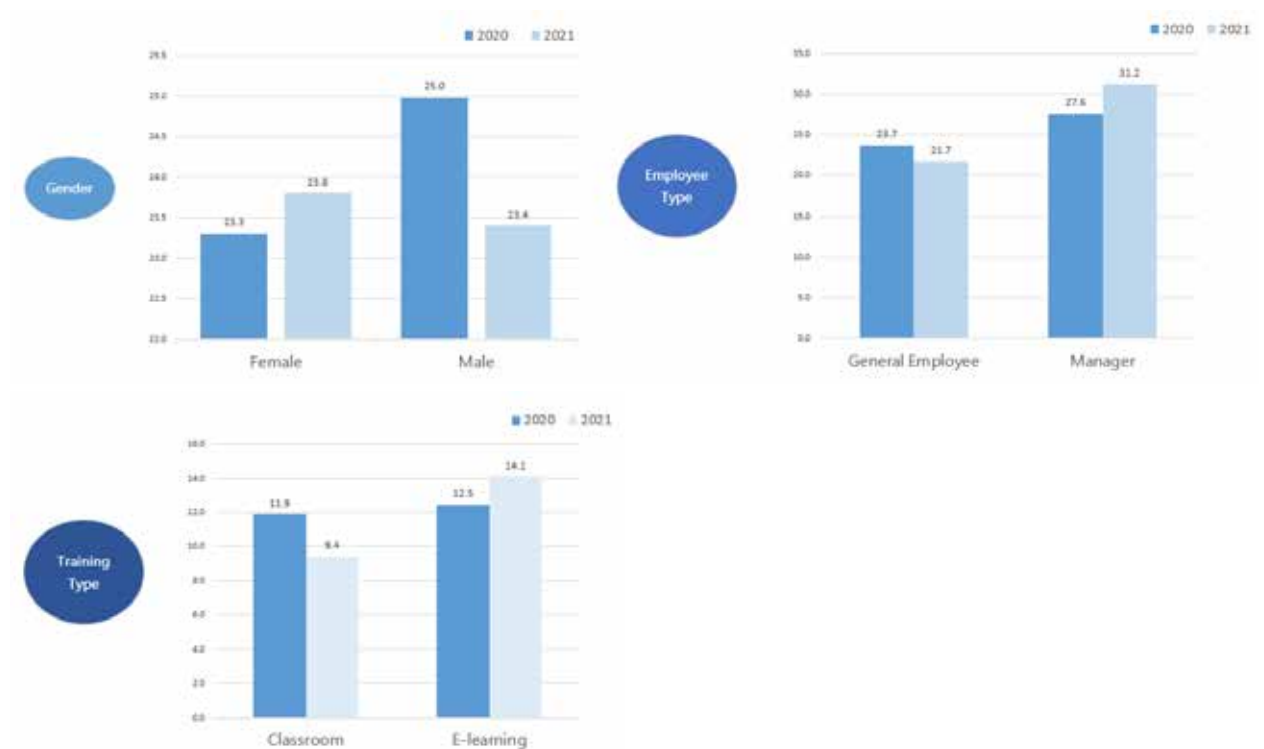
In 2021, ASUS has a total of 15,477 employees (as of the end of the year), the total training hours of the whole corporate group is 360,603 hours, and the average training hours per person is 23.3. The summary statistics is shown as follows:

Average training hours per		Taiwan (HQ)		China		Overseas		Total	
Type		2020	2021	2020	2021	2020	2021	2020	2021
Gender	Female	37.2	32.9	17.7	24.0	8.0	7.7	23.3	23.8
	Male	37.9	25.8	20.8	40.7	7.3	7.7	25.0	23.4
Employee type	General Employee	37.5	26.4	19.6	30.6	7.4	7.2	23.7	21.7
	Manager	39.7	35.2	17.9	44.4	8.4	10.0	27.6	31.2
Training Type	Classroom	22.5	13.0	5.5	12.9	0.4	0.6	11.9	9.4
	E-learning	15.1	15.4	13.9	20.0	7.2	7.2	12.5	14.1
Average Training Hours (hr.)		37.6	29.3	19.4	32.4	7.6	7.7	24.3	23.5



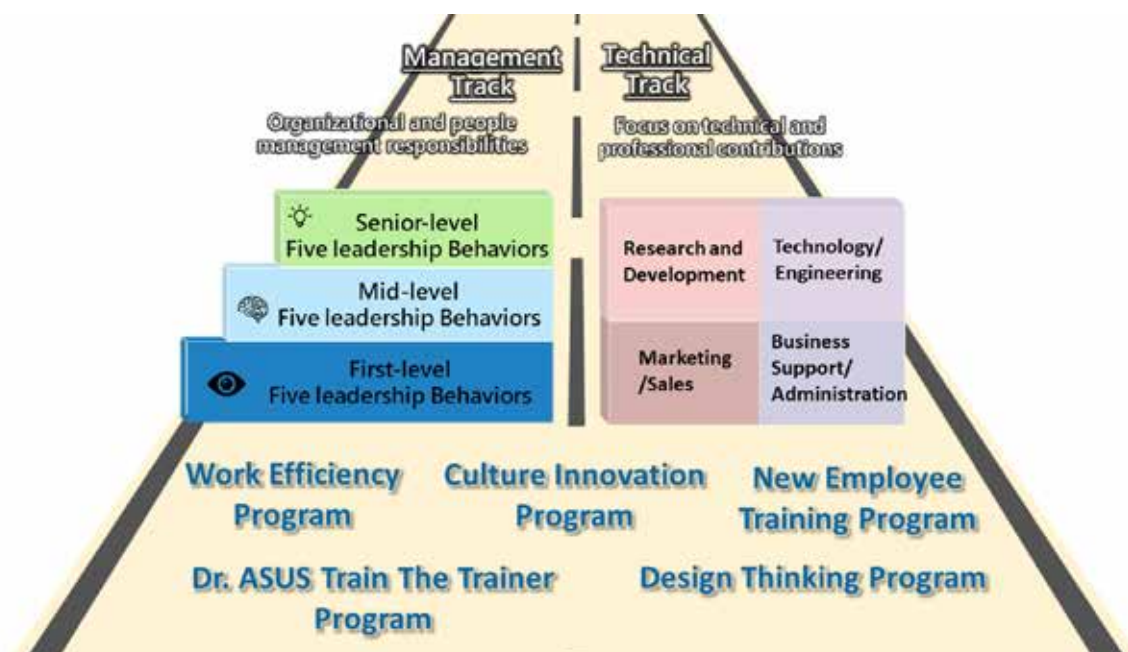


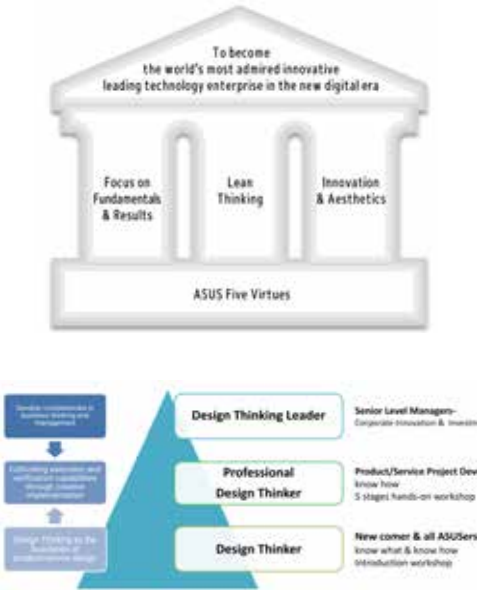

The average training hours of employees by category are as follows (Unit: hour/person)

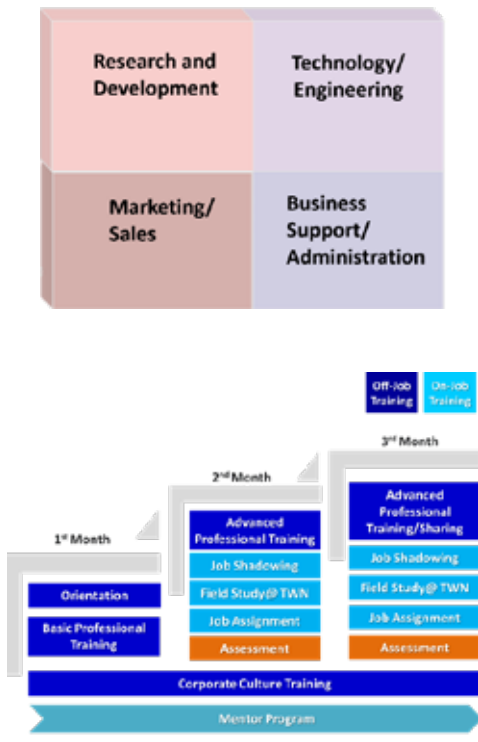


### 1. Structured talent cultivation and development framework

By linking corporate culture, core value and global strategic planning, the ASUS talent cultivation system is divided into three functional aspects. There are talent development system focusing on core values, management capabilities, and professional functions; management functions training for senior-level, mid-level and first-level managers and all employees; and rich training courses on professional capacity and digital self-directed learning resources to nurture diverse talents.

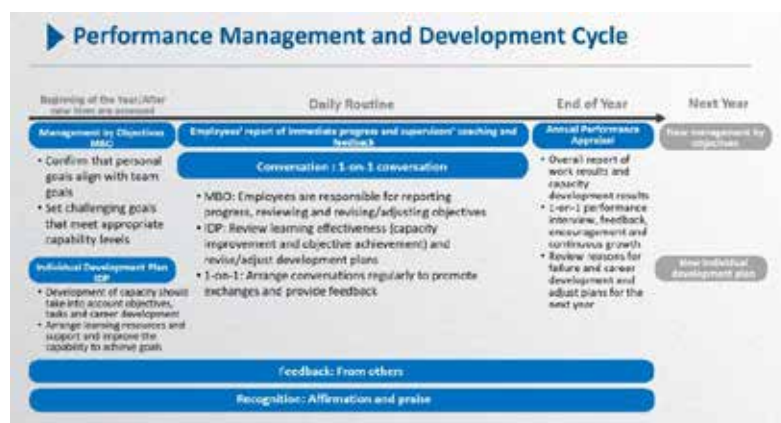


Dual-Track Diverse Talent Development FrameworkFunctional Category	2021 Performance
<p data-bbox="411 320 630 353">Core Competence</p> 	<p data-bbox="786 313 1441 504">ASUS' core competences are divided into 8 major DNAs. A variety of courses and activities are designed for new hires in their first two years on the job to convey the business philosophy and common values of the Company.</p> <p data-bbox="786 526 1441 1108">The Golden Triangle Strategy - The design thinking process considers the needs of users and the feasibility of technology and business. It is the core thinking and method to fulfill ASUS's "Innovation and Aesthetics" DNA. For 2021, different levels of cultivation plans were designed in response to the depth of application and targets and there were multilingual online courses, internal and external workshops, monthly/quarterly sharing activities and annual competitions. A total of 3,363 people participated in courses and activities throughout the year, and the philosophy of design thinking was turned into the culture, capability and common language of all ASUS employees to promote internal exchanges of creativity and build a rewarding and innovative atmosphere.</p>
<p data-bbox="383 1133 659 1167">Management functions</p> 	<p data-bbox="786 1133 1441 1518">In order to enhance the management mindset and leadership ability of supervisors to lead the team to achieve the operating strategic goals, the Company is committed to the cultivation and development of management competence. The Company has a complete training map, which divides the required courses into elementary, intermediate and advanced levels and continues to improve the diverse learning channels and resources to encourage supervisors to continue learning.</p> <p data-bbox="786 1547 1441 2051">In order to help managers develop multifaceted thinking on business and leadership, the Company organizes internal seminars for executives to pass on their experience and philosophy. The mini-EMBA program co-developed with the academia promotes multifaceted thinking through case studies and co-CEOs and business units provide group topics to stimulate the collective wisdom of various business units and facilitate interdepartmental collaboration. The program is integrated with personal development plan and mentors to provide challenging tasks and experience preparation, such as job rotation, cross-functional projects, etc. to accelerate succession for</p>

	<p>sustainable development. A total of 93 senior executives with potential were selected for the training, completing a total of 9,909 person-hour in 2021.</p>
<p>Professional competence</p>  <p>The diagram illustrates the professional competence framework and training process. At the top, a 2x2 grid categorizes professional competence into four areas: Research and Development, Technology/Engineering, Marketing/Sales, and Business Support/Administration. Below this, a training framework is shown across three months. The 1st Month includes Orientation, Basic Professional Training, and Corporate Culture Training. The 2nd Month includes Advanced Professional Training, Job Shadowing, Field Study@TWN, Job Assignment, and Assessment. The 3rd Month includes Advanced Professional Training/Sharing, Job Shadowing, Field Study@TWN, Job Assignment, and Assessment. A Mentor Program is indicated at the bottom of the training framework.</p>	<p>ASUS has divided its professional skills into four major areas: research and development, engineering technology, business marketing and management support. Define the skills requirements of each position and develop professional training blueprints, technology and trend seminars and strategic training projects for key positions.</p> <p>In terms of cultivating international talents, ASUS implements its Global Talent Program (GTP) for international mobility talents, and adopts a systematic training framework to quickly prepare talents to be dispatched to the global market. The GTP has entered its eighth year in 2021 and a total of 48 sales, customer service and product managers have completed their training. Since 2014, the GTP has trained a total of 242 global talents. 79 of them have been dispatched to Asia-Pacific, European and South American countries to engage in market development and operation. They have become professional managers in various regional markets. The executives in overseas branches have also praised the professionals from the GTP for their ability to quickly adapt to and take on the challenges from the local markets.</p>

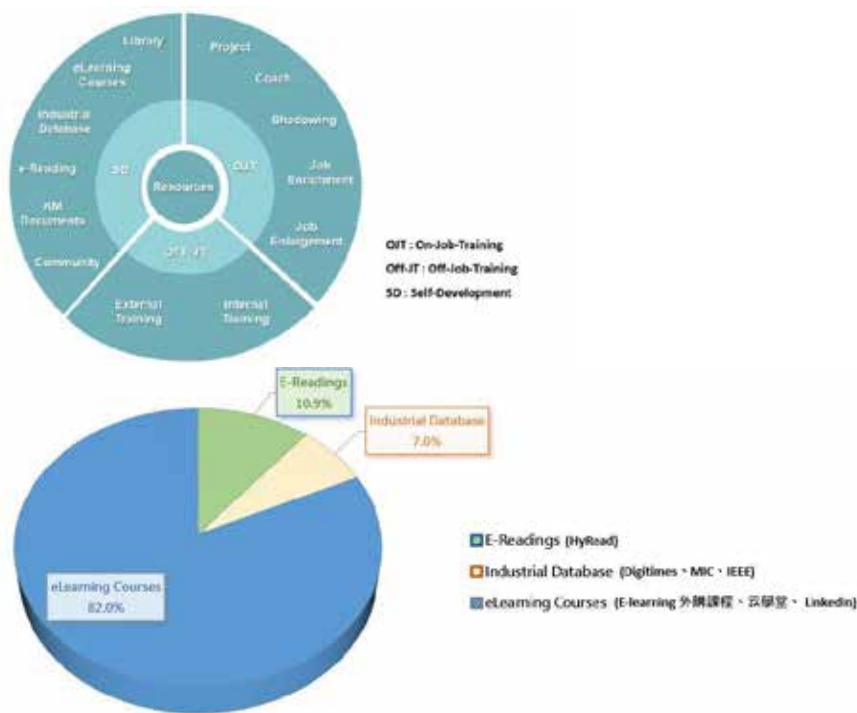
## 2. Systematic individual development plan

Integrated with the Performance Management and Development Cycle (as shown in the figure below) to promote the individual development plan program. Supervisors discuss with employees to incorporate practical project tasks into personalized learning items that can enhance professional skills, so that training and development can better meet personal needs and make the framework more systematic and learning more effective, and employees can maximize their potential. In 2021, the planned rate was 75.11%, with OJT accounting for 56%, Off-JT at 24% and SD at 20%.



### 3. Diverse self-directed learning resources

Adhere to the business philosophy of "Inspire, motivate, and nurture our employees to explore their highest potential." Provide systematic training courses and introduce diverse digital self-directed learning resources, such as e-books and e-magazines, industry research database and quality online courses in external education website. In 2021, a total of 11,474 people have accessed the digital self-directed learning resources and the proportion is shown as follows. We also provide mini-library services, with collections including 890 physical books, VCD/DVD and other types of resources. The purpose is to encourage adaptive learning and self-development for all employees, to meet the needs of upskilling, reskilling and digital transformation in the VUCA era.



### (III) Code of employee's conducts and ethics

The "sincerity, thrift, profundity, and practicality" is one of ASUS's operating concepts.

To consolidate mutual understanding among ASUS employees, the Company selected 5 traditional virtues in oriental culture, namely humbleness, honesty, hard-working, swiftness and courage as our core values, which were listed as the benchmarks for all employees in terms of consistent daily behavior, interpersonal relationships and self-improvement.

Along with international focus increasing on corporate ethics and social responsibility, ASUS has always held the highest standard of moral conduct as self-discipline for continuously maintaining trust and respect from consumers, allied partners and the public. ASUS has always followed the most important core value "Honesty and integrity" in corporate culture during all business activities. No corruption and any forms of fraudulent practice are allowed, where we apply the clear and effective reward and punishment system to ensure employees not to accept any forms of request, contract, acceptance of any bribe or other improper benefit. Upon discovery of possible violation by ASUS employees

against ASUS code of ethical conduct, other employees and external individuals may report to the Company directly through our public reporting email (audit@asus.com). Protection will be provided to the reporter for preventing unfair and unfavorable treatment. ASUS applies appropriate measures in response to those who violate the Employees' Code of Ethical Conduct. Illegal behaviors are severely punished, and may be subject to investigation by judicial authorities.

To maintain employee recognition on the code of ethical conduct, ASUS publishes the "Code of ethical conduct for employees" on the Company's internal website for employees' reference at all times. In addition, the compulsory online training course on "Code of ethical conduct for employees" is provided with translation in multiple languages; all new employees must complete its study within a month after reporting on duty. Every year, employees worldwide shall repeat the online course on the "Code of ethical conduct for employees." Each employee is provided with the "Reminder card on unfair competition and bribing" with random propaganda and explanation to strengthen ethical concepts. In addition to self-experience, all employees are expected to present ethical conduct, which makes ASUS the respectable corporate.

ASUS has based on the "Code of Conduct - Responsible Business Alliance (the former Electronic Industry Code of Conduct of EICC)" and "Listed Companies to set standards of ethical conduct" to stipulate the "Code of Ethics" as follows:

Chapter 1 General Provisions

Chapter 2 Regulatory compliance

Chapter 3 Preventing conflict of interest

Chapter 4 Gifts, business entertainment, and social standard

Chapter 5 Avoid the personal gain chance

Chapter 6 Information fully preserved and disclosure

Chapter 7 Fair trade, advertisement, and competition

Chapter 8 Safeguard the interest

Chapter 9 Community watch

Chapter 10 Training and dissemination

Chapter 11 Punishment

Chapter 12 Others

In order to raise employees' awareness of professional ethics and regulatory compliance, ASUS publishes the "Code of ethical conduct for employees" on the Company's internal website for employees' reference at all times. In addition, the compulsory online training course on "Code of ethical conduct for employees" is provided with translation in multiple languages; all new employees must complete its study within a month after reporting on duty. Every year, employees worldwide shall repeat the online course on the "Code of ethical conduct for employees." Each employee is provided with the "Reminder card on unfair competition and bribing" with random propaganda and explanation to strengthen ethical concepts, and the directors, the managers, the management are expected to lead by example. In addition to self-experience, all employees are expected to present ethical

conduct, which makes ASUS the respectable corporate.

(IV) Workers and environmental safety protective measures:

The main impacts on workers and the environment are volatile organic compounds, business waste, domestic sewage, chemical use, etc. In order to fulfill corporate social responsibility and provide employees with a safe and hygienic work environment, we have established a dedicated occupational safety and health department, defined social and environmental responsibilities and safety and health policies and passed the ISO 45001 (2018) occupational safety and health management system and ISO 14001 (2015) environmental management system certifications, further achieving the goals of environmental, safety and health management.

1. Various safety and health management plans

In accordance with regulations and based on the experience from implementation over the years, about 21 occupational safety and health related management plans (general education on hazards, human-induced hazards, maternal health protection, automatic inspection, etc.) are added every year and placed on the internal website for employees to check.

2. Environmental considerations and hazard risk assessment

The SERASUS committee members from various departments and the occupational safety personnel are invited every year to jointly conduct the environmental consideration and safety and health risk identification. Take an objective approach to review past incidents, potential hazards, current affairs and annual audits of various departments and events reported by stakeholders, and determine the annual major environmental considerations and intolerable risks after conducting comprehensive scoring. (6 events in the safety and health category in 2021, all with relevant protective measures)

3. Education and training for occupational safety and health

Regular offer safety and health training courses for employees and contractors, and collaborate with local fire company to hold emergency rescue training to enhance personnel's mindset of safety first and emergency rescue capabilities. (100% compliance with the occupational safety and health certification requirements in 2021)

4. Business continuity management and emergency response

Formulate emergency response plans for floods, typhoons, fires, earthquakes and major infectious diseases and organize mixed emergency response training every six months to improve the disaster prevention and response capabilities of workers and contractors. In 2021, an employee emergency notification platform was developed, and about 6,000 people participated in drills that had no prior warning. (The average reporting process took about 5-15 minutes)

5. Work environment monitoring and self-inspection

Entrust qualified vendors to complete chemical and physical environmental monitoring every six months and also prepare illuminance meters, carbon dioxide meters, sound level meters, EMF meters and other instruments to reinforce high-risk workplace management. (The 2021 results from the operating environment monitoring met the regulatory requirements)

In addition, safety inspections for places such as laboratories, machine (warehouse) rooms and escape routes are regularly carried out every year to ensure the safety of personnel and the environment.

#### 6. Dedicated medical department and health management system

The Company has better annual health checkups than the regulatory requirements. It employs occupational medical specialists and nurses pursuant to laws to be in charge of the employee health management, occupational disease prevention and health promotion activities, including: working hours management, musculoskeletal hazards, female staff health protection, healthy stair-climbing stairs, slimming weight loss, anti-cancer screening, and healthy living habits, among other things, and provide outpatient clinics and counseling services to achieve a full range of health care. Additionally, health management system, exception and overload management system, maternal health protection management system and human musculoskeletal management system are established to effectively track high-risk groups and prevent occupational illness.

#### 7. The Company establishes the Employee Assistance Program (EAP), which integrates multiple communication channels and offers assistance and counseling solutions. It assists employees to solve personal issues that may affect work productivity and offers supervisors with professional management consultation services to help them resolve crisis and management issues.

#### Awards

- 2021 Health Promotion Administration Healthy Workplace Certification -- Extension of Health Promotion Label
- 2021 Certificate of Appreciation from Taipei City Fire Department for promoting fire prevention measures
- 2020 Certificate of Appreciation from Taipei City Fire Department for promoting fire prevention measures
- 2020 Certificate of Appreciation for promoting flood disaster community self-resilience activities in Taipei City
- 2019 Sports Enterprise Certification by the Sports Administration of the Ministry of Education (2019-2022)
- Common Health Magazine in 2019 as CHR healthy corporate citizen with Innovation award under health awareness category.
- Passed the healthy workplace certification in 2018 with acquisition of health promotion label.



- Received 2018 National occupational safety & health award- Corporate benchmark award from the Ministry of Labor and listed among Labor safety award- Excellent enterprise by Taipei City over 4 consecutive years.
- 2018 National healthy workplace with excellence- Health management award, Top 5 healthy workplace with excellence in Taipei City and received certificate of appreciation for assisting Fire Department by promoting fire prevention over 3 consecutive years.

It has been recognized in terms of staff safety, physical/ mental/ spiritual care and environmental protection.

#### (V) Retirement plan

In response to the Company's having the business operation dividend into brand name business and OEM/ODM since 2008, the seniority of the workers with ROC nationality was settled and with the pension paid on the end of January 2008. Workers with ROC nationality who have been employed in 2008 are entitled to the Defined Contribution Pension Plan. The total amount contributed to staff personal retirement account may not be less than 6% monthly salary. Foreign workers are subject to adaption of new-pension plan or old pension plan according to the law.

#### (VI) Other agreements

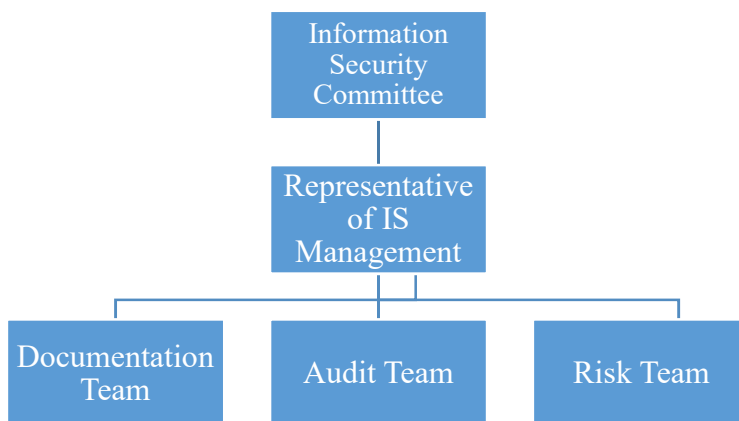
The Company's loss from employee-employer dispute in recent years and up to the date of the report printed: None

### **VII. Management of Cybersecurity**

#### (I) Cybersecurity risk management framework, cybersecurity policy, specific management plans and resources committed to cybersecurity management

During the COVID-19 pandemic period, many new technologies have emerged, which shaped new ways to work but also brought along unprecedented challenges to information management and product security. In order to cope with the increasingly formidable challenges and reinforce the Company's sustainable operation, ASUS has established an information security management committee which is supervised and managed by the CEO. The Information security management committee promotes ISO-27001 management system and establishes the management procedures that complies with international standard, planned, executed and reviewed internal activities on information security, as well as verifying various activities and relevant results to meet target requirements of the ISMS (Information Security Management System). These were used to grasp possible defects in the Company's information security, timeously correct, track and confirm, as well as ensuring validity and continuous improvement. The committee is composed of experts in various fields and BU/FU/CU of the Company. Through regular meetings, internal team members share their experience. The committee is supervised by the CEO's information security strategy to accelerate the deployment of new policies and the establishment of communication of opinions of various units.





As a result, ASUS established a position of Chief Information Security Officer (CISO) and a dedicated unit, the Digital Security Division in September 2021. Committed to the comprehensive planning and promotion of information and product security and use "Building digital resilience, improving brand trust, pursuing excellence in security" as the organization's information security vision to take necessary actions for ubiquitous information services and product security risks. Establish a corporate culture of safety first in the pursuit of innovation and excellence.

The establishment covers three areas:

1. Focus on governance issues such as information security management, risk and compliance inside the Company and of the external supply chain.
2. Real-time monitoring of security threats in the internal and external information operating environments and emergency response actions in the event of an incident.
3. Promote product security engineering and reinforce the information security of products and services sold by ASUS.

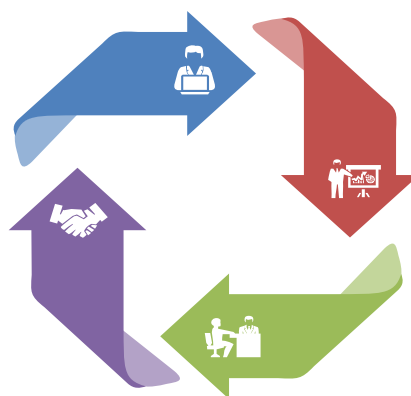
ASUS builds an Information Security Management System (ISMS) that has been validated by the ISO/IEC 27001:2013 (including the national standard CNS 27001:2014). The scope covers the Company's internal IT core systems, key external services websites and e-commerce systems and SaaS (Software as a service) AI cloud software services and continuously verifies and maintains the validity of the certificates.

#### Information security governance

- Align the organization's business development strategy
- Support the organization's business and create value
- Information security organization -- Information Security Committee
- Formulation of information security policies and management methods
- Information security management procedures

#### Digital resilience

- High-tech information security alliance joint defense
- Respond early to new-generation digital threats
- Strengthen digital security protection
- Comprehensive preparation before the event, emergency response during the event and recovery after the event.



#### Information security promotion

- Information security policy, promotion of goals
- Introduce and pass verification of international information security standards
- Improve information security awareness
- Re-inforce information security management of supply chain

#### Information security risk management

- Pay attention to internal and external security risk issues
- Effectively identify sources of threats, and analyze the possibility and impact of exposure faced by the organization
- Make appropriate decisions based on risk appetite
- Information security protection defense drill

### 1. CDM(Cyber Defense Matrix)

In order to improve the security operation and maturity of the organization, ASUS refers to the National Institute of Standards and Technology (NIST) - Cybersecurity Framework to clearly divide security into five core aspects, identification, protection, detection, response and recovery, and view and manage information security risks through these five aspects. In terms of the defense strategy, the Cyber Defense Matrix (CDM) developed based on the five major aspects of NIST and information assets (equipment, application, network, data and personnel) is integrated for continuous improvement and optimization.

### 2. Product security development and manufacturing

In response to the growing threat of information security, ASUS continues to promote product security development internally, incorporating security considerations into both the system life cycle (SLC) and the software development life cycle (SDLC). The analysis stage in the product life cycle conforms to the requirements engineering framework of the NIST 800-160 Systems Security Engineering, and the security specifications required by the product can be fully defined.

The R&D process needs to comply with security design principles and the supply chain information security management during the manufacturing stage is also very important. In order to continue providing customers with safer products, the 2025 Sustainability Goals have added information security-related goals, including product R&D environmental security improvement and strengthening supply chain information security management, so that information security is implemented in every link. The information security process is no longer just a one-way specification and control, but a two-way joint defense and collaboration with the supply chain to protect ASUS information assets from internal and external risks, and ensure the confidentiality, integrity and availability of the Company's information security management system.

### 3. Results of information security management

#### (1) Establish security measures for WFH

In response to the impact of the COVID-19 pandemic, high-security equipment, multiple authentication methods, and regular review of authorization status are used to strengthen the security of information system services and network for employees working from home.

#### (2) Continue to improve employees' information safety awareness

- Announce information security rules from time to time to remind employees to observe information security.
- Strengthen employees' awareness of information security. Information security education and training sessions are conducted every year, with a training completion rate of 100%.

#### (3) Re-inforce information security defense drills

- Prevention of Business Email Compromise (BEC) and conducted a total of 8 social engineering drill for the year.

- Information security protection defense drill

In Q4 of this year, information security defense and response drills were conducted to assess the current level of the Group's information security protection. Potential risks were identified to strengthen the defense dimension.

(4) Analysis of product components

Introduce Open Source and third-party component composition analysis tools. Manage the use of open source software and improve product security and compliance. Obtain security correction recommendations and handle problems immediately to demonstrate and fulfill ASUS' commitment to information security.

(5) Continued operation of information service

The remote backup switchover exercise for the business continuity capability of the operational core information system has been completed in October 2021 to reduce the risk of interruption caused by the abnormal operation of the information system.

(6) Incident/Violation

Continue to improve employees' information security awareness and conduct information security protection drills. In 2021, the number of violations of information security rules within the Company has decreased month by month. Employees who violated the internal information security rules were also punished, accounting for about 0.017% of all incidents.

(7) Taiwan High Tech Information Security Alliance

A domestic Taiwan High Tech Information Security Alliance was established in 2021. The CISO of ASUS served as the 1st term convener. The Company actively participated in the joint defense, and has obtained good results in early warning and stopping malicious attacks. Regular meetings are held to promote the exchange of practical experience between the members. It is hoped that more domestic high-tech companies will start paying attention to information security, so that the industry joint alliance will have more participation from other industry peers.

- (II) The losses and possible impact suffered from major information security incidents and the countermeasures in 2021 to the date of publication of the annual report: none.

## VII. Major agreements:

April 10, 2022

Contract Property	Affiliated Person	Start/Expiration date of Contract	Content	Restrictions
Credit Contracts	Australia and New Zealand Banking Group Limited	From Dec 9, 2019 to modify or terminate the contract	Unsecured loan, totaling NT\$80 million	N/A
Credit Contracts	Taishin bank	Jun 2, 2021 ~ May 31, 2022	Unsecured loan, totaling NT\$3 billion	N/A

Contract Property	Affiliated Person	Start/Expiration date of Contract	Content	Restrictions
Credit Contracts	Mega International Commercial Bank	Aug 17, 2021 ~ Aug 16, 2022	Unsecured loan, totaling NT\$3 billion	N/A
Credit Contracts	The Shanghai Commercial & Savings Bank, Ltd.	Aug 16, 2021 ~ Aug 15, 2022	Unsecured loan, totaling NT\$1 billion and USD 40 million	N/A
Credit Contracts	Taipei Fubon Bank	Sep 24, 2021 ~ Jul 28, 2022	Unsecured loan, totaling NT\$2 billion	N/A

Except for the abovementioned credit line loan agreement, the Company has not entered into any important contract of special nature. The Company has also disclosed the "Material contingent liabilities and unrecognized contractual commitments" in the annual report and the Group's consolidate financial reports (refer to page 256).

## VI. Financial Information

### I. Condensed balance sheet, income statement, and auditor's opinions over the last five years

#### (I) Condensed balance sheets (consolidated)

Unit: NT\$ thousands

Year Item		Financial information in the past five years (Note 1)					As of April 10, 2022
		2017	2018	2019	2020	2021	
Current Assets		257,588,380	254,924,246	240,183,814	260,584,730	348,705,042	(Note 2)
Property, plant and equipment		15,250,476	16,733,866	22,354,443	21,022,891	19,420,631	
Intangible Assets		1,953,183	2,071,736	2,181,855	2,182,446	2,189,762	
Other Assets		70,099,130	68,436,028	87,283,999	112,724,649	133,837,379	
Total Assets		344,891,169	342,165,876	352,004,111	396,514,716	504,152,814	
Current Liabilities	Before allocation	153,886,173	162,689,625	154,518,625	166,172,007	238,182,510	
	After allocation	165,027,577	173,831,029	164,917,269	185,483,774	269,378,442	
Total non-current liabilities		12,330,693	11,784,327	14,198,694	15,701,158	19,533,838	
Total Liabilities	Before allocation	166,216,866	174,473,952	168,717,319	181,873,165	257,716,348	
	After allocation	177,358,270	185,615,356	179,115,963	201,184,932	288,912,280	
Share capital		7,427,603	7,427,603	7,427,603	7,427,603	7,427,603	
Capital surplus		5,554,197	6,299,430	6,297,000	9,784,103	9,839,911	
Retained earnings	Before allocation	136,913,856	130,233,968	131,203,394	147,344,480	175,054,280	
	After allocation	125,772,452	119,092,564	120,804,750	128,032,713	143,858,348	
Other Equity		25,248,529	17,404,000	31,932,043	37,208,330	40,009,424	
Treasury shares		-	-	-	-	-	
Non-controlling interest		3,530,118	6,326,923	6,426,752	12,877,035	14,105,248	
Total Equity	Before allocation	178,674,303	167,691,924	183,286,792	214,641,551	246,436,466	
	After allocation	167,532,899	156,550,520	172,888,148	195,329,784	215,240,534	

Note 1: The above financial information for each year was audited by CPA.

Note 2: The 2022Q1 financial statements have not yet been audited by CPA up to the date of the report printed on April 10, 2022.

# Condensed statements of comprehensive income (consolidated)

Unit: NT\$ thousands

Year Item	Financial information in the past five years (Note 1)					As of April 10, 2022
	2017	2018	2019	2020	2021	
Operating revenue	386,418,859	354,187,665	351,330,493	412,780,439	535,238,735	(Note 2)
Gross Profit	54,902,250	52,014,276	53,488,118	73,210,173	110,305,475	
Operating Income	17,284,892	16,975,634	11,616,692	24,957,063	49,325,602	
Non-operating Income and Expenses	6,435,902	4,010,083	7,687,459	8,162,975	9,763,128	
Profit before income tax	23,720,794	20,985,717	19,304,151	33,120,038	59,088,730	
Income (Losses) from Continuing Operations for the year	19,556,284	17,342,299	15,210,129	25,802,857	46,605,402	
Losses from Discontinued Operations	(3,516,290)	(12,069,803)	(2,195,100)	2,584,021	-	
Profit for the year (Losses)	16,039,994	5,272,496	13,015,029	28,386,878	46,605,402	
Other comprehensive income for the year (Net of income tax)	(9,749,918)	(7,613,160)	14,518,543	6,055,576	5,555,620	
Total comprehensive income for the year	6,290,076	(2,340,664)	27,533,572	34,442,454	52,161,022	
Profit attributable to shareholders of the parent	15,544,905	4,235,036	12,138,555	26,557,672	44,549,798	
Profit attributable to Non-controlling interests	495,089	1,037,460	876,474	1,829,206	2,055,604	
Total comprehensive income attributable to shareholders of the parent	5,811,152	(3,346,590)	26,666,598	31,833,959	49,822,661	
Total comprehensive income attributable to Non-controlling interests	478,924	1,005,926	866,974	2,608,495	2,338,361	
Earnings per share (non-retroactive)	20.93	5.70	16.34	35.76	59.98	

Note 1: The above financial information for each year was audited by CPA.

Note 2: The 2022Q1 financial statements have not yet been audited by CPA up to the date of the report printed on April 10, 2022.

## (II) Condensed balance sheets (separate)

Unit: NT\$ thousands

Year Item		Financial information in the past five years (Note 1)					As of April 10, 2022
		2017	2018	2019	2020	2021	
Current Assets		114,259,033	108,263,861	101,725,411	108,269,180	173,336,452	(Note 2)
Property, plant and equipment		7,431,227	9,041,080	11,851,468	12,284,243	11,803,802	
Intangible Assets		115,992	113,635	90,479	242,070	174,903	
Other Assets		137,492,255	133,165,955	151,366,338	170,199,844	190,347,539	
Total Assets		259,298,507	250,584,531	265,033,696	290,995,337	375,662,696	
Current Liabilities	Before allocation	72,510,647	77,519,048	73,526,095	74,647,706	125,437,826	
	After allocation	83,652,051	88,660,452	83,924,739	93,959,473	156,633,758	
Total non-current liabilities		11,643,675	11,700,482	14,647,561	14,583,115	17,893,652	
Total Liabilities	Before allocation	84,154,322	89,219,530	88,173,656	89,230,821	143,331,478	
	After allocation	95,295,726	100,360,934	98,572,300	108,542,588	174,527,410	
Share capital		7,427,603	7,427,603	7,427,603	7,427,603	7,427,603	
Capital surplus		5,554,197	6,299,430	6,297,000	9,784,103	9,839,911	
Retained earnings	Before allocation	136,913,856	130,233,968	131,203,394	147,344,480	175,054,280	
	After allocation	125,772,452	119,092,564	120,804,750	128,032,713	143,858,348	
Other Equity		25,248,529	17,404,000	31,932,043	37,208,330	40,009,424	
Treasury shares		-	-	-	-	-	
Total Equity	Before allocation	175,144,185	161,365,001	176,860,040	201,764,516	232,331,218	
	After allocation	164,002,781	150,223,597	166,461,396	182,452,749	201,135,286	

Note 1: The above financial information for each year was audited by CPA.

Note 2: The 2022Q1 financial statements have not yet been audited by CPA up to the date of the report printed on April 10, 2022.

# Condensed statements of comprehensive income (separate)

Unit: NT\$ thousands

Item \ Year	Financial information in the past five years (Note 1)					As of April 10, 2022
	2017	2018	2019	2020	2021	
Operating revenue	300,429,666	273,282,876	274,303,772	328,664,005	457,320,576	(Note 2)
Realized gross profit	19,928,677	18,154,704	18,739,717	29,470,078	46,827,865	
Operating Income	8,576,620	8,904,342	4,730,162	11,915,457	24,594,937	
Non-operating Income and Expenses	12,841,875	9,345,784	12,603,188	16,037,054	28,244,094	
Profit before tax	21,418,495	18,250,126	17,333,350	27,952,511	52,839,031	
Income (Losses) from Continuing Operations for the year	19,061,195	16,304,839	14,333,655	23,973,651	44,549,798	
Losses from Discontinued Operations	(3,516,290)	(12,069,803)	(2,195,100)	2,584,021	-	
Profit for the year	15,544,905	4,235,036	12,138,555	26,557,672	44,549,798	
Other comprehensive income for the year (Net of income tax)	(9,733,753)	(7,581,626)	14,528,043	5,276,287	5,272,863	
Total comprehensive income for the year	5,811,152	(3,346,590)	26,666,598	31,833,959	49,822,661	
Earnings per share (non-retroactive)	20.93	5.70	16.34	35.76	59.98	

Note 1: The above financial information for each year was audited by CPA.

Note 2: The 2022Q1 financial statements have not yet been audited by CPA up to the date of the report printed on April 10, 2022.

## (III) Auditing by CPAs

### CPAs and their auditing opinions in the past five years

Auditing Year	CPAs	Opinions
2017	CHOU, CHIEN-HUNG, CHANG, MING-HUI	Unqualified Opinion
2018	CHOU, CHIEN-HUNG, CHANG, SHU-CHIUNG	Unqualified Opinion
2019	CHOU, CHIEN-HUNG, CHANG, SHU-CHIUNG	Unqualified Opinion
2020	CHOU, CHIEN-HUNG, LIN, CHUN-YAO	Unqualified Opinion
2021	CHOU, CHIEN-HUNG, LIN, CHUN-YAO	Unqualified Opinion



## II. Financial analysis in the past five years

### (I) Financial analysis for consolidated report

<div> <div>Year (Note 1)</div> <div>Item (Note 3)</div> </div>		Financial analysis in the past five years(Note 8)					As of April 10, 2022
		2017	2018	2019	2020	2021	
Financial structure (%)	Ratio of liabilities to assets	48.19	50.99	47.93	45.87	51.12	(Note 2)
	Ratio of long-term capital to Property, plant and equipment	1,252.45	1,072.53	883.43	1,095.68	1,369.52	
Solvency	Current ratio (%)	167.39	156.69	155.44	156.82	146.40	
	Quick ratio (%)	108.38	95.01	101.85	93.33	72.44	
	Times interest earned	114.93	35.65	102.98	215.56	346.47	
Operating ability	Account receivable turnover (times)	4.96	4.10	4.46	5.52	6.22	
	Days sales in accounts receivable	73.58	89.02	81.83	66.12	58.68	
	Inventory turnover (times)	3.73	2.90	3.00	3.47	2.92	
	Account payable turnover (times)	5.76	4.97	4.80	5.93	5.62	
	Average days in sales	97.85	125.86	121.66	105.18	125.00	
	Property, plant and equipment turnover (times)	29.93	22.15	17.98	19.03	26.47	
	Total assets turnover (times)	1.22	1.03	1.01	1.10	1.19	
Profitability	Ratio of return on total assets (%)	4.56	1.60	3.79	7.62	10.38	
	Ratio of return on equity (%)	8.84	3.04	7.42	14.27	20.22	
	Ratio of profit before tax to Paid-in capital (%) (Note 7)	268.78	120.04	230.34	480.69	795.53	
	Profit ratio (%)	3.70	1.49	3.70	6.88	8.71	
	Earnings per share (\$) (non-retroactive)	20.93	5.70	16.34	35.76	59.98	
Cash flow (%)	Cash flow ratio	(0.90)	3.18	22.86	(1.26)	13.73	
	Cash flow adequacy ratio	86.40	58.32	79.66	71.00	35.04	
	Cash reinvestment ratio	(6.91)	(3.15)	11.60	(5.14)	4.77	
Leverage	Degree of operating leverage	4.54	3.05	4.83	3.16	2.33	
	Degree of financial leverage	1.01	1.02	1.01	1.01	1.00	

**The root causes of the financial ratio change in the last two years:**

Long-term fund to property, plant and equipment ratio: The total equity and non-current liabilities increased and property, plant and equipment decreased in the current year, resulting in an increase in the long-term fund to property, plant and equipment ratio.

Quick ratio: The current liabilities increased is greater than the quick assets increased in the current year, resulting in a decreased in the quick ratio.

Times interest earned: The net profit before tax increased in the current year, resulting in an increase in the times interest earned.

Property, plant and equipment turnover (times): The net sales increased and the average net property decreased, resulting in an increase in the property, plant and equipment turnover (times).

Return on total assets: The after-tax net profit increased is greater than the average total assets increased in the current year, resulting in an increase in the return on total assets.

Return on equity: The after-tax net profit increased is greater than the average total equity increased in the current year, resulting in an increase in the return on equity.

Pre-tax income to paid-in capital (%): The pre-tax net profit increased in the current year, resulting in an increase in the pre-tax income to paid-in capital.

Profit margin: The after-tax net profit increased is greater than the operating income increased in the current year, resulting in an increase in the profit margin.

Earnings per share: The net profit attributable to owners of the parent company increased during the year, resulting in an increase in earnings per share.

Cash flow ratio: The cash inflow from operating activities increased is greater than the current liabilities increased in the current year, resulting in an increase in the cash flow ratio.

Cash flow adequacy ratio: The net cash inflow from operating activity in the past five years decreased and inventory increase and cash dividend in the past five years increased, resulting in a decrease in the cash flow adequacy ratio.

Cash reinvestment ratio: The cash flow provided by operating activities this year but cash flow used in operating activities last year, resulting in an increase in the cash reinvestment ratio.

Operating leverage: The operating profit increased is greater than the (net operating revenue – Variable operating cost and expense) increased in the current year, resulting in a decrease in the operating leverage.

(II) Financial analysis for separate report

<div> <div>Year (Note 1)</div> <div>Item (Note 3)</div> </div>		Financial analysis in the past five years (Note 8)					As of April 10, 2022
		2017	2018	2019	2020	2021	
Financial structure (%)	Ratio of liabilities to assets	32.45	35.60	33.27	30.66	38.15	(Note 2)
	Ratio of long-term capital to Property, plant and equipment	2,513.55	1,914.21	1,615.90	1,761.18	2,119.87	
Solvency	Current ratio (%)	157.58	139.66	138.35	145.04	138.19	
	Quick ratio (%)	111.11	87.40	93.75	77.49	68.92	
	Times interest earned	76,318.04	2,427.51	6,816.96	64,697.04	60,945.67	
Operating ability	Account receivable turnover (times)	3.96	4.04	4.46	6.80	8.17	
	Days sales in accounts receivable	92.17	90.34	81.83	53.67	44.67	
	Inventory turnover (times)	9.14	6.31	6.10	6.69	5.56	
	Account payable turnover (times)	5.73	5.18	4.87	6.01	5.91	
	Average days in sales	39.93	57.84	59.83	54.55	65.64	
	Property, plant and equipment turnover (times)	46.52	33.18	26.26	27.23	37.97	
	Total assets turnover (times)	1.24	1.07	1.06	1.18	1.37	
Profitability	Ratio of return on total assets (%)	5.74	1.66	4.71	9.55	13.37	
	Ratio of return on equity (%)	8.72	2.52	7.18	14.03	20.53	
	Ratio of profit before tax to Paid-in capital (%) (Note 7)	236.32	83.21	203.81	411.12	711.39	
	Profit ratio (%)	4.63	1.55	4.43	8.08	9.74	
	Earnings per share (\$) (non-retroactive))	20.93	5.70	16.34	35.76	59.98	
Cash flow	Cash flow ratio	11.86	14.78	16.98	9.45	12.58	
	Cash flow adequacy ratio	42.01	35.03	41.88	51.48	39.92	
	Cash reinvestment ratio	(2.11)	0.18	0.69	(1.53)	(1.40)	
Leverage	Degree of operating leverage	2.31	1.43	3.36	1.77	1.73	
	Degree of financial leverage	1.00	1.00	1.00	1.00	1.00	

**The root causes of the financial ratio change in the last two years:**

Ratio of liabilities to assets: The total liabilities increased is greater than the total assets increased in the current year, resulting in an increase in the ratio of liabilities to assets.

Long-term fund to property, plant and equipment ratio: The total equity and non-current liabilities increased and property, plant and equipment decreased in the current year, resulting in an increase in the long-term fund to property, plant and equipment ratio.

Accounts receivable turnover ratio: The net sales increased is greater than the average accounts receivable increased in the current year, resulting in an increase in the accounts receivable turnover ratio.

Property, plant and equipment turnover (times): The net sales increased and the average net property decreased, resulting in an increase in the property, plant and equipment turnover (times).

Return on total assets: The after-tax net profit increased is greater than the average total assets increased in the current year, resulting in an increase in the return on total assets.

Return on equity: The after-tax net profit increased is greater than the average total equity increased in the current year, resulting in an increase in the return on equity.

Pre-tax income to paid-in capital (%): The pre-tax net profit increased in the current year, resulting in an increase in the pre-tax income to paid-in capital.

Profit margin: The after-tax net profit increased is greater than the operating income increased in the current year, resulting in an increase in the profit margin.

Earnings per share: The net profit attributable to owners of the parent company increased during the year, resulting in an increase in earnings per share

Cash flow ratio: The cash inflow from operating activities increased is greater than the current liabilities increased in the current year, resulting in an increase in the cash flow ratio.

Cash flow adequacy rate: The (Capital expenditure + Inventory increase + Cash dividend) in the past five years increased is greater than the cash inflow from operating activities in the past five years increased, resulting in a decrease in the cash flow adequacy ratio.

Note 1: The financial information is audited by CPA.

Note 2: The 2022Q1 financial statements have not yet been audited by CPA up to the date of the report printed on April 10, 2022.

Note 3: Equations:

1. Financial structure

(1) Ratio of liabilities to assets = Total liabilities / Total assets

(2) Ratio of long-term capital to property, plant and equipment = (Total equity + non-current liabilities) / Net property, plant and equipment

2. Solvency

(1) Current ratio = Current assets / Current liabilities

(2) Quick ratio = (Current assets – Inventory – Prepaid expenses) / Current liabilities

(3) Times interest earned = Net income before tax and interest expense / Interest expense of the year

3. Operating ability

(1) Account receivable turnover (including accounts receivable and notes receivable derived from business operation) = Net sales / Average accounts receivable (including accounts receivable and notes receivable derived from business operation)

(2) Days sales in accounts receivable = 365 / Account receivable turnover

(3) Inventory turnover = Cost of goods sold / Average inventory amount

(4) Account payable turnover (including accounts payable and notes payable derived from business operation) = Cost of goods sold / Average accounts payable (including accounts payable and notes payable derived from business operation)

(5) Average days in sales = 365 / Inventory turnover

(6) Property, plant and equipment turnover = Net sales / Average net property, plant and equipment

(7) Total assets turnover = Net sales / Average total assets

4. Profitability

(1) Ratio of return on total assets = [Net income (loss) + interest expense x (1-tax rate)] / Average total assets

(2) Ratio of return on equity = Net income (loss) / Net average total equity

(3) Ratio of profit before tax to paid-in capital = Net income before tax / Paid-in capital

(4) Profit ratio = Net income (loss) / Net sales

(5) Earnings per share = (Profit attributable to shareholders of the parent – preferred stock dividend) / Weighted average stock shares issued (Note 4)

5. Cash flow

(1) Cash flow ratio = Net cash flow from operating activity / Current liabilities

(2) Cash flow adequacy ratio = Net cash flow from operating activity in the past five years / (Capital expenditure + Inventory increase + Cash dividend) in the past five years

(3) Cash reinvestment ratio = (Net cash flow from operating activity – Cash dividend) / (Gross property, plant and equipment + Gross Investment property + Long-term investment + Other non-current assets + Working capital) (Note 5)

6. Leverage:

(1) Degree of operating leverage = (Net operating revenue – Variable operating cost and expense) / Operating income (Note 6)

(2) Degree of financial leverage = Operating income / (Operating income – interest expense)

Note 4: The following factors are to be included for consideration for the calculation of earnings per share:

1. It is based on the weighted average common stock shares instead of the outstanding stock shares at yearend.
2. For capitalization with cash or Treasury stock trade, the stock circulation must be included for consideration to calculate weighted average stock shares.
3. For capitalization with retained earnings and capital surplus, the earnings per share calculated semi-annually and annually must be adjusted retroactively and proportionally to the capitalization but without considering the issuance period of the capitalization.
4. If preferred stock shares are nonconvertible and cumulative, the dividend of the year (whether it is distributed or not) shall be deducted from net income or added to the net loss. If preferred stock shares are not cumulative, preferred stock dividend shall be deducted from net income if there is any but it needs not be added to net loss if there is any.

Note 5: The following factors are to be included for consideration for the analysis of cash flow:

1. Net cash flow from operating activity meant for the net cash inflow from operating activity on the Statement of Cash Flow.
2. Capital expenditure meant for the cash outflow of capital investment annually.
3. Increase of inventory is counted only when ending inventory exceeds beginning inventory. If the ending inventory is decreased, it is booked as zero value.
4. Cash dividend includes the amount for common stock and preferred stock.
5. Gross Property, plant and equipment meant for the total Property, plant and equipment before deducting the accumulated depreciation.
6. Gross investment property means the total investment property before deduction of the accumulated depreciation.

Note 6: Issuers are to have operating cost and operating expenses classified into the category of fixed and variable. If the classification of operating cost and operating expense involves estimation or discretionary judgment, it must be made reasonably and consistently.

Note 7: For company shares without face value or each face value not equivalent to NTD10, the aforementioned calculation of paid-in capital ratio is calculated on the equity ratio under the parent company proprietors on the balance sheet.

Note 8: The information of 2017 include discontinued operations. The information from 2018 to 2020 exclude discontinued operations.

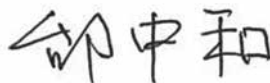
### **III. Audit Committee's review report of 2021**

Audit Committee's Review Report of ASUSTeK Computer Inc.

The Board of Directors has prepared the ASUSTeK Computer Inc. (“the Company”) 2021 Business Report, financial statements, and proposal for earnings distribution. The CPA firm of PwC was retained to audit the Company’s financial statements and has issued an audit report relating to financial statements. The above Business Report, financial statements, and earnings distribution proposal have been examined and determined to be correct and accurate by the Audit Committee of ASUSTeK Computer Inc. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

ASUSTek Computer Inc.

Chairman of the Audit Committee: Mr. Chung-Hou, Tai



March 16, 2022

**IV. Consolidated Financial Statements and Report of Independent Accountants of the parent company and subsidiaries in the most recent years:** Please refer to Page 188-286 for details.

**V. Separate Financial Statements and Report of Independent Accountants in the most recent years:** Please refer to Page 287-356 for details.

**VI. Financial difficulties faced by the Company and the related party in the most recent years and up to the date of the annual report printed:** None

## VII. Review of financial position, management performance and risk management

### I. Analysis of financial position

#### Consolidated Comparison of Financial Position

Unit: NT\$ thousands

Item	Year	2021	2020	Difference	
				Amount	%
Current assets		348,705,042	260,584,730	88,120,312	33.82
Property, plant and equipment		19,420,631	21,022,891	(1,602,260)	(7.62)
Long-term investment, intangible assets and other assets		136,027,141	114,907,095	21,120,046	18.38
<b>Total assets</b>		504,152,814	396,514,716	107,638,098	27.15
Current liabilities		238,182,510	166,172,007	72,010,503	43.33
Non-current liabilities		19,533,838	15,701,158	3,832,680	24.41
<b>Total liabilities</b>		257,716,348	181,873,165	75,843,183	41.70
Share capital		7,427,603	7,427,603	-	-
Capital surplus		9,839,911	9,784,103	55,808	0.57
Retained earnings		175,054,280	147,344,480	27,709,800	18.81
Other equity		40,009,424	37,208,330	2,801,094	7.53
<b>Total equity attributable to shareholders of the parent</b>		232,331,218	201,764,516	30,566,702	15.15
<b>Total equity</b>		246,436,466	214,641,551	31,794,915	14.81
Analysis of financial ratio change:					
1. Current assets: Due to increase in inventories during the period.					
2. Current liabilities: Due to increase in notes and trade payables during the period.					
3. Non-current liabilities: Due to increase in deferred income tax liabilities during the period.					

### Separate Comparison of Financial Position

Unit: NT\$ thousands

Item \ Year	2021	2020	Difference	
			Amount	%
Current assets	173,336,452	108,269,180	65,067,272	60.10
Property, plant and equipment	11,803,802	12,284,243	(480,441)	(3.91)
Long-term investment, intangible assets and other assets	190,522,442	170,441,914	20,080,528	11.78
<b>Total assets</b>	<b>375,662,696</b>	<b>290,995,337</b>	<b>84,667,359</b>	<b>29.10</b>
Current liabilities	125,437,826	74,647,706	50,790,120	68.04
Non-current liabilities	17,893,652	14,583,115	3,310,537	22.70
<b>Total liabilities</b>	<b>143,331,478</b>	<b>89,230,821</b>	<b>54,100,657</b>	<b>60.63</b>
Share capital	7,427,603	7,427,603	-	-
Capital surplus	9,839,911	9,784,103	55,808	0.57
Retained earnings	175,054,280	147,344,480	27,709,800	18.81
Other equity	40,009,424	37,208,330	2,801,094	7.53
<b>Total equity</b>	<b>232,331,218</b>	<b>201,764,516</b>	<b>30,566,702</b>	<b>15.15</b>
Analysis of financial ratio change:				
1. Current assets: Due to increase in trade receivables - related parties and inventories during the period.				
2. Current liabilities: Due to increase in notes and trade payables during the period.				
2. 3.Non-current liabilities: Due to increase in deferred income tax liabilities during the period.				



## II. Business performance

### (I) Consolidated Comparison of Business Performance

Unit: NT\$ thousands

Item	2021	2020	Amount change	Ratio change (%)
Operating revenues	\$535,238,735	\$412,780,439	\$122,458,296	29.67
Operating costs	(424,922,806)	(339,554,721)	(85,368,085)	25.14
Gross profit	110,315,929	73,225,718	37,090,211	50.65
Unrealized sales benefit	(10,454)	(15,545)	5,091	(32.75)
Net operating profit	110,305,475	73,210,173	37,095,302	50.67
Operating expenses	(60,979,873)	(48,253,110)	(12,726,763)	26.38
Operating profit	49,325,602	24,957,063	24,368,539	97.64
Non-operating income and expenses				
Interest income	527,999	639,852	(111,853)	(17.48)
Other income	3,033,587	3,023,137	10,450	0.35
Other gains (losses)	4,116,701	4,019,102	97,599	2.43
Finance costs	(171,037)	(166,409)	(4,628)	2.78
Share of profit of associates and joint ventures accounted for under equity method	2,255,878	647,293	1,608,585	248.51
Total non-operating income and expenses	9,763,128	8,162,975	1,600,153	19.60
Profit before income tax	59,088,730	33,120,038	25,968,692	78.41
Income tax expenses	(12,483,328)	(7,317,181)	(5,166,147)	70.60
Profit from continuing operations for the period	46,605,402	25,802,857	20,802,545	80.62
Profit from discontinuing operations for the period	-	2,584,021	(2,584,021)	(100.00)
Profit for the year	\$46,605,402	\$28,386,878	\$18,218,524	64.18
Other comprehensive income (loss)				
Components of other comprehensive income that will not be reclassified to profit or loss				
Remeasurements of defined benefit plan	\$17,872	(\$25,556)	\$43,428	(169.93)
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6,371,861	8,671,271	(2,299,410)	(26.52)
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	515,549	1,770,567	(1,255,018)	(70.88)

Item	2021	2020	Amount change	Ratio change (%)
Income tax relating to the components of other comprehensive income	(11,986)	(21,171)	9,185	(43.38)
Components of other comprehensive income that will be reclassified to profit or loss				
Financial statements translation differences of foreign operations	(2,913,889)	(4,372,649)	1,458,760	(33.36)
Gains (losses) on hedging instrument	1,246,189	(503,550)	1,749,739	(347.48)
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	(248,842)	(341,112)	92,270	(27.05)
Income tax relating to the components of other comprehensive income	578,866	877,776	(298,910)	(34.05)
Other comprehensive income (loss) for the year	\$5,555,620	\$6,055,576	(\$499,956)	(8.26)
Total comprehensive income for the year	\$52,161,022	\$34,442,454	\$17,718,568	51.44
Profit attributable to: shareholders of the parent	\$44,549,798	\$26,557,672	\$17,992,126	67.75
Total comprehensive income attributable to: shareholders of the parent	\$49,822,661	\$31,833,959	\$ 17,988,702	56.51
Analysis of financial ratio change:				
1. Operating profit: Mainly due to the increase in operating revenues this year.				
2. Profit from discontinuing operations for the period: There is no discontinued operations this year.				

# Separate Comparison of Business Performance

Unit: NT\$ thousands

Item	2021	2020	Amount change	Ratio change (%)
Operating revenue	\$457,320,576	\$328,664,005	\$128,656,571	39.15
Operating costs	(404,445,956)	(299,827,531)	(104,618,425)	34.89
Gross profit	52,874,620	28,836,474	24,038,146	83.36
Unrealized profit from sales	(6,046,755)	633,604	(6,680,359)	(1,054.34)
Realized Gross profit	46,827,865	29,470,078	17,357,787	58.90
Operating expenses	(22,232,928)	(17,554,621)	(4,678,307)	26.65
Operating profit	24,594,937	11,915,457	12,679,480	106.41
Non-operating income and expenses				
Interest income	23,389	25,351	(1,962)	(7.74)
Other income	2,944,375	2,975,245	(30,870)	(1.04)
Other gains (losses)	3,891,989	2,295,493	1,596,496	69.55
Finance costs	(867)	(472)	(395)	83.69
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	21,385,208	10,741,437	10,643,771	99.09
Total non-operating income and expenses	28,244,094	16,037,054	12,207,040	76.12
Profit before income tax	52,839,031	27,952,511	24,886,520	89.03
Income tax expenses	(8,289,233)	(3,978,860)	(4,310,373)	108.33
Profit from continuing operations for the period	44,549,798	23,973,651	20,576,147	85.83
Profit from discontinuing operations for the period	-	2,584,021	(2,584,021)	(100.00)
Profit for the year	\$44,549,798	\$26,557,672	\$ 17,992,126	67.75
Other comprehensive income				
Components of other comprehensive income that will not be reclassified to profit or loss				
Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	\$6,057,678	\$8,416,416	(\$2,358,738)	(28.03)
Share of other comprehensive income (losses) of associates and joint ventures accounted for under equity method	416,687	1,009,591	(592,904)	(58.73)
Components of other comprehensive income that will be reclassified to profit or loss				
Financial statements translation	(2,556,625)	(4,063,588)	1,506,963	(37.08)

Item	2021	2020	Amount change	Ratio change (%)
differences of foreign operations				
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under equity method	783,142	(966,564)	1,749,706	(181.02)
Income tax relating to the components of other comprehensive income	571,981	880,432	(308,451)	(35.03)
Other comprehensive (loss) income for the year	\$5,272,863	\$5,276,287	(\$3,424)	(0.06)
Total comprehensive income for the year	\$49,822,661	\$31,833,959	\$ 17,988,702	56.51
Analysis of financial ratio change:				
1. Operating profit: Mainly due to the increase in operating revenues this year.				
2. Non-operating income and expenses: Mainly due to the increase in the share of interests of subsidiaries, affiliates and joint ventures recognized using the equity method in the current period.				
2. 3.Profit from discontinuing operations for the period : There is no discontinued operations this year				

### III. Analysis of cash flow

#### (I) Consolidated liquidity analysis of the last two years

Year Item	2021	2020	Financial ratio change
Cash flow ratio	13.73%	(1.26%)	Not applicable
Cash flow adequacy ratio	35.04%	71.00%	(50.65%)
Cash reinvestment ratio	4.77%	(5.14%)	Not applicable
Analysis of financial ratio change:			
1.The cash flow ratio increased during the year: The cash inflow from operating activities increased is greater than the current liabilities increased in the current year, resulting in an increase in the cash flow ratio.			
2. Cash flow adequacy ratio decreased during the year: The net cash inflow from operating activity in the past five years decreased and inventory increase and cash dividend in the past five years increased, resulting in a decrease in the cash flow adequacy ratio.			
3.The cash re-investment ratio increased during the year: The cash flow provided by operating activities this year but cash flow used in operating activities last year, resulting in an increase in the cash reinvestment ratio.			

Separate liquidity analysis of the last two years

Year Item	2021	2020	Financial ratio change
Cash flow ratio	12.58%	9.45%	33.12%
Cash flow adequacy ratio	39.92%	51.48%	(22.46%)
Cash reinvestment ratio	(1.40%)	(1.53%)	Not applicable
<p>Analysis of financial ratio change:</p> <p>1. The cash flow ratio increased during the year: The cash inflow from operating activities increased is greater than the current liabilities increased in the current year, resulting in an increase in the cash flow ratio.</p> <p>2. Cash flow adequacy ratio decreased during the year: The (Capital expenditure + Inventory increase + Cash dividend) in the past five years increased is greater than the cash inflow from operating activities in the past five years increased, resulting in a decrease in the cash flow adequacy ratio.</p>			

(II) Analysis of cash liquidity in one year: N/A

**IV. The impact of significant capital expenditure on finance in recent years: None**

**V. Reinvestment in recent years:**

Unit: NT\$ thousands

Item (Note)	Amount	Policy	Gain or Loss in 2021	Root cause of profit or loss	Corrective action	Investment Plans
Own brand business	-	Develop brand business to improve competitiveness and operating performance	20,748,057	Focus on brand marketing and business development	-	-

Note: Own brand business included: ASUS GLOBAL PTE. LTD., ASUS TECHNOLOGY PTE. LIMITED, ASUS TECHNOLOGY INCORPORATION, ASUSTEK COMPUTER (SHANGHAI) CO. LTD., ASUS COMPUTER INTERNATIONAL, ASUSTEK Computer (Chongqing) CO., LTD., ACBZ IMPORTACAO E COMERCIO LTDA., ASUS JAPAN INCORPORATION, ASUS INDIA PRIVATE LIMITED, ASUS COMPUTER GMBH, ASUS HOLDING MEXICO, S.A. DE C. V., ASUS EUROPE B.V., PT. ASUS TECHNOLOGY INDONESIA BATAM, PT. ASUS TECHNOLOGY INDONESIA JAKARTA and ASUS Technology (Suzhou) Co. Ltd.

**VI. Risk analysis and evaluation in recent years and up to the date of the annual report printed:**

(I) The impact of interest rate, exchange rate, and inflation on the Company's income and expense and the responsive measures:

1. The impact of interest rate on the Company's income and expense and the responsive measures:

The ratio of 2021 interest income and interest expense for ASUS Group to the 2021

revenue were 0.1% and 0.03% respectively, which accounted considerably low ratio of revenue after evaluation. Hence variance of interest rate did not have any significant impact on the Group.

2. The impact of exchange rate on the Company's income and expense and the responsive measures:

The 2021 net foreign exchange loss recognized by the Group accounted the ratio to 2020 revenue was 0.51%, and therefore variance in foreign exchange rate did not have any significant impact on the Group.

3. The impact of inflation on the Company's income and expense and the responsive measures:

The global major economies in 2021 did not have significant inflation after evaluation and hence did not have any significant impact on the Group. The Company will continue to pay close attention to this issue in the future.

- (II) Conducting high-risk and high-leverage investment, granting loans to others, endorsement & guarantee and directives policy, root cause of profit and loss, and the responsive measures:

The Group engages in borrowing funds to others, endorsement guarantee and derivate products transactions according to the policies and countermeasures developed from "Acquisition or Disposition of Information Asset Process" and "Endorsement and Guarantee Operation Procedure. The Group follows the procedures with prudent execution.

- (III) R&D plans and budgeted R&D expense:

ASUS cannot stress enough the importance of R&D team cultivation and training since the incorporation. ASUS is capable of owning key technology of products controlled to secure the schedule of mass production. ASUS will base on the said fine tradition to reinforce the R&D capability of the Company and add it with market movement to have unique and innovative information products developed.

1. Products development planned in 2022:

- (1) Digital control wireless transmission technology CPU MB
- (2) Advanced 3D graphics cards
- (3) Smartphones
- (4) High Performance thin-and-light laptops
- (5) ScreenPad Plus dual-screen laptops
- (6) ProArt creator laptops
- (7) High-speed router / Network switch / Firewall / VPN
- (8) New-generation advanced servers
- (9) Professional gaming LED displays & PCs
- (10) ChromeOS devices
- (11) AIoT solutions (Smart Manufacturing, Smart Healthcare, Smart Retail)

2. In response to the needs of the R&D plan, the R&D expenses expected to be invested in 2022 will account for about 3% to 5% of the total revenue for the year.

(IV) The impact of domestic and international policies and law change on the Company's finance and the responsive measures: None.

(V) The impact of technology change (Including Information Security Management) and industrial change on the Company's finance and the responsive measures:

ASUS constantly strives to be an integrated 3C solution provider (Computer, Communications, Consumer electronics). Technology change provides the Company with unlimited business opportunity for new products. The Company was with 2.92 times of inventory turnover in 2021; apparently, there was not any significant negative impact on finance.

In response to cybersecurity risks, ASUS has established the "Digital Security Office" as the dedicated management unit. The Office specializes in the internal and external security management-related issues in the digital age, such as supply chain security, risk management, information security defense drills, personnel education, etc. It ensures that the operating impact and risks caused by exceptions in cybersecurity can be minimized.

(VI) The impact of industrial image change on business risk management and the responsive measures:

ASUS has maintained a fine industrial image and there is not any negative report on the Company's image.

(VII) The expected effect, potential risk, and responsive measures of merger:

The Company's did not have any merger conducted in 2021 and up to the date of the annual report printed.

(VIII) The expected effect, potential risk, and responsive measures of plant expansion: Not Applicable.

(IX) The risk faced by procurements and sales hub and the responsive measures:

The Company's procurements and sales are not centralized and with a good customer relationship established; therefore, no risk of procurements and sales centralization.

(X) The impact of massive stock transfer or change by directors and shareholders with over 10% shareholding, the risk, and the responsive measures:

There was not any massive stock transfer or change by directors and shareholders with over 10% shareholding in 2021 and up to the date of the annual report printed.

(XI) The impact of right to operate change on the Company, the risk, and the responsive measures: Not Applicable.

(XII) Legal and non-legal events:

1. The Company's major legal issues, non-legal issues, or administrative lawsuits settled or in pending:

- (1) Several patentees filed lawsuits or investigations for patent infringement including MP3 function for desktop computer and notebook, display and projector products, notebook and tablet against the Group. These lawsuits or investigations are currently under investigation in California and Texas. The Group cannot presently determine the ultimate outcome of these lawsuits but has already recognized the possible loss in the financial statements.
  - (2) Several patentees filed lawsuits or investigations for patent infringement including cellphone and tablet products, AP and Router products supporting MU-MIMO, notebook, LED for cellphone products, wireless network communication products that support IEEE 802.11ac communication standard, after-sales service, OLED for cellphone products, cellphone and tablet products with MPEG2-TS transportation stream function, various products using LVDS technology processors, monitor product, cellphone, notebook and wireless routers complying with 3G/4G communication standard, monitor product with local dimming, router, wireless base station, notebook, cellphone supporting MU-MIMO, circuit board design, router, notebook, desktop, motherboard, Mini PC and cellphone supporting Wi-Fi 6, AMOLED panel and dock with card reader function against the Group. These lawsuits or investigations are currently under investigation in the courts in Texas, California, Alabama, Japan, Brazil, Malaysia, China, and at the Italian Competition Authority. The Group cannot presently determine the ultimate outcome and effect of these lawsuits.
2. The related party's major legal issues, non-legal issues, or administrative lawsuits settled or in pending: N/A

(XIII) Other significant risks and responsive measures:

**Management of intellectual property**

ASUS's mission is "In search of incredible innovations to create the most ubiquitous, intelligent, heartfelt and joyful smart life for everyone". Every year, the Company invested in massive R&D based on technology. In addition to continuously developing new products that brought innovative sensation to consumers, we generated large amounts of intellectual properties.

In order to protect the Company's important R&D achievements, the Company issued the "Patent Management Measures" to stipulate related tasks for internal patent proposals, and set up incentive measures to encourage R&D employees to apply for patent protection. This approach has been incorporated into the company's R&D cycle review and internal control process, and audits are conducted at least once a year. In response the "Patent Management Measures," the Company has developed its own "Patent Case Management System" to offer the convenience of online proposals by employees across the corporate group. Invention proposals are researched by internal personnel, and online review is carried out case by case with supervisors who are familiar with the related technologies to carefully assess the inventions. The approved proposals for official application are managed by dedicated personnel to ensure the



quality of the patent application. Comprehensive management is built through the system to protect the Company's important intellectual property and avoid infringement by others. An "Annuity Management System" has been developed for the maintenance after patent approval to ensure that the effectiveness of the Company's intellectual property rights are protected. In response to the revisions of national patent laws and regulations, recommendations for internal improvement, changes in operating policies, etc., the Company reviews and adjusts the "Patent Management Measures," "Patent Case Management System," and "Annuity Management System" at any time to ensure that the management plans can keep up with the ever-changing business environment, meet the Company's needs and reduce legal risks. The Company regularly reports the implementation status of intellectual property management to the board of directors. The most recent report date was November 10, 2021.

In 2021, the list of intellectual property achievements for ASUS is shown as follows:

1. As of the end of 2021, 5255 patents have been obtained in countries around the world.
2. The number of patent applications in Taiwan in 2021 was 185, ranking the Company in 13th place.
3. 161 patents were granted in 2021, ranking the Company in 14th place of all companies.
4. 284 patents were granted in Europe and the U.S. in 2021.
5. 164 patents were granted in Asia (Japan, Korea, China, India) in 2021, an increase of 48% over the previous year.
6. 609 patents were granted worldwide in 2021, an increase of 10% over last year.
7. 555 patent applications were filed in the communication field in 2021.
8. A total of 58 Standard Essential Patents (SEP) were declared in the European Telecommunications Standard Institute (ETSI) in 2021. As of the end of 2021, ASUS has accumulated 218 SEP patent families.

**VII. Other material events:** None

## **VIII. Special disclosures**

### **I. Related party**

#### **(II) Consolidated financial statements of the related party**

##### **1. Related party**

(1) Organizational structure of related party: Please refer to Page 163-166.

(2) Company profile of related party: Please refer to Page 167-171.

(3) A controlling and hierarchical relationship according to Article 369.3 of Company Law:  
None

##### **(4) Business scope of ASUS Group:**

The business scope of ASUS and the related parties include computer-related product design, production, processing, and sales. Some related parties are in the business of investment. In general, the collaboration within the organization is to generate the best result through reciprocal support in technology, production, marketing, and sales.

(5) Directors, supervisors, and president of the related party: Please refer to Page 172-179.

##### **2. Business operation of the related party: Please refer to Page 180-186.**

(II) Consolidated Financial Statements and Report of Independent Accountants of the parent company and subsidiaries: Please refer to Page 188-286.

(III) Related Party Report: Not Applicable

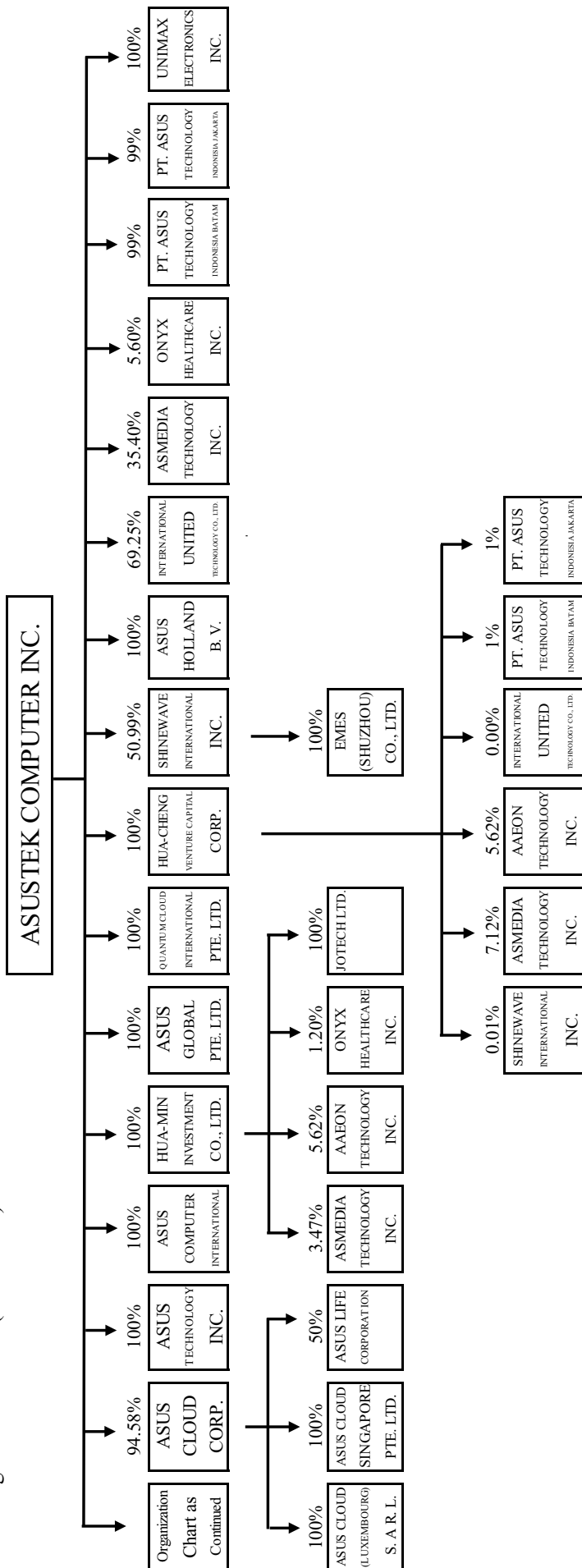
### **II. Subscription of marketable securities privately in the most recent years and up to the date of the report printed: None**

### **III. The stock shares of the Company held or disposed by the subsidiaries in the most recent years and up to the date of the report printed: None**

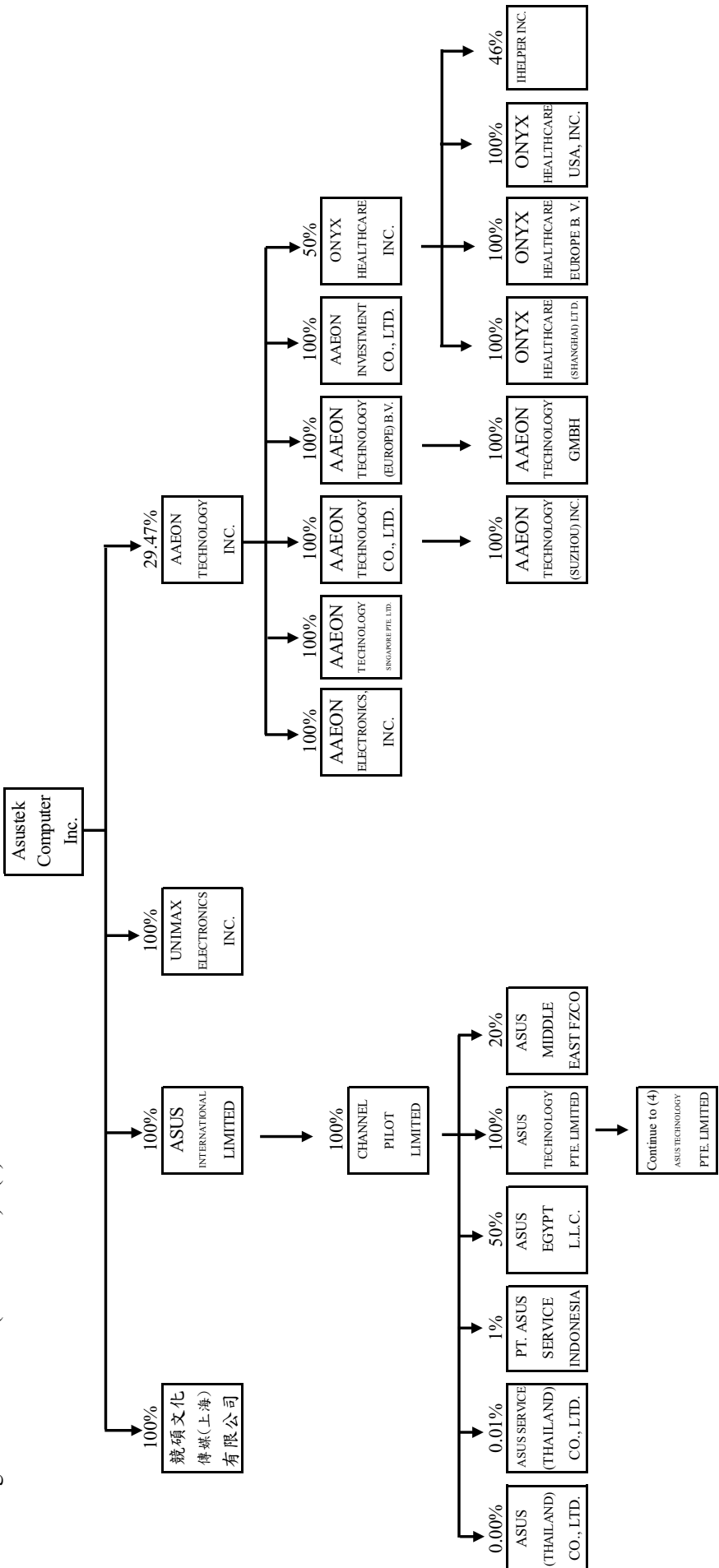
### **IV. Supplementary disclosures: None**

### **V. Occurrence of events defined in Securities Transaction Law Article 36.2.2 that has great impact on shareholder's equity or security price in the most recent years and up to the date of the report printed: None**

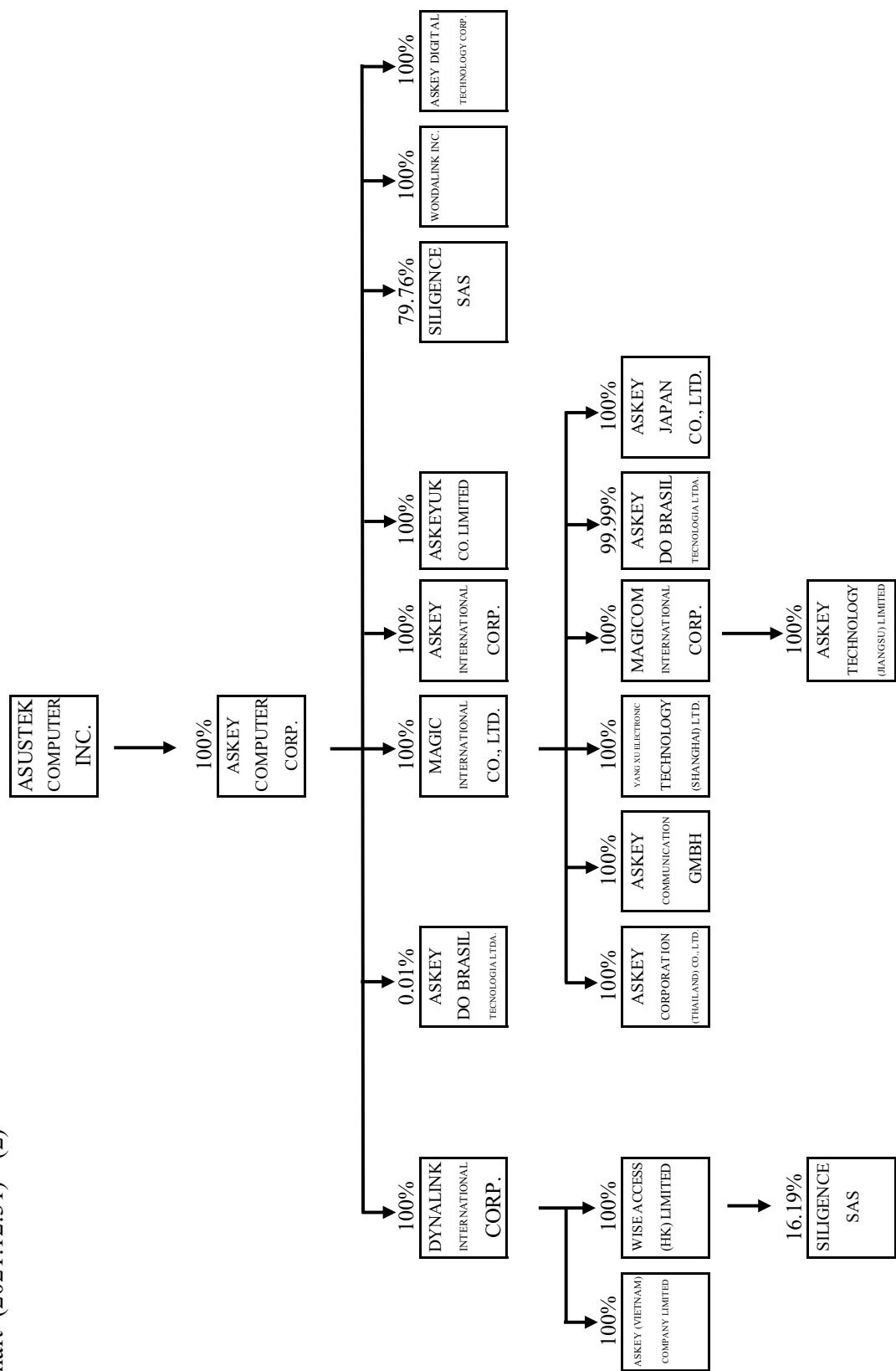
ASUS Organization Chart (2021.12.31)



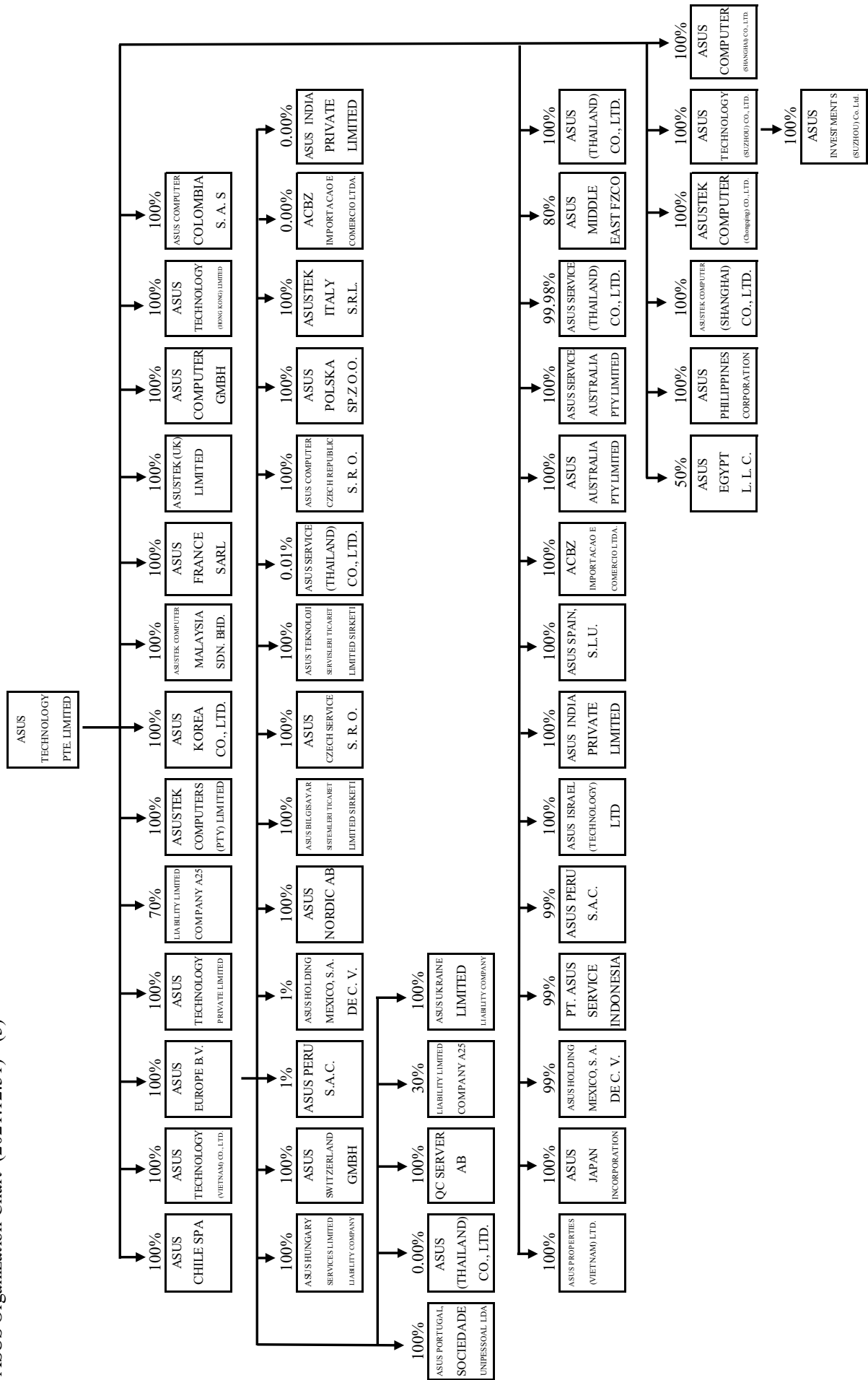
ASUS Organization Chart (2020.12.31) - (1)



ASUS Organization Chart (2021.12.31) - (2)



ASUS Organization Chart (2021.12.31) - (3)



## (2) Basic Data of Affiliated Enterprises (As of Dec 31, 2021)

In thousand NTD

NAME OF CORPORATION	DATE OF ESTABLISHMENT	ADDRESS	CAPITAL	MAJOR BUSINESS SCOPE
ASUS COMPUTER INTERNATIONAL	June 21, 1994	USA	13,840	Selling 3C products in North America
ASUS TECHNOLOGY INCORPORATION	April 20, 1999	Taiwan	190,000	Selling 3C products in Taiwan
ASUS HOLLAND B. V.	March 29, 2000	Netherlands	152,215	Repairing 3C products
ASUS INTERNATIONAL LIMITED	March 8, 2002	Cayman Islands	2,483,728	Investing in 3C and computer peripheral business
HUA-CHENG VENTURE CAPITAL CORP.	May 27, 2008	Taiwan	1,145,000	Investing in computer peripherals business
HUA-MIN INVESTMENT CO., LTD.	May 27, 2008	Taiwan	680,000	Investing in computer peripherals business
JOGEEK TECHNOLOGY LIMITED	Dec 13, 2019	Taiwan	30,000	Repairing and selling of information software and electronic information materials
ASMEDIA TECHNOLOGY INC.	March 31, 2004	Taiwan	692,181	Designing, researching, developing and manufacturing of high-speed analog circuit
ASUS GLOBAL PTE. LTD.	March 15, 2013	Singapore	775,040	Selling 3C products
QUANTUM CLOUD INTERNATIONAL PTE. LTD.	Feb 11, 2014	Singapore	22,974	Servicing of information technology
PT. ASUS TECHNOLOGY INDONESIA JAKARTA	May 23, 2017	Indonesia	218,996	Selling of 3C products in Indonesia
PT. ASUS TECHNOLOGY INDONESIA BATAM	May 24, 2017	Indonesia	979,698	Selling of 3C products in Indonesia
JINSHUO CULTURAL DIFFUSION CO., LTD.	June 15, 2018	China	642,196	Participating and promoting of professional eSports
UNIMAX ELECTRONICS INCORPORATION	April 17, 2007	Taiwan	213,000	Manufacturing and selling of automotive electronics and computer peripherals
TAIWAN WEB SERVICE CORPORATION	February 26, 2021	Taiwan	299,000	Servicing of AI computing
ASKEY COMPUTER CORP.	November 10, 1989	Taiwan	4,800,000	Designing, manufacturing, repairing and selling of communication products and computer peripheral spare parts
ASKEY INTERNATIONAL CORP.	June 28, 1996	USA	276,800	Selling and servicing about communication products
DYNALINK INTERNATIONAL CORP.	October 1, 1996	British Virgin Islands	225,874	Investing in communication business
MAGIC INTERNATIONAL CO., LTD.	May 13, 1999	British Virgin Islands	3,181,595	Investing in communication business
ASKEY DIGITAL TECHNOLOGY CORP.	Jun 25, 2019	Taiwan	30,000	Selling and servicing of communication products
WONDALINK INC.	Mar 18, 2010	Taiwan	92,422	Manufacturing and designing of wired and wireless communication, electronic parts products, etc.
ASKEY (VIETNAM) COMPANY LIMITED	November 1, 1996	Vietnam	158,732	Manufacturing and selling of communication products
WISE ACCESS (HK) LIMITED	September 21, 2011	Hong Kong	37,410	Investing in communication business

NAME OF CORPORATION	DATE OF ESTABLISHMENT	ADDRESS	CAPITAL	MAJOR BUSINESS SCOPE
MAGICOM INTERNATIONAL CORP.	June 23, 1999	Cayman Islands	2,519,710	Investing in communication business
ASKEY COMMUNICATION GMBH	April 11, 2013	Germany	3,132	Selling and servicing of communication products
ASKEY CORPORATION (THAILAND) CO., LTD.	June 21, 2017	Thailand	1,672	Selling and servicing of communication products
ASKEYUK CO. LIMITED	July 15, 2021	U.K.	37,299	Selling and servicing of communication products
ASKEY JAPAN CO., LTD.	March 19, 2018	Japan	1,204	Selling and servicing of communication products
ASKEY DO BRASIL TECNOLOGIA LTDA.	April 20, 2016	Brasil	18,148	Selling and servicing of communication products
SILIGENCE SAS	July 19, 2011	France	150,902	Selling and servicing of communication products
YANG XU ELECTRONIC TECHNOLOGY (SHANGHAI) LTD.	July 1, 2003	China	83,040	Researching, developing and selling of communication products
ASKEY TECHNOLOGY (JIANGSU) LTD.	August 30, 2001	China	2,491,200	Manufacturing and selling of communication products
ASUS CLOUD CORPORATION	March 24, 2000	Taiwan	250,000	Selling and consulting of internet service
ASUS CLOUD SINGAPORE PTE. LTD.	December 14, 2012	Singapore	22,241	Investing in internet service business
ASUS CLOUD (LUXEMBOURG) S.A R.L	December 3, 2013	Luxembourg	12,528	Providing maintenance and operating service for information hardware
ASUS LIFE CORPORATION	September 9, 2016	Taiwan	10,000	Selling of internet information service
SHINEWAVE INTERNATIONAL INC.	August 6, 1997	Taiwan	107,250	Researching, developing, selling and consulting of information system software
EMES (SUZHOU) CO., LTD.	March 22, 2002	China	10,153	Selling and consulting of information system software
INTERNATIONAL UNITED TECHNOLOGY CO., LTD.	June 16, 1998	Taiwan	163,515	Researching, developing, manufacturing and selling of ink-jet print heads and ink-jet digital image output technology
AAEON TECHNOLOGY INC.	December 1, 2010	Taiwan	1,486,185	Manufacturing and selling of industrial computers and computer peripherals
AAEON ELECTRONICS, INC.	June 6, 1995	USA	135,632	Selling of industrial computers and computer peripherals
AAEON TECHNOLOGY CO., LTD.	September 11, 2001	British Virgin Islands	243,780	Investing in industrial computers and interface cards business
AAEON TECHNOLOGY (EUROPE) B. V.	March 4, 2005	Netherlands	3,132	Selling of industrial computers and computer peripherals
AAEON INVESTMENT CO., LTD.	June 6, 2009	Taiwan	150,000	Investing in industrial computers and computer peripherals business
AAEON TECHNOLOGY SINGAPORE PTE. LTD.	March 30, 2004	Singapore	11,936	Selling of industrial computers and computer peripherals
AAEON TECHNOLOGY GMBH	October 23, 2007	Germany	940	Selling of industrial computers and computer peripherals



NAME OF CORPORATION	DATE OF ESTABLISHMENT	ADDRESS	CAPITAL	MAJOR BUSINESS SCOPE
AAEON TECHNOLOGY (SUZHOU) INC.	November 1, 2001	China	240,547	Manufacturing and selling industrial computers and interface cards
ONYX HEALTHCARE INC.	February 2, 2010	Taiwan	302,612	Designing, manufacturing and selling of medical computers
ONYX HEALTHCARE USA, INC.	October 27, 2011	USA	55,360	Selling of medical computers and peripherals
ONYX HEALTHCARE EUROPE B.V.	May 16, 2012	Netherlands	3,132	Marketing support and repairing of medical computers and peripherals
IHELPER INC.	February 26, 2018	Taiwan	36,000	Researching, developing and selling of medical robots
ONYX HEALTHCARE (SHANGHAI) LTD.	September 15, 2014	China	63,896	Selling of medical computers and peripherals
CHANNEL PILOT LIMITED	March 30, 2005	British Virgin Islands	831,313	Investing in 3C business
ASUS TECHNOLOGY PTE. LIMITED	April 26, 2005	Singapore	1,229,530	Investing in 3C business
ASUS MIDDLE EAST FZCO	October 22, 2007	United Arab Emirates	80,649	Providing support and repair for 3C products in Middle East
ASUS EGYPT L. L. C.	September 11, 2008	Egypt	1	Providing support for 3C products in Egypt
PT. ASUS SERVICE INDONESIA	May 21, 2013	Indonesia	28,131	Repairing of 3C products in Asia-Pacific and America
ASUS (THAILAND) CO., LTD.	January 6, 2016	Thailand	13,375	Providing support for 3C products in Thailand
ASUS SERVICE (THAILAND) CO., LTD.	February 23, 2005	Thailand	5,016	Repairing of 3C products in Thailand
ASUS COMPUTER GMBH	June 19, 1991	Germany	8,007	Selling and providing support for 3C products in Germany
ASUS FRANCE SARL	July 12, 2002	France	3,320	Providing support for 3C products in France
ASUSTEK (UK) LIMITED	April 3, 2006	UK	1,865	Providing support for 3C products in United Kingdom
ASUS TECHNOLOGY (HONG KONG) LIMITED	November 25, 2005	Hong Kong	1,774	Providing support and repair for 3C products in Hong Kong
ASUS KOREA CO., LTD.	July 1, 2006	South Korea	18,463	Providing support and repair for 3C products in South Korea
ASUS TECHNOLOGY PRIVATE LIMITED	September 13, 2006	India	74,681	Providing support and repair for 3C products in India
ASUS EUROPE B. V.	March 6, 2007	Netherlands	274,832	Selling of 3C products
ASUS TECHNOLOGY (VIETNAM) CO., LTD.	March 1, 2007	Vietnam	1,572	Providing support and repair for 3C products in Vietnam
ASUS SPAIN, S.L.U.	May 19, 2004	Spain	940	Providing support for 3C products in Spain
ASUS JAPAN INCORPORATION	May 28, 2008	Japan	49,367	Selling of 3C products in Japan

NAME OF CORPORATION	DATE OF ESTABLISHMENT	ADDRESS	CAPITAL	MAJOR BUSINESS SCOPE
ASUS SERVICE AUSTRALIA PTY LIMITED	February 10, 2011	Australia	19,075	Repairing of 3C products in Australia
ASUS AUSTRALIA PTY LIMITED	January 5, 2011	Australia	7,028	Providing support for 3C products in Australia
ASUS ISRAEL (TECHNOLOGY) LTD.	March 12, 2012	Israel	361	Providing support for 3C products in Israel
ASUS COMPUTER COLOMBIA S. A. S.	February 19, 2015	Columbia	511	Providing support for 3C products in Colombia
ASUSTEK COMPUTERS (PTY) LIMITED	August 31, 2004	South Africa	2	Providing support and repair for 3C products in Africa
ASUSTEK COMPUTER MALAYSIA SDN. BHD.	May 13, 2005	Malaysia	3,315	Providing support and repair for 3C products in Malaysia
ASUS CHILE SPA	January 24, 2018	Chile	33	Providing support for 3C products in Chile
ASUS PERU S. A. C.	April 25, 2013	Peru	29,290	Providing support for 3C products in Peru
ASUS HOLDING MEXICO, S. A. DE C. V.	March 27, 2013	Mexico	69,086	Selling of 3C products in Mexico
ACBZ IMPORTACAO E COMERCIO LTDA.	January 5, 2011	Brazil	2,695,088	Selling of 3C products in Brazil
ASUS INDIA PRIVATE LIMITED	July 5, 2011	India	124,256	Selling of 3C products in India
ASUS HUNGARY SERVICES LIMITED LIABILITY COMPANY	May 10, 2007	Hungary	1,061	Providing support for 3C products in Hungary
ASUS PORTUGAL, SOCIEDADE UNIPessoal LDA.	May 21, 2008	Portugal	940	Providing support for 3C products in Portugal
ASUS SWITZERLAND GMBH	May 10, 2009	Switzerland	10,259	Providing support for 3C products in Switzerland
ASUS NORDIC AB	July 10, 2004	Sweden	921	Providing support for 3C products in North Europe
ASUS BILGISAYAR SISTEMLERI TICARET LIMITED SIRKETI	December 30, 2018	Turkey	106,735	Providing support and repair for 3C products in Turkey
ASUS TEKNOLOJI SERVİSLERİ TICARET LIMITED SİRKETİ	July 23, 2018	Turkey	184	Repairing of 3C products in Turkey
ASUS POLSKA SP. Z O.O.	July 31, 2005	Poland	341	Providing support for 3C products in Poland
ASUSTEK ITALY S. R. L.	July 21, 2000	Italy	1,503	Providing support for 3C products in Italy
ASUS COMPUTER CZECH REPUBLIC S. R. O.	October 31, 2005	Czech Republic	252	Providing support for 3C products in Czech Republic
ASUS CZECH SERVICE S. R. O.	February 15, 2010	Czech Republic	6,778	Repairing of 3C products in Europe
ASUS PHILIPPINES CORPORATION	Feb 12, 2019	Philippines	5,738	Providing support and repair for 3C products in Philippines
QC SERVER AB	Jul 4, 2019	Sweden	153	Servicing of information technology
ASUS PROPERTIES (VIETNAM) LTD.	Mar 10, 2020	Vietnam	418,922	Leasing and trading real estate
LIABILITY LIMITED COMPANY A25	Sep 18, 2018	Russia	4	Selling of 3C products in Russia
ASUS UKRAINE LIMITED LIABILITY COMPANY	June 29, 2021	Ukraine	9,739	Providing support for 3C products in Ukraine

NAME OF CORPORATION	DATE OF ESTABLISHMENT	ADDRESS	CAPITAL	MAJOR BUSINESS SCOPE
ASUSTEK COMPUTER (SHANGHAI) CO., LTD.	June 9, 2000	China	1,331,408	Selling of 3C products in China
ASUS COMPUTER (SHANGHAI) CO., LTD.	June 30, 2000	China	55,360	Repairing of 3C products
ASUS TECHNOLOGY (SUZHOU) CO., LTD.	March 12, 2008	China	1,356,320	Researching and developing of 3C products
ASUSTEK COMPUTER (CHONGQING) CO., LTD.	May 9, 2011	China	1,909,920	Selling of 3C products in China
ASUS INVESTMENTS (SUZHOU) CO., LTD.	December 6, 2013	China	716,886	Leasing real estate

Note: The paid-in capital involved foreign currency was exchanged under foreign exchange rate at the end of the financial reporting period.

## (5) Directors, Supervisors and Presidents of Affiliated Enterprises

As of Dec 31, 2021

NAME OF CORPORATION	TITLE	NAME OF PERPRESENTATIVE (Note)	SHAREHOLDING	
			SHARES	%
ASUS TECHNOLOGY INC.	Chairman & General Manager	ASUSTEK COMPUTER INC. ( Representative: Kevin Lin )	19,000,000	100.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Jonney Shih )	—	—
	Director & President	ASUSTEK COMPUTER INC. ( Representative: Samson Hu )	—	—
	Supervisor	ASUSTEK COMPUTER INC. ( Representative: Sandy Wei )	—	—
ASKEY COMPUTER CORP	Chairman & General Manager	ASUSTEK COMPUTER INC. ( Representative: Lin, Cheng-Kuei )	480,000,000	100.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Jonney Shih )	—	—
	Director & President	ASUSTEK COMPUTER INC. ( Representative: Samson Hu )	—	—
	Supervisor	ASUSTEK COMPUTER INC. ( Representative: Chin Wu )	—	—
HUA-CHENG VENTURE CAPITAL CORP.	Chairman	ASUSTEK COMPUTER INC. ( Representative: Jonney Shih )	114,500,000	100.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Jonathan Tsang )	—	—
	Director	ASUSTEK COMPUTER INC. ( Representative: S.Y. Hsu )	—	—
	Supervisor	ASUSTEK COMPUTER INC. ( Representative: Nick Wu )	—	—
HUA-MIN INVESTMENT CO., LTD.	Chairman	ASUSTEK COMPUTER INC. ( Representative: Jonney Shih )	68,000,000	100.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Jonathan Tsang )	—	—
	Director	ASUSTEK COMPUTER INC. ( Representative: Samson Hu )	—	—
	Supervisor	ASUSTEK COMPUTER INC. ( Representative: Nick Wu )	—	—
UNIMAX ELECTRONICS INC.	Chairman & General Manager	ASUSTEK COMPUTER INC. ( Representative: Kent Chien )	21,300,000	100.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Wu, Chih-Peng )	—	—
	Director	ASUSTEK COMPUTER INC. ( Representative: Jonathan Tsang )	—	—
	Supervisor	ASUSTEK COMPUTER INC. ( Representative: Charlene Hsu )	—	—
JOTECH LTD.	Chairman	HUA-MIN INVESTMENT CO., LTD. ( Representative: Samson Hu )	3,000,000	100.00%
TAIWAN WEB SERVICE CORP.	Chairman	ASUSTEK COMPUTER INC. ( Representative: Joe Hsieh )	29,900,000	100.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Samson Hu )	—	—
	Director & General Manager	ASUSTEK COMPUTER INC. ( Representative: Peter Wu )	—	—
	Supervisor	ASUSTEK COMPUTER INC. ( Representative: Nick Wu )	—	—
ASUS CLOUD CORPORATION	Chairman	ASUSTEK COMPUTER INC. ( Representative: Joe Hsieh )	23,645,558	94.58%

NAME OF CORPORATION	TITLE	NAME OF PERPRESENTATIVE (Note)	SHAREHOLDING	
			SHARES	%
	Director	ASUSTEK COMPUTER INC. ( Representative: Samson Hu )	—	—
	Director & General Manager	Peter_Wu	170,159	0.68%
	Supervisor	Alan Hsieh	—	—
ASMEDIA TECHNOLOGY INC.	Chairman	ASUSTEK COMPUTER INC. ( Representative: Jerry Shen )	24,457,660	35.40%
	Director	ASUSTEK COMPUTER INC. ( Representative: Ted Hsu )	—	—
	Director & General Manager	ASUSTEK COMPUTER INC. ( Representative: Chewei Lin )	—	—
	Director	Hsu, Chin-Chuan*	—	—
	Independent director	Chan, Hung-Chih*	—	—
	Independent director	Hsieh, Chieh- Ping*	—	—
	Independent director	Wu, Ching-Chi*	—	—
AAEON TECHNOLOGY INC.	Chairman	RUI HAI INVESTMENT CO., LTD. ( Representative: Chuang, Yung-Shun )	4,515,000	3.04%
	Director	RUI HAI INVESTMENT CO., LTD. ( Representative: Lee, Ing-Jen )	—	—
	Director	RUI HAI INVESTMENT CO., LTD. ( Representative: David Yen )	—	—
	Director	ASUSTEK COMPUTER INC. ( Representative: Jonney Shih )	43,756,000	29.44%
	Director	ASUSTEK COMPUTER INC. ( Representative: Jonathan Tsang )	—	—
	Director	ASUSTEK COMPUTER INC. ( Representative: S.Y. Hsu )	—	—
	Director	IBASE Technology Inc. ( Representative: Lin, Chiu-Hsu )	41,698,468	28.06%
	Director	IBASE Technology Inc. ( Representative: Chen, Yu-Nan )	—	—
	Independent Director	Kun-Chih, Chen	—	—
	Independent Director	Daho Yen	—	—
	Independent Director	Chris Kao	—	—
	General Manager	Howard Lin	365,000	0.25%
INTERNATIONAL UNITED TECHNOLOGY CO., LTD.	Chairman	ASUSTEK COMPUTER INC. ( Representative: Jerry Shen )	11,323,167	69.25%
	Director & General Manager	ASUSTEK COMPUTER INC. ( Representative: Daniel Lan )	987,354	6.04%
	Director	HUA ENG WIRE & CABLE CO. LTD. ( Representative: Wu, Chia-Yu* )	515	0.00%
	Supervisor	HUA-CHENG VENTURE CAPITAL CORP. ( Representative: Charlene Hsu )	—	—
SHINEWAVE INTERNATIONAL INC.	Chairman	ASUSTEK COMPUTER INC. ( Representative: Albert Chang )	5,468,750	50.99%
	Director	ASUSTEK COMPUTER INC. ( Representative: Jonney Shih )	—	—
	Director & General Manager	ASUSTEK COMPUTER INC. ( Representative: Yu, Chun-Hua* )	—	—
	Supervisor	HUA-CHENG VENTURE CAPITAL CORP. ( Representative: Chin Wu )	1,000	0.01%
ASUS COMPUTER INTERNATIONAL	Director	ASUSTEK COMPUTER INC. ( Representative: S.Y. Hsu )	50,000	100.00%
	Director	ASUSTEK COMPUTER INC.	—	—

NAME OF CORPORATION	TITLE	NAME OF PERPRESENTATIVE (Note)	SHAREHOLDING	
			SHARES	%
	Director	( Representative: Samson Hu ) ASUSTEK COMPUTER INC. ( Representative: Joe Hsieh )	—	—
	General Manager	Chang, Kao-Sheng	—	—
ASUS HOLLAND B.V.	Director	ASUSTEK COMPUTER INC. ( Representative: Chen, Hsin-Yi )	10,800,000	100.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Cheng, Chi-Chien )	—	—
ASUS INTERNATIONAL LIMITED	Chairman	ASUSTEK COMPUTER INC. ( Representative: Jonney Shih )	89,730,042	100.00%
ASUS GLOBAL PTE. LTD.	Chairman	ASUSTEK COMPUTER INC. ( Representative: Jonathan Tsang )	28,000,000	100.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Chu, Ming-Wen )	—	—
	Director	ASUSTEK COMPUTER INC. ( Representative: Song, Lai-Chi )	—	—
QUANTUM CLOUD INTERNATIONAL PTE. LTD.	Chairman	ASUSTEK COMPUTER INC. ( Representative: Wu, Chih-Peng )	830,001	100.00%
PT.ASUS TECHNOLOGY INDONESIA JAKARTA	Director	ASUSTEK COMPUTER INC. ( Representative: Lin, Wei-Ting )	8,415	99.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Chang, Chi-Chun )	—	—
	Director	ASUSTEK COMPUTER INC. ( Representative: Wu, Ping-Yu )	—	—
	Supervisor	ASUSTEK COMPUTER INC. ( Representative: Chu, Ming-Wen )	—	—
PT.ASUS TECHNOLOGY INDONESIA BATAM	Director	ASUSTEK COMPUTER INC. ( Representative: Lin, Wei-Ting )	4,168,989	99.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Chang, Chi-Chun )	—	—
	Director	ASUSTEK COMPUTER INC. ( Representative: Wu, Ping-Yu )	—	—
	Supervisor	ASUSTEK COMPUTER INC. ( Representative: Chu, Ming-Wen )	—	—
JINSHUO CULTURAL DIFFUSION CO., LTD.	Executive Director	ASUSTEK COMPUTER INC. ( Representative: Rangoon Chang )	—	100.00%
	Supervisor	ASUSTEK COMPUTER INC. ( Representative: Bruce Jen )	—	—
CHANNEL PILOT LIMITED	Chairman	ASUS INTERNATIONAL LIMITED ( Representative: Jonney Shih )	30,033,000	100.00%
ASUS TECHNOLOGY PTE. LIMITED	Chairman	CHANNEL PILOT LIMITED ( Representative: Jonathan Tsang )	44,419,424	100.00%
	Director	CHANNEL PILOT LIMITED ( Representative: Chu, Ming-Wen )	—	—
	Director	CHANNEL PILOT LIMITED ( Representative: Song, Lai-Chi )	—	—
ASUS EGYPT L.L.C.	Director	CHANNEL PILOT LIMITED ( Representative: Chiu, Yu-Sheng )	—	50.00%
	Director	ASUS TECHNOLOGY PTE. LIMITED ( Representative: Chiu, Yu-Sheng )	—	50.00%
ASUS MIDDLE EAST FZCO	Chairman	ASUS TECHNOLOGY PTE LIMITED ( Representative: Chiu, Yu-Sheng )	106	99.07%
	Director	CHANNEL PILOT LIMITED ( Representative: Chiu, Yu-Sheng )	1	0.93%

NAME OF CORPORATION	TITLE	NAME OF PERPRESENTATIVE (Note)	SHAREHOLDING	
			SHARES	%
ASUS COMPUTER (SHANGHAI) CO., LTD.	Chairman	ASUS TECHNOLOGY PTE LIMITED ( Representative: Chen, Hsin-Yi )	—	100.00%
	Supervisor	ASUS TECHNOLOGY PTE LIMITED ( Representative: Wang, Hsiang-Huei )	—	—
ASUS TECHNOLOGY (HONG KONG) LIMITED	Chairman	ASUS TECHNOLOGY PTE LIMITED ( Representative: Chung, Wei Gang )	500,000	100.00%
ASUS TECHNOLOGY (SUZHOU) CO., LTD.	Chairman	ASUS TECHNOLOGY PTE LIMITED ( Representative: Andrew Ke )	—	100.00%
	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Shih, Wen-Hung )	—	—
	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Joe Hsieh )	—	—
	Supervisor	ASUS TECHNOLOGY PTE LIMITED ( Representative: Wang, Hsiang-Huei )	—	—
ASUSTEK COMPUTER (SHANGHAI) CO. LTD.	Executive Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Shih, Wen-Hung )	—	100.00%
	Supervisor	ASUS TECHNOLOGY PTE LIMITED ( Representative: Wang, Hsiang-Huei )	—	—
ASUSTEK COMPUTER (CHONGQING) CO., LTD.	Executive Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Andrew Ke )	—	100.00%
	Supervisor	ASUS TECHNOLOGY PTE LIMITED ( Representative: Wang, Hsiang-Huei )	—	—
ASUS INVESTMENTS (SUZHOU) CO., LTD.	Executive Director	ASUS TECHNOLOGY (SUZHOU) CO., LTD. ( Representative : Andrew Ke )	—	100.00%
	Supervisor	ASUS TECHNOLOGY (SUZHOU) CO., LTD. ( Representative: Wang, Hsiang-Huei )	—	—
ASUS COMPUTER GMBH	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Chen, Li-Hsaing )	—	100.00%
ASUS FRANCE SARL	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Mustapha Nhari )	5,300	100.00%
ASUSTEK (UK) LIMITED	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Jonathan Parmar )	50,000	100.00%
ASUS KOREA CO., LTD.	Chairman	ASUS TECHNOLOGY PTE LIMITED ( Representative: Fu, Szu-Wei )	158,433	100.00%
ASUS POLSKA SP. Z O. O.	Director	ASUS EUROPE B.V. ( Representative: Slawomir Stanik )	1,000	100.00%
ASUS TECHNOLOGY PRIVATE LIMITED	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Hwang, Sy-Ru )	20,134,400	100.00%
	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Yu, Chien-Liang )	—	—
ASUS EUROPE B. V.	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Li, Yu-Lin )	375,000	100.00%
	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Ou, Chang-Chu )	—	—
ASUS TECHNOLOGY (VIETNAM) CO., LTD.	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Lee, Tse-Tai )	—	100.00%
ASUSTEK ITALY S. R. L.	Director	ASUS EUROPE B.V. ( Representative: Chang, Kao-Sheng )	—	100.00%
ASUS SPAIN, S.L.U.	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: German Guerra )	3,000	100.00%
ASUS JAPAN INCORPORATION	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Chen, Chin-Ho )	20,500	100.00%
	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Fu, Szu-Wei )	—	—

NAME OF CORPORATION	TITLE	NAME OF PERPRESENTATIVE (Note)	SHAREHOLDING	
			SHARES	%
ASUS COMPUTER CZECH REPUBLIC S. R. O.	Director	ASUS EUROPE B.V. ( Representative: Yuriy Sandratskiy )	—	100.00%
ASUS CZECH SERVICE S. R. O.	Director	ASUS EUROPE B.V. ( Representative: Chen, Chien-Yuan )	—	99.59%
	Director	ASUS EUROPE B.V. ( Representative: Cheng, Chi-Chien )	—	0.41%
ASUS SERVICE AUSTRALIA PTY LIMITED	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Chen, Hsin-Yi )	950,000	100.00%
	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Tsai, Hsiao-Ming )	—	—
ASUS AUSTRALIA PTY LIMITED	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Jackie Hsu )	350,000	100.00%
	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Tsai, Hsiao-Ming )	—	—
ASUS INDIA PRIVATE LIMITED	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Yu, Chien-Liang )	33,500,000	100.00%
	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Hwang, Sy-Ru )	—	—
ASUS ISRAEL (TECHNOLOGY) LTD	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Chiu, Yu-Sheng )	50,000	100.00%
PT. ASUS SERVICE INDONESIA	Chairman	ASUS TECHNOLOGY PTE LIMITED ( Representative: Chen, Hsin-Yi )	1,485,000	99.00%
	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Hung, Tsung-Fu )	—	—
	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Zhao, DongLiang )	—	—
	Supervisor	ASUS TECHNOLOGY PTE LIMITED ( Representative: Hsu, Tse-Ming )	—	—
ACBZ IMPORTACAO E COMERCIO LTDA.	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Wu, Ming-Tau )	549,442,769	100.00%
	Director	ASUS EUROPE B.V. ( Representative: Wu, Ming-Tau )	26,231	0.00%
ASUS PERU S. A. C.	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Edwin Gutierrez )	4,153,783	99.00%
	Director	ASUS EUROPE B.V. ( Representative: Edwin Gutierrez )	41,957	1.00%
ASUS HOLDING MEXICO, S. A. DE C. V.	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Chang, Kao-Sheng )	50,608	99.00%
	Director	ASUS EUROPE B.V. ( Representative: Chang, Kao-Sheng )	512	1.00%
ASUS COMPUTER COLOMBIA S. A. S.	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Jeremin Hsieh )	74,489	100.00%
ASUS HUNGARY SERVICES LIMITED LIABILITY COMPANY	Director	ASUS EUROPE B.V. ( Representative: Zoltan Gyongyosi )	—	100.00%
ASUS PORTUGAL, SOCIEDADE UNIPessoal LDA	Director	ASUS EUROPE B.V. ( Representative: Helder Basto )	30,000	100.00%
ASUS SWITZERLAND GMBH	Director	ASUS EUROPE B.V. ( Representative: Hung, Wen-Chi )	3,400	100.00%
ASUS NORDIC AB	Director	ASUS EUROPE B.V. ( Representative: Chen, Li-Hsaing )	3,000	100.00%
	Director	ASUS EUROPE B.V. ( Representative: Chang, Kao-Sheng )	—	—
ASUS (THAILAND) CO., LTD.	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Tseng, Kuan-Jen )	20,000	100.00%
ASUSTEK COMPUTERS (PTY) LIMITED	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Chiu, Yu-Sheng )	1,000	100.00%



NAME OF CORPORATION	TITLE	NAME OF PERPRESENTATIVE (Note)	SHAREHOLDING	
			SHARES	%
ASUSTEK COMPUTER MALAYSIA SDN. BHD.	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Lie, Yee-Sann )	500,000	100.00%
ASUS SERVICE (THAILAND) CO., LTD.	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Tseng, Kuan-Jen )	59,984	99.94%
ASUS CHILE SPA	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Chang Lin, Cha-Ming )	1,000	100.00%
ASUS PHILIPPINES CORPORATION	Director	ASUS TECHNOLOGY PTE. LIMITED	1,059,995	100.00%
	Director	Lin, Yu-Ying	1	0.00%
	Director	Tang, Hsueh-Ling	1	0.00%
	Director	Chen, Hsin-Yi	1	0.00%
	Director	Hsu, Tse-Ming	1	0.00%
	General Manager	Su, Jeng-hong	1	0.00%
ASUS TEKNOLOJI SERVİSLERİ TICARET LİMİTED SİRKETİ	Director	ASUS EUROPE B.V. ( Representative: Ufuk Ozgur )	3,000	100.00%
ASUS BİLGİSAYAR SİSTEMLERİ TICARET LİMİTED SİRKETİ	Director	ASUS EUROPE B.V. ( Representative: Li, Yu-Lin )	2,046	100.00%
QC SERVER AB	Director	ASUS EUROPE B.V. ( Representative: Kent Chien )	500	100.00%
	Director	ASUS EUROPE B.V. ( Representative: Chen, Li-Hsaing )	—	—
ASUS PROPERTIES (VIETNAM) LTD.	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Lee, Tsei-Tai )	—	100.00%
	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Nick Wu )	—	—
LIMITED LIABILITY COMPANY A25	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Nikolay Osipov )	—	70.00%
	Director	ASUS EUROPE B.V. ( Representative: Nikolay Osipov )	—	30.00%
ASUS UKRAINE LIMITED LIABILITY COMPANY	Director	ASUS EUROPE B.V. ( Representative: Michael Lukashovich )	—	100.00%
eMES (SHUZHOU) CO., LTD.	Chairman	SHINEWAVE INTERNATIONAL INC. ( Representative: Yu, Jiunn-Hwa* )	—	100.00%
	Director	SHINEWAVE INTERNATIONAL INC. ( Representative: Chou, Shih-Chieh* )	—	—
	Director	SHINEWAVE INTERNATIONAL INC. ( Representative: Chang, Chih-Liang* )	—	—
	Supervisor	SHINEWAVE INTERNATIONAL INC. ( Representative: Chin Wu )	—	—
ASUS CLOUD SINGAPORE PTE. LTD.	Chairman	ASUS CLOUD CORPORATION. ( Representative: Peter Wu )	—	100.00%
	Director	ASUS CLOUD CORPORATION ( Representative: Sung, Lai-Chi* )	—	—
ASUS CLOUD (LUXEMBOURG) S. A R. L.	Director	ASUS CLOUD CORPORATION. ( Representative: Peter Wu )	—	100.00%
ASUS LIFE CORPORATION	Chairman	Shangri-La Information Limited* ( Representative: Janet Huang )	250,000	25.00%
	Director	OmniHealth Group, Inc.	250,000	25.00%
	Director	( Representative: Mingho Huang )		
	Director	ASUS CLOUD CORPORATION ( Representative: Henry Yeh )	500,000	50.00%
	Director	ASUS CLOUD CORPORATION ( Representative: Joe Hsieh )	—	—
	Supervisor	ASUS CLOUD CORPORATION ( Representative: Wjh Chen )	—	—
	Supervisor	Charlene Hsu	—	—

NAME OF CORPORATION	TITLE	NAME OF PERPRESENTATIVE (Note)	SHAREHOLDING	
			SHARES	%
		Li, Liu*	—	—
AAEON ELECTRONICS, INC	The Chairman of BOD General Manager	AAEON TECHNOLOGY INC. (Representative: Chuang, Yung-Shun) Paul Yang	490,000 —	100.00% —
AAEON TECHNOLOGY CO., LTD.	Chairman & General Manager	AAEON TECHNOLOGY INC. (Representative: Chuang, Yung-Shun)	8,807,097	100.00%
AAEON TECHNOLOGY (EUROPE) B. V.	Chairman	AAEON TECHNOLOGY INC. (Representative: Chuang, Yung-Shun)	—	100.00%
AAEON TECHNOLOGY GMBH	Director	AAEON TECHNOLOGY (EUROPE) B.V. (Representative: Chuang, Yung-Shun)	—	100.00%
	Director	AAEON TECHNOLOGY (EUROPE) B.V. (Representative: Li-Kai LAI)	—	—
AAEON INVESTMENT CO., LTD.	Chairman & General Manager	AAEON TECHNOLOGY INC. (Representative: Chuang, Yung-Shun)	15,000,000	100.00%
ONYX HEALTHCARE INC.	Chairman	JUI-HAI INVESTMENT CO., LTD. (Representative: Chuang, Yung-Shun)	203,919	0.67%
	Director	AAEON TECHNOLOGY INC. (Representative: Lin, Chien-Hung)	15,132,074	50.00%
	Director & President	AAEON TECHNOLOGY INC. (Representative: Bob Wang)	—	—
	Director	Lee, Tsu-Der	—	—
	Independent Director	Lee, San-Liang	—	—
	Independent Director	James Chiang	—	—
	Independent Director	Tai, Yi-Hui	—	—
AAEON TECHNOLOGY SINGAPORE PTE. LTD.	Director	AAEON DELEOPMENT INC. (Representative: Chuang, Yung-Shun)	465,840	100.00%
AAEON TECHNOLOGY (SUZHOU) INC.	Chairman	AAEON TECHNOLOGY CO., LTD. (Representative: Chuang, Yung-Shun)	—	100.00%
ONYX HEALTHCARE USA, INC.	Chairman	ONYX HEALTHCARE INC. (Representative: Chuang, Yung-Shun)	200,000	100.00%
ONYX HEALTHCARE EUROPE B. V.	Chairman	ONYX HEALTHCARE INC. (Representative: Chuang, Yung-Shun)	100,000	100.00%
ONYX HEALTHCARE (SHANGHAI) LTD.	Chairman	ONYX HEALTHCARE INC. (Representative: Chuang, Yung-Shun)	—	100.00%
	Director	ONYX HEALTHCARE INC. (Representative: Chinlong Hsu)	—	—
	Director & General Manager	ONYX HEALTHCARE INC. (Representative: Bob Wang)	—	—
	Supervisor	ONYX HEALTHCARE INC. (Representative: Juno Tu)	—	—
IHELPER INC.	Chairman	KINPO ELECTRONICS, INC. (Representative: Chen Wei-Chang *)	1,584,000	44.00%
	Director	KINPO ELECTRONICS, INC. (Representative: Hsiao-Ching-Hua *)	—	—
	Director	ONYX HEALTHCARE INC. (Representative: Chuang, Yung-Shun)	1,656,000	46.00%
	Director & General Manager	ONYX HEALTHCARE INC. (Representative: Bob Wang)	—	—
	Director	Lee, Tsu-Der	—	—
	Supervisor	Chueh, Chih-Yun	—	—
ASKEY INTERNATIONAL CORP.	Director	ASKEY COMPUTER CORP. (Representative: Lin, Cheng-Kuei)	10,000,000	100.00%
DYNALINK INTERNATIONAL CORP.	Director	ASKEY COMPUTER CORP. (Representative: Lin, Cheng-Kuei)	8,160,172	100.00%

NAME OF CORPORATION	TITLE	NAME OF PERPRESENTATIVE (Note)	SHAREHOLDING	
			SHARES	%
MAGIC INTERNATIONAL CO., LTD.	Director	ASKEY COMPUTER CORP. (Representative: Lin, Cheng-Kuei)	114,942,014	100.00%
ASKEY DIGITAL TECHNOLOGY CORP.	Chairman	ASKEY COMPUTER CORP. (Representative: Kao, Chung- Ming)	3,000,000	100.00%
WONDALINK INC.	Chairman	ASKEY COMPUTER CORP. (Representative: Lui, Hon-Man)	9,242,232	100.00%
	Director	ASKEY COMPUTER CORP. (Representative: Chen, Chiu-Hsu)	—	—
	Director	ASKEY COMPUTER CORP. (Representative: Shen, Te-Chih)	—	—
	Supervisor	ASKEY COMPUTER CORP. (Representative: Ou, Ta-Tsou)	—	—
ASKEY (VIETNAM) COMPANY LIMITED	Director	DYNALINK INTERNATIONAL CORP. (Representative: Lin, Cheng-Kuei)	2,883,359	100.00%
WISE ACCESS (HK) LIMITED	Director	DYNALINK INTERNATIONAL CORP. (Representative: Lui, Hon-Man)	1,600,000	100.00%
ASKEYUK CO. LIMITED	Director	ASKEY COMPUTER CORP. (Representative: Ou, Ta-Tsou)	1,000,000	100.00%
SILIGENCE SAS	Director	ASKEY COMPUTER CORP. (Representative: Ou, Ta-Tsou)	3,843,090	79.76%
	Director	WISE ACCESS (HK) LIMITED (Representative: Ou, Ta-Tsou)	780,000	16.19%
MAGICOM INTERNATIONAL CORP.	Director	MAGIC INTERNATIONAL CO., LTD. (Representative: Lin, Cheng-Kuei)	91,030,000	100.00%
ASKEY COMMUNICATION GMBH	Director	MAGIC INTERNATIONAL CO., LTD. (Representative: Ou, Ta-Tsou)	100,000	100.00%
ASKEY DO BRASIL TECNOLOGIA LTDA.	Director	MAGIC INTERNATIONAL CO., LTD. (Representative: Kao, Chung- Ming)	3,699,630	99.99%
	Director	ASKEY COMPUTER CORP. (Representative: Kao, Chung- Ming)	370	0.01%
ASKEY CORPORATION (THAILAND) CO., LTD.	Director	MAGIC INTERNATIONAL CO., LTD. (Representative: Kao, Chung- Ming)	20,000	100.00%
ASKEY JAPAN CO.,LTD.	Director	MAGIC INTERNATIONAL CO., LTD. (Representative: Kao, Chung- Ming)	500,000	100.00%
YANG XU ELECTRONIC TECHNOLOGY (SHANGHAI) LTD.	Chairman	MAGIC INTERNATIONAL CO., LTD. (Representative: Lin, Cheng-Kuei)	—	100.00%
	Supervisor	MAGIC INTERNATIONAL CO., LTD. (Representative: Chin Wu)	—	—
	General Manager	Lui, Hon-Man	—	—
ASKEY TECHNOLOGY (JIANGSU) LTD.	Chairman & General Manager	MAGICOM INTERNATIONAL CORP. (Representative: Lin, Cheng-Kuei)	—	100.00%
	Director	MAGICOM INTERNATIONAL CORP. (Representative: Winnie Liu)	—	—
	Director	MAGICOM INTERNATIONAL CORP. (Representative: Chin Wu)	—	—
	Supervisor	MAGICOM INTERNATIONAL CORP. (Representative: Leif Huang)	—	—

Note 1: The list of directors and general managers of this form is as of March 31, 2021.

Note 2: (\*) Standards for the English transliteration of company's name or individual's name.

2. Summarized Operation Results of Affiliated Enterprises

In thousand NTD / As of Dec 31, 2021

NAME OF CORPORATION	CAPITAL	TOTAL ASSETS	TOTAL LIABILITIES	NET WORTH	NET OPERATING REVENUES	OPERATING INCOME (LOSS)	NET INCOME (LOSS)	EARNING (LOSS) PER SHARE(NTD)
ASUS COMPUTER INTERNATIONAL	13,840	54,233,288	51,305,004	2,928,284	94,215,952	2,278,257	1,650,091	-
ASUS TECHNOLOGY INC.	190,000	7,076,884	6,313,664	763,220	24,150,832	638,966	520,353	27.39
ASUS HOLLAND B. V.	152,215	397,740	72,669	325,071	330,986	15,761	12,595	-
ASUS INTERNATIONAL LIMITED	2,483,728	37,357,818	1,149	37,356,669	-	(1,349)	2,597,679	-
HUA-CHENG VENTURE CAPITAL CORP.	1,145,000	3,120,726	43,104	3,077,622	-	(168)	376,646	3.29
HUA-MIN INVESTMENT CO., LTD.	680,000	1,676,490	18,569	1,657,921	-	(167)	186,378	2.74
JOGECK TECHNOLOGY IMITED	30,000	25,988	1,160	24,828	7,423	(2,486)	(2,395)	(0.80)
ASMEDIA TECHNOLOGY INC	692,181	17,934,809	1,652,192	16,282,617	6,009,012	1,937,712	3,193,148	46.23
ASUS GLOBAL PTE. LTD.	775,040	199,289,177	142,759,051	56,530,126	468,237,668	18,649,532	17,629,540	-
QUANTUM CLOUD INTERNATIONAL PTE. LTD.	22,974	55,656	12,414	43,242	39,470	38,596	32,640	-
PT. ASUS TECHNOLOGY INDONESIA JAKARTA	218,996	6,484,278	6,243,261	241,017	13,050,535	296,994	(179,590)	-
PT. ASUS TECHNOLOGY INDONESIA BATAM	979,698	313,880	207,642	106,238	383,083	11,450	(55,323)	-
JINSHUO CULTURAL DIFFUSION CO., LTD.	642,196	742,763	431,728	311,035	124,245	(101,304)	(97,435)	Note
UNIMAX ELECTRONICS INC.	213,000	322,662	76,892	245,770	854,794	174,067	152,242	7.15
TAIWAN WEB SERVICE CORPORATION	299,000	583,628	431,386	152,242	30,894	(144,247)	(146,758)	(4.91)

NAME OF CORPORATION	CAPITAL	TOTAL ASSETS	TOTAL LIABILITIES	NET WORTH	NET OPERATING REVENUES	OPERATING INCOME (LOSS)	NET INCOME (LOSS)	EARNING (LOSS) PER SHARE(NTD)
ASKEY COMPUTER CORP.	4,800,000	17,323,878	16,598,318	725,560	23,470,694	(1,769,722)	(1,732,472)	(3.61)
ASKEY INTERNATIONAL CORP.	276,800	2,685,748	2,662,921	22,827	5,822,478	52,612	42,198	-
DYNALINK INTERNATIONAL CORP.	225,874	74,095	-	74,095	-	(126)	59	-
MAGIC INTERNATIONAL CO., LTD.	3,181,595	3,158,086	20	3,158,066	-	(136)	56,376	-
ASKEY DIGITAL TECHNOLOGY CORP.	30,000	30,100	-	30,100	-	(48)	35	0.01
WONDALINK INC.	92,422	50,142	1,215	48,927	1,471	20,603	20,334	2.20
ASKEY (VIETNAM) COMPANY LIMITED	158,732	120,549	50,113	70,436	-	-	-	-
WISE ACCESS (HK) LIMITED	37,410	12,193	-	12,193	-	-	148	Note
MAGICOM INTERNATIONAL CORP.	2,519,710	3,205,821	-	3,205,821	-	(320)	21,486	-
ASKEY COMMUNICATION GMBH	3,132	9,515	7,604	1,911	885	(1,182)	(1,182)	-
ASKEY CORPORATION (THAILAND) CO.,LTD.	1,672	4,761	3,668	1,093	2,950	1,890	1,629	-
ASKEYUK CO. LIMITED	37,299	35,081	2,908	32,173	8,318	(5,236)	(5,236)	-
ASKEY JAPAN CO.,LTD.	1,204	5,955	8,231	(2,276)	4,745	692	1,641	-
ASKEY DO BRASIL TECNOLOGIA LTDA.	18,148	5,838	271	5,567	4,352	156	158	-
SILIGENCE SAS	150,902	174,861	99,723	75,138	310,336	653	914	-
YANG XU ELECTRONIC TECHNOLOGY (SHANGHAI) LTD.	83,040	100,393	103,578	(3,185)	228,960	(673)	(1,783)	Note

NAME OF CORPORATION	CAPITAL	TOTAL ASSETS	TOTAL LIABILITIES	NET WORTH	NET OPERATING REVENUES	OPERATING INCOME (LOSS)	NET INCOME (LOSS)	EARNING (LOSS) PER SHARE(NTD)
ASKEY TECHNOLOGY (JIANGSU) LTD.	2,491,200	7,610,832	4,545,429	3,065,403	12,958,114	110,328	21,738	Note
ASUS CLOUD CORPORATION	250,000	115,725	90,243	25,482	140,484	(66,699)	(76,009)	(7.09)
ASUS CLOUD SINGAPORE PTE. LTD.	22,241	1,762	-	1,762	416	(861)	(861)	-
ASUS CLOUD (LUXEMBOURG) S. A R. L.	12,528	3,430	481	2,949	267	160	160	-
ASUS LIFE CORPORATION	10,000	3,320	4,938	(1,618)	6,996	(2,703)	(2,703)	(0.25)
SHINEWAVE INTERNATIONAL INC.	107,250	194,076	45,298	148,778	103,664	(3,594)	1,771	0.17
EMES (SUZHOU) CO., LTD.	10,153	25,814	3,344	22,470	18,136	5,118	5,311	Note
INTERNATIONAL UNITED TECHNOLOGY CO., LTD.	163,515	304,045	124,585	179,460	362,573	5,855	8,127	0.50
AAEON TECHNOLOGY INC.	1,486,185	8,917,113	1,048,355	7,868,758	4,430,500	400,530	468,244	4.22
AAEON ELECTRONICS, INC.	135,632	531,300	291,562	239,738	1,193,856	10,236	25,783	-
AAEON TECHNOLOGY CO., LTD.	243,780	252,169	10	252,159	-	(74)	27,032	-
AAEON TECHNOLOGY (EUROPE) B. V.	3,132	317,703	281,651	36,052	1,026,416	4,200	5,245	-
AAEON INVESTMENT CO., LTD.	150,000	119,460	81	119,379	-	(98)	(5,175)	(0.35)
AAEON TECHNOLOGY SINGAPORE PTE. LTD.	11,936	84,856	30,388	54,468	153,298	8,729	6,990	-
AAEON TECHNOLOGY GMBH	940	33,723	14,679	19,044	35,505	306	811	-
AAEON TECHNOLOGY (SUZHOU) INC.	240,547	364,712	115,022	249,690	678,687	25,464	27,177	Note
ONYX HEALTHCARE INC.	302,612	1,638,314	612,419	1,025,895	935,272	84,598	131,481	4.22

NAME OF CORPORATION	CAPITAL	TOTAL ASSETS	TOTAL LIABILITIES	NET WORTH	NET OPERATING REVENUES	OPERATING INCOME (LOSS)	NET INCOME (LOSS)	EARNING (LOSS) PER SHARE(NTD)
ONYX HEALTHCARE USA, INC.	55,360	245,106	145,239	99,867	545,515	(5,831)	(631)	-
ONYX HEALTHCARE EUROPE B. V.	3,132	26,882	7,851	19,031	62,255	5,110	4,215	-
IHELPER INC.	36,000	18,160	1,733	16,427	3,831	(1,932)	(1,930)	(0.54)
ONYX HEALTHCARE (SHANGHAI) LTD.	63,896	9,855	1,456	8,399	12	(2,584)	(2,588)	Note
CHANNEL PILOT LIMITED	831,313	40,799,742	4,886,195	35,913,547	-	(240)	2,594,502	-
ASUS TECHNOLOGY PTE. LIMITED	1,229,530	38,351,600	110,165	38,241,435	-	(5,494)	180,308	-
ASUS MIDDLE EAST FZCO	80,649	131,072	32,338	98,734	155,843	783	(318)	-
ASUS EGYPT L. L. C.	1	4,059	2,907	1,152	13,950	629	20	-
PT. ASUS SERVICE INDONESIA	28,131	57,159	15,873	41,286	60,753	3,537	4,083	-
ASUS (THAILAND) CO., LTD.	13,375	41,075	16,262	24,813	87,349	4,713	3,999	-
ASUS SERVICE (THAILAND) CO., LTD.	5,016	138,669	131,242	7,427	113,441	5,538	2,620	-
ASUS COMPUTER GMBH	8,007	332,558	164,366	168,192	1,152,659	7,720	12,751	-
ASUS FRANCE SARL	3,320	216,200	154,221	61,979	392,621	14,764	6,726	-
ASUSTEK (UK) LIMITED	1,865	110,189	45,533	64,656	231,099	11,835	8,759	-
ASUS TECHNOLOGY (HONG KONG) LIMITED	1,774	75,025	60,993	14,032	164,481	2,438	296	Note
ASUS KOREA CO., LTD.	18,463	54,757	6,584	48,173	118,964	4,337	4,457	-
ASUS TECHNOLOGY PRIVATE LIMITED	74,681	512,465	195,667	316,798	399,216	32,273	26,861	-
ASUS EUROPE B.V.	274,832	8,605,790	6,912,119	1,693,671	22,640,243	231,444	182,490	-

NAME OF CORPORATION	CAPITAL	TOTAL ASSETS	TOTAL LIABILITIES	NET WORTH	NET OPERATING REVENUES	OPERATING INCOME (LOSS)	NET INCOME (LOSS)	EARNING (LOSS) PER SHARE(NTD)
ASUS TECHNOLOGY (VIETNAM) CO., LTD.	1,572	59,231	29,310	29,921	135,407	8,210	4,914	-
ASUS SPAIN, S.L.U.	940	63,744	15,095	48,649	187,117	8,302	5,887	-
ASUS JAPAN INCORPORATION	49,367	2,402,506	2,017,596	384,910	8,758,497	97,669	66,119	-
ASUS SERVICE AUSTRALIA PTY LIMITED	19,075	122,561	56,693	65,868	116,379	16,082	11,521	-
ASUS AUSTRALIA PTY LIMITED	7,028	87,644	30,440	57,204	195,528	4,435	3,753	-
ASUS ISRAEL (TECHNOLOGY) LTD.	361	19,680	9,049	10,631	91,305	8,300	5,899	-
ASUS COMPUTER COLOMBIA S. A. S.	511	9,747	5,657	4,090	45,810	2,171	1,400	-
ASUSTEK COMPUTERS (PTY) LIMITED	2	14,437	7,124	7,313	44,555	2,089	1,471	-
ASUSTEK COMPUTER MALAYSIA SDN. BHD.	3,315	29,760	8,931	20,829	91,081	3,569	1,980	-
ASUS CHILE SPA	33	8,047	4,507	3,540	33,022	1,583	1,570	-
ASUS PERU S. A. C.	29,290	43,135	13,267	29,868	30,705	894	649	-
ASUS HOLDING MEXICO, S. A. DE C. V.	69,086	2,170,654	1,906,290	264,364	4,296,463	343,537	249,002	-
ACBZ IMPORTACAO E COMERCIO LTDA.	2,695,088	5,405,045	2,356,714	3,048,331	4,211,114	515,340	527,004	-
ASUS INDIA PRIVATE LIMITED	124,256	7,785,307	7,216,534	568,773	12,309,247	316,831	260,029	-
ASUS HUNGARY SERVICES LIMITED LIABILITY COMPANY	1,061	19,169	8,348	10,821	47,928	2,289	1,616	-
ASUS PORTUGAL, SOCIEDADE UNIPessoal LDA.	940	22,581	8,074	14,507	48,495	2,396	1,896	-



NAME OF CORPORATION	CAPITAL	TOTAL ASSETS	TOTAL LIABILITIES	NET WORTH	NET OPERATING REVENUES	OPERATING INCOME (LOSS)	NET INCOME (LOSS)	EARNING (LOSS) PER SHARE(NTD)
ASUS SWITZERLAND GMBH	10,259	24,644	4,802	19,842	73,723	3,511	2,747	-
ASUS NORDIC AB	921	101,183	50,616	50,567	315,002	15,950	11,595	-
ASUS BILGISAYAR SISTEMLERI TICARET LIMITED SIRKETI	106,735	167,741	3,209	164,532	64,779	2,798	56,438	-
ASUS TEKNOLOJI SERVİSLERİ TICARET LIMITED SIRKETİ	184	30,724	24,439	6,285	36,106	4,282	3,799	-
ASUS POLSKA SP. Z O. O.	341	65,275	10,274	55,001	127,417	6,067	4,868	-
ASUSTEK ITALY S. R. L.	1,503	105,738	105,518	220	231,658	8,012	4,034	-
ASUS COMPUTER CZECH REPUBLIC S. R. O.	252	35,237	12,970	22,267	85,609	4,076	2,782	-
ASUS CZECH SERVICE S. R. O.	6,778	163,659	35,987	127,672	410,684	17,730	14,808	-
ASUS PHILIPPINES CORPORATION	5,738	47,544	39,623	7,921	68,473	3,762	1,815	-
QC SERVER AB	153	11,947	55,851	(43,904)	-	(406)	6,887	-
ASUS PROPERTIES (VIETNAM) LTD.	418,922	420,234	76	420,158	-	(4,409)	1,576	-
LIABILITY LIMITED COMPANY A25	4	166,637	161,599	5,037	611,173	11,587	9,465	-
ASUS UKRAINE LIMITED LIABILITY COMPANY	9,739	17,742	6,937	10,805	27,795	1,264	1,085	-
ASUSTEK COMPUTER (SHANGHAI) CO. LTD.	1,331,408	32,608,082	35,617,285	(3,009,203)	81,482,947	637,842	455,541	Note
ASUS COMPUTER (SHANGHAI) CO., LTD.	55,360	110,969	31,668	79,301	168,423	4,454	4,702	Note
ASUS TECHNOLOGY (SUZHOU) CO., LTD.	1,356,320	4,140,283	830,488	3,309,795	2,344,581	153,766	177,435	Note

NAME OF CORPORATION	CAPITAL	TOTAL ASSETS	TOTAL LIABILITIES	NET WORTH	NET OPERATING REVENUES	OPERATING INCOME (LOSS)	NET INCOME (LOSS)	EARNING (LOSS) PER SHARE(NTD)
ASUSTEK COMPUTER (CHONGQING) CO., LTD.	1,909,920	10,240,423	3,730,860	6,509,563	12,689,240	323,775	473,757	Note
ASUS INVESTMENTS (SUZHOU) CO., LTD.	716,886	711,777	651	711,126	-	(2,168)	4,744	Note

Note: It's not applied to company limited.

# ASUSTeK Computer Inc.

## Declaration of Internal Control

Date: March 16, 2021

The internal control system in 2021 conforms to the following declarations made in accordance with the self-inspection conducted:

1. We understand it is the responsibility of the Company's management to have internal control system established, enforced, and maintained. The Company has the internal control system established to provide a reasonable assurance for the realization of operating effect and efficiency (including profits, performance, and assets safety), the reliability of financial report, and the obedience of relevant regulations.
2. Internal control system is designed with limitations; therefore, no matter how perfectly it is designed, an effective internal control system is to ensure the realization of the aforementioned three objectives. Due to the change of environment and condition, the effectiveness of an internal control system could change at any time. Our internal control system is designed with self-monitoring mechanism; therefore, we are able to have corrective actions initiated upon identifying any nonconformity.
3. We have based on the internal control criteria of "Governing Rules for handling internal control system by public offering companies" (referred to as "the Governing Rules" hereinafter) to determine the effectiveness of internal control design and enforcement. The internal control criteria of the "Governing Rules" is the management control process and with the internal control divided into five elements: 1. Environment control, 2. Risk analysis, 3. Control process, 4. Information and communication, and 5. Supervision. Each element is subdivided into several items. Please refer to the "Governing Rules" for the details of the said items.
4. We have based on the aforementioned internal control criteria to inspect the effectiveness of internal control design and enforcement.
5. We believe that our audits provide a reasonable basis for our opinion. On December 31, 2021, those standards require that we plan and perform the audit to obtain reasonable assurance about whether the internal control system (including the supervision and management over the subsidiaries) including the fulfillment of business performance and efficiency, the reliability of financial statements and the obedience of governing regulations, and the design and enforcement of internal control system is free of material misstatement and is able to ensure the realization of the aforementioned objectives.
6. The Declaration of Internal Control is the content of our annual report and prospectus for the information of the public. For any forgery and concealment of the aforementioned information to the public, we will be held responsible by law in accordance with Securities Transaction Regulation No. 20, No. 32, No. 171, and NO. 174.
7. We hereby declared that the Declaration of Internal Control was approved by the Board of Directors on March 16, 2021 unanimously by the directors at the meeting.

ASUSTeK Computer Inc.



Chairman: Jonney Shih

General Manager & Co-CEO: S.Y. Hsu

General Manager & Co-CEO: Samson Hu



## **Independent Auditors' Report**

To the Board of Directors and Shareholders of

ASUSTEK COMPUTER INC.:

### **Opinion**

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

In our opinion, based on our audits and the reports of the other independent auditors, as described in the Other matter section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2021 and 2020 in accordance with the Regulations Governing the Preparations of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

### **Basis for opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Independent 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. Based on our audits and the reports of the other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key audit matters**

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

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

### **Evaluation of inventories**

#### Description

Refer to Note 4(14) for the accounting policies on the evaluation of inventories, Note 5 for the uncertainty of accounting estimations and assumptions for evaluation of inventories, and Note 6(8) for the details of inventory valuation.

The Group is primarily engaged in the design, R&D, and sales of 3C products. Due to the rapid technological innovations and competition within the industry, frequent releases of new products result in potential price fluctuations and product marginalization in the market. Additionally, it also affects the estimation of net realizable values of inventories.

In response to changing markets and its development strategies, the Group adjusts its inventory levels. The Group's primary product line is notebook computer. As a result, the related inventory levels for the product line as mentioned above are significant. Management evaluates inventories stated at the lower of cost and net realizable value. Since the evaluation of inventories is subject to management's judgment and the accounting estimations will have significant influence on the inventory values, the evaluation of inventories has been identified as one of the key audit matters.

#### How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Assessed the policy on allowance for inventory valuation loss based on our understanding of the Group's operations and industry.

2. Inspected the management's individually identified out-of-date inventory list and checked the related supporting documents.
3. Tested the basis of market value used in calculating the net realizable value of inventory and validated the accuracy of net realizable value calculation of selected samples.

### **Refund liabilities - sales returns and discounts**

#### Description

Refer to Note 4(33) for the accounting policies on estimations for sales returns and discounts, Note 5 for the uncertainty of accounting estimations and assumptions for refund liabilities - sales returns and discounts, and Note 6(18) for the details of refund liabilities - sales returns and discounts. As of December 31, 2021, refund liabilities - sales returns and discounts amounted to \$32,142,958 thousand.

The Group periodically estimates refund liabilities - sales returns and discounts based on each product line's actual sales returns and discounts, and considers if there are special factors which will affect the original estimations. Since the refund liabilities - sales returns and discounts is subject to management's judgment and the market of 3C products changes rapidly, management's use of historical experience to accrue for future sales returns and discounts will cause uncertainty of accounting estimations. Thus, provision for sales returns and discounts has been identified as one of the key audit matters.

#### How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Assessed the reasonableness of policies used in estimating refund liabilities - sales returns and discounts, taking into consideration actual sales returns and discounts. Performed sample testing to verify that accrual rates have been approved appropriately.
2. Selected samples and tested the calculation logic used in the refund liabilities - sales returns and discounts statements, including accrual and reversal statements of refund liabilities - sales returns and discounts.
3. Selected samples and confirmed whether accrual amounts based on the accrual statements of refund liabilities - sales returns and discounts have been properly recognized in the financial statements.
4. Selected samples and confirmed whether the reversal amounts based on the reversal statements of refund liabilities - sales returns and discounts have been properly recognized in the financial statements and checked against the original vouchers.

**Other matter – Reference to the audits of other independent auditors**

We did not audit the financial statements of certain consolidated subsidiaries and investments accounted for under the equity method, which statements reflect total assets of \$11,763,530 thousand and \$9,600,499 thousand (including investments accounted for under the equity method amounting to \$5,831,243 thousand and \$4,194,107 thousand), constituting 2.33% and 2.42% of consolidated total assets as of December 31, 2021 and 2020, respectively, total operating revenues of \$5,115,399 thousand and \$3,769,646 thousand, constituting 0.96% and 0.91% of consolidated operating revenues for the years ended December 31, 2021 and 2020, respectively, and the share of profit and other comprehensive income of associates and joint ventures accounted for under the equity method of \$246,123 thousand and \$59,173 thousand, constituting 0.47% and 0.17% of consolidated comprehensive income for the years ended December 31, 2021 and 2020, respectively. The financial statements of these investee companies were audited by other independent auditors whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements and information disclosed relative to these consolidated subsidiaries and investments accounted for under the equity method, is based solely on the reports of other independent auditors.

**Other matter – Parent company only financial reports**

We have audited and expressed an unmodified opinion with an Other matter section on the parent company only financial statements of ASUSTEK COMPUTER INC. as of and for the years ended December 31, 2021 and 2020.

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

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

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

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

### **Independent 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 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 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 period 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 auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

  
Chou, Chien-Hung  
Lin, Chun-Yao

For and on behalf of PricewaterhouseCoopers, Taiwan

March 16, 2022

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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 consolidated financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the consolidated 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.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS	NOTES	DECEMBER 31, 2021		DECEMBER 31, 2020	
		AMOUNT	%	AMOUNT	%
<u>Current assets</u>					
Cash and cash equivalents	6(1)	\$ 67,812,243	13	\$ 56,779,464	15
Financial assets at fair value through profit or loss - current	6(2)	4,250,964	1	19,979,703	5
Financial assets at fair value through other comprehensive income - current	6(3)	1,630,993	-	1,284,648	
Financial assets at amortized cost - current	6(4)	125,500	-	151,500	-
Derivative financial assets for hedging - current	6(5)	494,819	-	14,234	-
Notes receivable	6(6)	4,158,773	1	4,257,331	1
Trade receivables	6(6)(7) and 7	89,083,799	18	71,845,003	18
Other receivables	7	4,641,494	1	496,974	-
Inventories	6(8)	167,315,529	33	97,309,753	25
Prepayments		8,849,060	2	8,188,781	2
Other current assets	8	341,868	-	277,339	-
Total current assets		348,705,042	69	260,584,730	66
<u>Non-current assets</u>					
Financial assets at fair value through profit or loss - non-current	6(2)	2,884,568	1	112,748	-
Financial assets at fair value through other comprehensive income - non-current	6(3)	74,021,463	15	70,834,757	18
Financial assets at amortized cost - non-current	6(4)	8,229,919	2	4,163,816	1
Investments accounted for under equity method	6(9)	19,891,181	4	16,467,905	4
Property, plant and equipment	6(10) and 8	19,420,631	4	21,022,891	5
Right-of-use assets	6(11)	1,721,804	-	1,240,450	-
Investment property		7,799,167	1	7,269,510	2
Intangible assets	6(12)	2,189,762	-	2,182,446	1
Deferred income tax assets	6(28)	16,243,901	3	11,268,531	3
Other non-current assets	8	3,045,376	1	1,366,932	-
Total non-current assets		155,447,772	31	135,929,986	34
<u>TOTAL ASSETS</u>		\$ 504,152,814	100	\$ 396,514,716	100

(Continued)

**ASUSTEK COMPUTER INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2021 AND 2020**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

LIABILITIES AND EQUITY	NOTES	DECEMBER 31, 2021		DECEMBER 31, 2020	
		AMOUNT	%	AMOUNT	%
<u>Current liabilities</u>					
Short-term borrowings	6(14)(31)	\$ 9,396,555	2	\$ 5,875,775	2
Financial liabilities at fair value through profit or loss - current	6(2)	232,687	-	938,214	-
Derivative financial liabilities for hedging - current	6(5)	58,036	-	823,640	-
Contract liabilities - current	6(23)	3,061,577	1	1,125,325	1
Notes and trade payables	6(7) and 7	95,730,026	19	55,470,313	14
Other payables - accrued expenses	7	49,274,621	10	40,898,928	10
Current income tax liabilities		15,306,153	3	8,996,550	2
Provisions for liabilities - current	6(17) and 9	27,106,864	5	22,633,219	6
Lease liabilities - current	6(31)	495,956	-	398,576	-
Current portion of long-term borrowings	6(15)(31)	10,744	-	-	-
Refund liabilities - current	6(18)	32,142,958	6	24,436,364	6
Other current liabilities	7	5,366,333	1	4,575,103	1
Total current liabilities		238,182,510	47	166,172,007	42
<u>Non-current liabilities</u>					
Long-term borrowings	6(15)(31)	155,043	-	-	-
Deferred income tax liabilities	6(28)	17,348,101	4	14,456,769	4
Lease liabilities - non-current	6(31)	956,286	-	547,577	-
Other non-current liabilities	6(16)(23)	1,074,408	-	696,812	-
Total non-current liabilities		19,533,838	4	15,701,158	4
Total liabilities		257,716,348	51	181,873,165	46
<u>Equity attributable to shareholders of the parent</u>					
Share capital - common shares	6(19)	7,427,603	1	7,427,603	2
Capital surplus	6(20)	9,839,911	2	9,784,103	3
Retained earnings	6(21)				
Legal reserve		39,274,878	8	36,620,905	9
Special reserve		693,928	-	693,928	-
Unappropriated retained earnings		135,085,474	27	110,029,647	28
Other equity	6(3)(5)(22)	40,009,424	8	37,208,330	9
Total equity attributable to shareholders of the parent		232,331,218	46	201,764,516	51
Non-controlling interest		14,105,248	3	12,877,035	3
Total equity		246,436,466	49	214,641,551	54
<u>TOTAL LIABILITIES AND EQUITY</u>		\$ 504,152,814	100	\$ 396,514,716	100

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

**ASUSTEK COMPUTER INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE IN NEW TAIWAN DOLLARS)

ITEMS	NOTES	YEARS ENDED DECEMBER 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
Operating revenue	6(23) and 7	\$ 535,238,735	100	\$ 412,780,439	100
Operating costs	6(8)(10)(11)(12)(16) (26)(27) and 7	( 424,922,806 )	( 80 )	( 339,554,721 )	( 82 )
Gross profit before realized		110,315,929	20	73,225,718	18
Unrealized profit from sales		( 10,454 )	-	( 15,545 )	-
Gross profit		110,305,475	20	73,210,173	18
Operating expenses	6(10)(11)(12)(16)(26) (27), 7 and 9	( 60,979,873 )	( 11 )	( 48,253,110 )	( 12 )
Selling expenses		( 32,300,929 )	( 6 )	( 23,815,792 )	( 6 )
General and administrative expenses		( 8,590,172 )	( 1 )	( 7,562,320 )	( 2 )
Research and development expenses		( 20,088,772 )	( 4 )	( 16,874,998 )	( 4 )
Total operating expenses		( 60,979,873 )	( 11 )	( 48,253,110 )	( 12 )
Operating profit		49,325,602	9	24,957,063	6
Non-operating income and expenses					
Interest income	6(4)	527,999	-	639,852	-
Other income	6(3)(24)	3,033,587	1	3,023,137	1
Other gains (losses)	6(2)(4)(5)(10)(11) (25)	4,116,701	1	4,019,102	1
Finance costs	6(11)	( 171,037 )	-	( 166,409 )	-
Share of profit (loss) of associates and joint ventures accounted for under equity method	6(9)	2,255,878	-	647,293	-
Total non-operating income and expenses		9,763,128	2	8,162,975	2
Profit before income tax		59,088,730	11	33,120,038	8
Income tax expenses	6(28)	( 12,483,328 )	( 2 )	( 7,317,181 )	( 2 )
Profit from continuing operations for the year		46,605,402	9	25,802,857	6
Profit from discontinued operations for the year	6(13)	-	-	2,584,021	1
Profit for the year		\$ 46,605,402	9	\$ 28,386,878	7
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Profit (loss) on remeasurements of defined benefit plans	6(22)	\$ 17,872	-	( \$ 25,556 )	-
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(22)	6,371,861	1	8,671,271	2
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	6(9)(22)	515,549	-	1,770,567	-
Income tax relating to items that will not be reclassified to profit or loss	6(22)(28)	( 11,986 )	-	( 21,171 )	-
Items that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations	6(22)	( 2,913,889 )	-	( 4,372,649 )	( 1 )
Gains (losses) on hedging instrument	6(5)(22)	1,246,189	-	503,550	-
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	6(9)(22)	( 248,842 )	-	( 341,112 )	-
Income tax relating to items that will be reclassified to profit or loss	6(22)(28)	578,866	-	877,776	-
Other comprehensive income (loss) for the year		\$ 5,555,620	1	\$ 6,055,576	1
Total comprehensive income for the year		\$ 52,161,022	10	\$ 34,442,454	8
Profit attributable to:					
Shareholders of the parent		\$ 44,549,798	8	\$ 26,557,672	6
Non-controlling interest		2,055,604	1	1,829,206	1
		\$ 46,605,402	9	\$ 28,386,878	7
Total comprehensive income attributable to:					
Shareholders of the parent		\$ 49,822,661	10	\$ 31,833,959	7
Non-controlling interest		2,338,361	-	2,608,495	1
		\$ 52,161,022	10	\$ 34,442,454	8
Basic earnings per share:	6(29)				
Profit from continuing operations		\$ 59.98		\$ 32.28	
Profit from discontinued operations		-		3.48	
Basic earnings per share		\$ 59.98		\$ 35.76	
Diluted earnings per share:	6(29)				
Profit from continuing operations		\$ 59.21		\$ 31.91	
Profit from discontinued operations		-		3.44	
Diluted earnings per share		\$ 59.21		\$ 35.35	

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

Year ended December 31, 2021	
Balance at January 1, 2021	
Appropriations of 2020 earnings (Note 6(21))	
Legal reserve	
Cash dividends	
Profit for the year	
Other comprehensive income (loss) for the year	
Change in associates and joint ventures accounted for under equity method	
Recognition of changes in ownership interest in subsidiaries	
Non-controlling interest	
Disposal of financial assets at fair value through other comprehensive income	
Balance at December 31, 2021	
Year ended December 31, 2020	
Balance at January 1, 2020	
Appropriations of 2019 earnings (Note 6(21))	
Legal reserve	
Cash dividends	
Profit for the year	
Other comprehensive income (loss) for the year	
Change in associates and joint ventures accounted for under equity method	
Recognition of changes in ownership interest in subsidiaries (Note 6(10))	
Non-controlling interest	
Disposal of financial assets at fair value through other comprehensive income	
Balance at December 31, 2020	

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	YEARS ENDED DECEMBER 31	
	2021	2020
<u>Cash flows from operating activities</u>		
Profit before income tax from continuing operations for the year	\$ 59,088,730	\$ 33,120,038
Profit before income tax from discontinued operations for the year	-	2,982,224
Profit before income tax from continuing and discontinued operations for the year	59,088,730	36,102,262
Income and expenses that result in non-cash flows		
Depreciation (including investment property and right-of-use assets)	3,159,301	2,885,997
Amortization	428,598	517,792
Expected credit impairment losses (gains)	318,935 (	324,286 )
Net losses (gains) on financial assets or liability at fair value through profit or loss	( 1,226,994 )	2,246,700
Share of profit of associates and joint ventures accounted for under equity method	( 2,255,878 )	( 647,293 )
Impairment loss on non-financial assets	577,492	21,122
Bargain purchase gain	-	( 378,940 )
Interest income	( 527,999 )	( 639,853 )
Dividend income	( 2,880,703 )	( 2,879,397 )
Interest expense	171,037	166,409
Others	( 79,824 )	273,729
Changes in assets / liabilities relating to operating activities		
Financial assets at fair value through profit or loss	11,153,471 (	12,706,369 )
Notes receivable	99,246	919,486
Trade receivables	( 17,530,558 )	( 6,010,480 )
Other receivables	( 122,011 )	130,618
Inventories	( 70,005,776 )	( 22,821,053 )
Prepayments	( 2,612,567 )	204,736
Other current assets	( 64,529 )	( 20,774 )
Financial liabilities at fair value through profit or loss	( 1,731,153 )	( 3,341,674 )
Contract liabilities	2,321,803	175,204
Notes and trade payables	40,259,713 (	3,625,944 )
Other payables - accrued expenses	8,000,042	5,662,290
Provisions for liabilities	4,473,645	880,227
Refund liabilities	7,706,594	3,606,036
Other current liabilities	967,670 (	138,743 )
Other operating liabilities	( 72,353 )	( 11,249 )
Receipt of interest	579,693	652,199
Payment of interest	( 181,129 )	( 188,727 )
Payment of income tax	( 7,323,353 )	( 2,803,612 )
Net cash flows provided by (used in) operating activities	32,691,143 (	2,093,587 )
<u>Cash flows from investing activities</u>		
Acquisition of financial assets at fair value through other comprehensive income	( 30,000 )	( 529,765 )
Disposal of financial assets at fair value through other comprehensive income	2,755,506	27,158
Acquisition of financial assets at amortized cost	( 4,899,741 )	( 4,414,553 )
Disposal of financial assets at amortized cost	563,902	-
Acquisition of investments accounted for under equity method	( 1,542,543 )	( 162,981 )
Acquisition of property, plant and equipment	( 2,178,141 )	( 2,565,786 )
Acquisition of intangible assets	( 219,335 )	( 449,989 )
Decrease in refundable deposits	198,787	70,286
Changes in other non-current assets	( 123,476 )	( 11,357 )
Dividends received	3,651,134	3,425,477
Others	40,275	24,880
Net cash flows provided by (used in) investing activities	( 1,783,632 )	( 4,586,630 )
<u>Cash flows from financing activities</u>		
Increase in short-term borrowings	3,565,288	285,489
Increase in long-term borrowings	172,000	-
Decrease in long-term borrowings	( 6,213 )	-
Payment of cash dividends	( 19,311,767 )	( 10,398,644 )
Redemption of lease liabilities	( 560,238 )	( 517,210 )
Change in non-controlling interest	( 1,230,664 )	( 786,931 )
Others	3,864	68,995
Net cash flows provided by (used in) financing activities	( 17,367,730 )	( 11,348,301 )
Effects due to changes in exchange rate	( 2,507,002 )	( 4,275,394 )
Increase (decrease) in cash and cash equivalents	11,032,779 (	22,303,912 )
Cash and cash equivalents at beginning of year	56,779,464	79,083,376
Cash and cash equivalents at end of year	\$ 67,812,243	\$ 56,779,464

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

**ASUSTEK COMPUTER INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,  
 EXCEPT AS OTHERWISE INDICATED)

**1. HISTORY AND ORGANIZATION**

- (1) ASUSTEK COMPUTER INC. (ASUS or the Company) was established in the Republic of China (R.O.C.). The Company is primarily engaged in the design, R&D and sales of 3C products (including PCs, main boards, other boards and cards, smart phones and other handheld devices, etc.).
- (2) The Company resolved to spin-off its OEM businesses on January 1, 2008. Pursuant to the Company's resolution, the Company transferred its computer OEM, design and manufacture of computer cases and molds and non-computer OEM businesses to its spun-off subsidiaries, PEGATRON CORPORATION (PEGA) and UNIHAN CORPORATION, respectively. On June 1, 2010, however, the Company transferred further its OEM assets and business (the Company's investments accounted for under equity method in PEGA) to the Company's another investee, PEGATRON INTERNATIONAL INVESTMENT CO. LTD. (PII). PII issued new shares to the Company and its shareholders as consideration. On April 29, 2013, the Company disposed the partial shares of PEGA and reduced the ownership percentage to less than 20%.

**2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION**

These consolidated financial statements were authorized for issuance by the Board of Directors and issued on March 16, 2022.

**3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS**

- (1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRSs") as endorsed by the Financial Supervisory Commission ("FSC")

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, "Extension of the temporary exemption from applying IFRS 9"	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, "Interest Rate Benchmark Reform - Phase 2"	January 1, 2021
Amendment to IFRS 16, "Covid-19-related rent concessions beyond June 30, 2021"	April 1, 2021 (Note)



Note: Earlier application from January 1, 2021 is allowed by the FSC.

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, "Reference to the conceptual framework"	January 1, 2022
Amendments to IAS 16, "Property, plant and equipment: proceeds before intended use"	January 1, 2022
Amendments to IAS 37, "Onerous contracts - cost of fulfilling a contract"	January 1, 2022
Annual improvements to IFRS Standards 2018 - 2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRSs issued by International Accounting Standards Board but not yet endorsed by the FSC

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, "Sale or contribution of assets between an investor and its associate or joint venture"	To be determined by International Accounting Standards Board
IFRS 17, "Insurance contracts"	January 1, 2023
Amendments to IFRS 17, "Insurance contracts"	January 1, 2023
Amendments to IFRS 17, "Initial application of IFRS 17 and IFRS 9 - comparative information"	January 1, 2023
Amendments to IAS 1, "Classification of liabilities as current or non-current"	January 1, 2023
Amendments to IAS 1, "Disclosure of accounting policies"	January 1, 2023
Amendments to IAS 8, "Definition of accounting estimates"	January 1, 2023
Amendments to IAS 12, "Deferred tax related to assets and liabilities arising from a single transaction"	January 1, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### **(1) Compliance statement**

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, IFRSs, International Accounting Standards (IASs), International Financial Reporting Interpretations Committee and SICs as endorsed by the FSC.

##### **(2) Basis of preparation**

A. Except for the following significant items, these consolidated financial statements have been prepared under the historical cost convention:

- (A) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (B) Financial assets at fair value through other comprehensive income.
- (C) Defined benefit liabilities recognized at the net amount of pension fund assets less present value of defined benefit obligation.

B. The critical accounting estimates and assumptions used in preparation of financial statements and the critical judgements in applying the Group's accounting policies are disclosed in Note 5.

##### **(3) Basis of consolidation**

A. Basis for preparation of consolidated financial statements

- (A) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (B) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (C) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests.
- (D) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference

between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

- (E) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Main business activities	Ownership (%)		Remark
			December 31, 2021	December 31, 2020	
ASUS	ASUS COMPUTER INTERNATIONAL (ACI)	Selling of 3C products in North America	100.00	100.00	
ASUS	ASUS TECHNOLOGY INCORPORATION (ASUTC)	Selling of 3C products in Taiwan	100.00	100.00	
ASUS	ASUS HOLLAND B. V. (ACH)	Repairing of 3C products	100.00	100.00	
ASUS	ASUS INTERNATIONAL LIMITED (AIL)	Investing in 3C and computer peripheral business	100.00	100.00	
ASUS	ASUS GLOBAL PTE. LTD. (ASGL)	Selling of 3C products	100.00	100.00	
ASUS	ASUS CLOUD CORPORATION (ASUSCLOUD)	Selling and consulting of internet service	94.58	94.58	
ASUS	ASKEY COMPUTER CORP. (ASKEY)	Designing, manufacturing, repairing and selling of communication products and computer peripheral spare parts	100.00	100.00	
ASUS	HUA-CHENG VENTURE CAPITAL CORP. (HCVC)	Investing in computer peripheral business	100.00	100.00	
ASUS	HUA-MIN INVESTMENT CO., LTD. (HMI)	Investing in computer peripheral business	100.00	100.00	
ASUS	QUANTUM CLOUD INTERNATIONAL PTE. LTD. (QCI)	Servicing of information technology	100.00	100.00	
ASUS	JINSHUO CULTURAL DIFFUSION CO., LTD. (JSCD)	Participating and promoting of professional eSports	100.00	100.00	
ASUS	UNIMAX ELECTRONICS INCORPORATION (UEI)	Manufacturing and selling of automotive electronics and computer peripherals	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%)		Remark
			December 31, 2021	December 31, 2020	
ASUS	TAIWAN WEB SERVICE CORPORATION (TWS)	Servicing of AI computing	100.00	-	
ASUS and HCVC	SHINEWAVE INTERNATIONAL INC. (SWI)	Researching, developing, selling and consulting of information system software	51.00	51.00	
ASUS and HCVC	INTERNATIONAL UNITED TECHNOLOGY CO., LTD. (TAIWAN) (IUT)	Researching, developing, manufacturing and selling of ink-jet print heads and ink-jet digital image output technology	69.25	69.25	
ASUS and HCVC	PT. ASUS TECHNOLOGY INDONESIA BATAM (ACBT)	Selling of 3C products in Indonesia	100.00	100.00	
ASUS and HCVC	PT. ASUS TECHNOLOGY INDONESIA JAKARTA (ACJK)	Selling of 3C products in Indonesia	100.00	100.00	
ASUS, HCVC and HMI	ASMEDIA TECHNOLOGY INC. (ASMEDIA)	Designing, researching, developing and manufacturing of high-speed analog circuit	45.99	46.03	
ASUS, HCVC and HMI	AAEON TECHNOLOGY INC. (AAEON)	Manufacturing and selling of industrial computers and computer peripherals	40.69	40.73	
ASUS, HMI and AAEON	ONYX HEALTHCARE INC. (ONYX)	Designing, manufacturing and selling of medical computers	56.80	56.80	Note
HMI GROUP	JOGEER TECHNOLOGY LIMITED (JOGEER)	Selling and repairing of information software and electronic information materials	100.00	100.00	
SWI GROUP	EMES (SUZHOU) CO., LTD. (EMES)	Selling and consulting of information system software	100.00	100.00	
ASKEY GROUP	ASKEY INTERNATIONAL CORP. (ASKEYI)	Selling and servicing of communication products	100.00	100.00	
ASKEY GROUP	DYNALINK INTERNATIONAL CORP. (DIC)	Investing in communication business	100.00	100.00	
ASKEY GROUP	MAGIC INTERNATIONAL CO., LTD. (MIC)	Investing in communication business	100.00	100.00	
ASKEY GROUP	ASKEY (VIETNAM) COMPANY LIMITED (ASKEYVN)	Manufacturing and selling of communication products	100.00	100.00	
ASKEY GROUP	MAGICOM INTERNATIONAL CORP. (MAGICOM)	Investing in communication business	100.00	100.00	
ASKEY GROUP	YANG XU ELECTRONIC TECHNOLOGY (SHANGHAI) LTD. (ASKEYSH)	Researching, developing and selling of communication products	100.00	100.00	
ASKEY GROUP	LEADING PROFIT CO., LTD. (LP)	Selling of communication products and peripherals	-	100.00	
ASKEY GROUP	UNI LEADER INTERNATIONAL LTD. (UNI)	Selling of communication products and peripherals	-	100.00	

Investor	Subsidiary	Main business activities	Ownership (%)		Remark
			December 31, 2021	December 31, 2020	
ASKEY GROUP	ASKEY TECHNOLOGY (JIANGSU) LTD. (ASKEYJS)	Manufacturing and selling of communication products	100.00	100.00	
ASKEY GROUP	WISE ACCESS (HK) LIMITED (WISE)	Investing in communication business	100.00	100.00	
ASKEY GROUP	SILIGENCE SAS (SILIGENCE)	Selling and servicing of communication products	95.95	95.95	
ASKEY GROUP	ASKEY COMMUNICATION GMBH (ASKEYCG)	Selling and servicing of communication products	100.00	100.00	
ASKEY GROUP	ASKEY DO BRASIL TECNOLOGIA LTDA. (ASKEYBR)	Selling and servicing of communication products	100.00	100.00	
ASKEY GROUP	ASKEY CORPORATION (THAILAND) CO., LTD. (ASKEYTH)	Selling and servicing of communication products	100.00	100.00	
ASKEY GROUP	ASKEY JAPAN CO., LTD. (ASKEYJP)	Selling and servicing of communication products	100.00	100.00	
ASKEY GROUP	ASKEY DIGITAL TECHNOLOGY CORP. (ASKEYDT)	Selling and servicing of communication products	100.00	100.00	
ASKEY GROUP	WONDALINK INC. (WONDA)	Manufacturing and designing of wired and wireless communication, electronic parts products, etc.	100.00	100.00	
ASKEY GROUP	ASKEYUK CO. LIMITED (ASKEYUK)	Selling and servicing of communication products	100.00	100.00	
AAEON GROUP	AAEON ELECTRONICS, INC. (AAEONEI)	Selling of industrial computers and computer peripherals	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY CO., LTD. (AAEONTCL)	Investing in industrial computers and interface cards business	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY (EUROPE) B. V. (AAEONEU)	Selling of industrial computers and computer peripherals	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY GMBH (AAEONG)	Selling of industrial computers and computer peripherals	100.00	100.00	
AAEON GROUP	AAEON INVESTMENT CO., LTD. (AAEONI)	Investing in industrial computers and computer peripherals business	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY SINGAPORE PTE. LTD. (AAEONSG)	Selling of industrial computers and computer peripherals	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY (SUZHOU) INC. (AAEONSZ)	Manufacturing and selling of industrial computers and interface cards	100.00	100.00	
ONYX GROUP	ONYX HEALTHCARE USA, INC. (ONYXHU)	Selling of medical computers and peripherals	100.00	100.00	
ONYX GROUP	ONYX HEALTHCARE EUROPE B. V. (ONYXHE)	Marketing support and repairing of medical computers and peripherals	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%)		Remark
			December 31, 2021	December 31, 2020	
ONYX GROUP	ONYX HEALTHCARE (SHANGHAI) LTD. (ONYXSH)	Selling of medical computers and peripherals	100.00	100.00	
ONYX GROUP	IHELPER INC. (IHELPER)	Researching, developing and selling of medical robots	46.00	46.00	
ASUSCLOUD GROUP	ASUS CLOUD SINGAPORE PTE. LTD. (ASUSCLOUDSG)	Investing in internet service business	100.00	100.00	
ASUSCLOUD GROUP	ASUS LIFE CORPORATION (ASUSLC)	Selling of internet information service	50.00	50.00	
ASUSCLOUD GROUP	ASUS CLOUD (LUXEMBOURG) S. A R. L. (ASUSCLOUDLB)	Providing maintenance and operating service for information hardware	100.00	100.00	
AIL GROUP	CHANNEL PILOT LIMITED (CHANNEL)	Investing in 3C business	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY PTE. LIMITED (ASTP)	Investing in 3C business	100.00	100.00	
AIL GROUP	ASUS MIDDLE EAST FZCO (ACAE)	Providing support and repair for 3C products in Middle East	100.00	100.00	
AIL GROUP	ASUS EGYPT L. L. C. (ACEG)	Providing support for 3C products in Egypt	100.00	100.00	
AIL GROUP	ASUS COMPUTER GMBH (ACG)	Selling and providing support for 3C products in Germany	100.00	100.00	
AIL GROUP	ASUS FRANCE SARL (ACF)	Providing support for 3C products in France	100.00	100.00	
AIL GROUP	ASUSTEK (UK) LIMITED (ACUK)	Providing support for 3C products in United Kingdom	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY (HONG KONG) LIMITED (ACHK)	Providing support and repair for 3C products in Hong Kong	100.00	100.00	
AIL GROUP	ASUS KOREA CO., LTD. (ACKR)	Providing support and repair for 3C products in South Korea	100.00	100.00	
AIL GROUP	ASUS POLSKA SP. Z O. O. (ACPL)	Providing support for 3C products in Poland	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY PRIVATE LIMITED (ACIN)	Providing support and repair for 3C products in India	100.00	100.00	
AIL GROUP	ASUS EUROPE B.V. (ACNL)	Selling of 3C products	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY (VIETNAM) CO., LTD. (ACVN)	Providing support and repair for 3C products in Vietnam	100.00	100.00	
AIL GROUP	ASUSTEK ITALY S. R. L. (ACIT)	Providing support for 3C products in Italy	100.00	100.00	
AIL GROUP	ASUS SPAIN, S. L. U. (ACIB)	Providing support for 3C products in Spain	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY (SUZHOU) CO., LTD. (ACSZ)	Researching and developing of 3C products	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%)		Remark
			December 31, 2021	December 31, 2020	
AIL GROUP	ASUS JAPAN INCORPORATION (ACJP)	Selling of 3C products in Japan	100.00	100.00	
AIL GROUP	ASUS COMPUTER CZECH REPUBLIC S. R. O. (ACCZ)	Providing support for 3C products in Czech Republic	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTER (SHANGHAI) CO., LTD. (ACSH)	Selling of 3C products in China	100.00	100.00	
AIL GROUP	ASUS SERVICE AUSTRALIA PTY LIMITED (ASAU)	Repairing of 3C products in Australia	100.00	100.00	
AIL GROUP	ASUS AUSTRALIA PTY LIMITED (ACAU)	Providing support for 3C products in Australia	100.00	100.00	
AIL GROUP	ACBZ IMPORTACAO E COMERCIO LTDA. (ACBZ)	Selling of 3C products in Brazil	100.00	100.00	
AIL GROUP	ASUS INDIA PRIVATE LIMITED (ASIN)	Selling of 3C products in India	100.00	100.00	
AIL GROUP	ASUS ISRAEL (TECHNOLOGY) LTD. (ACIL)	Providing support for 3C products in Israel	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTER (CHONGQING) CO., LTD. (ACCQ)	Selling of 3C products in China	100.00	100.00	
AIL GROUP	ASUS PERU S. A. C. (ACPE)	Providing support for 3C products in Peru	100.00	100.00	
AIL GROUP	PT. ASUS SERVICE INDONESIA (ASID)	Repairing of 3C products in Asia-pacific and America	100.00	100.00	
AIL GROUP	ASUS HOLDING MEXICO, S. A. DE C. V. (ACMH)	Selling of 3C products in Mexico	100.00	100.00	
AIL GROUP	ASUS MEXICO, S. A. DE C. V. (ACMX)	Providing support for 3C products in Mexico	-	100.00	
AIL GROUP	ASUS PORTUGAL, SOCIEDADE UNIPessoal LDA. (ACPT)	Providing support for 3C products in Portugal	100.00	100.00	
AIL GROUP	ASUS HUNGARY SERVICES LIMITED LIABILITY COMPANY (ACHU)	Providing support for 3C products in Hungary	100.00	100.00	
AIL GROUP	ASUS SWITZERLAND GMBH (ACCH)	Providing support for 3C products in Switzerland	100.00	100.00	
AIL GROUP	ASUS NORDIC AB (ACN)	Providing support for 3C products in North Europe	100.00	100.00	
AIL GROUP	ASUS COMPUTER COLOMBIA S. A. S. (ACCO)	Providing support for 3C products in Colombia	100.00	100.00	
AIL GROUP	ASUS (THAILAND) CO., LTD. (ACTH)	Providing support for 3C products in Thailand	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTERS (PTY) LIMITED (ACZA)	Providing support and repair for 3C products in Africa	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTER MALAYSIA SDN. BHD. (ACMY)	Providing support and repair for 3C products in Malaysia	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%)		Remark
			December 31, 2021	December 31, 2020	
AIL GROUP	ASUS BILGISAYAR SISTEMLERI TICARET LIMITED SIRKETI (ACTR)	Providing support and repair for 3C products in Turkey	100.00	100.00	
AIL GROUP	ASUS CHILE SPA (ACCL)	Providing support for 3C products in Chile	100.00	100.00	
AIL GROUP	ASUS TEKNOLOJI SERVISLERI TICARET LIMITED SIRKETI (ASTR)	Repairing of 3C products in Turkey	100.00	100.00	
AIL GROUP	ASUS SERVICE (THAILAND) CO., LTD. (ASTH)	Repairing of 3C products in Thailand	100.00	100.00	
AIL GROUP	ASUS PHILIPPINES CORPORATION (ASPH)	Providing support and repair for 3C products in Philippines	100.00	100.00	
AIL GROUP	QC SERVER AB (QCS)	Servicing of information technology	100.00	100.00	
AIL GROUP	ASUS COMPUTER (SHANGHAI) CO., LTD. (ACS)	Repairing of 3C products	100.00	100.00	
AIL GROUP	ASUS INVESTMENTS (SUZHOU) CO., LTD. (ACISZ)	Leasing real estate	100.00	100.00	
AIL GROUP	ASUS CZECH SERVICE S. R. O. (ACCZS)	Repairing of 3C products in Europe	100.00	100.00	
AIL GROUP	ASUS PROPERTIES (VIETNAM) LTD. (APVN)	Leasing and trading real estate	100.00	100.00	
AIL GROUP	LIABILITY LIMITED COMPANY A25 (A25)	Selling of 3C products in Russia	100.00	100.00	
AIL GROUP	ASUS UKRAINE LIMITED LIABILITY COMPANY (ACUKR)	Providing support for 3C products in Ukraine	100.00	-	

Note: Percentage of ownership represents controlling shareholding ratio but not the comprehensive shareholding ratio.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different end of the financial reporting period: None.

E. Significant restrictions on its ability to transfer the assets and liabilities to other entities within the Group: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

Non-controlling interests in each subsidiary are immaterial to the Group.

#### (4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional



currency”). The consolidated financial statements are presented in “New Taiwan Dollars (NTD)”, which is the Company’s functional and the Group’s presentation currency.

A. Foreign currency transactions and balances

- (A) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise, except when deferred in other comprehensive income as qualifying cash flow hedges.
- (B) Monetary assets and liabilities denominated in foreign currencies are re-translated at the exchange rates prevailing at the end of the financial reporting period. Exchange differences arising upon re-translation are recognized in profit or loss.
- (C) Non-monetary assets and liabilities denominated in foreign currencies at fair value through profit or loss are re-translated at the exchange rates prevailing at the end of the financial reporting period. The translation differences are recognized in profit or loss as part of the fair value gain or loss. Non-monetary assets and liabilities at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the end of the financial reporting period. The translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (D) All foreign exchange gains and losses are presented in the statement of comprehensive income within “other gains (losses)”.

B. Translation of foreign operations

- (A) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - a. Assets and liabilities for each balance sheets presented are translated at the closing exchange rate at the end of the financial reporting period;
  - b. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
  - c. All resulting exchange differences are recognized in other comprehensive income.
- (B) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Group still retains partial interests in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

- (C) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interests in this foreign operation. In addition, if the Group still retains partial interests in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in these foreign operations.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets:

- (A) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
- (B) Assets held mainly for trading purposes;
- (C) Assets that are expected to be realized within 12 months from the end of the financial reporting period;
- (D) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than 12 months after the end of the financial reporting period.

Otherwise they are classified as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

- (A) Liabilities that are expected to be paid off within the normal operating cycle;
- (B) Liabilities arising mainly from trading activities;
- (C) Liabilities that are to be paid off within 12 months from the end of the financial reporting period;
- (D) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after the end of the financial reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Otherwise they are classified as non-current liabilities.

(6) Cash equivalents

Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value. Time deposits can be classified as cash equivalents if they meet the criteria mentioned above and are held for short-term cash commitments in operational purpose.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.

- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
- D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

- A. At initial recognition, the Group makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading. The debt instruments are measured at fair value through other comprehensive income if both of the following conditions are met:
  - (A) The objective of the Group's business model is achieved by both collecting contractual cash flows and selling financial assets; and
  - (B) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
  - (A) The changes in fair value of equity investments that are recognized in other comprehensive income are reclassified to retained earnings. When the equity instruments are derecognized the cumulative gain or loss previously recognized in other comprehensive income is not reclassified from equity to profit or loss. Dividends are recognized in revenue when the Group's right to receive payment is established, it is probable the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.
  - (B) The changes in fair value of debt instruments that were recognized in other comprehensive income. Before derecognition, impairment gains or losses, interest revenue and foreign exchange gains and losses are recognized in profit or loss. When the debt instruments are derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets measured at amortized costs

- A. Financial assets at amortized cost are those that meet all of the following criteria:

- (A) The objective of the Group's business model is achieved by collecting contractual cash flows.
- (B) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For financial assets at amortized cost and accounts receivable that have a significant financing component, at each end of the financial reporting period, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

- A. The contractual rights to receive cash flows from the financial asset has expired.
- B. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially almost all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has not retained control of financial asset.

(13) Leasing arrangements (lessor) – operating leases

Lease income from an operating lease net of any incentives given to the lessee is recognized in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials and other direct/indirect costs. It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(15) Investments accounted for under equity method

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20% or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in "capital surplus" in proportion to its ownership.
- D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares or buys treasury stocks (including the Group does not acquire or dispose shares proportionately), which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then "capital surplus" and "investments accounted for under equity method" shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.
- G. Upon loss of significant influence over an associate, the amounts previously recognized in other comprehensive income and as capital surplus in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it still retains significant influence over this associate, then the amounts previously recognized in other comprehensive income and as capital surplus in relation to the associate are reclassified to profit or loss proportionately.

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Except for land which is not depreciated, other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it should be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of the financial reporting period. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of buildings are 10~60 years, machinery and equipment are 1~10 years and miscellaneous equipment are 1~20 years.

(17) Leasing arrangements (lessee) - right-of-use assets/lease liabilities

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low value assets, lease payments are recognized in expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments

are fixed payment, less any lease incentives receivable. The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (A) The amount of the initial measurement of lease liability;
- (B) Any lease payments made at or before the commencement date; and
- (C) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference between remeasured lease liability in profit or loss.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 20~50 years.

(19) Intangible assets

- A. Goodwill and trademark arise in a business combination accounted for by applying the acquisition method.
- B. Other intangible assets, mainly computer software, are amortized on a straight-line basis over their estimated useful lives of 1~10 years.

(20) Impairment of non-financial assets

- A. The Group assesses at the end of the financial reporting period the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized at the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or decrease, the impairment loss shall be reversed to the extent of the loss previously recognized in profit or loss. However, the reversal should not exceed the carrying amount, net of depreciation or amortization had the impairment not been recognized.

- B. The recoverable amounts of goodwill and intangible assets with an indefinite useful life shall be evaluated periodically. An impairment loss is recognized at the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

(21) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds net of transaction costs and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(22) Notes and trade payables

- A. Trade payables are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and trade payables without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(23) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

(24) Derecognition of financial liabilities

The Group derecognizes a financial liability when the obligation specified in the contract is either discharged or cancelled or expires.

(25) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and reported in the net amount in the balance sheets when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(26) Non-hedging derivatives

Non-hedging derivatives are initially recognized at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognized in profit or loss.



(27) Hedge accounting

- A. At the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements.
- B. The Group designates the hedging relationship as cash flow hedge which is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction.
- C. Cash flow hedges
  - (A) The cash flow hedge reserve associated with the hedged item is adjusted to the lower of the following (in absolute amounts):
    - a. The cumulative gain or loss on the hedging instrument from inception of the hedge; and
    - b. The cumulative change in fair value of the hedged item from inception of the hedge.
  - (B) The effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income. The gain or loss on the hedging instrument relating to the ineffective portion is recognized in profit or loss.
  - (C) The amount that has been accumulated in the cash flow hedge reserve in accordance with (A) is accounted for as follows:
    - a. If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or liability.
    - b. For cash flow hedges other than those covered by a. above, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.
    - c. If that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.
  - (D) When the hedging instrument expires, or is sold, terminated, exercised or when the hedging relationship ceases to meet the qualifying criteria, if the forecast transaction is still expected to occur, the amount that has been accumulated in the cash flow hedge reserve shall remain in the cash flow hedge reserve until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

(28) Provisions for liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the financial reporting period, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized in interest expense. Future operating losses shall not be recognized as provisions for liabilities.

(29) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized in expenses in that period when the employees render service.

B. Pensions

(A) Defined contribution plans

For defined contribution plans, the contributions are recognized in pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(B) Defined benefit plans

- a. The liability recognized in the balance sheets in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the financial reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of government bonds or interest rates of return of high-quality investments that have terms to maturity approximating to the terms of the related pension liability.
- b. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as other equity.
- c. Prior service costs are recognized immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognizes expense when it

can no longer withdraw an offer of termination benefits or it recognizes related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after financial reporting date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized in expenses and as liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(30) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized in compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at the end of the financial reporting period. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

B. Restricted stocks:

- (A) The issued subsidiary uses the date notifying employees the number of shares of employees' stock bonus as the grant date.
- (B) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognized in compensation cost over the vesting period.
- (C) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognizes the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.
- (D) For restricted stocks where employees have to pay to acquire those stocks, if employees resign during the vesting period, they must return the stocks to the issued subsidiaries and the issued subsidiaries must refund their payments on the stocks, the issued subsidiary recognizes the payments from the employees who are expected to resign during the vesting period as liabilities at the grant date, and recognizes the payments from the employees who are expected to be eventually vested with the stocks in "capital surplus - others".

(31) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the financial reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.
- C. Deferred income tax is recognized, using the balance sheets liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the financial reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At the end of the financial reporting period, unrecognized and recognized deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheets when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheets when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit

will be available against which the unused tax credits can be utilized.

(32) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(33) Revenue recognition

Sales of goods

- A. The Group is engaged in the selling of 3C products. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- B. Revenue from the sale of 3C products is recognized based on the price specified in the contract, net of the estimated volume discounts and sales discounts. Historical experience is usually used to estimate the discounts and returns. A refund liability is recognized at expected sales discounts payable to customers in relation to sales made until the end of the reporting period. The sales are made mainly with a credit term of open account 30 to 180 days. As the time interval between the transfer of committed goods or services and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- C. The Group's obligation to provide a repair for faulty products under the standard warranty terms is recognized as a provision.
- D. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(34) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date

components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

- B. If the total of the fair values of the consideration of acquisition and any non-controlling interests in the acquiree as well as the acquisition-date fair value of any previous equity interest in the acquiree is higher than the fair value of the Group's share of the identifiable net assets acquired and liabilities assumed, the difference is recorded as goodwill, if the total of the fair values of the consideration of acquisition and any non-controlling interests in the acquiree as well as the acquisition-date fair value of any previous equity interest in the acquiree is higher than the fair value of the Group's share of the identifiable net assets acquired and liabilities assumed, the difference is recorded as profit.

**(35) Operating segments**

Operating segments are reported in a manner consistent with the internal management reports provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

**5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY**

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions at the end of the financial reporting period and estimates concerning future events. The resulting accounting estimates and assumptions might be different from the actual results, and will be continually evaluated and adjusted based on historical experience and other factors; and the related information is addressed below:

Critical accounting estimates and assumptions:

**A. Revenue recognition**

The Group estimates sales related refund liabilities for sales returns and discounts based on historical results and other known factors. Provisions for such liabilities are recorded as a deduction item to sales revenues when the sales are recognized. The Group reassesses the reasonableness of estimates of discounts and returns periodically.

As of December 31, 2021, the Group recognized \$32,142,958 as refund liabilities related to sales returns and discounts.

**B. Evaluation of inventories**

Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value at the end of the financial reporting period, and writes down the cost of inventories to the net realizable value. Such

an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be a difference against actual result.

As of December 31, 2021, the carrying amount of inventories was \$167,315,529.

## 6. **DETAILS OF SIGNIFICANT ACCOUNTS**

### (1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and petty cash	\$ 7,615	\$ 6,492
Checking accounts and demand deposits	28,483,055	29,119,590
Time deposits	39,251,983	27,603,227
Others	69,590	50,155
	<u>\$ 67,812,243</u>	<u>\$ 56,779,464</u>

The Group has no cash and cash equivalents pledged to others.

### (2) Financial assets and liabilities at fair value through profit or loss

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Financial assets mandatorily measured at fair value through profit or loss - current:		
Listed and OTC stocks	\$ 469,779	\$ 507,121
Unlisted and non-OTC stocks	5,664	6,144
Beneficiary certificates	3,653,306	19,456,752
Derivatives	122,215	9,686
	<u>\$ 4,250,964</u>	<u>\$ 19,979,703</u>
Financial assets mandatorily measured at fair value through profit or loss - non-current:		
Listed and OTC stocks	\$ 1,658	\$ 1,121
Unlisted and non-OTC stocks	55,765	57,621
Beneficiary certificates	2,817,693	42,988
Hybrid instruments	9,452	11,018
	<u>\$ 2,884,568</u>	<u>\$ 112,748</u>
Financial liabilities held for trading - current:		
Derivatives	<u>\$ 232,687</u>	<u>\$ 938,214</u>

A. The hybrid instrument is a hybrid contract consisting of unlisted and non-OTC stocks of V-NET AAEON and embedded options. The Group and stockholders of V-NET AAEON have the right to sell or buy stocks at original transaction price. Refer to Note 12(3) 7 for the fair value on December 31, 2021 and 2020.

B. Amounts recognized in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	Years Ended	
	December 31, 2021	December 31, 2020
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Equity instruments	(\$ 35,974)	(\$ 36,006)
Beneficiary certificates	18,207	34,626
Derivatives	1,246,327	( 2,245,410)
Hybrid instruments	( 1,566)	90
	<u>\$ 1,226,994</u>	<u>(\$ 2,246,700)</u>

C. The Group entered into contracts relating to derivative financial assets and liabilities which were not accounted for under hedge accounting. The information is listed below:

	December 31, 2021			December 31, 2020		
	Contract amount (in thousands)		Maturity period	Contract amount (in thousands)		Maturity period
Derivative financial assets:						
Forward exchange contracts						
-CAD/USD	CAD	49,200	2022/02	CAD	-	-
-NTD/USD	USD	190,000	2022/04	USD	-	-
-EUR/USD	EUR	235,000	2022/03	EUR	-	-
-PLN/USD	PLN	-	-	PLN	65,000	2021/02
-CNH/USD	CNH	302,561	2022/01	CNH	-	-
-RUB/USD	RUB	1,663,418	2022/01	RUB	1,106,165	2021/01
-JPY/USD	JPY	2,112,908	2022/01	JPY	-	-
Currency option contracts						
-CNH/USD	CNH	737,160	2022/03	CNH	-	-
-EUR/USD	EUR	44,000	2022/03	EUR	-	-
-RUB/USD	RUB	1,960,020	2022/02	RUB	-	-
Derivative financial liabilities:						
Forward exchange contracts						
-CAD/USD	CAD	-	-	CAD	151,500	2021/08
-NTD/USD	USD	658,000	2022/04	USD	750,000	2021/05
-EUR/USD	EUR	175,000	2022/03	EUR	280,000	2021/04
-GBP/USD	GBP	39,000	2022/02	GBP	51,000	2021/03
-CNH/USD	CNH	140,917	2022/01	CNH	-	-
-IDR/USD	IDR	1,279,955,000	2022/01	IDR	796,109,000	2021/01
-INR/USD	INR	10,218,217	2022/01	INR	7,229,928	2021/02
-SEK/USD	SEK	26,420	2022/02	SEK	64,000	2021/01
-PLN/USD	PLN	184,000	2022/02	PLN	65,000	2021/01
-CHF/USD	CHF	650	2022/01	CHF	2,100	2021/01
-AUD/USD	AUD	22,000	2022/02	AUD	26,000	2021/02
-THB/USD	THB	400,000	2022/01	THB	-	-
-JPY/USD	JPY	-	-	JPY	3,105,145	2021/01
-MXN/USD	MXN	50,000	2022/01	MXN	-	-



	December 31, 2021			December 31, 2020		
	Contract amount (in thousands)		Maturity period	Contract amount (in thousands)		Maturity period
Currency option contracts						
-CNH/USD	CNH	1,922,801	2022/03	CNH	1,649,436	2021/04
-EUR/USD	EUR	-	-	EUR	40,000	2021/02
-AUD/USD	AUD	36,000	2022/03	AUD	12,000	2021/01

(A) Forward exchange contracts

The Group entered into forward exchange contracts to sell various forward foreign currencies to hedge exchange rate risk of import and export proceeds. However, these forward exchange contracts are not accounted for under hedge accounting.

(B) Currency option contracts

The Group entered into currency option contracts to buy foreign currency put options and sell foreign currency call options or put options, which will be performed in the future according to the agreed price and conditions, leverage ratio and settlement date. The purpose of the Group's undertaking of the above transactions is to hedge exchange rate risk of import and export proceeds. However, these currency option contracts are not accounted for under hedge accounting. The Group has implemented risk control over currency options, and no significant operational risks have been assessed.

D. The Group has no financial assets at fair value through profit or loss pledged to others.

(3) Financial assets at fair value through other comprehensive income

	December 31, 2021	December 31, 2020
Equity instruments - current:		
Listed and OTC stocks	\$ 299,495	\$ 305,839
Valuation adjustment	1,331,498	978,809
	<u>\$ 1,630,993</u>	<u>\$ 1,284,648</u>
Equity instruments - non-current:		
Listed and OTC stocks	\$ 26,918,812	\$ 27,274,828
Unlisted and non-OTC stocks	654,874	714,504
	27,573,686	27,989,332
Valuation adjustment	46,447,777	42,845,425
	<u>\$ 74,021,463</u>	<u>\$ 70,834,757</u>

A. The Group has elected to classify above investments that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$75,652,456 and \$72,119,405 on December 31, 2021 and 2020, respectively.

B. The Group sold ADVANTECH investment with a fair value of \$2,754,909 in September 2021,

and the difference on disposal amounting to \$2,400,905 was transferred from accumulated other comprehensive income to retained earnings.

- C. Amounts recognized in profit or loss in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years Ended	
	December 31, 2021	December 31, 2020
Reclassified from other equity to retained earnings due to disposal	\$ 2,422,569	(\$ 17,942)
Dividends from investments recognized in profit or loss held at end of the year	\$ 2,859,054	\$ 2,860,030

- D. The Group has no financial assets at fair value through other comprehensive income pledged to others.

(4) Financial assets at amortized cost

Items	December 31, 2021	December 31, 2020
Current items:		
Time deposits with original maturity period of more than three months	\$ 125,500	\$ 151,500
Non-current items:		
Corporate bonds	\$ 8,322,845	\$ 4,224,004
Less: Accumulated impairment	( 92,926)	( 60,188)
	<u>\$ 8,229,919</u>	<u>\$ 4,163,816</u>

- A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	Years Ended	
	December 31, 2021	December 31, 2020
Interest income	\$ 134,336	\$ 16,716
Impairment loss	( 45,342)	( 62,447)
Gains on disposal of investments	5,712	-
	<u>\$ 94,706</u>	<u>(\$ 45,731)</u>

- B. The Group has no financial assets at amortized cost pledged to others.
- C. As of December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group were \$8,355,419 and \$4,315,316, respectively.
- D. Information about credit risk of financial assets at amortized cost is provided in Note 12(2).

(5) Hedging financial assets and liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Financial assets - current		
Cash flow hedges - Forward exchange contracts	\$ 494,819	\$ 14,234
Financial liabilities - current		
Cash flow hedges - Forward exchange contracts	( 58,036)	( 823,640)
	<u>\$ 436,783</u>	<u>(\$ 809,406)</u>

A. Hedge accounting is applied to reduce the effect of accounting inconsistency between the hedging instrument and the hedged item. The Group entered into forward exchange contracts to manage its foreign currency exposure in respect of forecasted sales transactions. When forecasted sales transactions occur, the carrying amount of the non-financial hedged items should be adjusted accordingly.

B. Transaction information associated with the Group adopting hedge accounting is as follows:

	<u>December 31, 2021</u>			<u>December 31, 2020</u>		
	<u>Contract amount</u>	<u>Maturity</u>		<u>Contract amount</u>	<u>Maturity</u>	
	<u>(in thousands)</u>	<u>period</u>		<u>(in thousands)</u>	<u>period</u>	
Hedging instruments						
Cash flow hedges:						
Hedging financial assets						
Forward exchange contracts						
-EUR/USD	EUR 472,000	2022/06		EUR -	-	
-PLN/USD	PLN 113,000	2022/03		PLN 91,000	2021/06	
-GBP/USD	GBP 64,000	2022/03		GBP 3,000	2021/06	
-JPY/USD	JPY 4,910,000	2022/03		JPY -	-	
-RUB/USD	RUB 3,137,000	2022/03		RUB 1,704,000	2021/03	
-SEK/USD	SEK 97,000	2022/03		SEK -	-	
-AUD/USD	AUD 17,300	2022/03		AUD -	-	
Hedging financial liabilities						
Forward exchange contracts						
-AUD/USD	AUD 28,200	2022/03		AUD 56,000	2021/03	
-EUR/USD	EUR 121,000	2022/06		EUR 595,500	2021/06	
-GBP/USD	GBP 50,000	2022/06		GBP 85,000	2021/06	
-RUB/USD	RUB 658,000	2022/03		RUB 1,347,500	2021/03	
-SEK/USD	SEK 68,000	2022/06		SEK 148,500	2021/06	
-PLN/USD	PLN 125,000	2022/06		PLN 132,200	2021/06	
-JPY/USD	JPY -	-		JPY 6,650,000	2021/03	

The average exchange rate of hedging instruments used by the Group is based on the consideration of future exchange rate fluctuation of the hedged items.

C. Cash flow hedges

	2021	2020
<u>Other equity - hedge effectiveness</u>		
January 1	(\$ 809,406)	(\$ 305,856)
Gains (losses) on hedge instrument	1,246,189	( 503,550)
December 31	<u>\$ 436,783</u>	<u>(\$ 809,406)</u>
Other gains - hedge ineffectiveness	<u>\$ 4,060</u>	<u>\$ 11,870</u>

- D. As the hedging instrument expires, the hedging relationship ceases to meet the qualifying criteria. If the forecast transaction is still expected to occur, the amount that has been accumulated in the gains (losses) on hedging instruments shall remain in other comprehensive income until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the gains (losses) on hedging instruments to other gains - hedge ineffectiveness.

(6) Notes and trade receivables

	December 31, 2021	December 31, 2020
Notes receivable	\$ 4,245,632	\$ 4,344,878
Trade receivables	90,479,625	72,978,913
	94,725,257	77,323,791
Less: Loss allowance	( 1,482,685)	( 1,221,457)
	<u>\$ 93,242,572</u>	<u>\$ 76,102,334</u>

- A. The ageing analysis of notes and trade receivables is as follows:

	December 31, 2021	December 31, 2020
Not past due	\$ 83,639,068	\$ 69,297,840
Less than 90 days past due	9,728,133	6,884,090
Between 91 and 180 days past due	363,934	112,141
More than 181 days past due	994,122	1,029,720
	<u>\$ 94,725,257</u>	<u>\$ 77,323,791</u>

- B. As of December 31, 2021, December 31, 2020 and January 1, 2020, the balances of notes and trade receivables from contracts with customers amounted to \$94,725,257, \$77,323,791, and \$72,246,916, respectively.
- C. The Group does not hold financial assets as security for trade receivables.
- D. As of December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were \$4,158,733 and \$4,257,331, respectively. The maximum exposure to credit risk in respect of the amount that best represents the Group's trade receivables

were \$89,083,799 and \$71,845,003, respectively.

E. Information about credit risk of notes and trade receivables is provided in Note 12(2).

(7) Offsetting financial assets and financial liabilities

A. The Group has assets (fair value of \$52,022,442 and \$28,862,320 as of December 31, 2021 and 2020, respectively) from and liabilities (fair value of \$63,802,497 and \$35,649,312 as of December 31, 2021 and 2020, respectively) to certain companies that meet the offsetting criteria in paragraph 42 of IAS 32, recognized as trade receivables and notes and trade payables at net amounts after the offsetting.

B. The recognition information of the Group due to net delivery agreement is expressed as follows:

	Trade receivables, notes and trade payables with offsetting right					
	Gross			Net amount		Not set off
	Gross	amount of		Net amount	of financial	in the
	amount of	financial		of financial	liabilities	balance sheet:
	financial	liabilities	Offsetting	of financial		collateral
	assets (before	(before	amount	assets (after	(after	(received)
	offsetting)	offsetting)		offsetting)	offsetting)	/provided
December 31, 2021	\$ 52,022,442	(\$ 63,802,497)	(\$ 50,782,866)	\$ 1,239,576	(\$ 13,019,631)	\$ -
December 31, 2020	28,862,320	( 35,649,312)	( 28,667,684)	194,636	( 6,981,628)	-

(8) Inventories

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 90,528,330	(\$ 7,566,347)	\$ 82,961,983
Work in process	3,442,159	( 188,270)	3,253,889
Finished goods	3,531,945	( 209,210)	3,322,735
Merchandise inventories	82,428,807	( 7,434,425)	74,994,382
Inventories in transit	2,782,540	-	2,782,540
	<u>\$ 182,713,781</u>	<u>(\$ 15,398,252)</u>	<u>\$ 167,315,529</u>

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 53,815,718	(\$ 5,571,672)	\$ 48,244,046
Work in process	2,956,668	( 176,525)	2,780,143
Finished goods	2,967,652	( 243,271)	2,724,381
Merchandise inventories	46,732,154	( 5,039,765)	41,692,389
Inventories in transit	1,868,794	-	1,868,794
	<u>\$ 108,340,986</u>	<u>(\$ 11,031,233)</u>	<u>\$ 97,309,753</u>

Except for cost of goods sold, the Group recognized in expenses and losses of inventories from continued and discontinued operations in the amounts of \$4,626,691 and (\$1,267,794), of which \$4,610,599 and (\$1,609,832) pertain to the decline (recovery) in value of inventories for the years ended December 31, 2021 and 2020, respectively. The realizable value of inventory elevated which was accounted for as reduction of cost of goods sold because some inventories with allowance for valuation loss had been sold during the year ended December 31, 2020.

(9) Investments accounted for under equity method

	December 31, 2021	December 31, 2020
Associates	<u>\$ 19,891,181</u>	<u>\$ 16,467,905</u>

A. The Group's associates are all immaterial, and the summary on financial information of share attributable to the Group is as follows:

	Years Ended	
	December 31, 2021	December 31, 2020
Profit (loss) for the year	\$ 2,255,878	\$ 647,293
Other comprehensive income (loss) for the year (net of income tax)	266,707	1,429,455
Total comprehensive income (loss) for the year	<u>\$ 2,522,585</u>	<u>\$ 2,076,748</u>

B. The fair value of the Group's associates which have quoted market price is as follows:

	December 31, 2021	December 31, 2020
Fair value of associates	<u>\$ 38,802,479</u>	<u>\$ 10,658,393</u>

C. The Group is the single largest shareholder of IBASE, NEXTS, EMC, UPI and LELTEKH with a 31.91%, 43.48%, 17.78%, 33.79% and 22.78% equity interest, respectively. Given that the degree of other shareholders involvement in prior stockholders' meeting and record of voting rights for major proposals, which indicates that the Group has no substantial ability to direct the relevant activities, the Group has no control, but only has significant influence, over the companies.

(10) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Miscellaneous equipment	Construction in progress and equipment under installation	Total
January 1, 2021						
Cost	\$7,421,590	\$11,753,068	\$ 8,645,857	\$ 4,868,516	\$ 465,606	\$ 33,154,637
Accumulated depreciation and impairment	-	( 3,404,419)	( 5,175,267)	( 3,552,060)	-	( 12,131,746)
	<u>\$7,421,590</u>	<u>\$ 8,348,649</u>	<u>\$ 3,470,590</u>	<u>\$ 1,316,456</u>	<u>\$ 465,606</u>	<u>\$ 21,022,891</u>
January 1, 2021	\$7,421,590	\$ 8,348,649	\$ 3,470,590	\$ 1,316,456	\$ 465,606	\$ 21,022,891
Acquisitions	258,706	370,196	608,586	471,124	279,665	1,988,277
Disposals	-	-	( 311,109)	( 20,636)	-	( 331,745)
Depreciation	-	( 336,485)	( 1,685,869)	( 481,282)	-	( 2,503,636)
Impairment	-	-	( 545,010)	( 883)	-	( 545,893)
Reclassifications	-	( 3,084)	56,781	42,542	( 166,052)	( 69,813)
Net exchange differences	( 15,847)	( 80,313)	( 21,136)	( 17,926)	( 4,228)	( 139,450)
December 31, 2021	<u>\$7,664,449</u>	<u>\$ 8,298,963</u>	<u>\$ 1,572,833</u>	<u>\$ 1,309,395</u>	<u>\$ 574,991</u>	<u>\$ 19,420,631</u>
December 31, 2021						
Cost	\$7,664,449	\$12,006,580	\$ 8,072,577	\$ 5,020,723	\$ 574,991	\$ 33,339,320
Accumulated depreciation and impairment	-	( 3,707,617)	( 6,499,744)	( 3,711,328)	-	( 13,918,689)
	<u>\$7,664,449</u>	<u>\$ 8,298,963</u>	<u>\$ 1,572,833</u>	<u>\$ 1,309,395</u>	<u>\$ 574,991</u>	<u>\$ 19,420,631</u>
	Land	Buildings	Machinery and equipment	Miscellaneous equipment	Construction in progress and equipment under installation	Total
January 1, 2020						
Cost	\$7,448,252	\$11,289,495	\$ 8,420,605	\$ 4,405,767	\$ 1,627,648	\$ 33,191,767
Accumulated depreciation and impairment	-	( 3,165,912)	( 4,386,384)	( 3,285,028)	-	( 10,837,324)
	<u>\$7,448,252</u>	<u>\$ 8,123,583</u>	<u>\$ 4,034,221</u>	<u>\$ 1,120,739</u>	<u>\$ 1,627,648</u>	<u>\$ 22,354,443</u>
January 1, 2020	\$7,448,252	\$ 8,123,583	\$ 4,034,221	\$ 1,120,739	\$ 1,627,648	\$ 22,354,443
Acquisitions	-	548,126	943,192	676,178	604,732	2,772,228
Disposals	-	-	( 5,049)	( 21,591)	-	( 26,640)
Depreciation	-	( 320,728)	( 1,498,337)	( 469,305)	-	( 2,288,370)
Impairment	-	-	( 7,389)	( 7,132)	-	( 14,521)
Reclassifications	-	33,181	( 31,430)	18,854	( 1,764,541)	( 1,743,936)
Effects due to changes in consolidated entities	-	-	-	66	-	66
Net exchange differences	( 26,662)	( 35,513)	35,382	( 1,353)	( 2,233)	( 30,379)
December 31, 2020	<u>\$7,421,590</u>	<u>\$ 8,348,649</u>	<u>\$ 3,470,590</u>	<u>\$ 1,316,456</u>	<u>\$ 465,606</u>	<u>\$ 21,022,891</u>
December 31, 2020						
Cost	\$7,421,590	\$11,753,068	\$ 8,645,857	\$ 4,868,516	\$ 465,606	\$ 33,154,637
Accumulated depreciation and impairment	-	( 3,404,419)	( 5,175,267)	( 3,552,060)	-	( 12,131,746)
	<u>\$7,421,590</u>	<u>\$ 8,348,649</u>	<u>\$ 3,470,590</u>	<u>\$ 1,316,456</u>	<u>\$ 465,606</u>	<u>\$ 21,022,891</u>

- A. After evaluating and comparing the carrying amount of property, plant and equipment and its recoverable amounts, the Group recognized impairment loss amounting to \$545,893 and \$14,521 for the years ended December 31, 2021 and 2020, respectively.
- B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(11) Leasing arrangements - lessee

- A. The Group leases various assets including buildings, transportation equipment, miscellaneous equipment, land use right, and so on. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Right-of-use-assets

	Buildings	Machinery and equipment	Transportation equipment	Miscellaneous equipment	Land use right	Total
January 1, 2021	\$ 917,667	\$ -	\$ 28,664	\$ 4,152	\$ 289,967	\$ 1,240,450
Acquisitions	629,553	454,333	6,479	1,073	9,206	1,100,644
Disposals	( 28,537)	-	-	( 1,353)	-	( 29,890)
Depreciation	( 474,066)	( 68,150)	( 15,716)	( 881)	( 10,637)	( 569,450)
Reclassifications	8,882	-	-	-	3,963	12,845
Net exchange differences	( 28,922)	-	( 1,463)	( 131)	( 2,279)	( 32,795)
December 31, 2021	<u>\$ 1,024,577</u>	<u>\$ 386,183</u>	<u>\$ 17,964</u>	<u>\$ 2,860</u>	<u>\$ 290,220</u>	<u>\$ 1,721,804</u>

	Buildings	Transportation equipment	Office equipment	Other equipment	Land use right	Total
January 1, 2020	\$ 1,108,811	\$ 27,908	\$ 1,626	\$ 3,462	\$ 1,875,047	\$ 3,016,854
Acquisitions	337,261	16,598	2,380	-	-	356,239
Disposals	( 13,486)	( 1,207)	-	-	-	( 14,693)
Depreciation	( 509,083)	( 15,347)	( 730)	( 2,618)	( 52,195)	( 579,973)
Reclassifications	-	-	-	-	( 1,529,001)	( 1,529,001)
Net exchange differences	( 5,836)	712	32	-	( 3,884)	( 8,976)
December 31, 2020	<u>\$ 917,667</u>	<u>\$ 28,664</u>	<u>\$ 3,308</u>	<u>\$ 844</u>	<u>\$ 289,967</u>	<u>\$ 1,240,450</u>



C. The information on income and expense accounts relating to lease contracts is as follows:

	Years Ended	
	December 31, 2021	December 31, 2020
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 35,395	\$ 34,215
Expense on short-term lease contracts	212,790	191,142
Expense on leases of low-value assets	3,972	2,982
(Gain) loss on lease modification	( 318)	( 5,003)

D. For the years ended December 31, 2021 and 2020, the Group's total cash outflow for leases was \$812,395 and \$745,549, respectively.

(12) Intangible assets

	Trademark	Computer software	Goodwill	Others	Total
January 1, 2021					
Cost	\$ 355,103	\$ 2,264,655	\$ 1,163,497	\$ 933,400	\$ 4,716,655
Accumulated amortization and impairment	- (	1,895,880)	- (	638,329)	( 2,534,209)
	<u>\$ 355,103</u>	<u>\$ 368,775</u>	<u>\$ 1,163,497</u>	<u>\$ 295,071</u>	<u>\$ 2,182,446</u>
January 1, 2021	\$ 355,103	\$ 368,775	\$ 1,163,497	\$ 295,071	\$ 2,182,446
Acquisitions	-	305,046	-	20,856	325,902
Disposals	- (	143)	-	-	( 143)
Amortization and impairment	- (	237,176)	( 31,599)	( 58,429)	( 327,204)
Reclassifications	-	11,267	-	-	11,267
Net exchange differences	- (	696)	- (	1,810)	( 2,506)
December 31, 2021	<u>\$ 355,103</u>	<u>\$ 447,073</u>	<u>\$ 1,131,898</u>	<u>\$ 255,688</u>	<u>\$ 2,189,762</u>
December 31, 2021					
Cost	\$ 355,103	\$ 2,500,695	\$ 1,163,497	\$ 941,480	\$ 4,960,775
Accumulated amortization and impairment	- (	2,053,622)	( 31,599)	( 685,792)	( 2,771,013)
	<u>\$ 355,103</u>	<u>\$ 447,073</u>	<u>\$ 1,131,898</u>	<u>\$ 255,688</u>	<u>\$ 2,189,762</u>

	<u>Trademark</u>	<u>Computer software</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
January 1, 2020					
Cost	\$ 355,103	\$ 1,902,491	\$ 1,163,497	\$ 975,702	\$ 4,396,793
Accumulated amortization and impairment	- (	1,605,034)	- (	609,904)	( 2,214,938)
	<u>\$ 355,103</u>	<u>\$ 297,457</u>	<u>\$ 1,163,497</u>	<u>\$ 365,798</u>	<u>\$ 2,181,855</u>
January 1, 2020	\$ 355,103	\$ 297,457	\$ 1,163,497	\$ 365,798	\$ 2,181,855
Acquisitions	-	400,156	-	18,249	418,405
Amortization and impairment	- (	303,356)	- (	75,820)	( 379,176)
Reclassifications	- (	25,038)	- (	16,688)	( 41,726)
Effect due to changes in consolidated entities	-	-	-	10	10
Net exchange differences	- (	444)	-	3,522	3,078
December 31, 2020	<u>\$ 355,103</u>	<u>\$ 368,775</u>	<u>\$ 1,163,497</u>	<u>\$ 295,071</u>	<u>\$ 2,182,446</u>
December 31, 2020					
Cost	\$ 355,103	\$ 2,264,655	\$ 1,163,497	\$ 933,400	\$ 4,716,655
Accumulated amortization and impairment	- (	1,895,880)	- (	638,329)	( 2,534,209)
	<u>\$ 355,103</u>	<u>\$ 368,775</u>	<u>\$ 1,163,497</u>	<u>\$ 295,071</u>	<u>\$ 2,182,446</u>

- A. The impairment assessment of goodwill relies on the managements' subjective judgement, including identifying cash-generating units and determining the recoverable amounts of related cash-generating units. The recoverable amount is based on the value-in-use, the industry standard and the fair value (the fair value is reference to stock price in active market) of cash generating units less disposal costs.
- B. The value-in-use calculations use cash flow projections based on financial budgets approved by the management covering a five-year period, and industry standard calculations are determined by reference to the business market value in consideration of the similar industries with the similar products, capital and operating revenues, etc. Management determined budgeted gross margin and growth rate based on past performance and the expectations of market development. The market valuation used is consistent with the similar industries. The discount rates used reflect specific risks relating to the relevant operating segments and the time value of currency in real market.
- C. The Group has no intangible assets pledged to others.

(13) Discontinued operations

- A. The Group is determined to reshape its smartphone business strategy and adjust product positioning to focus on perfecting solutions for gamers and expert users under the resolution by the Board of Directors on December 13, 2018. The transformation plan has been in progress and the Group recognized valuation effects of assets and liabilities accordingly.

B. The cash flow information of the discontinued operations is as follows:

	Years Ended	
	December 31, 2021	December 31, 2020
Operating cash flows	\$ -	\$ 1,590,575
Investing cash flows	-	-
Financing cash flows (Note)	-	( 1,590,575)
Total cash flows	<u>\$ -</u>	<u>\$ -</u>

Note: The continuing operations obtained cash from the discontinued operations.

C. Analysis of the results of discontinued operations is as follows:

	Years Ended	
	December 31, 2021	December 31, 2020
Operating revenue	\$ -	\$ 4,412,608
Operating (costs)	-	( 1,826,943)
Operating (expenses)	-	253,027
Non-operating income	-	143,532
Profit before income tax from discontinued operations	-	2,982,224
Income tax (expenses)	-	( 398,203)
Total profit from discontinued operations	<u>\$ -</u>	<u>\$ 2,584,021</u>

(14) Short-term borrowings

Type of borrowings	December 31, 2021	Interest rate range	Collateral
Bank borrowings			
Guaranteed borrowings	\$ 17,000	1.55%	Bank deposits
Credit borrowings	9,379,555	0.90%~3.25%	-
	<u>\$ 9,396,555</u>		
Type of borrowings	December 31, 2020	Interest rate range	Collateral
Bank borrowings			
Guaranteed borrowings	\$ 38,875	3.80%~5.00%	Property, plant and equipment
Credit borrowings	5,836,900	0.87%~1.33%	-
	<u>\$ 5,875,775</u>		

(15) Long-term borrowings

Type of borrowing	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2021
Long-term bank borrowings				
Guaranteed borrowings	Borrowing period is from May 28, 2021 to May 28, 2036; interest is repayable monthly	1.00%	Land and buildings	\$ 165,787
Less: Current portion				( 10,744)
				<u>\$ 155,043</u>

The Group has no long-term borrowings as of December 31, 2020.

(16) Pensions

A. Defined benefit pension plans

(A) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contribution for the deficit by next March.

(B) The amounts recognized in the balance sheets are as follows:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligations	(\$ 404,748)	(\$ 437,459)
Fair value of plan assets	<u>208,599</u>	<u>214,070</u>
Net defined benefit liability	<u>(\$ 196,149)</u>	<u>(\$ 223,389)</u>

(C) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
January 1, 2021	(\$ 437,459)	\$ 214,070	(\$ 223,389)
Current service cost	( 10,401)	-	( 10,401)
Interest (expense) income	( 4,272)	1,085	( 3,187)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	2,697	2,697
Change in demographic assumptions	( 7,709)	-	( 7,709)
Change in financial assumptions	252	-	252
Experience adjustments	22,632	-	22,632
Pension fund contribution	-	7,354	7,354
Pension payment	22,860	( 16,607)	6,253
Exchange difference and others	9,349	-	9,349
December 31, 2021	<u>(\$ 404,748)</u>	<u>\$ 208,599</u>	<u>(\$ 196,149)</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
January 1, 2020	(\$ 389,680)	\$ 202,683	(\$ 186,997)
Current service cost	( 17,893)	-	( 17,893)
Interest (expense) income	( 4,699)	1,545	( 3,154)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	6,673	6,673
Change in demographic assumptions	266	-	266
Change in financial assumptions	( 12,720)	-	( 12,720)
Experience adjustments	( 19,775)	-	( 19,775)
Pension fund contribution	-	6,837	6,837
Pension payment	11,902	( 3,668)	8,234
Exchange difference and others	( 4,860)	-	( 4,860)
December 31, 2020	<u>(\$ 437,459)</u>	<u>\$ 214,070</u>	<u>(\$ 223,389)</u>

(D) The Bank of Taiwan was commissioned to manage the Fund of the Company's and its domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard

and Utilization of the Labor Retirement Fund” (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(E) The principal actuarial assumptions used are as follows:

	Years Ended	
	December 31, 2021	December 31, 2020
Discount rate	0.70%~7.15%	0.40%~7.51%
Future salary increases rate	2.00%~10.00%	2.00%~10.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases rate	
	Increase 0.25%~1%	Decrease 0.25%~1%	Increase 0.25%~1%	Decrease 0.25%~1%
December 31, 2021				
Effect on present value of defined benefit obligation	(\$ 24,916)	\$ 23,875	\$ 20,300	(\$ 20,831)
December 31, 2020				
Effect on present value of defined benefit obligation	(\$ 26,285)	\$ 28,930	\$ 24,199	(\$ 22,363)

The sensitivity analysis above was determined based on the change of one assumption while the other conditions remain unchanged. In practice, the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheets

are the same.

(F) Expected contribution to the defined benefit pension plans of the Group for the year ending December 31, 2022 is \$8,734.

(G) As of December 31, 2021, the weighted average duration of that retirement plan is 12~29.5 years.

**B. Defined contribution pension plans**

(A) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (New Plan) under the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(B) The Company's mainland subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China are based on a certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(C) The pension costs under the defined contribution pension plans of the Group were \$1,130,297 and \$911,333 for the years ended December 31, 2021 and 2020, respectively.

**(17) Provisions for liabilities**

	Provisions for warranty	Provisions for legal claims and royalty	Total
January 1, 2021	\$ 16,267,948	\$ 6,365,271	\$ 22,633,219
Recognition (reversal)	11,510,582 (	62,294)	11,448,288
Used	( 6,422,800)	( 4,053)	( 6,426,853)
Net exchange differences	( 365,167)	( 182,623)	( 547,790)
December 31, 2021	<u>\$ 20,990,563</u>	<u>\$ 6,116,301</u>	<u>\$ 27,106,864</u>
	Provisions for warranty	Provisions for legal claims and royalty	Total
January 1, 2020	\$ 14,902,060	\$ 6,850,932	\$ 21,752,992
Recognition (reversal)	8,459,508 (	73,185)	8,386,323
Used	( 6,493,990)	( 44,574)	( 6,538,564)
Net exchange differences	( 599,630)	( 367,902)	( 967,532)
December 31, 2020	<u>\$ 16,267,948</u>	<u>\$ 6,365,271</u>	<u>\$ 22,633,219</u>

Analysis of total provisions:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current	<u>\$ 27,106,864</u>	<u>\$ 22,633,219</u>

A. Provisions for warranty

The Group provides warranties on 3C products sold. Provision for warranty is estimated based on these products' historical warranty data. A provision is recognized as current when it is expected to be used in one year.

B. Provisions for legal claims and royalty

The Group recognizes provision for legal claims or royalty fees made by the patentees against the Group. After taking appropriate legal advice, the management evaluates the probable claimable fees accrued as provision for liabilities. The provision charge is recognized in profit or loss within operating costs and expenses.

(18) Refund liabilities

	<u>2021</u>	<u>2020</u>
January 1	\$ 24,436,364	\$ 20,829,445
Recognition (reversal)	46,500,896	41,084,968
Used	( 38,083,635)	( 36,377,687)
Net exchange differences	( 710,667)	( 1,100,362)
December 31	<u>\$ 32,142,958</u>	<u>\$ 24,436,364</u>

The Group recognizes refund liabilities on 3C products sold. Refund liabilities are estimated based on these products' historical data and other known factors. A provision is recognized as current when it is expected to be used in one year.

(19) Common shares

A. As of December 31, 2021, the Company's authorized capital was \$47,500,000, consisting of 4,750,000,000 shares of common stock (including 50,000,000 shares which were reserved for employee stock options), and the paid-in capital was \$7,427,603, with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

The number of the Company's ordinary shares outstanding at the beginning and ending for the years ended December 31, 2021 and 2020 are both 742,760,280 shares.

B. As of December 31, 2021, the Company issued Global Depositary Receipts (GDRs), of which 3,937,000 units of the GDRs are now listed on the Luxembourg Stock Exchange. Per unit of GDR represents 5 shares of the Company's common stock and total GDRs represent 19,685,000 shares of the Company's common stock. The terms of GDR are as follows:

(A) Voting rights

GDR holders may, pursuant to the Depositary Agreement and the relevant laws and



regulations of the R.O.C., exercise the voting rights pertaining to the underlying common shares represented by the GDRs.

(B) Dividends, stock warrants and other rights

GDR holders and common shareholders are all entitled to receive dividends. The Depositary may issue new GDRs in proportion to GDRs holding ratios or raise the number of shares of common stock represented by each unit of GDR or sell stock dividends on behalf of GDR holders and distribute proceeds to them in proportion to their GDRs holding ratios.

(20) Capital surplus

Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Share premium	\$ 4,227,966	\$ 4,227,966
Difference between consideration and carrying amount of subsidiaries acquired or disposed	885,390	885,390
Recognition of changes in ownership interest in subsidiaries	3,968,819	3,968,392
Changes in associates and joint ventures accounted for under equity method	757,736	702,355
	<u>\$ 9,839,911</u>	<u>\$ 9,784,103</u>

(21) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's profit after income tax, shall first be offset against prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. When such legal reserve amounts to the total authorized capital, the Company shall not be subject to this requirement. The Company may then appropriate or reverse a certain amount as special reserve according to the demand for the business or relevant regulations. After the distribution of earnings, the remaining earnings and prior years' undistributed earnings may be appropriated according to a resolution of the Board of Directors adopted in the shareholders' meeting.
- B. The dividend policies of the Company are as follows: Considering the rapid changing industrial environment the Company faces, long-term financial plan and the satisfaction of the demand for cash by the shareholders, the Company should distribute cash dividends of not less than 10% of the total dividends declared each year.

- C. Except for covering accumulated deficit, increasing capital or payment of cash in proportion to ownership percentage, the legal reserve shall not be used for any other purpose. The amount capitalized or the cash payment shall be limited to the portion of legal reserve which exceeds 25% of the paid-in capital.
- D. (A) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the end of the financial reporting period before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (B) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.
- E. As resolved by the shareholders on June 9, 2020, the shareholders resolved to distribute cash dividends amounting to \$10,398,644 (\$14 (in dollars) per share) for the appropriation of 2019 earnings. On July 30, 2021, the shareholders resolved to distribute cash dividends amounting to \$19,311,767 (\$26 (in dollars) per share) for the appropriation of 2020 earnings.
- F. The appropriation of 2021 earnings had been proposed by the Board of Directors on March 16, 2022. Details are summarized as follows:

	Year Ended December 31, 2021	
	Amount	Dividends per share (in dollars)
Cash dividends	\$ 31,195,932	\$ 42.00

As of March 16, 2022, the appropriations of 2021 earnings stated above has not been resolved by the shareholders.

(22) Other equity

	Gain (loss) on hedging instruments	Unrealized gain (loss) on valuation of financial assets at fair value through other comprehensive income	Financial statements translation differences of foreign operations	Remeasurement of defined benefit plans	Total
January 1, 2021	(\$ 809,406)	\$ 44,600,953	(\$ 6,447,186)	(\$ 136,031)	\$ 37,208,330
-The Company	-	3,640,857	( 1,984,644)	-	1,656,213
-Subsidiaries	1,246,189	167,955	( 339,844)	13,556	1,087,856
-Associates	-	180,210	( 123,186)	1	57,025
December 31, 2021	<u>\$ 436,783</u>	<u>\$ 48,589,975</u>	<u>(\$ 8,894,860)</u>	<u>(\$ 122,474)</u>	<u>\$ 40,009,424</u>

	Gain (loss) on hedging instruments	Unrealized gain on valuation of financial assets at fair value through other comprehensive income	Financial statements translation differences of foreign operations	Remeasurement of defined benefit plans	Total
January 1, 2020	(\$ 305,856)	\$ 35,155,750	(\$ 2,800,984)	(\$ 116,867)	\$ 31,932,043
-The Company	-	8,416,416	( 3,183,157)	-	5,233,259
-Subsidiaries	( 503,550)	214,750	( 306,366)	( 19,164)	( 614,330)
-Associates	-	814,037	( 156,679)	-	657,358
December 31, 2020	(\$ 809,406)	\$ 44,600,953	(\$ 6,447,186)	(\$ 136,031)	\$ 37,208,330

(23) Operating revenue

	Years Ended	
	December 31, 2021	December 31, 2020
Revenue from contracts with customers	\$ 535,238,735	\$ 417,193,047
Exclude (revenue) from contracts with customers from discontinued operations	-	( 4,412,608)
	<u>\$ 535,238,735</u>	<u>\$ 412,780,439</u>

A. Disaggregation of revenue from contracts with customers

The Group's revenue is derived from the transfer of goods and services over time and at a point in time in the following major product lines:

<u>Year Ended December 31, 2021</u>	<u>3C products</u>	<u>Others</u>	<u>Total</u>
Revenue from contracts with customers	<u>\$528,262,262</u>	<u>\$6,976,473</u>	<u>\$535,238,735</u>
Timing of revenue recognition			
Revenue recognized at a point in time	\$528,066,397	\$6,727,726	\$534,794,123
Revenue recognized over time	195,865	248,747	444,612
	<u>\$528,262,262</u>	<u>\$6,976,473</u>	<u>\$535,238,735</u>
 <u>Year Ended December 31, 2020</u>	 <u>3C products</u>	 <u>Others</u>	 <u>Total</u>
Revenue from contracts with customers	<u>\$408,590,828</u>	<u>\$4,189,611</u>	<u>\$412,780,439</u>
Timing of revenue recognition			
Revenue recognized at a point in time	\$408,457,673	\$4,099,594	\$412,557,267
Revenue recognized over time	133,155	90,017	223,172
	<u>\$408,590,828</u>	<u>\$4,189,611</u>	<u>\$412,780,439</u>

Revenue from contracts with customers from discontinued operations for the years ended December 31, 2021 and 2020 amounted to \$0 and \$4,412,608, respectively, and are recognized at a point in time.

B. Contract liabilities

(A) The amounts of recognized contract liabilities related to the contract revenue from sales and warranty of the Group are \$3,506,973, \$1,125,325 and \$968,662 as of December 31, 2021, December 31, 2020 and January 1, 2020, respectively.

(B) The revenue recognized from the beginning balance of contract liabilities amounted to \$625,909 and \$516,293 for the years ended December 31, 2021 and 2020, respectively.

(24) Other income

	Years Ended	
	December 31, 2021	December 31, 2020
Rent income	\$ 152,884	\$ 143,740
Dividend income	2,880,703	2,879,397
	<u>\$ 3,033,587</u>	<u>\$ 3,023,137</u>

(25) Other gains (losses)

	Years Ended	
	December 31, 2021	December 31, 2020
Net currency exchange (losses) gains	\$ 2,751,675	\$ 5,259,113
Net gains (losses) on derivative financial instruments	1,244,761	( 2,245,320)
Net gains (losses) on non-derivative financial instruments	( 17,767)	( 1,380)
Impairment loss	( 627,788)	( 83,569)
Gains (losses) on disposal of investments	29,210	( 2,638)
Other net (losses) gains	<u>736,610</u>	<u>1,236,427</u>
	4,116,701	4,162,633
Exclude other (gains) losses from discontinued operations	-	( 143,531)
	<u>\$ 4,116,701</u>	<u>\$ 4,019,102</u>

(26) Costs and expenses by nature (including discontinued operations)

	Years Ended					
	December 31, 2021			December 31, 2020		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses	\$3,921,487	\$28,842,158	\$32,763,645	\$3,531,148	\$23,961,469	\$27,492,617
Depreciation	1,833,931	1,239,155	3,073,086	1,661,383	1,206,960	2,868,343
Amortization	13,159	415,439	428,598	14,725	503,067	517,792

(27) Employee benefit expenses (including discontinued operations)

	Years Ended	
	December 31, 2021	December 31, 2020
Wages and salaries	\$ 29,086,542	\$ 24,333,301
Labor and health insurance	1,744,359	1,539,698
Pension (Note)	1,143,885	932,380
Other personnel expenses	788,859	687,238
	<u>\$ 32,763,645</u>	<u>\$ 27,492,617</u>

Note: Includes the pension expense under the defined contribution plan and defined benefit plan.

A. According to the Articles of Incorporation of the Company, the current year's profit shall be used first to cover accumulated deficit, if any, and then the remaining balance shall be distributed as follows: no less than 1% as employees' compensation, and no more than 1% as directors' remuneration.

B. For the years ended December 31, 2021 and 2020, employees' compensation was accrued at \$3,204,069 and \$1,865,638, respectively; directors' remuneration was accrued at \$168,635 and \$98,191, respectively. The aforementioned amounts were recognized in salary expense.

The employees' compensation and directors' remuneration were estimated and accrued based on no less than 1% and no more than 1% of profit of current year distributable for the year ended December 31, 2021.

The employees' compensation and directors' remuneration amounting to \$1,865,638 and \$98,191, respectively, for 2020 as resolved by the Board of Directors were in agreement with the amounts recognized in the 2020 financial statements. The employees' compensation and directors' remuneration were distributed in cash. Related information shall be inquired at the Market Observation Post System website.

(28) Income tax

A. Income tax expenses

(A) Components of income tax expense:

	Years Ended	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current income tax:		
Current income tax on profits for the year	\$ 13,346,056	\$ 5,392,070
Additional tax on unappropriated earnings	253,228	3,155
Difference between prior year's income tax estimation and assessed results	582,427	1,238,760
Total current income tax	<u>14,181,711</u>	<u>6,633,985</u>
Deferred income tax:		
Origination and reversal of temporary differences	( 1,698,383)	1,081,399
Total deferred income tax	<u>( 1,698,383)</u>	<u>1,081,399</u>
Income tax expenses (including discontinued operations)	12,483,328	7,715,384
Exclude income tax (expenses) from discontinued operations	- ( 398,203)	
Income tax expense from continuing operations	<u>\$ 12,483,328</u>	<u>\$ 7,317,181</u>

(B) The income tax relating to components of other comprehensive income is as follows:

	Years Ended	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Changes in fair value of financial assets at fair value through other comprehensive income	\$ 8,069	\$ 27,155
Currency translation differences	( 578,866)	( 877,776)
Remeasurements of defined benefit plans	3,917	( 5,984)
	<u>(\$ 566,880)</u>	<u>(\$ 856,605)</u>

B. Reconciliation between income tax expenses and accounting profit:

	Years Ended	
	December 31, 2021	December 31, 2020
Income tax calculated based on profit before tax and statutory tax rate	\$ 13,878,775	\$ 8,318,987
Tax exempt income by tax regulation	( 576,386)	( 647,791)
Effect of tax exemption on investment income	( 1,083,816)	( 479,829)
Effect of investment tax credit	( 54,753)	( 34,983)
Temporary differences not recognized as deferred tax assets	33,980	203,710
Effect of net operating loss carryforward	( 3,020)	( 6,040)
Difference between prior year's income tax estimation and assessed results	582,427	1,238,760
Additional income tax on unappropriated earnings	253,228	3,155
Change in assessment of realization of deferred tax assets	56,922	( 554,306)
Effect of tax rate changes on unrealized profit from sales	( 170,372)	( 87,369)
Effect of exchange rate changes	( 768,402)	( 571,708)
Taxable loss not recognized as deferred tax assets	436,666	295,393
Expenses (income) adjusted by tax regulation	( 53,447)	( 6,611)
Others	( 48,474)	44,016
Income tax expenses (including discontinued operations)	12,483,328	7,715,384
Exclude income tax (expenses) from discontinued operations	-	( 398,203)
Income tax expenses from continuing operations	<u>\$ 12,483,328</u>	<u>\$ 7,317,181</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and loss carryforwards are as follows:

	2021				
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Effect of exchange rate changes	December 31
Temporary differences:					
- Deferred income tax assets:					
Decline in value of inventories	\$ 1,788,503	\$ 990,466	\$ -	(\$ 22,031)	\$ 2,756,938
Unrealized profit from sales	1,018,953	1,299,689	-	( 2,934)	2,315,708
Unrealized purchase discounts	159,538	( 158,664)	-	( 874)	-
Unrealized sales discounts	2,524,328	1,340,281	-	( 69,895)	3,794,714
Unrealized provisions for warranty	1,718,206	796,311	-	( 38,405)	2,476,112
Other unrealized expenses	1,248,404	600,876	-	( 26,304)	1,822,976
Loss carryforwards	307,563	( 246,280)	-	( 1,563)	59,720
Currency translation differences of foreign operation	1,578,126	-	578,866	-	2,156,992
Others	924,910	( 37,038)	( 3,917)	( 23,214)	860,741
Subtotal	<u>11,268,531</u>	<u>4,585,641</u>	<u>574,949</u>	<u>( 185,220)</u>	<u>16,243,901</u>
- Deferred income tax liabilities:					
Investment income from foreign investees	( 14,112,947)	( 2,759,969)	-	-	( 16,872,916)
Currency translation differences of foreign operation	( 199)	-	-	-	( 199)
Unrealized gain on valuation of equity investments	( 49,561)	-	( 8,069)	-	( 57,630)
Others	( 294,062)	( 127,289)	-	3,995	( 417,356)
Subtotal	<u>( 14,456,769)</u>	<u>( 2,887,258)</u>	<u>( 8,069)</u>	<u>3,995</u>	<u>( 17,348,101)</u>
Total	<u>(\$ 3,188,238)</u>	<u>\$ 1,698,383</u>	<u>\$ 566,880</u>	<u>(\$181,225)</u>	<u>(\$ 1,104,200)</u>



2020					
			Recognized in other comprehensive income	Effect of exchange rate changes	
	<u>January 1</u>	<u>Recognized in profit or loss</u>			<u>December 31</u>
Temporary differences:					
- Deferred income tax assets:					
Decline in value of inventories	\$ 2,115,019	(\$ 289,440)	\$ -	(\$ 37,076)	\$ 1,788,503
Unrealized profit from sales	1,215,709	( 201,030)	-	4,274	1,018,953
Unrealized purchase discounts	237,050	( 72,095)	-	( 5,417)	159,538
Unrealized sales discounts	1,919,951	687,949	-	( 83,572)	2,524,328
Unrealized provisions for warranty	1,329,485	428,354	-	( 39,633)	1,718,206
Other unrealized expenses	1,346,189	( 66,903)	-	( 30,882)	1,248,404
Loss carryforwards	443,610	( 121,976)	-	( 14,071)	307,563
Currency translation differences of foreign operation	700,350	-	877,776	-	1,578,126
Others	<u>866,717</u>	<u>109,256</u>	<u>5,984</u>	<u>( 57,047)</u>	<u>924,910</u>
Subtotal	<u>10,174,080</u>	<u>474,115</u>	<u>883,760</u>	<u>( 263,424)</u>	<u>11,268,531</u>
- Deferred income tax liabilities:					
Investment income from foreign investees	( 12,664,178)	( 1,448,769)	-	-	( 14,112,947)
Currency translation differences of foreign operation	( 199)	-	-	-	( 199)
Unrealized gain on valuation of equity investments	( 22,406)	-	( 27,155)	-	( 49,561)
Others	<u>( 189,261)</u>	<u>( 106,745)</u>	<u>-</u>	<u>1,944</u>	<u>( 294,062)</u>
Subtotal	<u>( 12,876,044)</u>	<u>( 1,555,514)</u>	<u>( 27,155)</u>	<u>1,944</u>	<u>( 14,456,769)</u>
Total	<u>(\$ 2,701,964)</u>	<u>(\$ 1,081,399)</u>	<u>\$ 856,605</u>	<u>(\$261,480)</u>	<u>(\$ 3,188,238)</u>

D. Expiration dates of unused taxable loss and amounts of unrecognized deferred income tax assets are as follows:

December 31, 2021				
Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred income tax assets	Year of expiration
2012	\$ 30,283	\$ 30,283	\$ 30,283	2022
2013	71,673	71,673	71,673	2023
2014	80,900	80,900	80,900	2024
2015	90,161	90,161	90,161	2025
2016	136,341	85,176	85,097	2021-2026
2017	1,716,449	1,176,475	682,360	2022-2027
2018	1,886,962	1,884,229	1,567,268	2023-2028
2019	1,168,897	1,115,498	189,927	2024-2029
2020	1,336,309	1,281,161	987,305	2025-2030
2021	2,160,410	2,160,410	2,031,205	2031

December 31, 2020				
Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred income tax assets	Year of expiration
2011	\$ 93,103	\$ 72,605	\$ 72,605	2021
2012	31,309	31,309	31,309	2022
2013	71,673	71,673	71,673	2023
2014	80,900	80,900	80,900	2024
2015	501,393	142,665	142,665	2025
2016	136,746	127,026	126,373	2021-2026
2017	1,710,923	1,170,949	682,360	2027
2018	1,970,033	1,970,033	1,656,529	2023-2028
2019	1,234,353	1,234,353	673,918	2022-2029
2020	1,073,138	1,073,138	924,736	2025-2030

E. The amounts of deductible temporary differences that were not recognized as deferred income tax assets are as follows:

	December 31, 2021	December 31, 2020
Deductible temporary differences	<u>\$ 611,290</u>	<u>\$ 195,492</u>

F. As of December 31, 2021 and 2020, all taxable temporary differences associated with investments in subsidiaries that were not recognized as deferred income tax liabilities are insignificant.

G. The Tax Authority has examined the Company's income tax returns through 2019. In addition, the Company has filed administrative remedies for the Company's 2018 income tax assessment.

(29) Earnings per share

	Years Ended	
	December 31, 2021	December 31, 2020
Profit:		
Profit from continuing operations attributable to shareholders of the parent	\$ 44,549,798	\$ 23,973,651
Profit from discontinued operations attributable to shareholders of the parent	-	2,584,021
Profit attributable to shareholders of the parent	<u>\$ 44,549,798</u>	<u>\$ 26,557,672</u>
Number of shares (shares in thousands):		
Weighted average number of shares outstanding - basic	<u>742,760</u>	<u>742,760</u>
Basic earnings per share (in dollars):		
Profit from continuing operations attributable to shareholders of the parent	\$ 59.98	\$ 32.28
Profit from discontinued operations attributable to shareholders of the parent	-	3.48
Profit attributable to shareholders of the parent	<u>\$ 59.98</u>	<u>\$ 35.76</u>
	Years Ended	
	December 31, 2021	December 31, 2020
Profit:		
Profit from continuing operations attributable to shareholders of the parent	\$ 44,549,798	\$ 23,973,651
Profit from discontinued operations attributable to shareholders of the parent	-	2,584,021
Profit attributable to shareholders of the parent	<u>\$ 44,549,798</u>	<u>\$ 26,557,672</u>
Number of shares (shares in thousands):		
Weighted average number of shares outstanding - basic	<u>742,760</u>	<u>742,760</u>
The effect of dilutive potential common shares - employees' compensation	<u>9,696</u>	<u>8,469</u>
Weighted average number of shares outstanding - diluted	<u>752,456</u>	<u>751,229</u>
Diluted earnings per share (in dollars):		
Profit from continuing operations attributable to shareholders of the parent	\$ 59.21	\$ 31.91
Profit from discontinued operations attributable to shareholders of the parent	-	3.44
Profit attributable to shareholders of the parent	<u>\$ 59.21</u>	<u>\$ 35.35</u>

(30) Transactions with non-controlling interest

In April 2020, ASMEDIA exchanged shares with WT, and increased capital by issuing new shares for the consideration of acquiring 22.39% equity of WT of \$6,624,000. Since the Group did not acquire new shares, the Group's ownership of the subsidiary decreased by 6.90%. The effect of the change in ownership interest in subsidiaries to capital surplus - recognition of ownership interest in subsidiaries is as follows:

	Year Ended December 31, 2020
The consideration for subsidiary's increased capital by issuing new shares	\$ 6,624,000
Less: Increase in carrying amount of non-controlling interest	( 3,787,640)
Capital surplus - recognition of changes in ownership interest in subsidiaries	<u>\$ 2,836,360</u>

(31) Changes in liabilities arising from financing activities

	January 1, 2021	Cash flow	Non-cash changes		December 31, 2021
			Foreign exchange changes	Others (Note)	
Short-term borrowings	\$ 5,875,775	\$ 3,565,288	(\$ 44,508)	\$ -	\$ 9,396,555
Long-term borrowings	-	165,787	-	-	165,787
Lease liabilities	946,153	( 560,238)	( 31,439)	1,097,766	1,452,242
	<u>\$ 6,821,928</u>	<u>\$ 3,170,837</u>	<u>(\$ 75,947)</u>	<u>\$ 1,097,766</u>	<u>\$ 11,014,584</u>

	January 1, 2020	Cash flow	Non-cash changes		December 31, 2020
			Foreign exchange changes	Others (Note)	
Short-term borrowings	\$ 5,600,728	\$ 285,489	(\$ 10,442)	\$ -	\$ 5,875,775
Lease liabilities	1,129,428	( 517,210)	( 4,686)	338,621	946,153
	<u>\$ 6,730,156</u>	<u>(\$ 231,721)</u>	<u>(\$ 15,128)</u>	<u>\$ 338,621</u>	<u>\$ 6,821,928</u>

Note: Others are leases modifications.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company's shares are widely held, so there is no ultimate parent or controlling party.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
ASUSTOR INC. (ASUSTOR)	Associate
EXCELLIANCE MOS CORP. (EMC)	Associate
IBASE TECHNOLOGY INC. (IBASE)	Associate
LITEMAX ELECTRONICS INC. (LITEMAX)	Associate

<u>Names of related parties</u>	<u>Relationship with the Group</u>
MAXTEK TECHNOLOGY CO., LTD. (MAXTEK)	Associate
TECHMOSA INTERNATIONAL INC. (TECHMOSA)	Associate
MORRIHAN INTERNATIONAL CORP. (MORRIHAN)	Associate
NUVISION TECHNOLOGY, INC. (NUVISION)	Associate
HONGTECH ELECTRONICS CO., LTD. (HONGTECH)	Associate
WT MICROELECTRONICS CO., LTD. (WT)	Associate
I-WAYLINK INC. (IWAYLINK)	Associate
WINMATE INC. (WINMATE)	Associate
PORTWELL INC. (PORTWELL)	Associate
IBASE GAMING INC. (IBASEGI)	Associate
DEEP01 LIMITED (DEEP)	Associate
GAIUS AUTOMOTIVE INC. (GAIUSAI)	Associate
LELTEK INC. (LELTEK)	Associate
AMERICAN PORTWELL TECHNOLOGY INC. (APT)	Associate
EUROPEAN PORTWELL TECHNOLOGY B.V. (EPT)	Associate
Others	Other related party

(3) Significant transactions and balances with related parties

A. Sales of goods

	<u>Years Ended</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Sales of goods		
-Associates	\$ 959,385	\$ 410,719
-Others	29,576	12,992
	<u>\$ 988,961</u>	<u>\$ 423,711</u>

The collection periods of the Group to related parties are open account 30 to 90 days and month-end 60 days or negotiated by both parties.

B. Purchases of goods and expenses

	<u>Years Ended</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Purchases of goods		
-Associates	\$ 2,898,837	\$ 1,347,316
-Others	108,243	90,137
Purchases of services and other expenditures		
-Associates	14,786	3,911
-Others	40,601	27,981
	<u>\$ 3,062,467</u>	<u>\$ 1,469,345</u>

The payment term of related parties to the Group are month-end 30 to 120 days, open account 45

to 90 days or 1 to 6 months.

C. Trade receivables and other receivables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Trade receivables		
-Associates	\$ 50,985	\$ 38,330
-Others	2,589	671
	<u>53,574</u>	<u>39,001</u>
Other receivables		
-Associates	264	739
-Others	2,720	-
	<u>2,984</u>	<u>739</u>
	<u>\$ 56,558</u>	<u>\$ 39,740</u>

The trade receivables mainly arise from sales transactions, are unsecured in nature and bear no interest. The other receivables mainly pertain to advance disbursement receivable.

D. Trade payables and other items of current liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Trade payables		
-Associates	\$ 931,610	\$ 524,734
-Others	35,470	21,350
	<u>967,080</u>	<u>546,084</u>
Other items of current liabilities		
-Associates	8,349	4
-Others	606	7,694
	<u>8,955</u>	<u>7,698</u>
	<u>\$ 976,035</u>	<u>\$ 553,782</u>

The trade payables arise mainly from purchase transactions and bear no interest.

(4) Key management compensation

	<u>Years Ended</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Salaries and other short-term employee benefits	\$ 1,759,791	\$ 1,152,216
Post-employment benefits	7,310	6,882
	<u>\$ 1,767,101</u>	<u>\$ 1,159,098</u>

## 8. **PLEDGED ASSETS**

Pledged assets	Items	Book Value		Purpose
		December 31, 2021	December 31, 2020	
Other current assets and other non-current assets	Pledged restricted deposits and refundable deposits	\$ 587,368	\$ 673,277	Note
Property, plant and equipment	Land and buildings	470,670	200,010	Bank loans, financing and credit limits
		<u>\$ 1,058,038</u>	<u>\$ 873,287</u>	

Note: Pledged for customs duties, lodgment for security decided by court, letter of credit, foreign exchange forward transactions, account for social security, security deposit for office and warehouse, project deposit and bank loans, etc.

## 9. **SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS**

### (1) Contingencies

Lawsuits for infringement of intellectual property rights

- A. Several patentees filed lawsuits or investigations for patent infringement including MP3 function for desktop computer and notebook, display and projector products, notebook and tablet against the Group. These lawsuits or investigations are currently under investigation in California and Texas. The Group cannot presently determine the ultimate outcome of these lawsuits but has already recognized the possible loss in the financial statements.
- B. Several patentees filed lawsuits or investigations for patent infringement including cellphone and tablet products, AP and Router products supporting MU-MIMO, notebook, LED for cellphone products, wireless network communication products that support IEEE 802.11ac communication standard, after-sales service, OLED for cellphone products, cellphone and tablet products with MPEG2-TS transportation stream function, various products using LVDS technology processors, monitor product, cellphone, notebook and wireless routers complying with 3G/4G communication standard, monitor product with local dimming, router, wireless base station, notebook, cellphone supporting MU-MIMO, circuit board design, router, notebook, desktop, motherboard, Mini PC and cellphone supporting Wi-Fi 6, AMOLED panel and dock with card reader function against the Group. These lawsuits or investigations are currently under investigation in the courts in Texas, California, Alabama, Japan, Brazil, Malaysia, China, and at the Italian Competition Authority. The Group cannot presently determine the ultimate outcome and effect of these lawsuits.

### (2) Commitments

- A. The Company signed a long-term supply cooperation contract with the supplier, stipulating that a certain amount of purchase must be reached every year. The contract is valid from March 1, 2021 to December 31, 2024. In addition, prepayment of USD 75,000 thousand has been paid by the Company in accordance with the contract. As of December 31, 2021, the prepayment mentioned above amounting to \$1,848,649 is included under other non-current assets.

B. ASMEDIA signed a material-purchase and production capacity agreement with the supplier, stipulating that a certain amount of material-purchase and production capacity must be reached every month. If the stipulation is not met, a certain percentage of differences will be paid according to the agreement. The agreement is valid from July 16, 2021 to December 31, 2023. In addition, under the agreement, the prepayment that needs to be paid in the future amounts to \$846,880.

10. **SIGNIFICANT DISASTER LOSS:** None.

11. **SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL REPORTING PERIOD**

A. Because of the impact of Russia-Ukraine War, continuous compliance with the regulations of each country, and the complex challenges caused by supply chains, logistics, bank transactions and other factors, the shipment to Russian market by the Group has been at standstill as of March 16, 2022. In addition, there is no significant overdue for account receivables, and the related measures have been taken for receivable-collection positively.

B. HCVC disposed its 1.06% equity interest in UPI on January 20, 2022, with the transaction amounting to \$442,339 in total.

12. **OTHERS**

(1) **Capital management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the liability ratio. This ratio is calculated as total liabilities by total assets. Total liabilities calculated as "current liabilities plus non-current liabilities" are shown in the consolidated balance sheets.

During 2021, the Group's strategy was to maintain the liability ratio within reasonable security range, which was unchanged from 2020. The liability ratios are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Total liabilities	\$ 257,716,348	\$ 181,873,165
Total assets	\$ 504,152,814	\$ 396,514,716
Liability ratio	51.12%	45.87%



(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 7,135,532	\$ 20,092,451
Financial assets at fair value through other comprehensive income		
Designation of equity instruments	75,652,456	72,119,405
Financial assets at amortized cost		
Cash and cash equivalents	67,812,243	56,779,464
Financial assets at amortized cost	8,355,419	4,315,316
Notes receivable	4,158,773	4,257,331
Trade receivables	89,083,799	71,845,003
Other receivables	4,641,494	496,974
Refundable deposits	762,588	961,375
Derivative financial assets for hedging	494,819	14,234
	<u>\$ 258,097,123</u>	<u>\$ 230,881,553</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ 232,687	\$ 938,214
Financial liabilities at amortized cost		
Short-term borrowings	9,396,555	5,875,775
Notes and trade payables	95,730,026	55,470,313
Other payables - accrued expenses	49,274,621	40,898,928
Long-term borrowings (including current portion)	165,787	-
Deposits received	336,049	328,463
Lease liabilities	1,452,242	946,153
Derivative financial liabilities for hedging	58,036	823,640
	<u>\$ 156,646,003</u>	<u>\$ 105,281,486</u>

B. Financial risk management policies

(A) The Group's operating activities expose the Group to a variety of financial risks, including market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. To minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts, currency option contracts and currency swap contracts are used to hedge certain exchange rate risk, and derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

- (B) The Group's key financial plans are all reviewed by the Board of Directors under the related principles and internal control system. When executing the financial plans, the Group's treasury departments will follow the financial operating procedures in accordance with the overall financial risk management and proper segregation of duties.
- (C) Information about derivative financial instruments that are used to hedge financial risk are provided in Notes 6(2) and (5).
- C. Nature and degree of significant financial risks

(A) Market risk

Foreign exchange risk

- a. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD, EUR and CNY. Foreign exchange risk arises from future commercial transactions, recognized as assets and liabilities.
- b. The management has set up the policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group's treasury. Exchange rate risk is measured through a forecast of highly probable USD, EUR and CNY expenditures. Forward foreign exchange contracts are adopted to minimize the volatility of the exchange rate affecting recognition of revenue of forecast sale.
- c. The Group hedges foreign exchange rate by using forward exchange contracts and currency option contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).
- d. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.
- e. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency is NTD; other certain subsidiaries' functional currency is USD, EUR, CNY, etc.). Non-monetary items are assessed to have no significant impact on the Group. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2021						
(Foreign currency: functional currency)	Foreign currency amount (in dollars)			Sensitivity Analysis		
				Extent of variation	Effect on profit or loss	Effect on other comprehensive income
	Exchange rate	Book value (NTD)				
	<u>Financial assets</u>					
	<u>Monetary items</u>					
USD:NTD	\$ 3,138,043,049	27.680	\$ 86,861,032	1%	\$ 868,610	\$ -
EUR:USD	446,187,126	31.320	13,974,545	1%	139,745	-
CNH:USD	3,322,395,560	4.343	14,429,137	1%	144,291	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	6,113,837,966	27.680	169,231,035	1%	1,692,310	-
EUR:USD	66,579,177	31.320	2,085,255	1%	20,853	-
CNH:USD	3,037,702,634	4.343	13,192,718	1%	131,927	-
December 31, 2020						
(Foreign currency: functional currency)	Foreign currency amount (in dollars)			Sensitivity Analysis		
				Extent of variation	Effect on profit or loss	Effect on other comprehensive income
	Exchange rate	Book value (NTD)				
	<u>Financial assets</u>					
	<u>Monetary items</u>					
USD:NTD	\$ 2,321,935,612	28.480	\$ 66,128,726	1%	\$ 661,287	\$ -
EUR:USD	353,451,346	35.019	12,377,516	1%	123,775	-
CNH:USD	3,304,429,849	4.377	14,464,732	1%	144,647	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	4,002,562,600	28.480	113,992,983	1%	1,139,930	-
EUR:USD	57,997,419	35.019	2,031,012	1%	20,310	-
CNH:USD	2,442,318,122	4.377	10,690,945	1%	106,909	-

- f. Net currency exchange (losses) gains arising from foreign exchange variation on the monetary items from continuing operations and discontinued operations held by the Group for the years ended December 31, 2021 and 2020 amounted to \$2,751,675 and \$5,259,113, respectively.

#### Price risk

- a. The Group's equity instruments, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity instruments, the Group diversifies its portfolio. Diversification of the portfolio is done in

accordance with the limits set by the Group.

- b. The Group mainly invests in equity instruments comprised of shares and open-end funds issued by the domestic companies. The value of equity instruments are susceptible to market price risk arising from uncertainties about future performance of equity markets. Assuming a hypothetical increase of 1% in the price of the aforementioned financial assets at fair value through profit or loss while the other conditions remain unchanged could increase the Group's non-operating revenue for the years ended December 31, 2021 and 2020 by \$5,329 and \$5,720, respectively. A change of 1% in the price of the aforementioned financial assets at fair value through other comprehensive income could increase the Group's other comprehensive income for the years ended December 31, 2021 and 2020 by \$756,525 and \$721,194, respectively.

Cash flow and fair value interest rate risk

- a. The Group's main interest rate risk arises from long-term and short-term borrowings with variable rates which expose the Group to cash flow interest rate risk but is partially offset by cash and cash equivalents held at variable rates. During the years ended December 31, 2021 and 2020, the Group's borrowings at variable rates were denominated in USD and NTD.
- b. At December 31, 2021 and 2020, if interest rates on borrowings had been 1 basis point (0.01%) higher with all other variables held constant, non-operating expenses for the years ended December 31, 2021 and 2020 would have been \$682 and \$764 higher, respectively, mainly as a result of higher interest expense on floating rate borrowings.

**(B) Credit risk**

- a. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is contract cash flows of counterparties could not repay in full the accounts receivable based on the agreed terms and financial assets at amortized cost.
- b. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of "A" class above as evaluated by an independent party are accepted as counterparties. According to the Group's credit policy, each operating entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors, and the utilization of credit limits is regularly monitored.

- c. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- d. The Group adopts the assumption under IFRS 9, that is, for most operating entities, the default occurs when the contract payments are past due over 90 days. For some subsidiaries, based on the local trading conditions and historical experience, the default occurs when the contract payments are past due over 180 days.
- e. The Group classifies customer's accounts receivable in accordance with customer types. The Group applies the simplified approach using the provision matrix and loss rate method to estimate expected credit loss.
- f. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
  - (a) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
  - (b) The disappearance of an active market for that financial asset because of financial difficulties;
  - (c) Default or delinquency in interest or principal repayments;
  - (d) Adverse changes in national or regional economic conditions that are expected to cause a default.
  - (e) The internal or external credit rating of the instrument is "in default".
  - (f) The condition which met the breach of contract by the debtor or others was assessed case-by-case.
- g. The Group writes off the financial assets, which cannot reasonably be expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2021 and 2020, the Group has no written-off financial assets that are still under recourse procedures.
- h. (a) The expected loss rate for the excellent credit quality clients is 0.01% ~ 0.3%, and the total carrying amount of notes and trade receivables amounted to \$6,362,618 and \$7,078,183 and loss allowance amounted to \$485 and \$438 as of December 31, 2021 and 2020, respectively.
- (b) The Group refers to the forecast ability of global economic indicators to adjust the loss rate which is based on historical and current information when assessing the future default possibility of notes receivable and trade receivables. The provision matrix as of December 31, 2021 and 2020 is as follows:

December 31, 2021	Not past due	Less than 30 days past due	Between 31 and 60 days past due	Between 61 and 90 days past due	Between 91 and 180 days past due	More than 181 days past due	Total
Total book value	\$ 77,350,149	\$ 7,606,891	\$ 1,546,435	\$ 502,586	\$ 363,934	\$ 992,644	\$ 88,362,639
Loss allowance	\$ 5,689	\$ 2,240	\$ 151,810	\$ 55,980	\$ 277,621	\$ 988,860	\$ 1,482,200
Expected loss rate	0.01%~1.62%	0.01%~22.72%	0.06%~27.45%	0.21%~58.99%	1.54%~100%	10%~100%	

December 31, 2020	Not past due	Less than 30 days past due	Between 31 and 60 days past due	Between 61 and 90 days past due	Between 91 and 180 days past due	More than 181 days past due	Total
Total book value	\$ 62,285,220	\$ 5,551,649	\$ 1,006,673	\$ 260,249	\$ 112,097	\$ 1,029,720	\$ 70,245,608
Loss allowance	\$ 10,873	\$ 783	\$ 93,023	\$ 17,013	\$ 69,735	\$ 1,029,592	\$ 1,221,019
Expected loss rate	0.01%~4.68%	0.01%~22.72%	0.15%~44.83%	0.49%~69.79%	2.92%~100%	10%~100%	

- i. Movements in relation to the Group applying the simplified approach to provide loss allowance for notes and trade receivables are as follows:

	2021	2020
January 1	\$ 1,221,457	\$ 1,320,002
Recognition (reversal)	319,660 (	43,057)
Write-offs	( 29,846)	( 17,233)
Reclassifications	- (	223)
Net exchange differences	( 28,586)	( 38,032)
December 31	\$ 1,482,685	\$ 1,221,457

For provisioned loss for the years ended December 31, 2021 and 2020, the net impairment loss (reversal of benefits) arising from customer's contract was \$319,660 and (\$43,057), respectively.

- j. The Group's analysis on credit quality and expected credit loss of debt instruments investment

The objective of the Group's investment policy is to achieve a return under the requirements of principal preservation and liquidity supports. The policy requires to set upper limits of exposure to credit risk of each debt instruments' issuer. The Group assesses whether there has been a significant increase in credit risk in the debt instrument investment since initial recognition according to financial market conditions, the changes in external credit ratings and material information of the debt instruments' issuers.

The Group regularly monitors, reviews and adjusts the limits according to market conditions and the credit standing of the counterparties.

The Group assesses the 12 month expected credit loss and lifetime expected credit loss based on the probability of default and default loss provided by external credit rating agencies. The current credit risk assessment mechanism of the Group is as follows:

Credit rating	Definition	Basis for recognizing expected credit loss
Stage 1	Financial assets with no significant increase in credit risk since initial recognition or low credit risk on balance sheet date	12 months expected credit loss
Stage 2	Financial assets with significant increase in credit risk since initial recognition	Lifetime expected credit loss

- k. Movements in loss allowance for investments in debt instruments carried at amortized cost of the Group are as follows:

	2021		2020	
	12 months expected credit loss	Lifetime expected credit loss	12 months expected credit loss	Lifetime expected credit loss
January 1	\$ 60,188	\$ -	\$ -	\$ -
Recognition	45,342	-	62,447	-
(reversal)				
Disposal	( 10,504)	-	-	-
Net exchange differences	( 2,100)	-	( 2,259)	-
December 31	<u>\$ 92,926</u>	<u>\$ -</u>	<u>\$ 60,188</u>	<u>\$ -</u>

- l. For investments in financial assets at amortized cost and debt instruments at fair value through profit or loss of the Group, the credit rating levels are as follows:

	December 31, 2021		
	12 months expected credit loss	Lifetime expected credit loss	Total
Financial assets at amortized cost			
Time deposits	\$ 125,500	\$ -	\$ 125,500
Corporate bonds			
Internal rating - Stage 1	8,322,845	-	8,322,845
Total book value	8,448,345	-	8,448,345
Loss allowance	( 92,926)	-	( 92,926)
	<u>\$ 8,355,419</u>	<u>\$ -</u>	<u>\$ 8,355,419</u>

	December 31, 2020		
	12 months expected credit loss	Lifetime expected credit loss	Total
Financial assets at amortized cost			
Time deposits	\$ 151,500	\$ -	\$ 151,500
Corporate bonds			
Internal rating - Stage 1	4,224,004	-	4,224,004
Total book value	4,375,504	-	4,375,504
Loss allowance	(60,188)	-	(60,188)
	<u>\$ 4,315,316</u>	<u>\$ -</u>	<u>\$ 4,315,316</u>

The Group's financial assets at amortized cost are time deposits with an original due date of more than three months and various corporate bonds, and there is no significant abnormality in credit risk assessment.

(C) Liquidity risk

- a. Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group treasury. The Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's cash flow plans and compliance with internal balance sheet ratio targets.
- b. The Group treasury invests surplus cash in demand deposits, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. As of December 31, 2021 and 2020, the Group held financial assets at fair value through profit or loss of \$4,128,749 and \$19,970,017, respectively, that are expected to readily generate cash inflows for managing liquidity risk.
- c. The table below analyses the Group's non-derivative financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the financial reporting period to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.



December 31, 2021					
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
<u>Non-derivative</u>					
<u>financial liabilities:</u>					
Short-term borrowings	\$ 9,396,555	\$ -	\$ -	\$ -	\$ 9,396,555
Notes and trade payables	95,730,026	-	-	-	95,730,026
Other payables	49,274,621	-	-	-	49,274,621
- accrued expenses					
Lease liabilities	528,252	385,668	232,747	382,335	1,529,002
Long-term borrowings (including current portion)	10,744	10,852	10,958	133,233	165,787
Other financial liabilities	1,385,033	-	2,060	-	1,387,093
<u>Derivative financial liabilities:</u>					
Forward exchange contracts	265,871	-	-	-	265,871
Currency option contracts	24,852	-	-	-	24,852
December 31, 2020					
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
<u>Non-derivative</u>					
<u>financial liabilities:</u>					
Short-term borrowings	\$ 5,875,775	\$ -	\$ -	\$ -	\$ 5,875,775
Notes and trade payables	55,470,313	-	-	-	55,470,313
Other payables	40,898,928	-	-	-	40,898,928
- accrued expenses					
Lease liabilities	432,617	265,227	165,908	158,540	1,022,292
Other financial liabilities	1,294,357	3,530	-	2,252	1,300,139
<u>Derivative financial liabilities:</u>					
Forward exchange contracts	1,472,626	-	-	-	1,472,626
Currency option contracts	289,228	-	-	-	289,228

d. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis to be significantly earlier, nor expect the actual cash flow amount to be significantly different.

### (3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

(A) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, financial assets at amortized cost - current, notes and trade receivables, other receivables, refundable deposits, short-term borrowings, notes and trade payables, other payables - accrued expenses, other current liabilities, current portion of long-term borrowings, long-term borrowings, guarantee deposits received, lease liabilities, are reasonably approximate to the fair values.

December 31, 2021				
Book value	Fair value			
	Level 1	Level 2	Level 3	
Financial assets:				
Financial assets at amortized cost - non-current				
Corporate bonds	\$ 8,229,919	\$ -	\$8,178,907	\$ -
December 31, 2020				
Book value	Fair value			
	Level 1	Level 2	Level 3	
Financial assets:				
Financial assets at amortized cost - non-current				
Corporate bonds	\$ 4,163,816	\$ -	\$4,293,214	\$ -

(B) The fair values of corporate bonds are determined by quoted market prices provided by third party pricing services.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(A) The related information about the nature of the assets and liabilities is as follows:

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value				
through profit or loss				
Equity instruments	\$ 471,437	\$ 4,575	\$ 56,854	\$ 532,866
Beneficiary certificates	6,434,715	36,284	-	6,470,999
Forward exchange contracts	-	114,158	-	114,158
Currency option contracts	-	8,057	-	8,057
Hybrid instruments	-	-	9,452	9,452
Derivative financial assets for hedging	-	494,819	-	494,819
Financial assets at fair value through				
other comprehensive income				
Equity instruments	75,361,815	216,511	74,130	75,652,456
	<u>\$ 82,267,967</u>	<u>\$ 874,404</u>	<u>\$ 140,436</u>	<u>\$83,282,807</u>
<b>Liabilities:</b>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value				
through profit or loss				
Forward exchange contracts	\$ -	\$ 207,835	\$ -	\$ 207,835
Currency option contracts	-	24,852	-	24,852
Derivative financial liabilities for hedging	-	58,036	-	58,036
	<u>\$ -</u>	<u>\$ 290,723</u>	<u>\$ -</u>	<u>\$ 290,723</u>

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 508,242	\$ 5,055	\$ 58,710	\$ 572,007
Beneficiary certificates	19,456,752	42,988	-	19,499,740
Forward exchange contracts	-	9,686	-	9,686
Hybrid instruments	-	-	11,018	11,018
Derivative financial assets for hedging	-	14,234	-	14,234
Financial assets at fair value through other comprehensive income				
Equity instruments	71,619,389	232,627	267,389	72,119,405
	<u>\$ 91,584,383</u>	<u>\$ 304,590</u>	<u>\$ 337,117</u>	<u>\$92,226,090</u>
<b>Liabilities:</b>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 648,986	\$ -	\$ 648,986
Currency option contracts	-	289,228	-	289,228
Derivative financial liabilities for hedging	-	823,640	-	823,640
	<u>\$ -</u>	<u>\$1,761,854</u>	<u>\$ -</u>	<u>\$ 1,761,854</u>

(B) The methods and assumptions the Group used to measure fair value are as follows:

- a. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed and OTC stocks	Open-end fund
Market quoted price	Closing price	Net asset value

- b. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the financial reporting date.
- c. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments.

Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions.

- d. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
  - e. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheets. The pricing and inputs information used during valuation are carefully assessed and adjusted based on current market conditions.
- D. For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.
- E. The movement of financial and non-financial instruments measured at fair value by Level 3 is as follows:

	2021		
	Equity instruments	Debt instruments	Total
January 1	\$ 337,117	\$ -	\$ 337,117
Acquisitions	30,000	-	30,000
Recognition in profit (loss) (Note 1)	( 3,422)	-	( 3,422)
Recognition in other comprehensive income (loss) (Note 2)	( 115,165)	-	( 115,165)
Reclassifications	( 108,094)	-	( 108,094)
December 31	<u>\$ 140,436</u>	<u>\$ -</u>	<u>\$ 140,436</u>
	2020		
	Equity instruments	Debt instruments	Total
January 1	\$ 67,627	\$ 120,000	\$ 187,627
Acquisitions	129,765	-	129,765
Recognition in profit (loss) (Note 1)	4,482	-	4,482
Recognition in other comprehensive income (loss) (Note 2)	15,243	-	15,243
Reclassifications	120,000	( 120,000)	-
December 31	<u>\$ 337,117</u>	<u>\$ -</u>	<u>\$ 337,117</u>

Note 1 : Recorded as other gains (losses).

Note 2 : Recorded as unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income.

- F. The investment segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the source of information is independent, reliable and in line with other resources and any other necessary adjustments to the fair value.

The investment segment cooperatively set up valuation policies, valuation processes and rules for measuring fair value of financial instruments that ensure compliance with the related requirements in IFRS.

- G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Equity instruments:					
Unlisted and non-OTC stocks	\$ 37,495	Net asset value	Not applicable	Not applicable	The higher the net asset value, the higher the fair value
Unlisted and non-OTC stocks	93,489	Discounted cash flow method	Note 1	Not applicable	Note 2
Hybrid instruments:					
Unlisted and non-OTC stocks	45,343	Discounted cash flow method	Note 1	Not applicable	Note 2
Embedded option	( 35,891)	Option pricing model	Stock price volatility	Not applicable	The higher the stock price volatility, the higher the fair value

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Equity instruments:					
Unlisted and non-OTC stocks	\$ 39,350	Net asset value	Not applicable	Not applicable	The higher the net asset value, the higher the fair value
Unlisted and non-OTC stocks	286,749	Discounted cash flow method	Note 1	Not applicable	Note 2
Hybrid instruments:					
Unlisted and non-OTC stocks	56,084	Discounted cash flow method	Note 1	Not applicable	Note 2
Embedded option	( 45,066)	Option pricing model	Stock price volatility	Not applicable	The higher the stock price volatility, the higher the fair value

Note 1: Long-term revenue growth rate, weighted average cost of capital, long-term operating profit before income tax, discount for lack of marketability and discounts for minority interest.

Note 2: The higher the discount for lack of marketability is, the lower the fair value is; the higher the weighted average cost of capital and discount for minority interest are, the lower the fair value is; the higher the long-term revenue growth rate and long-term operating profit before income tax are, the higher the fair value is.

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in a different outcome.

### 13. **SUPPLEMENTARY DISCLOSURES**

#### (1) **Significant transactions information**

- A. Financing provided: Please refer to table 1.
- B. Endorsements and guarantees provided: None.
- C. Marketable securities held at the end of period (excluding investments in subsidiaries, associates and joint ventures): Please refer to table 2.
- D. Marketable securities acquired and disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital: Please refer to table 3.
- E. Acquisition of real estate properties at costs of at least \$300 million or 20% of the paid-in capital: None.
- F. Disposal of real estate properties at prices of at least \$300 million or 20% of the paid-in capital:

None.

G. Total purchases from or sales to related parties of at least \$100 million or 20% of the paid-in capital: Please refer to table 4.

H. Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital: Please refer to table 5.

I. Trading in derivative instruments undertaken during the reporting period: Please refer to 6(2), (5).

J. Intercompany relationships and significant intercompany transactions: Please refer to table 6.

(2) Information on investees

Names, locations, and related information of investees over which the Company exercises significant influence (excluding information on investments in mainland China): Please refer to table 7.

(3) Information on investments in China

A. Information on investments in mainland China: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in China: Please refer to table 6.

(4) Major shareholders information

Major shareholders information: None.

14. **OPERATING SEGMENT INFORMATION**

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information in this period.

(2) Measurement basis

The Group uses the revenue and operating profit as the measurement for operating segment profit and the basis of performance assessment. The accounting policies of the operating segments and the accounting policies described in Note 4 of the consolidated financial statements are the same.

(3) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:



	Year Ended December 31, 2021		
	3C Brand	Others	Total
Revenues from external customers	\$ 498,341,376	\$ 36,897,359	\$ 535,238,735
Revenues from other segments	\$ 2,059,375	\$ 5,281,521	- (Note 2)
Segment income from continuing operations	\$ 48,215,200	\$ 1,093,125	\$ 49,308,325
Total assets held by continuing operations (Note 3)	\$ -	\$ -	\$ -
	Year Ended December 31, 2020		
	3C Brand	Others	Total
Revenues from external customers (Note 1)	\$ 381,107,037	\$ 36,086,010	\$ 417,193,047
Revenues from other segments (Note 1)	\$ 1,327,538	\$ 5,359,599	- (Note 2)
Segment income from continuing operations	\$ 22,488,679	\$ 2,461,717	\$ 24,950,396
Total assets held by continuing operations (Note 3)	\$ -	\$ -	\$ -

Note 1: Including discontinued operations.

Note 2: The intra-segment revenues have been eliminated to \$0.

Note 3: Because the Group's segment assets are not provided to the chief operating decision-marker, such items are not required to be disclosed.

(4) Reconciliation for segment income

- A. The intra-segment transactions are based on fair value. The revenues from external customers reported to the chief operating decision-maker are measured in a manner consistent with the consolidated statements of comprehensive income.
- B. The reconciliation of the reportable continuing operation's profit (others are the same as consolidated statements of comprehensive income) is as follows:

	Years Ended	
	December 31, 2021	December 31, 2020
Reportable continuing operation's profit before adjustment	\$ 49,308,325	\$ 24,950,396
Unallocated (loss) profit	17,277	6,667
Reportable continuing operation's profit	\$ 49,325,602	\$ 24,957,063

(5) Geographical information

Geographical information for the years ended December 31, 2021 and 2020 is as follows:

	Years Ended			
	December 31, 2021		December 31, 2020	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 58,115,720	\$ 24,216,555	\$ 50,112,061	\$ 21,511,485
China	93,558,202	6,994,363	64,871,106	8,482,871
Singapore	213,335,297	64,897	158,379,349	59,097
USA	101,713,640	1,248,163	83,838,466	1,289,416
Europe	25,368,477	359,969	23,465,450	348,954
Others	43,147,399	530,177	36,526,615	429,012
	535,238,735	\$ 33,414,124	417,193,047	\$ 32,120,835
Exclude (revenue) from contracts with customers from discontinued operations	-		( 4,412,608)	
Total	<u>\$535,238,735</u>		<u>\$412,780,439</u>	

The above non-current assets exclude financing instruments, deferred income tax assets and certain other non-current assets.

(6) Major customer information

No single customer accounts for more than 10% of the consolidated operating revenue for the years ended December 31, 2021 and 2020.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
FINANCING PROVIDED  
YEAR ENDED DECEMBER 31, 2021

Table 1 (Amounts in thousands of New Taiwan dollars and foreign currencies)

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate (%)	Nature for Financing ( Note 1 )	Transaction Amounts	Reason for Financing	Loss allowance	Collateral		Financing Limits for Each Borrowing Company ( Note 2 )	Financing Company's Total Financing Amount Limits ( Note 2 )	Note
													Item	Value			
1	ASUS	ASKEY	Other receivables	Yes	1,000,000	1,000,000	-	1.00	b	-	Need for operations	-	-	-	34,849,683	46,466,244	
2	ASTP	ASGL	Other non-current assets	Yes	24,912,000 (USD 900,000)	24,912,000 (USD 900,000)	24,912,000 (USD 900,000)	0.23575 ~ 0.99706	b	-	Need for operations	-	-	-	38,241,435 (USD 1,381,555)	38,241,435 (USD 1,381,555)	
3	ASTP	QCS	Other non-current assets	Yes	481,097 (SEK 156,709)	481,097 (SEK 156,709)	52,322 (SEK 17,043 )	0.5	b	-	Need for operations	-	-	-	38,241,435 (USD 1,381,555)	38,241,435 (USD 1,381,555)	

Note 1 : Nature for Financing : a. Business transaction calls for a loan arrangement.  
b. The need for short-term financing.

Note 2 : Limit of total financing amount : a. According to Procedures for Lending of ASUS, limit of total financing amount shall not exceed 20% of the net worth of ASUS as of the period.  
b. According to Procedures for Lending of ASTP, limit of total financing amount to the subsidiaries whose voting shares are 100% owned, directly or indirectly, by publicly traded parent company - ASUS, which are not located in Taiwan, shall not exceed 100% of the net worth of ASTP as of the period.

Limit financing amount for individual counterparty : a. According to Procedures for Lending of ASUS, limit of financing amount for individual counterparty shall not exceed 15% of the net worth of ASUS as of the period.  
b. According to Procedures for Lending of ASTP, limit of financing amount to the subsidiaries whose voting shares are 100% owned, directly or indirectly, by publicly traded parent company - ASUS, which are not located in Taiwan, for individual counterparty shall not exceed 100% of the net worth of ASTP as of the period.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
MARKETABLE SECURITIES HELD  
(EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)  
DECEMBER 31, 2021

Table 2 (Amounts in thousands of New Taiwan dollars)

Held Company Name	Type	Marketable Securities Name	Relationship with the Company (Note 1)	Financial Statement Account (Note 2)	December 31, 2021				Note
					Shares/Units	Carrying Value	Percentage (%)	Fair Value	
ASUS	Stock	SPORTON	-	a	353,213	76,647	0.36	76,647	
ASUS	Stock	GLOBALWAFERS	-	c	1,626,626	1,444,444	0.37	1,444,444	
ASUS	Stock	JMC	-	c	830,000	46,895	1.00	46,895	
ASUS	Stock	ENE	b	c	444,365	26,218	1.00	26,218	
ASUS	Stock	ALCOR MICRO	-	c	905,879	54,715	1.00	54,715	
ASUS	Stock	AZUREWAVE	-	c	934,745	25,378	0.62	25,378	
ASUS	Stock	LEDLINK	-	c	718,607	22,708	1.53	22,708	
ASUS	Fund	TNP	-	b	100	8,906	2.05	8,906	
ASUS	Fund	TNP LIGHT	-	b	184	19,233	3.67	19,233	
ASUS	Stock	EMPASS	-	d	1,162,359	36,350	15.86	36,350	
ASUS	Stock	ADVANTECH	-	d	103,177,983	40,910,070	13.33	40,910,070	
ASUS	Stock	PEGA	-	d	448,506,484	30,991,798	16.80	30,991,798	
ASUS	Stock	NANOLUX	-	d	536	66,044	10.84	66,044	
ASUS	Stock	APTOS	-	d	312,600	-	0.35	-	
ASUS	Stock	94BOT	-	d	100,000	-	4.80	-	
ASUS	Stock	A-WEI TECH	-	d	301,876	1,352	1.83	1,352	
ASUS	Stock	AISTORM	-	d	178,784	14,613	0.69	14,613	
ASUS	Stock	EOSTEK	-	d	1,600,000	13,464	14.94	13,464	
ASUS	Stock	AMTRUST	b	d	7,500,000	83,553	7.81	83,553	
ASMEDIA	Fund	FUH HWA RMB MONEY MARKET	-	a	531,862	28,643	-	28,643	
ASMEDIA	Fund	MEGA DIAMOND MONEY MARKET	-	a	23,739,799	300,964	-	300,964	
ASMEDIA	Fund	CAPITAL MONEY MARKET	-	a	17,226,216	280,737	-	280,737	
ASMEDIA	Stock	AUGENTIX	-	d	1,600,000	27,136	11.59	27,136	
ASMEDIA	Stock	ICATCH TECHNOLOGY	-	d	5,500,000	476,630	7.38	476,630	
ASMEDIA	Stock	WT PREFERRED STOCK	a	d	8,000,000	391,600	-	391,600	
ASKEY	Stock	CIPHERMAX	-	b	9,234	-	0.00	-	
ASKEY	Stock	RETI	-	b	80,700	-	3.32	-	
MIC	Stock	BROADCOM	-	b	90	1,658	0.00	1,658	
MIC	Stock	ZARLINK SEMI-CONDUCTOR	-	b	44,775	-	0.04	-	
DIC	Stock	FORTE MEDIA	-	b	200,000	-	0.30	-	
HVCV	Fund	YUANTA WAN TAI MONEY MARKET	-	a	558,765	8,538	-	8,538	
HVCV	Fund	TAISHIN 1699 MONEY MARKET	-	a	2,722,282	37,237	-	37,237	
HVCV	Fund	YUANTA DE BAO MONEY MARKET	-	a	348,419	4,226	-	4,226	
HVCV	Stock	LEDLINK	-	c	336,546	10,635	0.67	10,635	
HVCV	Stock	APAQ TECHNOLOGY	b	d	10,668,012	647,548	11.99	647,548	
HVCV	Stock	A-WEI TECH	-	d	301,876	1,352	1.83	1,352	
HMI	Fund	TAISHIN 1699 MONEY MARKET	-	a	2,496,303	34,146	-	34,146	
HMI	Stock	APAQ TECHNOLOGY	-	d	3,210,015	194,848	3.61	194,848	
HMI	Stock	A-WEI TECH	-	d	174,417	781	1.06	781	
AAEON	Stock	ADVANTECH	-	a	802	318	0.00	318	
AAEON	Fund	MEGA DIAMOND MONEY MARKET	-	a	2,091,070	26,510	-	26,510	
AAEON	Stock	MACHVISION TECHNOLOGY	b	a	1,180,198	329,275	2.64	329,275	
AAEON	Stock	ATECH OEM TECHNOLOGY	b	a	234	3	0.00	3	
AAEON	Stock	INSYNERGER TECHNOLOGY	-	b	1,710,000	19,359	19.29	19,359	
AAEON	Stock	UNITECH ELECTRONICS	-	a	549,657	12,285	0.73	12,285	
AAEON	Stock	LILEE SYSTEMS PREFERRED STOCK	-	a	468,750	-	-	-	
AAEON	Stock	ALLIED BIOTECH	b	a	300,000	4,575	0.31	4,575	
AAEON	Stock	TELEION WIRELESS PREFERRED STOCK	-	a	149,700	-	-	-	
AAEON	Stock	V-NET AAEON	-	b	29	9,452	14.50	9,452	
AAEONI	Stock	ATECH OEM TECHNOLOGY	b	a	3,456,000	41,126	5.82	41,126	
AAEONI	Stock	SUNENGINE	b	a	156,903	1,089	2.75	1,089	
ONYX	Stock	MELTEN CONNECTED HEALTHCARE	-	d	4,193,548	2,381	6.61	2,381	
ONYX	Stock	MACHVISION TECHNOLOGY	b	a	18,716	5,222	0.04	5,222	
ONYX	Stock	INNO FUND III	-	b	3,000,000	36,406	13.04	36,406	
ONYX	Stock	TOP UNION ELECTRONICS	-	a	169,658	4,903	0.17	4,903	
ONYX	Stock	PROTECTLIFE INTERNATIONAL BIOMEDICAL	-	d	2,500,000	30,000	6.30	30,000	
ASGL	Fund	JIH SUN MONEY MARKET	-	a	816,699	12,240	-	12,240	
ASGL	Fund	USD TERM LIQUIDITY (USD185A3)	-	a	952,519	2,778,557	-	2,778,557	
ASGL	Fund	USD TERM LIQUIDITY (USD370A)	-	b	959,903	2,781,409	-	2,781,409	
ASGL	Bond	AAC TECHNOLOGIES HOLDINGS	-	e	1,900,000	53,215	-	53,268	
ASGL	Bond	ABBVIE	-	e	1,750,000	52,345	-	51,372	
ASGL	Bond	ADANI TRANSMISSION	-	e	1,850,000	52,675	-	53,791	
ASGL	Bond	AERCAP IRELAND CAPITAL DAC/ AERCAP GLOBAL AVIATION TRUST	-	e	3,550,000	107,198	-	106,790	
ASGL	Bond	AFRICA FINANCE	-	e	3,690,000	107,425	-	107,950	
ASGL	Bond	AIB GROUP	-	e	1,800,000	52,505	-	52,475	
ASGL	Bond	AIR LEASE	-	e	3,900,000	108,329	-	106,227	
ASGL	Bond	AIRCASTLE	-	e	3,580,000	107,413	-	106,199	
ASGL	Bond	ALCON FINANCE	-	e	1,500,000	44,241	-	42,934	
ASGL	Bond	ALLY FINANCIAL	-	e	1,670,000	51,992	-	52,185	
ASGL	Bond	APT PIPELINE	-	e	1,640,000	48,918	-	48,562	
ASGL	Bond	ARCELORMITTAL	-	e	1,900,000	57,154	-	57,596	
ASGL	Bond	ARDAGH PACKAGING FINANCE / ARDAGH MP HOLDINGS USA	-	e	1,140,000	32,056	-	32,581	
ASGL	Bond	AUSTRALIA AND NEW ZEALAND BANKING GROUP	-	e	3,460,000	106,656	-	104,890	
ASGL	Bond	AVIATION CAPITAL GROUP	-	e	3,920,000	108,413	-	105,888	
ASGL	Bond	AVOLON HOLDINGS FUNDING	-	e	3,450,000	107,018	-	105,584	
ASGL	Bond	BANCO BTG PACTUAL OF CAYMAN ISLANDS	-	e	2,420,000	64,410	-	65,745	
ASGL	Bond	BANCO LATINOAMERICANO DE COMERCIO EXTERIOR	-	e	3,820,000	107,923	-	105,870	
ASGL	Bond	BANCO SANTANDER	-	e	3,400,000	106,466	-	104,778	
ASGL	Bond	BANK OF AMERICA	-	e	3,430,000	106,333	-	104,580	
ASGL	Bond	BANK OF NOVA SCOTIA	-	e	1,670,000	51,835	-	50,801	

Held Company Name	Marketable Securities		Relationship with the Company (Note 1)	Financial Statement Account (Note 2)	December 31, 2021				Note
	Type	Name			Shares/Units	Carrying Value	Percentage (%)	Fair Value	
ASGL	Bond	BARCLAYS	-	e	3,410,000	104,529	-	105,326	
ASGL	Bond	BAYER US FINANCE II	-	e	3,530,000	107,755	-	105,731	
ASGL	Bond	BERRY GLOBAL	-	e	3,740,000	107,565	-	107,086	
ASGL	Bond	BHARAT PETROLEUM	-	e	1,840,000	52,431	-	53,120	
ASGL	Bond	BHARTI AIRTEL	-	e	2,110,000	61,194	-	62,219	
ASGL	Bond	BNP PARIBAS	-	e	3,520,000	107,738	-	106,010	
ASGL	Bond	BOC AVIATION	-	e	3,860,000	108,592	-	107,712	
ASGL	Bond	BPCE	-	e	3,420,000	106,542	-	104,472	
ASGL	Bond	CHENIERE CORPUS CHRISTI HOLDINGS	-	e	1,690,000	51,227	-	51,863	
ASGL	Bond	CHOUZHOU INTERNATIONAL INVESTMENT	-	e	3,820,000	106,884	-	107,748	
ASGL	Bond	CIFI HOLDINGS GROUP	-	e	1,150,000	31,313	-	30,718	
ASGL	Bond	CIT BANK, N.A.	-	e	1,880,000	53,063	-	53,600	
ASGL	Bond	CITIGROUP	-	e	1,680,000	51,976	-	51,307	
ASGL	Bond	CNH INDUSTRIAL CAPITAL	-	e	1,940,000	53,738	-	53,749	
ASGL	Bond	COLORADO INTERSTATE GAS / COLORADO INTERSTATE ISSUING	-	e	1,940,000	58,476	-	58,445	
ASGL	Bond	COMMONWEALTH BANK OF AUSTRALIA	-	e	1,700,000	51,855	-	51,642	
ASGL	Bond	CONAGRA BRANDS	-	e	1,680,000	51,835	-	51,151	
ASGL	Bond	COOPERATIEVE RABOBANK U.A.	-	e	3,570,000	108,137	-	106,478	
ASGL	Bond	COX COMMUNICATION	-	e	1,750,000	52,615	-	51,438	
ASGL	Bond	CREDIT SUISSE GROUP	-	e	3,440,000	107,297	-	104,961	
ASGL	Bond	CROWN AMERICAS / CROWN AMERICAS CAPITAL V	-	e	2,240,000	62,708	-	66,188	
ASGL	Bond	CVS HEALTH	-	e	1,780,000	52,708	-	52,055	
ASGL	Bond	DELL INTERNATIONAL / EMC	-	e	3,310,000	105,326	-	104,753	
ASGL	Bond	DEUTSCHE BANK	-	e	2,520,000	74,193	-	74,599	
ASGL	Bond	DISCOVER BANK	-	e	1,760,000	52,393	-	51,559	
ASGL	Bond	GENTING NY / GENNY CAP	-	e	3,940,000	108,902	-	108,015	
ASGL	Bond	GLENCORE FUNDING	-	e	1,960,000	54,077	-	53,720	
ASGL	Bond	GLOBAL PAYMENTS	-	e	1,660,000	51,761	-	51,036	
ASGL	Bond	GLP	-	e	3,710,000	106,152	-	106,935	
ASGL	Bond	GOLDMAN SACHS GROUP	-	e	1,720,000	52,651	-	51,942	
ASGL	Bond	HCA	-	e	1,650,000	51,462	-	51,386	
ASGL	Bond	HEWLETT PACKARD	-	e	2,130,000	59,084	-	58,917	
ASGL	Bond	HIKMA FINANCE USA	-	e	3,780,000	107,973	-	107,368	
ASGL	Bond	HYATT HOTELS	-	e	3,600,000	106,894	-	108,387	
ASGL	Bond	ICICI BANK OF DUBAI	-	e	1,830,000	52,831	-	53,943	
ASGL	Bond	INTERNATIONAL GAME TECHNOLOGY	-	e	1,200,000	33,590	-	34,215	
ASGL	Bond	IQVIA	-	e	2,330,000	64,055	-	66,187	
ASGL	Bond	JERSEY CENTRAL POWER & LIGHT	-	e	1,800,000	54,477	-	54,056	
ASGL	Bond	KEYBANK NATIONAL ASSOCIATION OF CLEVELAND, OHIO	-	e	1,700,000	51,258	-	50,163	
ASGL	Bond	KOHL'S	-	e	2,100,000	61,545	-	62,244	
ASGL	Bond	LENNAR	-	e	3,390,000	105,968	-	105,247	
ASGL	Bond	LEVIATHAN BOND	-	e	2,230,000	63,616	-	65,394	
ASGL	Bond	LLOYDS BANKING GROUP	-	e	3,460,000	104,765	-	105,006	
ASGL	Bond	LUNDIN ENERGY FINANCE BV	-	e	3,910,000	107,846	-	107,531	
ASGL	Bond	LYB INTERNATIONAL FINANCE III	-	e	1,000,000	27,160	-	26,707	
ASGL	Bond	MACQUARIE BANK	-	e	3,490,000	106,180	-	105,389	
ASGL	Bond	MARATHON PETROLEUM	-	e	1,760,000	52,674	-	53,167	
ASGL	Bond	MEG ENERGY	-	e	2,350,000	66,200	-	66,208	
ASGL	Bond	MEITUAN	-	e	1,490,000	39,741	-	39,795	
ASGL	Bond	MEXICO CITY AIRPORT TRUST	-	e	3,600,000	106,883	-	105,502	
ASGL	Bond	MGM GROWTH PROPERTIES OPERATING PARTNERSHIP / MGP FINANCE	-	e	1,150,000	31,656	-	33,901	
ASGL	Bond	MICROCHIP TECHNOLOGY	-	e	1,000,000	28,648	-	28,750	
ASGL	Bond	MITSUBISHI UFJ FINANCIAL GROUP	-	e	1,760,000	52,291	-	50,687	
ASGL	Bond	MIZUHO FINANCIAL GROUP	-	e	1,882,000	56,916	-	55,734	
ASGL	Bond	NATIONWIDE BUILDING SOCIETY	-	e	3,510,000	107,009	-	104,364	
ASGL	Bond	NORTHRIVER MIDSTREAM FINANCE	-	e	2,330,000	64,251	-	67,126	
ASGL	Bond	NXP / NXP FUNDING	-	e	1,630,000	51,955	-	50,999	
ASGL	Bond	OCCIDENTAL PETROLEUM	-	e	2,400,000	58,425	-	68,245	
ASGL	Bond	ONEOK	-	e	3,340,000	104,635	-	106,066	
ASGL	Bond	ONGC VIDEH VANKORNEFT	-	e	3,700,000	105,857	-	107,327	
ASGL	Bond	OVINTIV EXPLORATION	-	e	1,240,000	33,224	-	38,035	
ASGL	Bond	PACIFIC GAS AND ELECTRIC	-	e	3,830,000	106,853	-	107,793	
ASGL	Bond	PHILLIPS 66 PARTNERS	-	e	3,580,000	107,068	-	105,486	
ASGL	Bond	PRIME SECURITY SERVICES BORROWER / PRIME FINANCE	-	e	2,190,000	63,631	-	65,085	
ASGL	Bond	PT BANK MANDIRI (PERSERO)	-	e	1,740,000	51,509	-	52,595	
ASGL	Bond	PULTEGROUP	-	e	1,570,000	49,782	-	49,412	
ASGL	Bond	ROYALTY PHARMA	-	e	1,960,000	53,706	-	53,133	
ASGL	Bond	SABINE PASS LIQUEFACTION	-	e	1,640,000	51,482	-	52,107	
ASGL	Bond	SANTANDER UK GROUP HOLDINGS	-	e	3,460,000	105,329	-	104,503	
ASGL	Bond	SHIMAO GROUP HOLDINGS	-	e	3,770,000	107,016	-	65,119	
ASGL	Bond	SHINHAN BANK	-	e	3,540,000	106,566	-	104,740	
ASGL	Bond	SHINHAN FINANCIAL GROUP	-	e	1,950,000	54,070	-	53,222	
ASGL	Bond	SK HYNIX	-	e	660,000	17,998	-	17,875	
ASGL	Bond	SOCIETE GENERALE	-	e	3,520,000	105,111	-	104,605	
ASGL	Bond	SOFTBANK GROUP	-	e	1,140,000	30,705	-	30,929	
ASGL	Bond	SOLVAY FINANCE AMERICA	-	e	1,680,000	51,491	-	50,695	
ASGL	Bond	SOUTHWESTERN ENERGY	-	e	2,240,000	66,181	-	68,141	
ASGL	Bond	STANDARD CHARTERED	-	e	3,530,000	106,936	-	105,142	
ASGL	Bond	SUMITOMO MITSUI FINANCIAL GROUP	-	e	1,760,000	52,077	-	50,607	
ASGL	Bond	SYNCHRONY FINANCIAL	-	e	3,540,000	104,181	-	104,115	
ASGL	Bond	SYNGENTA FINANCE	-	e	3,550,000	107,594	-	105,563	
ASGL	Bond	TECHNIPMC	-	e	2,210,000	63,807	-	65,501	
ASGL	Bond	TENGIZCHEVROIL FINANCE INTERNATIONAL	-	e	3,800,000	106,846	-	105,568	
ASGL	Bond	T-MOBILE USA	-	e	1,930,000	53,427	-	52,798	
ASGL	Bond	TRINITY ACQUISITION	-	e	1,680,000	52,267	-	50,896	
ASGL	Bond	TURKCELL ILETISIM HIZMETLERI	-	e	1,200,000	31,673	-	32,718	
ASGL	Bond	UBS GROUP	-	e	1,660,000	51,542	-	50,127	
ASGL	Bond	UTAH ACQUISITION SUB	-	e	3,260,000	98,525	-	97,342	
ASGL	Bond	VANKE REAL ESTATE (HONG KONG)	-	e	1,710,000	48,937	-	47,900	
ASGL	Bond	VMWARE	-	e	1,690,000	51,073	-	50,960	
ASGL	Bond	WESTERN MIDSTREAM OPERATING	-	e	2,300,000	63,193	-	67,844	
ASGL	Bond	WOODSIDE FINANCE	-	e	2,020,000	58,647	-	59,514	
ASGL	Bond	XP US EQUITY	-	e	1,620,000	41,474	-	43,182	
AIL	Fund	PRODIGY STRATEGY INVESTMENT XIV	-	a	3,530	133,349	-	133,349	
AIL	Stock	EONEX	-	d	31,733	-	2.70	-	
AIL	Stock	ISTAGING	-	d	988,889	13,615	2.15	13,615	
AIL	Stock	PTSN	-	d	260,977,800	118,328	4.91	118,328	
AIL	Fund	ASIA PACIFIC GENESIS C	-	b	-	8,145	9.00	8,145	
UEI	Fund	CAPITAL MONEY MARKET	-	a	500,661	8,159	-	8,159	

Note 1 : a. Associate. b. Other related parties.

Note 2 : a. Financial assets at fair value through profit or loss - current ; b. Financial assets at fair value through profit or loss - non-current ; c. Financial assets at fair value through other comprehensive income - current ; d. Financial assets at fair value through other comprehensive income - non-current ; e. Financial assets measured at amortized costs - non-current.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION  
OR 20% OF THE PAID-IN CAPITAL  
YEAR ENDED DECEMBER 31, 2021

Table 3 (Amounts in thousands of New Taiwan dollars)

Company Name	Marketable Securities		Financial Statement Account (Note 1)	Counter-party	Nature of Relationship	Beginning Balance		Acquisition			Disposal				Ending Balance		
	Type	Name				Shares/Units	Amount	Shares/Units	Amount	(Note 2)	Shares/Units	Amount	Carrying Value	(Note 2)	Gain/Loss on Disposal	Shares/Units	Amount
ASUS	Fund	UNION MONEY MARKET	a	-	-	229,708,763	3,057,355	926,872,737	12,350,963	a	1,156,581,500	15,413,658	15,401,832 6,486	a b	11,826	-	-
ASUS	Fund	YUANTA WAN TAI MONEY MARKET	a	-	-	241,402,253	3,682,640	215,230,958	3,285,000	a	456,633,211	6,968,648	6,965,318 2,322	a b	3,330	-	-
ASUS	Fund	UPAMC JAMES BOND MONEY MARKET	a	-	-	133,714,369	2,251,857	83,041,839	1,400,000	a	216,756,208	3,653,033	3,650,000 1,857	a b	3,033	-	-
ASUS	Fund	SINOPAC TWD MONEY MARKET	a	-	-	107,829,740	1,512,161	340,568,324	4,780,237	a	448,398,064	6,294,520	6,289,085 3,313	a b	5,435	-	-
ASUS	Fund	TAISHIN TA CHONG MONEY MARKET	a	-	-	96,539,338	1,382,482	135,286,995	1,940,000	a	231,826,333	3,324,255	3,320,000 2,482	a b	4,255	-	-
ASUS	Fund	TAISHIN 1699 MONEY MARKET	a	-	-	219,593,451	2,996,550	357,788,065	4,890,000	a	577,381,516	7,891,122	7,880,370 6,180	a b	10,752	-	-
ASUS	Fund	NOMURA TAIWAN MONEY MARKET	a	-	-	48,707,812	800,946	97,415,623	1,603,223	a	146,123,435	2,405,172	2,403,274 895	a b	1,898	-	-
ASUS	Fund	YUANTA DE LI MONEY MARKET	a	-	-	72,749,890	1,195,928	71,692,616	1,180,000	a	144,442,506	2,377,337	2,374,000 1,928	a b	3,337	-	-
ASUS	Fund	JIH SUN MONEY MARKET	a	-	-	60,296,929	901,439	52,734,870	790,000	a	113,031,799	1,693,034	1,690,000 1,439	a b	3,034	-	-
ASUS	Fund	YUANTA DE BAO MONEY MARKET	a	-	-	-	-	219,452,779	2,660,000	a	219,452,779	2,660,369	2,660,000	a	369	-	-
ASUTC	Fund	NOMURA TAIWAN MONEY MARKET	a	-	-	60,031,084	987,145	120,062,169	1,976,686	a	180,093,253	2,965,760	2,947,686 16,145	a b	18,074	-	-
ASGL	Fund	USD TERM LIQUIDITY (USD185A3)	a	-	-	-	-	952,519	2,800,900 10,682	a b	-	-	33,025	c	-	952,519	2,778,557
ASGL	Fund	USD TERM LIQUIDITY (USD370A)	b	-	-	-	-	959,903	2,800,900 13,568	a b	-	-	33,059	c	-	959,903	2,781,409
ASUS	Stock	PORTWELL	e	POSIFLEX	-	-	-	29,493,170	1,500,000 80,830 1,906	a d f	-	-	18,940	e	-	29,493,170	1,563,796
ASUS	Stock	ADVANTECH	d	-	-	110,677,983	38,737,294	-	- 2,526,780	b	7,500,000	2,754,909	354,004	a	2,400,905 (Note 3)	103,177,983	40,910,070
ASTP	Capital	APVN	e	-	-	-	1,099	-	413,816 1,576 3,667	a d c	-	-	-	-	-	-	420,158

Note 1 : a. Financial assets at fair value through profit or loss - current.

b. Financial assets at fair value through profit or loss - non-current.

c. Financial assets at fair value through other comprehensive income - current.

d. Financial assets at fair value through other comprehensive income - non-current.

e. Investments accounted for under equity method.

Note 2 : a. Acquired or capital increase/ disposed or capital reduction/liquidation in this period.

b. Revaluation.

c. Recognized in effect of exchange rate changes.

d. Recognized in investment gain or loss under equity investment.

e. Recognized in other comprehensive income (loss) under equity investment.

f. Recognized in capital surplus under equity investment.

Note 3 : The difference of disposal is the accumulated other comprehensive income transferred to retained earnings.

## ASUSTEK COMPUTER INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
YEAR ENDED DECEMBER 31, 2021

Table 4

(Amounts in thousands of New Taiwan dollars)

Company Name	Related Party	Nature of Relationship (Note 1)	Transaction Details				Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchases/ (Sales)	Amount	Percentage of Total Purchases/ (Sales) amount (%)	Payment Terms	Unit Price	Payment Terms	Ending Balance	Percentage of Total Notes/Trade Receivables (Payables) (%)	
ASUS	ASUTC	b	(Sales)	( 23,143,705)	( 5.06)	OA 90	-	-	2,459,425	1.95	
ASUS	ASGL	b	(Sales)	( 422,707,167)	( 92.43)	OA 180	-	-	63,819,459	50.49	
ASUS	AAEON	b	(Sales)	( 1,120,200)	( 0.24)	Month-end 30 days	-	-	121,793	0.10	
ASUS	UEI	b	(Sales)	( 628,529)	( 0.14)	OA 30	-	-	13,292	0.01	
ASUS	ASKEY	b	Purchases	292,446	0.04	Month-end 60 days	-	-	( 56,793)	( 0.04)	
ASUS	ASMEDIA	b	Purchases	453,647	0.07	Month-end 30 days	-	-	( 37,626)	( 0.03)	
ASUS	WT	c	Purchases	2,051,524	0.32	Month-end 60 days	-	-	( 822,249)	( 0.59)	
ASGL	ACCQ	b	(Sales)	( 10,752,861)	( 2.30)	OA 180	-	-	713,636	0.58	
ASGL	ACI	b	(Sales)	( 99,558,218)	( 21.26)	OA 180	-	-	38,909,032	31.51	
ASGL	ACSH	b	(Sales)	( 79,602,953)	( 17.00)	OA 180	-	-	25,492,444	20.64	
ASGL	ACJP	b	(Sales)	( 8,083,226)	( 1.73)	OA 120	-	-	1,923,681	1.56	
ASGL	ASIN	b	(Sales)	( 13,836,078)	( 2.96)	OA 180	-	-	6,231,928	5.05	
ASGL	ACMH	b	(Sales)	( 4,068,857)	( 0.87)	OA 180	-	-	1,187,709	0.96	
ASGL	ACNL	b	(Sales)	( 23,661,986)	( 5.05)	OA 180	-	-	6,174,868	5.00	
ASGL	ACJK	b	(Sales)	( 13,473,050)	( 2.88)	OA 180	-	-	5,688,996	4.61	
ASGL	ACBT	b	(Sales)	( 442,178)	( 0.09)	OA 180	-	-	176,263	0.14	
ASGL	ACG	b	(Sales)	( 757,949)	( 0.16)	OA 90	-	-	180,960	0.15	
ASGL	ACH	b	(Sales)	( 103,043)	( 0.02)	OA 90	-	-	29,802	0.02	
ASMEDIA	WT	c	(Sales)	( 928,142)	( 15.45)	Month-end 30 days	-	-	40,010	7.48	
ASKEY	ASKEYI	b	(Sales)	( 5,936,568)	( 25.29)	Month-end 90 days	-	-	1,526,359	20.60	
ASKEY	SILIGENCE	b	(Sales)	( 317,411)	( 1.35)	Month-end 90 days	-	-	16,833	0.23	
ASKEY	ASKEYJS	b	(Sales)	( 3,967,604)	NA (Note 2)	Month-end 90 days	-	-	681,639	9.20	
ASKEY	ASKEYJS	b	Purchases	12,887,228	52.28	Month-end 90 days	Based on cost of finished goods plus related expenditure of related party	-	( 3,830,294)	( 56.60)	
ASKEY	WT	c	Purchases	321,500	1.30	Month-end 120 days	-	-	( 29,250)	( 0.43)	
ASKEYJS	WT	c	Purchases	172,163	1.60	Month-end 120 days	-	-	( 49,836)	( 1.75)	
ASKEYJS	TECHMOSA	c	Purchases	151,798	1.41	Month-end 120 days	-	-	-	-	
AAEON	AAEONEI	b	(Sales)	( 983,439)	( 22.20)	Month-end 60 days	-	-	220,205	21.49	
AAEON	AAEONEU	b	(Sales)	( 707,740)	( 15.97)	Month-end 60 days	-	-	221,870	21.66	
AAEON	AAEONSZ	b	(Sales)	( 311,994)	( 7.04)	Month-end 60 days	-	-	53,464	5.22	
AAEON	ONYXHU	b	(Sales)	( 122,769)	( 2.77)	Month-end 60 days	-	-	25,449	2.48	
ONYX	ONYXHU	b	(Sales)	( 277,974)	( 29.72)	Month-end 90 days	-	-	99,253	45.38	

Note 1 : a. Parent company ; b. Subsidiary ; c. Associate ; d. Other.

Note 2 : Purchasing raw materials is for subsidiary and the related sales revenue are eliminated in the financial reports.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
DECEMBER 31, 2021

Table 5 (Amounts in thousands of New Taiwan dollars)

Company Name	Related Party	Nature of Relationship (Note)	Ending Balance	Turnover (Times)	Overdue		Amounts Received in Subsequent Period	Loss allowance
					Amount	Action Taken		
ASUS	ASUTC	b	2,459,425	9.47	-	-	2,322,396	-
ASUS	ASGL	b	63,819,459	12.41	-	-	63,795,796	-
ASUS	AAEON	b	121,793	13.71	-	-	90,463	-
ASGL	ACCQ	b	713,636	6.40	-	-	486,478	-
ASGL	ACI	b	38,909,032	2.99	-	-	14,501,692	-
ASGL	ACSH	b	25,492,444	3.76	-	-	10,880,409	-
ASGL	ACJP	b	1,923,681	3.52	-	-	1,552,702	-
ASGL	ASIN	b	6,231,928	2.61	-	-	2,295,164	-
ASGL	ACMH	b	1,187,709	3.73	-	-	658,555	-
ASGL	ACNL	b	6,174,868	4.56	-	-	4,010,316	-
ASGL	ACJK	b	5,688,996	2.95	-	-	2,792,219	-
ASGL	ACBT	b	176,263	4.12	-	-	74,499	-
ASGL	ACG	b	180,960	5.70	-	-	178,700	-
ASGL	ACIN	b	147,291	0.35	-	-	22,204	-
ASGL	ASTH	b	117,424	0.05	-	-	20,183	4,715
ASKEY	ASKEYI	b	1,526,359	3.71	-	-	55,584	-
ASKEY	ASKEYJS	b	681,639	4.32	-	-	359,838	-
AAEON	AAEONEU	b	221,870	4.73	-	-	68,217	-
AAEON	AAEONEI	b	220,205	7.17	-	-	217,321	-
ASKEYJS	ASKEY	b	3,830,294	3.20	-	-	470,560	-

Note : a. Parent company ; b. Subsidiary ; c. Associate ; d. Other.



ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
(ONLY TRANSACTIONS AMOUNTING TO AT LEAST NT\$100 MILLION ARE DISCLOSED)  
YEAR ENDED DECEMBER 31, 2021

Table 6-1 (Amounts in thousands of New Taiwan dollars)

No. (Note 1)	Company Name	Related Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Account	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (%)
0	ASUS	ASUTC	a	Sales	23,143,705	OA 90	4.32
0	ASUS	ASGL	a	Sales	422,707,167	OA 180	78.98
0	ASUS	AAEON	a	Sales	1,120,200	Month-end 30 days	0.21
0	ASUS	UEI	a	Sales	628,529	OA 30	0.12
1	ASMEDIA	ASUS	b	Sales	453,647	Month-end 30 days	0.08
2	ASGL	ACCQ	c	Sales	10,752,861	OA 180	2.01
2	ASGL	ACI	c	Sales	99,558,218	OA 180	18.60
2	ASGL	ACSH	c	Sales	79,602,953	OA 180	14.87
2	ASGL	ACJP	c	Sales	8,083,226	OA 120	1.51
2	ASGL	ASIN	c	Sales	13,836,078	OA 180	2.59
2	ASGL	ACMH	c	Sales	4,068,857	OA 180	0.76
2	ASGL	ACNL	c	Sales	23,661,986	OA 180	4.42
2	ASGL	ACJK	c	Sales	13,473,050	OA 180	2.52
2	ASGL	ACBT	c	Sales	442,178	OA 180	0.08
2	ASGL	ACG	c	Sales	757,949	OA 90	0.14
2	ASGL	ACH	c	Sales	103,043	OA 90	0.02
3	ASKEY	ASUS	b	Sales	292,446	Month-end 60 days	0.05
3	ASKEY	SILIGENCE	c	Sales	317,411	Month-end 90 days	0.06
3	ASKEY	ASKEYI	c	Sales	5,936,568	Month-end 90 days	1.11
3	ASKEY	ASKEYJS	c	Sales	3,967,604	Month-end 90 days	0.74
4	ASKEYJS	ASKEY	c	Sales	12,887,228	Month-end 90 days	2.41
5	AAEON	AAEONEI	c	Sales	983,439	Month-end 60 days	0.18
5	AAEON	AAEONSZ	c	Sales	311,994	Month-end 60 days	0.06
5	AAEON	AAEONEU	c	Sales	707,740	Month-end 60 days	0.13
5	AAEON	ONYXHU	c	Sales	122,769	Month-end 60 days	0.02
6	ONYX	ONYXHU	c	Sales	277,974	Month-end 90 days	0.05
7	ACH	ASGL	c	Service revenue	385,199	Pay on delivery	0.07
8	ACAE	ASGL	c	Service revenue	158,999	Pay on delivery	0.03
9	ACI	ASGL	c	Service revenue	560,415	Pay on delivery	0.10
10	ACCZS	ASGL	c	Service revenue	459,026	Pay on delivery	0.09
11	ACF	ASGL	c	Service revenue	435,023	Pay on delivery	0.08
12	ACG	ASGL	c	Service revenue	389,954	Pay on delivery	0.07
13	ACHK	ASGL	c	Service revenue	152,805	Pay on delivery	0.03
14	ACIN	ASGL	c	Service revenue	140,826	Pay on delivery	0.03
15	ACKR	ASGL	c	Service revenue	114,098	Pay on delivery	0.02
16	ACPL	ASGL	c	Service revenue	126,927	Pay on delivery	0.02
17	ACUK	ASGL	c	Service revenue	230,501	Pay on delivery	0.04
18	ACVN	ASGL	c	Service revenue	136,284	Pay on delivery	0.03
19	ACCQ	ASGL	c	Service revenue	1,301,399	Pay on delivery	0.24
20	ACSH	ASGL	c	Service revenue	174,890	Pay on delivery	0.03
21	ACSZ	ASGL	c	Service revenue	2,366,810	Pay on delivery	0.44
22	ACAU	ASGL	c	Service revenue	207,684	Pay on delivery	0.04
23	ACN	ASGL	c	Service revenue	316,725	Pay on delivery	0.06
24	ACTT	ACNL	c	Service revenue	231,179	Pay on delivery	0.04
25	ACIB	ACNL	c	Service revenue	187,724	Pay on delivery	0.04
26	ACS	ASGL	c	Service revenue	187,933	Pay on delivery	0.04

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
(ONLY TRANSACTIONS AMOUNTING TO AT LEAST NT\$100 MILLION ARE DISCLOSED)  
DECEMBER 31, 2021

Table 6-2 (Amounts in thousands of New Taiwan dollars)

No. (Note 1)	Company Name	Related Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Account	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (%)
0	ASUS	ASUTC	a	Trade receivables	2,459,425	OA 90	0.49
0	ASUS	ASGL	a	Trade receivables	63,819,459	OA 180	12.66
0	ASUS	AAEON	a	Trade receivables	121,793	Month-end 30 days	0.02
2	ASGL	ACCQ	c	Trade receivables	713,636	OA 180	0.14
2	ASGL	ACI	c	Trade receivables	38,909,032	OA 180	7.72
2	ASGL	ACSH	c	Trade receivables	25,492,444	OA 180	5.06
2	ASGL	ACJP	c	Trade receivables	1,923,681	OA 120	0.38
2	ASGL	ASIN	c	Trade receivables	6,231,928	OA 180	1.24
2	ASGL	ACMH	c	Trade receivables	1,187,709	OA 180	0.24
2	ASGL	ACNL	c	Trade receivables	6,174,868	OA 180	1.22
2	ASGL	ACJK	c	Trade receivables	5,688,996	OA 180	1.13
2	ASGL	ACBT	c	Trade receivables	176,263	OA 180	0.03
2	ASGL	ACG	c	Trade receivables	180,960	OA 90	0.04
2	ASGL	ACIN	c	Trade receivables	147,291	OA 150	0.03
2	ASGL	ASTH	c	Trade receivables	117,424	OA 150	0.02
3	ASKEY	ASKEYI	c	Trade receivables	1,526,359	Month-end 90 days	0.30
3	ASKEY	ASKEYJS	c	Trade receivables	681,639	Month-end 90 days	0.14
4	ASKEYJS	ASKEY	c	Trade receivables	3,830,294	Month-end 90 days	0.76
5	AAEON	AAEONEI	c	Trade receivables	220,205	Month-end 60 days	0.04
5	AAEON	AAEONEU	c	Trade receivables	221,870	Month-end 60 days	0.04
7	ACH	ASGL	c	Trade receivables	121,812	Pay on delivery	0.02
10	ACCZS	ASGL	c	Trade receivables	100,890	Pay on delivery	0.02
11	ACF	ASGL	c	Other receivables	121,112	Pay on delivery	0.02
12	ACG	ASGL	c	Trade receivables	120,800	Pay on delivery	0.02
19	ACCQ	ASGL	c	Other receivables	301,169	Pay on delivery	0.06
21	ACSZ	ASGL	c	Trade receivables	774,524	Pay on delivery	0.15
22	ACAU	ASGL	c	Other receivables	146,530	Pay on delivery	0.03

Note 1 : ASUS and its subsidiaries are coded as follows:

- a. ASUS is coded 0.
- b. The subsidiaries are coded consecutively beginning from 1 in the order presented in the table above.

Note 2 : Transactions are categorized as follows:

- a. The parent company to subsidiary.
- b. Subsidiary to parent company.
- c. Subsidiary to subsidiary.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEs OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE  
(EXCLUDING INFORMATION ON INVESTMENTS IN MAINLAND CHINA)

YEAR ENDED DECEMBER 31, 2021

Table 7

(Amounts in thousands of New Taiwan dollars)

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2021			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership (%)	Carrying Value			
ASUS	ACI	U.S.A	Selling of 3C products in North America	13,320	13,320	50,000	100.00	-	1,650,091	1,650,091	Note 2 and 3
ASUS	ASUTC	Taiwan	Selling of 3C products in Taiwan	204,244	204,244	19,000,000	100.00	216,326	520,353	520,353	Note 1 and 2
ASUS	ACH	Netherlands	Repairing of 3C products	155,336	37,821	10,800,000	100.00	325,071	12,595	12,595	Note 2
ASUS	AIL	Cayman Islands	Investing in 3C and computer peripheral business	3,281,057	3,281,057	89,730,042	100.00	34,654,377	2,597,679	2,597,679	Note 1 and 2
ASUS	DEEP	Taiwan	Researching, developing and selling of AI medical related software	45,030	45,030	674,908	21.96	40,362	( 13,509)	( 2,966)	Note 2
ASUS	ASGL	Singapore	Selling of 3C products	838,070	838,070	28,000,000	100.00	49,928,352	17,629,540	16,450,878	Note 2
ASUS	ASKEY	Taiwan	Designing, manufacturing, repairing and selling of communication products and computer peripheral spare parts	5,021,108	5,021,108	480,000,000	100.00	731,690	( 1,732,472)	( 1,717,840)	Note 2
ASUS	HCVC	Taiwan	Investing in computer peripherals business	1,100,000	1,100,000	114,500,000	100.00	3,077,622	376,646	376,646	Note 2
ASUS	HMI	Taiwan	Investing in computer peripherals business	680,000	680,000	68,000,000	100.00	1,657,921	186,378	186,378	Note 2
ASUS	QCI	Singapore	Servicing of information technology	25,290	25,290	830,001	100.00	43,242	32,640	32,640	Note 2
ASUS	ASUSCLOUD	Taiwan	Selling and consulting of internet service	596,678	596,678	23,645,558	94.58	24,103	( 76,009)	( 71,891)	Note 2
ASUS	UEI	Taiwan	Manufacturing and selling of automotive electronics and computer peripherals	66,354	66,354	21,300,000	100.00	245,770	152,242	152,242	Note 2
ASUS	GAIS	Cayman Islands	Investing in electric motor tricycle industry	310,400	310,400	16,386,481	35.00	218,354	( 136,758)	( 47,865)	Note 2
ASUS	TWS	Taiwan	Servicing of AI computing	299,000	-	29,900,000	100.00	152,242	( 146,758)	( 146,758)	Note 2
ASUS	PORTWELL	Taiwan	Manufacturing and selling of computers and computer peripherals and servicing information software	1,500,000	-	29,493,170	30.00	1,563,796	363,604	80,830	Note 2
ASUS	NEXTS	Cayman Islands	Investing in cloud computing service business	94,324	94,324	8,560,974	43.48	97,740	39,337	17,103	Note 2
ASUS	LELTEKH	Cayman Islands	Researching, developing, selling of handheld ultrasound solutions	136,054	-	8,418,740	22.78	140,710	( 7,232)	( 1,647)	Note 2
ASUS and HCVC	ACJK	Indonesia	Selling of 3C products in Indonesia	259,576	259,576	8,500	100.00	6,501	( 179,590)	( 179,590)	Note 2
ASUS and HCVC	IMOTION	Taiwan	Investing in AI and IPC peripherals business	270,000	270,000	27,000,000	30.00	60,514	4,126	1,052	Note 2
ASUS and HCVC	ACBT	Indonesia	Selling of 3C products in Indonesia	1,126,979	1,126,979	4,211,100	100.00	100,919	( 55,323)	( 55,323)	Note 2
ASUS and HCVC	SWI	Taiwan	Researching, developing, selling and consulting of information system software	72,146	72,146	5,469,750	51.00	75,877	1,771	903	Note 2
ASUS and HCVC	IUT	Taiwan	Researching, developing, manufacturing and selling of ink-jet print heads and ink-jet digital image output technology	177,743	177,743	11,323,682	69.25	124,278	8,127	5,628	Note 2
ASUS · HCVC and HMI	ASMEDIA	Taiwan	Designing, researching, developing and manufacturing of high-speed analog circuit	342,673	342,673	31,775,315	45.99	7,445,626	3,193,148	1,130,522	Note 2
ASUS · HCVC and HMI	EMC	Taiwan	Designing, manufacturing and selling of computer peripheral spare parts	81,060	81,060	6,359,548	17.78	292,629	627,912	39,737	Note 2
ASUS · HCVC and HMI	AAEON	Taiwan	Manufacturing and selling of industrial computers and computer peripherals	3,357,568	3,357,568	60,474,000	40.69	5,001,342	468,244	128,751	Note 2
ASUS · HCVC and HMI	JPX	Taiwan	Designing and selling of computer peripheral spare parts	20,000	20,000	2,000,000	15.38	5,970	( 23,609)	( 1,923)	Note 2
ASUS and HCVC	UPI	Taiwan	Designing, researching, developing and selling of integrated circuits	452,526	486,532	23,889,905	33.79	2,110,845	1,113,190	317,057	Note 2
ASUS · HMI and AAEON	ONYX	Taiwan	Designing, manufacturing and selling of medical computers	146,376	146,376	17,188,300	56.80	567,147	131,481	7,361	Note 2 and 4
HMI	JOGEEK	Taiwan	Selling and repairing of information software and electronic information materials	30,000	30,000	3,000,000	100.00	24,828	( 2,395)	-	Note 2
ASKEY	ASKEYI	U.S.A	Selling and servicing of communication products	307,607	307,607	10,000,000	100.00	22,827	42,198	-	Note 2
ASKEY	DIC	British Virgin Islands	Investing in communication business	271,695	271,695	8,160,172	100.00	74,095	59	-	Note 2
ASKEY	MIC	British Virgin Islands	Investing in communication business	3,752,306	3,752,306	114,942,014	100.00	3,015,925	56,376	-	Note 2
ASKEY	ECOLAND	Taiwan	Planning and design integration of ecology, architecture and energy	21,840	21,840	780,000	33.91	-	( 6,081)	-	Note 2 and 3
ASKEY	ASKEYDT	Taiwan	Selling and servicing of communication products	30,000	30,000	3,000,000	100.00	30,100	35	-	Note 2
ASKEY	WONDA	Taiwan	Manufacturing and designing of wired and wireless communication, electronic parts products, etc.	65,344	65,344	9,242,232	100.00	48,927	20,334	-	Note 2
ASKEY	ASKEYUK	U.K.	Selling and servicing of communication products	37,740	37,740	1,000,000	100.00	32,173	( 5,236)	-	Note 2
ASKEY and MIC	ASKEYBR	Brazil	Selling and servicing of communication products	28,667	26,883	3,700,000	100.00	5,567	158	-	Note 2
DIC	ASKEYVN	Vietnam	Manufacturing and selling of communication products	158,732	163,319	2,883,359	100.00	70,436	-	-	Note 2

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2021			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership (%)	Carrying Value			
DIC	WISE	Hong Kong	Investing in communication business	37,410	38,491	1,600,000	100.00	12,193	148	-	Note 2
MIC	MAGICOM	Cayman Islands	Investing in communication business	2,519,710	2,592,534	91,030,000	100.00	3,205,821	21,486	-	Note 2
MIC	ASKEYCG	Germany	Selling and servicing of communication products	3,622	3,727	100,000	100.00	1,911	( 1,182)	-	Note 2
MIC	ASKEYTH	Thailand	Selling and servicing of communication products	1,735	1,786	20,000	100.00	1,093	1,629	-	Note 2
MIC	ASKEYJP	Japan	Selling and servicing of communication products	1,301	1,339	500,000	100.00	-	1,641	-	Note 2 and 3
ASKEY and WISE	SILIGENCE	France	Selling and servicing of communication products	174,071	175,149	4,623,090	95.95	72,096	914	-	Note 2
AAEON	AAEONEI	U.S.A	Selling of industrial computers and computer peripherals	135,632	139,552	490,000	100.00	221,656	25,783	-	Note 2
AAEON	AAEONTCL	British Virgin Islands	Investing in industrial computers and interface cards business	243,780	250,826	8,807,097	100.00	240,950	27,032	-	Note 2
AAEON	AAEONEU	Netherlands	Selling of industrial computers and computer peripherals	3,132	3,502	-	100.00	31,446	5,245	-	Note 2
AAEON	AAEONI	Taiwan	Investing in industrial computers and computer peripherals business	150,000	150,000	15,000,000	100.00	119,379	( 5,175)	-	Note 2
AAEON	LITEMAX	Taiwan	Selling of computer peripherals	70,218	70,218	5,015,050	11.99	103,896	112,149	-	Note 2
AAEON	IBASE	Taiwan	Manufacturing and selling of industrial motherboard	3,498,501	3,498,501	52,921,856	31.91	3,257,009	312,547	-	Note 2
AAEON	AAEONSG	Singapore	Selling of industrial computers and computer peripherals	11,936	12,577	465,840	100.00	53,253	6,990	-	Note 2
AAEONEU	AAEONG	Germany	Selling of industrial computers and computer peripherals	940	1,051	-	100.00	19,044	811	-	Note 2
ONYX	ONYXHU	U.S.A	Selling of medical computers and peripherals	55,360	56,960	200,000	100.00	94,100	( 631)	-	Note 2
ONYX	ONYXHE	Netherlands	Marketing support and repairing of medical computers and peripherals	3,132	3,502	100,000	100.00	11,672	4,215	-	Note 2
ONYX	IHELPER	Taiwan	Researching, developing and selling of medical robots	16,560	16,560	1,656,000	46.00	7,557	( 1,930)	-	Note 2
ONYX	WINMATE	Taiwan	Bidding and distribution of liquid crystal display application equipment and modules	552,783	538,199	10,041,000	13.85	561,275	364,706	-	Note 2
ASUSCLOUD	ASUSCLOUDSG	Singapore	Investing in internet service business	24,853	24,853	-	100.00	1,762	( 861)	-	Note 2
ASUSCLOUD	ASUSCLOUDLB	Luxembourg	Providing maintenance and operating service for information hardware	18,065	18,065	-	100.00	2,949	160	-	Note 2
ASUSCLOUD	ASUSLC	Taiwan	Selling of internet information service	5,000	5,000	500,000	50.00	-	( 2,703)	-	Note 2 and 3
ASMEDIA	WT	Taiwan	Agent sales of semiconductor and electronic components	6,624,000	6,624,000	171,000,000	21.44	11,391,413	7,923,257	-	Note 2
AIL	CHANNEL	British Virgin Islands	Investing in 3C business	831,313	855,340	30,033,000	100.00	35,913,547	2,594,502	-	Note 2
CHANNEL	ASTP	Singapore	Investing in 3C business	830,469	854,471	44,419,424	100.00	38,241,435	180,308	-	Note 2
CHANNEL and ASTP	ACEG	Egypt	Providing support for 3C products in Egypt	-	-	-	100.00	1,152	20	-	Note 2
CHANNEL and ASTP	ACAE	United Arab Emirates	Providing support and repair for 3C products in Middle East	81,463	3,928	107	100.00	98,734	( 318)	-	Note 2
CHANNEL and ASTP	ASID	Indonesia	Repairing of 3C products in Asia-Pacific and America	41,520	42,720	1,500,000	100.00	41,286	4,083	-	Note 2
CHANNEL 、ASTP and ACNL	ACTH	Thailand	Providing support for 3C products in Thailand	13,076	13,454	20,000	100.00	24,813	3,999	-	Note 2
CHANNEL 、ASTP and ACNL	ASTH	Thailand	Repairing of 3C products in Thailand	5,248	5,400	60,000	100.00	7,427	2,620	-	Note 2
ASTP	ACG	Germany	Selling and providing support for 3C products in Germany	2,622	2,698	-	100.00	168,192	12,751	-	Note 2
ASTP	ACF	France	Providing support for 3C products in France	1,380	1,420	5,300	100.00	61,979	6,726	-	Note 2
ASTP	ACUK	U.K.	Providing support for 3C products in United Kingdom	2,498	2,570	50,000	100.00	64,656	8,759	-	Note 2
ASTP	ACHK	Hong Kong	Providing support and repair for 3C products in Hong Kong	1,781	1,833	500,000	100.00	14,032	296	-	Note 2
ASTP	ACKR	South Korea	Providing support and repair for 3C products in South Korea	9,576	9,852	158,433	100.00	48,173	4,457	-	Note 2
ASTP	ACIN	India	Providing support and repair for 3C products in India	228,843	235,457	20,134,400	100.00	316,798	26,861	-	Note 2
ASTP	ACNL	Netherlands	Selling of 3C products	16,115	16,580	375,000	100.00	1,693,671	182,490	-	Note 2
ASTP	ACVN	Vietnam	Providing support and repair for 3C products in Vietnam	2,214	2,278	-	100.00	29,921	4,914	-	Note 2
ASTP	ACIB	Spain	Providing support for 3C products in Spain	17	17	3,000	100.00	48,649	5,887	-	Note 2
ASTP	ACJP	Japan	Selling of 3C products in Japan	67,750	69,708	20,500	100.00	384,910	66,119	-	Note 2
ASTP	ASAU	Australia	Repairing of 3C products in Australia	26,719	27,492	950,000	100.00	65,868	11,521	-	Note 2
ASTP	ACAU	Australia	Providing support for 3C products in Australia	9,987	10,276	350,000	100.00	57,204	3,753	-	Note 2
ASTP	ACIL	Israel	Providing support for 3C products in Israel	360	370	50,000	100.00	10,631	5,899	-	Note 2
ASTP	ACCO	Colombia	Providing support for 3C products in Colombia	830	854	74,489	100.00	4,090	1,400	-	Note 2
ASTP	ACZA	South Africa	Providing support and repair for 3C products in Africa	2	2	1,000	100.00	7,313	1,471	-	Note 2
ASTP	ACMY	Malaysia	Providing support and repair for 3C products in Malaysia	3,235	3,328	500,000	100.00	20,829	1,980	-	Note 2
ASTP	ACCL	Chile	Providing support for 3C products in Chile	48	49	1,000	100.00	3,540	1,570	-	Note 2

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2021			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership (%)	Carrying Value			
ASTP	ASPH	Philippines	Providing support and repair for 3C products in Philippines	5,545	5,706	1,059,995	100.00	7,921	1,815	-	Note 2
ASTP	APVN	Vietnam	Leasing and trading real estate	415,200	1,424	-	100.00	420,158	1,576	-	Note 2
ASTP and ACNL	A25	Russia	Selling of 3C products in Russia	4	4	-	100.00	5,037	9,465	-	Note 2
ASTP and ACNL	ACPE	Peru	Providing support for 3C products in Peru	35,030	36,073	4,195,740	100.00	29,868	649	-	Note 2
ASTP and ACNL	ACMH	Mexico	Selling of 3C products in Mexico	105,396	108,241	51,250	100.00	264,364	249,002	-	Note 2
ASTP and ACNL	ACBZ	Brazil	Selling of 3C products in Brazil	5,456,036	5,613,750	549,469,000	100.00	3,048,331	527,004	-	Note 2
ASTP and ACNL	ASIN	India	Selling of 3C products in India	187,601	193,023	33,500,000	100.00	568,773	260,029	-	Note 2
ACNL	ACHU	Hungary	Providing support for 3C products in Hungary	1,566	1,751	-	100.00	10,821	1,616	-	Note 2
ACNL	ACPT	Portugal	Providing support for 3C products in Portugal	940	1,051	30,000	100.00	14,507	1,896	-	Note 2
ACNL	ACCH	Switzerland	Providing support for 3C products in Switzerland	7,157	8,003	3,400	100.00	19,842	2,747	-	Note 2
ACNL	ACN	Sweden	Providing support for 3C products in North Europe	998	1,116	3,000	100.00	50,567	11,595	-	Note 2
ACNL	ACTR	Turkey	Providing support and repair for 3C products in Turkey	127,382	15,411	2,046	100.00	164,532	56,438	-	Note 2
ACNL	ASTR	Turkey	Repairing of 3C products in Turkey	319	357	3,000	100.00	6,285	3,799	-	Note 2
ACNL	ACPL	Poland	Providing support for 3C products in Poland	45,592	50,976	1,000	100.00	55,001	4,868	-	Note 2
ACNL	ACIT	Italy	Providing support for 3C products in Italy	1,503	1,681	-	100.00	220	4,034	-	Note 2
ACNL	ACCZ	Czech Republic	Providing support for 3C products in Czech Republic	245	274	-	100.00	22,267	2,782	-	Note 2
ACNL	ACCZS	Czech Republic	Repairing of 3C products in Europe	6,560	7,335	-	100.00	127,672	14,808	-	Note 2
ACNL	QCS	Sweden	Servicing of information technology	146	163	500	100.00	-	6,887	-	Note 2 and 3
ACNL	ACUKR	Ukraine	Providing support for 3C products in Ukraine	9,196	-	-	100.00	10,805	1,085	-	Note 2

Note 1 : Original investment amount excludes other interest oriented from shareholders' stock trust which distributes to employees.

Note 2 : According to regulation, only disclose the share of profits/losses of investee recognized by ASUS.

Note 3 : Credit balance of investments accounted for under equity method is transferred to other liabilities - non-current.

Note 4 : Percentage of ownership represents controlling shareholding ratio but not the comprehensive shareholding ratio.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
YEAR ENDED DECEMBER 31, 2021

Table 8 (Amounts in thousands of New Taiwan dollars and foreign currencies)

Investee Company	Main Businesses	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Beginning Balance of Accumulated Outflow of Investment from Taiwan	Investment Flows		Ending Balance Accumulated Outflow of Investment from Taiwan	Net Income (Loss) of the Investee Company	Percentage of Ownership (%)	Investment Income (Loss) Recognized in Current Period (Note 2 a and b)	Carrying Amount as of December 31, 2021 (Note 2 a and b)	Ending Balance of Accumulated Inward Remittance of Earnings	Note (Note 1 b)
					Outflow	Inflow							
ACSH	Selling of 3C products in China	1,331,408	b	1,331,408	-	-	1,331,408	455,541	100.00	455,541	-	-	ASTP Invested (Note 3)
ACS	Repairing of 3C products	55,360	b	55,360	-	-	55,360	4,702	100.00	4,702	79,301	-	ASTP Invested
ACSZ	Researching and developing of 3C products	1,356,320	b	1,356,320	-	-	1,356,320	177,435	100.00	177,435	3,309,795	-	ASTP Invested
ACCQ	Selling of 3C products in China	1,909,920	b	1,909,920	-	-	1,909,920	473,757	100.00	473,757	6,509,563	-	ASTP Invested
ACISZ	Leasing real estate	716,886	c	-	-	-	-	4,744	100.00	4,744	711,126	-	-
ASKEYSH	Researching, developing and selling of communication products	83,040	b	83,040	-	-	83,040	( 1,783)	100.00	( 1,783)	-	-	MIC Invested (Note 3)
ASKEYJS	Manufacturing and selling of communication products	2,491,200	b	2,491,200	-	-	2,491,200	21,738	100.00	21,738	3,065,403	-	MAGICOM Invested
AAEONSZ	Manufacturing and selling of industrial computers and interface cards	240,547	b	240,547	-	-	240,547	27,177	100.00	27,177	249,690	-	AAEONTCL Invested
ONYXSH	Selling of medical computers and peripherals	60,896	a	55,360	5,536	-	60,896	( 2,588)	100.00	( 2,588)	7,508	-	-
EMES	Selling and consulting of information system software	8,304	a	8,304	-	-	8,304	5,311	100.00	5,311	22,470	-	-
JSCD	Participating and promoting of professional eSports	673,900	a	673,900	-	-	673,900	( 97,435)	100.00	( 97,435)	311,035	-	-
EOSTEK SHENZHEN	Smart TV and projector platform service	193,760	c	49,603	-	-	49,603	-	14.94	-	-	-	-

Company Name	Ending Balance of Accumulated Investment in Mainland China	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
ASUS	5,832,243	6,009,395	147,861,880
	USD 210,702	USD 217,102	
ASKEY	2,931,926	2,931,926	(Note 4)
	USD 105,922	USD 105,922	
AAEON	240,547	240,547	5,034,317
	USD 8,690	USD 8,690	
SWI	8,304	9,411	89,267
	USD 300	USD 340	
ONYX	60,896	60,896	620,860
	USD 2,200	USD 2,200	

Note 1 : The methods for engaging in investment in Mainland China include the following:

- Direct investment in Mainland China.
- Indirectly investment in Mainland China through companies registered in a third region (Please specify the name of the company in third region).
- Other methods.

Note 2 : The investment income (loss) recognized in current period:

Please specify no investment income (loss) has been recognized due to the investment is still during development stage.

The investment income (loss) were determined based on the following basis:

- The financial report was audited by an international accounting firm in cooperation with an R.O.C. accounting firm.
- Others.

Note 3 : Credit balance of investments accounted for under equity method transferred to other liabilities - non-current.

Note 4 : In accordance with the "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China", there is no upper limit on investment.



## **Independent Auditors' Report**

To the Board of Directors and Shareholders of

ASUSTEK COMPUTER INC.

### **Opinion**

We have audited the accompanying separate balance sheets of ASUSTEK COMPUTER INC. as of December 31, 2021 and 2020, and the related statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2021 and 2020, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other independent auditors, as described in the Other matters section of our report, the separate financial statements present fairly, in all material respects, the separate financial position of ASUSTEK COMPUTER INC. as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years ended December 31, 2021 and 2020, in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

### **Basis for opinion**

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Independent auditors’ responsibilities for the audit of the separate financial statements section of our report. We are independent of ASUSTEK COMPUTER INC. in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of the other independent auditors, 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 ASUSTEK COMPUTER INC.'S 2021 separate financial statements. These matters were addressed in the context of our audit of the separate 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 ASUSTEK COMPUTER INC.'S 2021 separate financial statements are stated as follows:

### **Evaluation of inventories**

#### Description

Refer to Note 4(13) for the accounting policies on the evaluation of inventories, Note 5 for the uncertainty of accounting estimations and assumptions for evaluation of inventories, and Note 6(7) for the details of allowance of inventory valuation.

ASUSTEK COMPUTER INC. is primarily engaged in the design, R&D, and sales of 3C products. Due to the rapid technological innovations and competition within the industry, frequent releases of new products result in potential price fluctuations and product marginalization in the market. Additionally, it also affects the estimation of net realizable values of inventories.

In response to changing markets and its development strategies, ASUSTEK COMPUTER INC. adjusts its inventory levels. The primary product line of ASUSTEK COMPUTER INC. is notebook computer. As a result, the related inventory levels for the product line mentioned above are significant. Management evaluates inventories stated at the lower of cost and net realizable value. Since the evaluation of inventories is subject to management's judgment and the accounting estimations will have significant influence on the inventory values, the evaluation of inventories has been identified as one of the key audit matters.

#### How our audit addressed the matter

Our audit procedures performed in ASUSTEK COMPUTER INC. and its subsidiaries (recognized as investments accounted for under equity method) for the above matter are as follows:

1. Assessed the policy on allowance for inventory valuation loss, based on our understanding of the operations and industry of ASUSTEK COMPUTER INC.



2. Inspected the management's individually identified out-of-date inventory list and checked the related supporting documents.
3. Tested the basis of market value used in calculating the net realizable value of inventory and validated the accuracy of net realizable value calculation of selected samples.

### **Refund liabilities - sales returns and discounts**

#### Description

The subsidiaries of ASUSTEK COMPUTER INC. periodically estimates sales returns and discounts based on each product line's actual sales returns and discounts, and considers if there are special factors which will affect the original estimations. Since the refund liabilities - sales returns and discounts is subject to management's judgment and the market of 3C products changes rapidly, management's use of historical experience to accrue for future sales returns and discounts will cause uncertainty of accounting estimations and affect the balance of investments accounted for under equity method of ASUSTEK COMPUTER INC. Thus, refund liabilities - sales returns and discounts has been identified as one of the key audit matters.

#### How our audit addressed the matter

Our audit procedures performed in the subsidiaries of ASUSTEK COMPUTER INC. (recognized as investments accounted for under equity method) for refund liabilities - sales returns and discounts are as follows:

1. Assessed the reasonableness of policies used in estimating refund liabilities - sales returns and discounts, taking into consideration actual sales returns and discounts. Performed sample testing to verify whether the accrual rates have been approved appropriately.
2. Selected samples and tested the calculation logic used in the refund liabilities - sales returns and discounts statements, including accrual and reversal statements of refund liabilities - sales returns and discounts.
3. Selected samples and confirmed whether accrual amounts based on the accrual statements of refund liabilities - sales returns and discounts have been properly recognized in the financial statements.
4. Selected samples and confirmed whether the reversal amounts based on the reversal statements of refund liabilities - sales returns and discounts have been properly recognized in the financial statements and checked against the original vouchers.

**Other matter – Reference to the audits of other independent auditors**

We did not audit the financial statements of certain investments accounted for under the equity method. These investments accounted for under the equity method amounted to \$9,123,643 thousand and \$7,384,970 thousand, constituting 2.43% and 2.54% of total assets as of December 31, 2021 and 2020, respectively, and other comprehensive income (loss) of subsidiaries, associates, and joint ventures accounted for under equity method amounted to \$532,186 thousand and (\$717,511) thousand, constituting 1.07% and (2.25%) of total comprehensive income for the years ended December 31, 2021 and 2020, respectively. The financial statements of these investments accounted for under the equity method were audited by other independent auditors whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included in the separate financial statements and information disclosed relative to these investments, is based solely on the reports of other independent auditors.

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

Management is responsible for the preparation and fair presentation of the separate 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the ability of ASUSTEK COMPUTER INC. 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 ASUSTEK COMPUTER INC. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including Audit Committee, are responsible for overseeing the financial reporting process of ASUSTEK COMPUTER INC.

### **Independent auditors' responsibilities for the audit of the separate financial statements**

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 internal control of ASUSTEK COMPUTER INC.
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 ability of ASUSTEK COMPUTER INC. 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 separate 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 ASUSTEK COMPUTER INC. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate 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 ASUSTEK COMPUTER INC. to express an opinion on the separate 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 separate financial statements of the current period 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 auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

  
Chou, Chien-Hung  
Lin, Chun-Yao

For and on behalf of PricewaterhouseCoopers, Taiwan  
March 16, 2022

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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.

ASUSTEK COMPUTER INC.  
SEPARATE BALANCE SHEETS  
DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS	NOTES	DECEMBER 31, 2021		DECEMBER 31, 2020	
		AMOUNT	%	AMOUNT	%
<u>Current assets</u>					
Cash and cash equivalents	6(1)	\$ 6,154,766	2	\$ 2,538,864	1
Financial assets at fair value through profit or loss - current	6(2)	93,965	-	17,871,512	6
Financial assets at fair value through other comprehensive income - current	6(3)	1,620,358	-	1,275,309	-
Financial assets at amortized cost - current	6(4)	-	-	30,000	-
Trade receivables	6(5)(6)	9,030,619	2	6,431,610	2
Trade receivables - related parties	6(5) and 7	66,474,396	18	29,628,942	10
Other receivables	7	3,031,234	1	848	-
Inventories	6(7)	84,719,338	22	48,916,360	17
Prepayments		2,163,384	1	1,507,384	1
Other current assets		48,392	-	68,351	-
Total current assets		173,336,452	46	108,269,180	37
<u>Non-current assets</u>					
Financial assets at fair value through profit or loss - non-current	6(2)	28,139	-	37,322	-
Financial assets at fair value through other comprehensive income - non-current	6(3)	72,117,244	19	69,268,216	24
Investments accounted for under equity method	6(8)	105,064,226	28	92,503,276	32
Property, plant and equipment	6(9)	11,803,802	3	12,284,243	4
Right-of-use assets	6(10)	118,893	-	3,598	-
Investment property		4,348,117	1	4,005,020	2
Intangible assets		174,903	-	242,070	-
Deferred income tax assets	6(23)	6,457,546	2	3,970,994	1
Other non-current assets	8	2,213,374	1	411,418	-
Total non-current assets		202,326,244	54	182,726,157	63
<u>TOTAL ASSETS</u>		\$ 375,662,696	100	\$ 290,995,337	100

(Continued)

ASUSTEK COMPUTER INC.  
SEPARATE BALANCE SHEETS  
DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

LIABILITIES AND EQUITY	NOTES	DECEMBER 31, 2021		DECEMBER 31, 2020	
		AMOUNT	%	AMOUNT	%
<u>Current liabilities</u>					
Financial liabilities at fair value through profit or loss - current	6(2)	\$ 85,889	-	\$ 234,197	-
Contract liabilities - current	6(18)	1,679,718	-	93,387	-
Notes and trade payables	6(6) and 7	87,965,460	23	48,802,218	17
Other payables - accrued expenses	7	24,947,020	7	18,992,001	7
Current income tax liabilities		7,294,910	2	2,891,303	1
Provisions for liabilities - current	6(13) and 9	2,947,257	1	3,118,392	1
Lease liabilities - current	6(25)	21,986	-	3,167	-
Other current liabilities	7	495,586	-	513,041	-
Total current liabilities		125,437,826	33	74,647,706	26
<u>Non-current liabilities</u>					
Deferred income tax liabilities	6(23)	17,106,002	5	14,305,950	5
Lease liabilities - non-current	6(25)	97,339	-	428	-
Other non-current liabilities		690,311	-	276,737	-
Total non-current liabilities		17,893,652	5	14,583,115	5
Total liabilities		143,331,478	38	89,230,821	31
<u>Equity</u>					
Share capital - common shares	6(14)	7,427,603	2	7,427,603	2
Capital surplus	6(15)	9,839,911	3	9,784,103	3
Retained earnings	6(16)				
Legal reserve		39,274,878	10	36,620,905	13
Special reserve		693,928	-	693,928	-
Unappropriated retained earnings		135,085,474	36	110,029,647	38
Other equity	6(3)(17)	40,009,424	11	37,208,330	13
Total equity		232,331,218	62	201,764,516	69
<u>TOTAL LIABILITIES AND EQUITY</u>		\$ 375,662,696	100	\$ 290,995,337	100

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

**ASUSTEK COMPUTER INC.**  
**SEPARATE STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE IN NEW TAIWAN DOLLARS)

ITEMS	NOTES	YEAR ENDED DECEMBER 31,			
		2021		2020	
		AMOUNT	%	AMOUNT	%
Operating revenue	6(18) and 7	\$ 457,320,576	100	\$ 328,664,005	100
Operating costs	6(7)(12)(21)(22) and 7	( 404,445,956 )	( 88 )	( 299,827,531 )	( 91 )
Gross profit before realized		52,874,620	12	28,836,474	9
Unrealized loss (profit) from sales		( 6,046,755 )	( 1 )	633,604	-
Gross profit		46,827,865	11	29,470,078	9
Operating expenses	6(12)(21)(22), 7 and 9				
Selling expenses		( 4,679,724 )	( 1 )	( 3,301,025 )	( 1 )
General and administrative expenses		( 3,711,882 )	( 1 )	( 3,021,772 )	( 1 )
Research and development expenses		( 13,841,322 )	( 3 )	( 11,231,824 )	( 4 )
Total operating expenses		( 22,232,928 )	( 5 )	( 17,554,621 )	( 6 )
Operating profit		24,594,937	6	11,915,457	3
Non-operating income and expenses					
Interest income		23,389	-	25,351	-
Other income	6(19)	2,944,375	-	2,975,245	1
Other gains (losses)	6(2)(20)	3,891,989	1	2,295,493	1
Finance costs	6(10)	( 867 )	-	( 472 )	-
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(8)	21,385,208	5	10,741,437	3
Total non-operating income and expenses		28,244,094	6	16,037,054	5
Profit before income tax		52,839,031	12	27,952,511	8
Income tax expenses	6(23)	( 8,289,233 )	( 2 )	( 3,978,860 )	( 1 )
Profit from continuing operations for the year		44,549,798	10	23,973,651	7
Profit from discontinued operations for the year	6(11)	-	-	2,584,021	1
Profit for the year		\$ 44,549,798	10	\$ 26,557,672	8
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(17)	\$ 6,057,678	1	\$ 8,416,416	3
Share of other comprehensive income of associates and joint ventures accounted under equity method	6(8)(17)	416,687	-	1,009,591	-
Items that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations	6(17)	( 2,556,625 )	-	( 4,063,588 )	( 1 )
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	6(8)(17)	783,142	-	966,564	-
Income tax relating to items that will be reclassified to profit or loss	6(17)(23)	571,981	-	880,432	-
Other comprehensive income for the year, net of income tax		\$ 5,272,863	1	\$ 5,276,287	2
Total comprehensive income for the year		\$ 49,822,661	11	\$ 31,833,959	10
Basic earnings per share	6(24)				
Profit from continuing operations		\$ 59.98		\$ 32.28	
Profit from discontinued operations		-		3.48	
Basic earnings per share		\$ 59.98		\$ 35.76	
Diluted earnings per share	6(24)				
Profit from continuing operations		\$ 59.21		\$ 31.91	
Profit from discontinued operations		-		3.44	
Diluted earnings per share		\$ 59.21		\$ 35.35	

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

ASUSTEK COMPUTER INC.  
SEPARATE STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Retained Earnings				Other Equity Interest					
	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains from financial assets measured at fair value through other comprehensive income	Gain (loss) on hedging instruments	Remeasurements of defined benefit plan	Total equity
Year ended December 31, 2021										
Balance at January 1, 2021	\$ 7,427,603	\$ 9,784,103	\$ 36,620,905	\$ 693,928	\$ 110,029,647	(\$ 6,447,186)	\$ 44,600,953	(\$ 809,406)	(\$ 136,031)	\$ 201,764,516
Appropriations of 2020 earnings (Note 6(16)) :										
Legal reserve	-	-	2,653,973	-	( 2,653,973 )	-	-	-	-	-
Cash dividends	-	-	-	-	( 19,311,767 )	-	-	-	-	( 19,311,767 )
Profit for the year	-	-	-	-	44,549,798	-	-	-	-	44,549,798
Other comprehensive income (loss) for the year	-	-	-	-	-	( 2,447,674 )	6,460,791	1,246,189	13,557	5,272,863
Change in associates and joint ventures accounted for under equity method	-	55,381	-	-	-	-	-	-	-	55,381
Recognition of changes in ownership interest in subsidiaries	-	427	-	-	-	-	-	-	-	427
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	2,471,769	-	( 2,471,769 )	-	-	-
Balance at December 31, 2021	\$ 7,427,603	\$ 9,839,911	\$ 39,274,878	\$ 693,928	\$ 135,085,474	(\$ 8,894,860)	\$ 48,589,975	\$ 436,783	(\$ 122,474)	\$ 232,331,218
Year ended December 31, 2020										
Balance at January 1, 2020	\$ 7,427,603	\$ 6,297,000	\$ 35,407,050	\$ 693,928	\$ 95,102,416	(\$ 2,800,984)	\$ 35,155,750	(\$ 305,856)	(\$ 116,867)	\$ 176,860,040
Appropriations of 2019 earnings (Note 6(16)):										
Legal reserve	-	-	1,213,855	-	( 1,213,855 )	-	-	-	-	-
Cash dividends	-	-	-	-	( 10,398,644 )	-	-	-	-	( 10,398,644 )
Profit for the year	-	-	-	-	26,557,672	-	-	-	-	26,557,672
Other comprehensive income (loss) for the year	-	-	-	-	-	( 3,646,202 )	9,445,203	( 503,550 )	( 19,164 )	5,276,287
Change in associates and joint ventures accounted for under equity method	-	649,500	-	-	-	-	-	-	-	649,500
Recognition of changes in ownership interest in subsidiaries	-	2,837,603	-	-	-	-	-	-	-	2,837,603
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	( 17,942 )	-	-	-	-	( 17,942 )
Balance at December 31, 2020	\$ 7,427,603	\$ 9,784,103	\$ 36,620,905	\$ 693,928	\$ 110,029,647	(\$ 6,447,186)	\$ 44,600,953	(\$ 809,406)	(\$ 136,031)	\$ 201,764,516

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



ASUSTEK COMPUTER INC.  
SEPARATE STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	YEAR ENDED DECEMBER 31,	
	2021	2020
<u>Cash flows from operating activities</u>		
Profit before income tax from continuing operations for the year	\$ 52,839,031	\$ 27,952,511
Profit before income tax from discontinued operations for the year	-	2,814,158
Profit before income tax from continuing and discontinued operations for the year	52,839,031	30,766,669
Income and expenses that results in non-cash flows		
Depreciation (including investment property and right-of-use assets)	407,362	431,424
Amortization	215,376	221,414
Expected credit impairment losses	249,879	38,333
Net (gains) losses on financial assets or liability at fair value through profit or loss	( 559,987 )	384,077
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	( 21,385,208 )	( 12,324,255 )
Interest income	( 23,389 )	( 25,351 )
Dividend income	( 2,831,193 )	( 2,847,955 )
Unrealized loss from sales	6,046,755	( 826,374 )
Others	32,611	39,398
Changes in assets/liabilities relating to operating activities		
Financial assets at fair value through profit or loss	15,386,807	( 13,738,464 )
Trade receivables	( 2,848,888 )	( 1,044,655 )
Trade receivables - related parties	( 36,845,454 )	25,490,973
Inventories	( 35,802,978 )	( 18,093,386 )
Prepayments	( 2,128,146 )	( 11,338 )
Other current assets	20,084	( 14,474 )
Financial liabilities at fair value through profit or loss	( 218,376 )	( 557,788 )
Contract liabilities - current	1,586,331	( 68,437 )
Notes and trades payable	39,163,242	( 2,213,083 )
Other payables - accrued expenses	5,579,369	1,804,522
Provisions for liabilities	( 171,135 )	9,780
Other current liabilities	32,823	36,121
Receipt of interest	22,855	25,350
Payment of interest	( 867 )	( 472 )
Payment of income tax	( 2,985,049 )	( 428,322 )
Net cash flows provided by (used in) operating activities	15,781,855	7,053,707
<u>Cash flows from investing activities</u>		
Acquisition of financial assets at fair value through other comprehensive income	-	( 129,765 )
Disposal of financial assets at fair value through other comprehensive income	2,755,506	26,700
Acquisition of investments accounted for under equity method	( 1,944,475 )	( 953,934 )
Acquisition of property, plant and equipment	( 326,820 )	( 765,586 )
Acquisition of intangible assets	( 78,064 )	( 323,917 )
Changes in other non-current assets	( 50,941 )	( 26,012 )
Dividends received	6,755,617	4,366,030
Others	32,836	( 29,996 )
Net cash flows provided by (used in) from investing activities	7,143,659	2,163,520
<u>Cash flows from financing activities</u>		
Payment of cash dividends	( 19,311,767 )	( 10,398,644 )
Redemption of lease liabilities	( 14,139 )	( 23,992 )
Others	16,294	( 12,333 )
Net cash flows provided by (used in) financing activities	( 19,309,612 )	( 10,434,969 )
Increase (decrease) in cash and cash equivalents	3,615,902	( 1,217,742 )
Cash and cash equivalents at beginning of year	2,538,864	3,756,606
Cash and cash equivalents at end of year	\$ 6,154,766	\$ 2,538,864

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

ASUSTEK COMPUTER INC.  
NOTES TO SEPARATE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,  
EXCEPT AS OTHERWISE INDICATED)

**1. HISTORY AND ORGANISATION**

- (1) ASUSTEK COMPUTER INC. (ASUS or the Company) was established in the Republic of China (R.O.C.). The Company is primarily engaged in the design, R&D and sales of 3C products (including PCs, main boards, other boards and cards, smart phones and other handheld devices, etc.).
- (2) The Company resolved to spin-off its OEM businesses on January 1, 2008. Pursuant to the Company's resolution, the Company transferred its computer OEM, design and manufacture of computer cases and molds and non-computer OEM businesses to its spun-off subsidiaries, PEGATRON CORPORATION (PEGA) and UNIHAN CORPORATION, respectively. On June 1, 2010, however, the Company transferred further its OEM assets and business (the Company's investments accounted for under equity method in PEGA) to the Company's another investee, PEGATRON INTERNATIONAL INVESTMENT CO, LTD. (PII). PII issued new shares to the Company and its shareholders as consideration. On April 29, 2013, the Company disposed the partial shares of PEGA and reduced the ownership percentage to less than 20%.

**2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE SEPARATE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION**

These separate financial statements were authorized for issuance by the Board of Directors on March 16, 2022.

**3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS**

- (1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, "Extension of the temporary exemption from applying IFRS 9"	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, "Interest Rate Benchmark Reform— Phase 2"	January 1, 2021
Amendment to IFRS 16, "Covid-19-related rent concessions beyond 30 June 2021"	April 1, 2021 (Note)

Note : Earlier application from January 1, 2021 is allowed by the FSC.

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, "Reference to the conceptual framework"	January 1, 2022
Amendments to IAS 16, "Property, plant and equipment: proceeds before intended use"	January 1, 2022
Amendments to IAS 37, "Onerous contracts—cost of fulfilling a contract"	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRSs issued by International Accounting Standards Board but not yet endorsed by the FSC

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, "Sale or contribution of assets between an investor and its associate or joint venture"	To be determined by International Accounting Standards Board
IFRS 17, "Insurance contracts"	January 1, 2023
Amendments to IFRS 17, "Insurance contracts"	January 1, 2023
Amendments to IFRS 17, "Initial application of IFRS 17 and IFRS 9 - comparative information"	January 1, 2023
Amendments to IAS 1, "Classification of liabilities as current or non-current"	January 1, 2023
Amendments to IAS 1, "Disclosure of accounting policies"	January 1, 2023
Amendments to IAS 8, "Definition of accounting estimates"	January 1, 2023
Amendments to IAS 12, "Deferred tax related to assets and liabilities arising from a single transaction"	January 1, 2023

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

These separate financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers.

(2) Basis of preparation

- A. Except for the following significant items, these separate financial statements have been prepared under the historical cost convention:
  - (A) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
  - (B) Financial assets at fair value through other comprehensive income.
  - (C) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The critical accounting estimates and assumptions used in preparation of financial statements and the critical judgments in applying the Company's accounting policies are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The separate financial statements are presented in "New Taiwan Dollars (NTD)", which is the Company's functional and presentation currency.

A. Foreign currency transactions and balances

- (A) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (B) Monetary assets and liabilities denominated in foreign currencies are re-translated at the exchange rates prevailing at the end of the financial reporting period. Exchange differences arising upon re-translation are recognized in profit or loss.
- (C) Non-monetary assets and liabilities denominated in foreign currencies at fair value through profit or loss are re-translated at the exchange rates prevailing at the end of the financial reporting period. The translation differences are recognized in profit or loss as part of the fair value gain or loss. Non-monetary assets and liabilities at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the end of the financial reporting period. The translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (D) All foreign exchange gains and losses are presented in the statement of comprehensive income within "other gains (losses)".

B. Translation of foreign operations

- (A) The operating results and financial position of all the subsidiaries and associates that have a functional currency different from the presentation currency are translated into the

presentation currency as follows:

- a. Assets and liabilities for each balance sheets presented are translated at the closing exchange rate at the end of the financial reporting period;
  - b. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
  - c. All resulting exchange differences are recognized in other comprehensive income.
- (B) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Company still retains partial interests in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (C) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, if the Company still retains partial interests in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in these foreign operations.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets:

- (A) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
- (B) Assets held mainly for trading purposes;
- (C) Assets that are expected to be realized within 12 months from the end of the financial reporting period;
- (D) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than 12 months after the end of the financial reporting period.

Otherwise they are classified as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

- (A) Liabilities that are expected to be paid off within the normal operating cycle;
- (B) Liabilities arising mainly from trading activities;
- (C) Liabilities that are to be paid off within 12 months from the end of the financial reporting period;
- (D) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after the end of the financial reporting period. Terms of a liability that could, at the

option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Otherwise they are classified as non-current liabilities.

(5) Cash equivalents

Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value. Time deposits can be classified as cash equivalents if they meet the criteria mentioned above and are held for short-term cash commitments in operational purpose.

(6) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
- D. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at fair value through other comprehensive income

- A. At initial recognition, the Company makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading. The debt instruments are measured at fair value through other comprehensive income if both of the following conditions are met:
  - (A) The objective of the Company's business model is achieved by both collecting contractual cash flows and selling financial assets; and
  - (B) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:
  - (A) The changes in fair value of equity investments that are recognized in other comprehensive income are reclassified to retained earnings. When the equity instruments are derecognized the cumulative gain or loss previously recognized in other comprehensive income is not reclassified from equity to profit or loss. Dividends are recognized as revenue when the Company's right to receive payment is established, it is probable the economic benefits

associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

- (B) The changes in fair value of debt instruments that were recognized in other comprehensive income. Before derecognition, impairment gains or losses, interest revenue and foreign exchange gains and losses are recognized in profit or loss. When the debt instruments are derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(8) Financial assets measured at amortized costs

The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For accounts receivable that have a significant financing component, at each end of the financial reporting period, the Company recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Company derecognizes a financial asset when one of the following conditions is met:

- A. The contractual rights to receive cash flows from the financial asset has expired.
- B. The contractual rights to receive cash flows from the financial asset have been transferred and the Company has transferred substantially almost all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows from the financial asset have been transferred and the Company has not retained control of financial asset.

(12) Leasing arrangements (lessor) – operating leases

Lease income from an operating lease net of any incentives given to the lessee is recognized in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials and other direct/indirect costs. It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14) Investments accounted for under equity method

- A. Subsidiaries are all entities (including structured entity) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Unrealized gains on transactions between the Company and its subsidiaries are eliminated to the extent of the Company's interest in the subsidiaries. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company should continue to recognize losses in proportion to its ownership.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transaction with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if all the related assets or liabilities were disposed of. That is, other comprehensive income in relation to the subsidiary should be reclassified to profit or loss.



- F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20% or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- G. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- H. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognizes change in ownership interests in the associate in "capital surplus" in proportion to its ownership.
- I. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- J. In the case that an associate issues new shares or buys treasury stocks (including the Company does not acquire or dispose shares proportionately), which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then "capital surplus" and "investments accounted for under equity method" shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- K. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.
- L. Upon loss of significant influence over an associate, the amounts previously recognized in other comprehensive income and as capital surplus in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it still retains significant influence over this associate, then the amounts previously recognized in other comprehensive income and as capital surplus in relation to the associate are reclassified to profit or loss proportionately.

M. According to Regulations Governing the Preparation of Financial Reports by Securities Issuers, profit and other comprehensive income in the separate financial statements should be the same as profit and other comprehensive income attributable to shareholders of the parent in the consolidated financial statements, and the equity in the separate financial statements should be the same as the equity attributable to shareholders of the parent in the consolidated financial statements.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Except for land which is not depreciated, other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it should be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each end of the financial reporting period. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of the buildings are 10~50 years, machinery and equipment are 3~6 years and miscellaneous equipment are 1~15 years.

(16) Leasing arrangements (lessee) - right-of-use assets/lease liabilities

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payment, less any lease incentives receivable. The Company subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (A) The amount of the initial measurement of lease liability;
- (B) Any lease payments made at or before the commencement date; and
- (C) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference between remeasured lease liability in profit or loss.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 50 years.

(18) Intangible assets

Computer software is amortized on a straight-line basis over its estimated useful life of 1~5 years.

(19) Impairment of non-financial assets

- A. The Company assesses at the end of the financial reporting period the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or decrease, the impairment loss shall be reversed to the extent of the loss previously recognized in profit or loss. However, the reversal should not exceed the carrying amount, net of depreciation or amortization had the impairment not been recognized.
- B. The recoverable amounts of goodwill and intangible assets with an indefinite useful life shall be evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

(20) Notes and trade payables

- A. Trade payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and trade payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

(22) Derecognition of financial liabilities

The Company derecognized a financial liability when the obligation specified in the contract is either discharged or cancelled or expires.

(23) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and reported in the net amount in the balance sheets when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(24) Non-hedging derivatives

Non-hedging derivatives are initially recognized at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognized in profit or loss.

(25) Provisions for liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the financial reporting period, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Future operating losses shall not be recognized as provisions for liabilities.

(26) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

## B. Pensions

### (A) Defined contribution plan

For defined contribution plan, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

### (B) Defined benefit plan

- a. The liability recognized in the balance sheets in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the financial reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of government bonds or interest rates of return of high quality investments that have terms to maturity approximating to the terms of the related pension liability.
- b. Remeasurements arising on defined benefit plan are recognized in other comprehensive income in the period in which they arise and are recorded as other equity.
- c. Past service costs are recognized immediately in profit or loss.

## C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognizes expense when it can no longer withdraw an offer of termination benefits or it recognizes related restructuring cost, whichever is earlier. Benefits that are expected to be due more than 12 months after financial reporting date shall be discounted to their present value.

## D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

## (27) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

- B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the financial reporting period in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.
- C. Deferred income tax is recognized, using the balance sheets liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the financial reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At the end of the financial reporting period, unrecognized and recognized deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheets when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheets when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(28) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(29) Revenue recognition

Sales of goods

- A. The Company is engaged in the selling of 3C products. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- B. Revenue from the sale of 3C products is recognized based on the price specified in the contract, net of the estimated volume discounts and sales discounts. Historical experience is usually used to estimate the discounts and returns. The sales are made mainly with a credit term of open account 30 to 180 days. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.
- C. The Company's obligation to provide a repair for faulty products under the standard warranty terms is recognized as a provision.
- D. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

5. **CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY**

The preparation of these separate financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions at the end of the financial reporting period and estimates concerning future events. The resulting accounting estimates and assumptions might be different from the actual results, and will be continually evaluated and adjusted based on historical experience and other factors; and the related information is addressed below:

### Evaluation of inventories

Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value at the end of the financial reporting period, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be a difference against actual result.

As of December 31, 2021, the carrying amount of inventories was \$84,719,338.

## **6. DETAILS OF SIGNIFICANT ACCOUNTS**

### (1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and petty cash	\$ 495	\$ 495
Checking accounts and demand deposits	393,271	828,369
Time deposits	5,761,000	1,710,000
	<u>\$ 6,154,766</u>	<u>\$ 2,538,864</u>

The Company has no cash and cash equivalents pledged to others.

### (2) Financial assets and liabilities at fair value through profit or loss

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Financial assets mandatorily measured at fair value through profit or loss - current:		
Listed and OTC stocks	\$ 76,647	\$ 90,154
Derivatives	17,318	-
Beneficiary certificates	-	17,781,358
	<u>\$ 93,965</u>	<u>\$ 17,871,512</u>
Financial assets mandatorily measured at fair value through profit or loss - non-current:		
Beneficiary certificates	<u>\$ 28,139</u>	<u>\$ 37,322</u>
Financial liabilities held for trading - current:		
Derivatives	<u>\$ 85,889</u>	<u>\$ 234,197</u>

A. Amounts recognized in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	<u>Years Ended</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Equity instruments	(\$ 13,507)	\$ 18,502
Beneficiary certificates	11,581	25,776
Derivatives	561,913	(428,355)
	<u>\$ 559,987</u>	<u>(\$ 384,077)</u>



- B. The Company entered into contracts relating to derivative financial assets and liabilities which were not accounted for under hedge accounting. The information is listed below:

	December 31, 2021			December 31, 2020		
	Contract amount (in thousands)		Maturity period	Contract amount (in thousands)		Maturity period
Derivative financial assets:						
Forward exchange contracts						
-NTD/USD	USD	190,000	2022/04	USD	-	-
Derivative financial liabilities:						
Forward exchange contracts						
-NTD/USD	USD	658,000	2022/04	USD	750,000	2021/05
Forward exchange contracts						

The Company entered into forward exchange contracts to sell various forward foreign currencies to hedge exchange rate risk of import and export proceeds. However, these forward exchange contracts are not accounted for under hedge accounting.

- C. The Company has no financial assets at fair value through profit or loss pledged to others.

(3) Financial assets at fair value through other comprehensive income

	December 31, 2021	December 31, 2020
Equity instruments - current:		
Listed and OTC stocks	\$ 284,742	\$ 291,088
Valuation adjustment	1,335,616	984,221
	<u>\$ 1,620,358</u>	<u>\$ 1,275,309</u>
Equity instruments - non-current:		
Listed and OTC stocks	\$ 26,106,847	\$ 26,460,851
Unlisted and non-OTC stocks	238,065	324,495
	26,344,912	26,785,346
Valuation adjustment	45,772,332	42,482,870
	<u>\$ 72,117,244</u>	<u>\$ 69,268,216</u>

- A. The Company has elected to classify above investments that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$73,737,602 and \$70,543,525 as of December 31, 2021 and 2020, respectively.
- B. The Company sold ADVANTECH investment with a fair value of \$2,754,909 in September 2021, and the difference on disposal amounting to \$2,400,905 was transferred from accumulated other comprehensive income to retained earnings.

- C. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years Ended	
	December 31, 2021	December 31, 2020
Reclassified from other equity to retained earnings due to disposal	\$ 2,422,569	(\$ 3,400)
Dividends from investments recognized in profit or loss held at end of the year	\$ 2,829,074	\$ 2,845,937

- D. The Company has no financial assets at fair value through other comprehensive income pledged to others.

(4) Financial assets at amortized cost

Items	December 31, 2021	December 31, 2020
Current items:		
Time deposits with original maturity period of more than three months	\$ -	\$ 30,000

- A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	Years Ended	
	December 31, 2021	December 31, 2020
Interest income	\$ -	\$ 23

- B. The Company has no financial assets at amortized cost pledged to others.

- C. As of December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Company were \$0 and \$30,000, respectively.

- D. Information about credit risk of financial assets at amortized cost is provided in Note 12(2).

(5) Trade receivables

	December 31, 2021	December 31, 2020
Trade receivables (including related parties)	\$ 75,807,101	\$ 36,112,759
Less: Loss allowance	( 302,086)	( 52,207)
	\$ 75,505,015	\$ 36,060,552

- A. The aging analysis of trade receivables is as follows:

	December 31, 2021	December 31, 2020
Not past due	\$ 74,933,745	\$ 35,674,152
Less than 90 days past due	602,311	421,546
Between 91 and 180 days past due	174,549	13,925
More than 181 days past due	96,496	3,136
	\$ 75,807,101	\$ 36,112,759

- B. As of December 31, 2021, December 31, 2020 and January 1, 2020, the balances of receivables from contracts with customers amounted to \$75,807,101, \$36,112,759, and \$60,559,415, respectively.
- C. The Company does not hold financial assets as security for trade receivables.
- D. As of December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's trade receivables were \$75,505,015 and \$36,060,552, respectively.
- E. Information about credit risk of trade receivables is provided in Note 12(2).

(6) Offsetting financial assets and financial liabilities

- A. The Company has assets (fair value of \$52,022,442 and \$28,862,320 as of December 31, 2021 and 2020, respectively) and liabilities (fair value of \$63,802,497 and \$35,649,312 as of December 31, 2021 and 2020, respectively) with certain companies that meet the offsetting criteria in paragraph 42 of IAS 32, resulting in the presentation of a net amount for trade receivables and notes and trade payables.
- B. The recognition information of the Company due to net delivery agreement is expressed as follows:

Trade receivables, notes payables and trade payables with offsetting right						
	Gross amount of financial assets (before offsetting)	Gross amount of financial liabilities (before offsetting)	Offsetting amount	Net amount of financial assets (after offsetting)	Net amount of financial liabilities (after offsetting)	Net set off in the balance sheet: collateral (received) / provided
December 31, 2021	\$ 52,022,442	(\$ 63,802,497)	(\$ 50,782,866)	\$ 1,239,576	(\$ 13,019,631)	\$ -
December 31, 2020	28,862,320	( 35,649,312)	( 28,667,684)	194,636	( 6,981,628)	-

(7) Inventories

December 31, 2021			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 83,574,941	(\$ 6,514,752)	\$ 77,060,189
Work in process	1,511,013	( 59,375)	1,451,638
Finished goods	1,289,084	( 53,463)	1,235,621
Merchandise inventories	3,763,194	( 449,389)	3,313,805
Inventories in transit	1,658,085	-	1,658,085
	<u>\$ 91,796,317</u>	<u>(\$ 7,076,979)</u>	<u>\$ 84,719,338</u>
December 31, 2020			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 48,081,635	(\$ 4,431,810)	\$ 43,649,825
Work in process	1,840,677	( 56,330)	1,784,347
Finished goods	941,432	( 86,504)	854,928
Merchandise inventories	1,772,759	( 267,700)	1,505,059
Inventories in transit	1,122,201	-	1,122,201
	<u>\$ 53,758,704</u>	<u>(\$ 4,842,344)</u>	<u>\$ 48,916,360</u>

Except for cost of goods sold, the Company recognized in expenses and losses of inventories from continuing and discontinued operations in the amount of \$2,240,372 and (\$157,634), of which \$2,234,635 and (\$165,299) pertain to the decline (recovery) in value of inventories for the years ended December 31, 2021 and 2020, respectively. The Company reversed a previous inventory write-down which was accounted for as reduction of cost of goods sold because some inventories with allowance for valuation loss had been sold during the years ended December 31, 2021 and 2020.

(8) Investments accounted for under equity method

	December 31, 2021		December 31, 2020	
	Book Value	Ownership (%)	Book Value	Ownership (%)
Subsidiaries:				
ASGL	\$ 49,928,352	100.00	\$ 37,988,234	100.00
AIL	34,654,377	100.00	35,421,031	100.00
ASMEDIA	5,730,945	35.40	4,977,424	35.43
AAEON	3,617,383	29.44	3,621,585	29.47
HCVC	3,077,622	100.00	2,842,091	100.00
HMI	1,657,921	100.00	1,570,213	100.00
ASKEY	731,690	100.00	2,467,792	100.00
Others	1,668,040		1,611,650	
	<u>101,066,330</u>		<u>90,500,020</u>	
Associates:				
Others	3,997,896		2,003,256	
	<u>\$ 105,064,226</u>		<u>\$ 92,503,276</u>	

A. Subsidiaries

Information about the Company's subsidiaries is provided in Note 4(3) of the 2021 consolidated financial statements.

B. Associates

The Company's associates are all immaterial, and the summary of financial information of share attributable to the Company is as follows:

	Years Ended	
	December 31, 2021	December 31, 2020
Profit (loss) for the year	\$ 401,378	\$ 18,884
Other comprehensive (loss) income (loss) for the year (net of income tax)	( 18,990)	194
Total comprehensive income (loss) for the year	<u>\$ 382,388</u>	<u>\$ 19,078</u>

C. The Company is the single largest shareholder of NEXTS, UPI and LELTEKH with a 43.48%, 28.48% and 22.78% equity interest, respectively. Given that the degree of other shareholders involvement in prior stockholders' meeting and record of voting rights for major proposals, which indicates that the Company has no substantial ability to direct the relevant activities, the Company has no control, but only has significant influence, over the companies.

D. The Company's associate-UI, has quoted market prices. As of December 31, 2021, the fair value was \$18,428,639.

(9) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Miscellaneous equipment	Construction in progress and equipment under installation	Total
January 1, 2021						
Cost	\$5,905,192	\$6,692,558	\$ 1,250,164	\$ 810,614	\$ 52,059	\$14,710,587
Accumulated depreciation and impairment	- ( 930,222)	( 930,222)	( 959,477)	( 536,645)	- ( 2,426,344)	( 2,426,344)
	<u>\$5,905,192</u>	<u>\$5,762,336</u>	<u>\$ 290,687</u>	<u>\$ 273,969</u>	<u>\$ 52,059</u>	<u>\$12,284,243</u>
January 1, 2021	\$5,905,192	\$5,762,336	\$ 290,687	\$ 273,969	\$ 52,059	\$12,284,243
Acquisitions	-	-	199,620	42,433	27,854	269,907
Disposals	-	-	- ( 2,751)	- ( 2,751)	- ( 2,751)	( 2,751)
Depreciation	- ( 172,815)	( 172,815)	( 145,591)	( 72,800)	- ( 391,206)	( 391,206)
Reclassifications	( 268,434)	( 76,235)	12,461	- ( 24,183)	( 24,183)	( 356,391)
December 31, 2021	<u>\$5,636,758</u>	<u>\$5,513,286</u>	<u>\$ 357,177</u>	<u>\$ 240,851</u>	<u>\$ 55,730</u>	<u>\$11,803,802</u>
December 31, 2021						
Cost	\$5,636,758	\$6,610,754	\$ 1,450,106	\$ 779,485	\$ 55,730	\$14,532,833
Accumulated depreciation and impairment	- ( 1,097,468)	( 1,097,468)	( 1,092,929)	( 538,634)	- ( 2,729,031)	( 2,729,031)
	<u>\$5,636,758</u>	<u>\$5,513,286</u>	<u>\$ 357,177</u>	<u>\$ 240,851</u>	<u>\$ 55,730</u>	<u>\$11,803,802</u>
	Land	Buildings	Machinery and equipment	Miscellaneous equipment	Construction in progress and equipment under installation	Total
January 1, 2020						
Cost	\$5,905,192	\$6,164,602	\$ 1,145,122	\$ 679,594	\$ 27,795	\$13,922,305
Accumulated depreciation and impairment	- ( 765,664)	( 765,664)	( 851,728)	( 453,445)	- ( 2,070,837)	( 2,070,837)
	<u>\$5,905,192</u>	<u>\$5,398,938</u>	<u>\$ 293,394</u>	<u>\$ 226,149</u>	<u>\$ 27,795</u>	<u>\$11,851,468</u>
January 1, 2020	\$5,905,192	\$5,398,938	\$ 293,394	\$ 226,149	\$ 27,795	\$11,851,468
Acquisitions	-	527,956	111,258	161,435	52,059	852,708
Depreciation	- ( 164,558)	( 164,558)	( 128,036)	( 113,615)	- ( 406,209)	( 406,209)
Reclassifications	-	-	14,071	- ( 27,795)	( 27,795)	( 13,724)
December 31, 2020	<u>\$5,905,192</u>	<u>\$5,762,336</u>	<u>\$ 290,687</u>	<u>\$ 273,969</u>	<u>\$ 52,059</u>	<u>\$12,284,243</u>
December 31, 2020						
Cost	\$5,905,192	\$6,692,558	\$ 1,250,164	\$ 810,614	\$ 52,059	\$14,710,587
Accumulated depreciation and impairment	- ( 930,222)	( 930,222)	( 959,477)	( 536,645)	- ( 2,426,344)	( 2,426,344)
	<u>\$5,905,192</u>	<u>\$5,762,336</u>	<u>\$ 290,687</u>	<u>\$ 273,969</u>	<u>\$ 52,059</u>	<u>\$12,284,243</u>

The Company has no property, plant and equipment pledged to others.

(10) Leasing arrangements - lessee

A. The Company leases various assets including buildings and other equipment. Rental contracts are typically made for periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Right-of-use-assets

	Buildings	Other equipment	Total
January 1, 2021	\$ 2,753	\$ 845	\$ 3,598
Acquisitions	130,724	-	130,724
Disposals	-	( 845)	( 845)
Depreciation	( 14,584)	-	( 14,584)
December 31, 2021	<u>\$ 118,893</u>	<u>\$ -</u>	<u>\$ 118,893</u>

	Buildings	Other equipment	Total
January 1, 2020	\$ 21,998	\$ 3,462	\$ 25,460
Acquisitions	1,967	-	1,967
Depreciation	( 21,212)	( 2,617)	( 23,829)
December 31, 2020	<u>\$ 2,753</u>	<u>\$ 845</u>	<u>\$ 3,598</u>

C. The information on income and expense accounts relating to lease contracts is as follows:

	Years Ended	
	December 31, 2021	December 31, 2020
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 694	\$ 95
Expense on short-term lease contracts	19,523	11,521
Gain on lease modification	10	-

D. For the years ended December 31, 2021 and 2020, the Company's total cash outflow for leases were \$34,357 and \$35,608, respectively.

(11) Discontinued operations

A. The Company is determined to reshape its smartphone business strategy and adjust product positioning to focus on perfecting solutions for gamers and expert users under the resolution by the Board of Directors on December 13, 2018. The transformation plan has been in progress and the Company recognized valuation effects of assets and liabilities accordingly.

B. The cash flow information of the discontinued operations is as follows:

	Years Ended	
	December 31, 2021	December 31, 2020
Operating cash flows	\$ -	\$ 288,728
Investing cash flows	-	-
Financing cash flows (Note)	-	( 288,728)
Total cash flows	<u>\$ -</u>	<u>\$ -</u>

Note: The continuing operations provided (obtained) financing support to (from) discontinued operations.

C. Analysis of the results of discontinued operations is as follows:

	Years Ended	
	December 31, 2021	December 31, 2020
Operating revenue	\$ -	\$ 1,305,087
Operating (costs)	-	( 403,257)
Unrealized loss from sales	-	192,770
Operating (expenses)	-	115,672
Other gains	-	21,068
Share of profit of associates and joint ventures accounted for under equity method	-	1,582,818
Profit before income tax from discontinued operations	-	2,814,158
Income tax expense	-	( 230,137)
Total profit from discontinued operations	<u>\$ -</u>	<u>\$ 2,584,021</u>

## (12) Pensions

A. (A) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contribution for the deficit by next March. In addition, except for a few foreign employees, the Company had settled its financial obligations to its employees on December 31, 2007.

(B) The Company contributes 2% of the employees' monthly salaries and wages for a few foreign employees in accordance with R.O.C. Labor Standards Law to an independent retirement trust fund. The pension costs under the above pension plan were \$1,352 and \$1,089 for the years ended December 31, 2021 and 2020, respectively.

(C) Expected contribution to the defined benefit pension plan of the Company for the year ending December 31, 2022 is \$1,474.

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (New Plan) under the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan were \$349,156 and \$315,298 for the years ended December 31, 2021 and 2020, respectively.

(13) Provisions for liabilities

	Provisions for warranty	Provisions for legal claims and royalty	Total
January 1, 2021	\$ 123,677	\$ 2,994,715	\$ 3,118,392
Recognition (reversal)	1,432	( 63,949)	( 62,517)
Used	( 29,245)	-	( 29,245)
Net exchange differences	-	( 79,373)	( 79,373)
December 31, 2021	<u>\$ 95,864</u>	<u>\$ 2,851,393</u>	<u>\$ 2,947,257</u>
	Provisions for warranty	Provisions for legal claims and royalty	Total
January 1, 2020	\$ 200,552	\$ 2,908,060	\$ 3,108,612
Recognition (reversal)	( 53,982)	238,829	184,847
Used	( 22,893)	-	( 22,893)
Net exchange differences	-	( 152,174)	( 152,174)
December 31, 2020	<u>\$ 123,677</u>	<u>\$ 2,994,715</u>	<u>\$ 3,118,392</u>

Analysis of total provisions:

	December 31, 2021	December 31, 2020
Current	<u>\$ 2,947,257</u>	<u>\$ 3,118,392</u>

A. Provisions for warranty

The Company provides warranties on 3C products sold. Provision for warranty is estimated based on these products' historical warranty data. A provision is recognized as current when it is expected to be used in one year.



#### B. Provisions for legal claims and royalty

The Company recognizes provision for legal claims or royalty fees made by the patentees against the Company. After taking appropriate legal advice, the management evaluates the probable claimable fees accrued as provisions for liabilities. The provision charge is recognized in profit or loss within operating costs and expenses.

#### (14) Common shares

- A. As of December 31, 2021, the Company's authorized capital was \$47,500,000, consisting of 4,750,000,000 shares of common stock (including 50,000,000 shares which were reserved for employee stock options), and the paid-in capital was \$7,427,603 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

The number of the Company's ordinary shares outstanding at the beginning and ending for the years ended December 31, 2021 and 2020 is 742,760,280 shares for both years.

- B. As of December 31, 2021, the Company issued Global Depositary Receipts (GDRs), of which 3,937,000 units of the GDRs are now listed on the Luxembourg Stock Exchange. Per unit of GDR represents 5 shares of the Company's common stock and total GDRs represent 19,685,000 shares of the Company's common stock. The terms of GDR are as follows:

##### (A) Voting rights

GDR holders may, pursuant to the Depositary Agreement and the relevant laws and regulations of R.O.C., exercise the voting rights pertaining to the underlying common shares represented by the GDRs.

##### (B) Dividends, stock warrants and other rights

GDR holders and common shareholders are all entitled to receive dividends. The Depositary may issue new GDRs in proportion to GDRs holding ratios or raise the number of shares of common stock represented by each unit of GDR or sell stock dividends on behalf of GDR holders and distribute proceeds to them in proportion to their GDRs holding ratios.

#### (15) Capital surplus

Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	December 31, 2021	December 31, 2020
Share premium	\$ 4,227,966	\$ 4,227,966
Difference between consideration and carrying amount of subsidiaries acquired or disposed	885,390	885,390
Recognition of changes in ownership interest in subsidiaries	3,968,819	3,968,392
Changes in associates and joint ventures accounted for under equity method	757,736	702,355
	<u>\$ 9,839,911</u>	<u>\$ 9,784,103</u>

(16) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's profit after income tax, shall first be offset against prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. When such legal reserve amounts to the total authorized capital, the Company shall not be subject to this requirement. The Company may then appropriate or reverse a certain amount as special reserve according to the demand for the business or relevant regulations. After the distribution of earnings, the remaining earnings and prior year's undistributed earnings may be appropriated according to a resolution of the Board of Directors adopted in the shareholders' meeting.
- B. The dividend policies of the Company are as follows: Considering the rapid changing industrial environment the Company faces, long-term financial plan and the satisfaction of the demand for cash by the shareholders, the Company should distribute cash dividends of not less than 10% of the total dividends declared each year.
- C. Except for covering accumulated deficit, increasing capital or payment of cash in proportion to ownership percentage, the legal reserve shall not be used for any other purpose. The amount capitalized or the cash payment shall be limited to the portion of legal reserve which exceeds 25% of the paid-in capital.
- D. (A) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the end of the financial reporting period before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.  
(B) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.
- E. As resolved by the shareholders on June 9 2020, the Company distributed cash dividends to owners amounting to \$10,398,644 (\$14 (in dollars) per share) for the appropriation of 2019 earnings. On July 30, 2021, the shareholders resolved to distribute cash dividends amounting to \$19,311,767 (\$26 (in dollars) per share) for the appropriation of 2020 earnings.

F. The appropriations of 2021 earnings had been proposed by the Board of Directors on March 16, 2022. Details are summarized as follows:

	Year Ended December 31, 2021	
	Amount	Dividends per share (in dollars)
Cash dividends	\$ 31,195,932	\$ 42.00

As of March 16, 2022, the appropriations of 2021 earnings stated above has not yet been resolved by the shareholders.

(17) Other equity

	Gain (loss) on hedging instruments	Unrealized gain on valuation of financial assets at fair value through other comprehensive income	Financial statements translation differences of foreign operations	Remeasurement of defined benefit plan	Total
January 1, 2021	(\$ 809,406)	\$ 44,600,953	(\$ 6,447,186)	(\$ 136,031)	\$ 37,208,330
-The Company	-	3,640,857	( 1,984,644)	-	1,656,213
-Subsidiaries	1,246,189	167,955	( 339,844)	13,556	1,087,856
-Associates	-	180,210	( 123,186)	1	57,025
December 31, 2021	<u>\$ 436,783</u>	<u>\$ 48,589,975</u>	<u>(\$ 8,894,860)</u>	<u>(\$ 122,474)</u>	<u>\$ 40,009,424</u>

	Gain (loss) on hedging instruments	Unrealized gain on valuation of financial assets at fair value through other comprehensive income	Financial statements translation differences of foreign operations	Remeasurement of defined benefit plan	Total
January 1, 2020	(\$ 305,856)	\$ 35,155,750	(\$ 2,800,984)	(\$ 116,867)	\$ 31,932,043
-The Company	-	8,416,416	( 3,183,157)	-	5,233,259
-Subsidiaries	( 503,550)	214,750	( 306,366)	( 19,164)	( 614,330)
-Associates	-	814,037	( 156,679)	-	657,358
December 31, 2020	<u>(\$ 809,406)</u>	<u>\$ 44,600,953</u>	<u>(\$ 6,447,186)</u>	<u>(\$ 136,031)</u>	<u>\$ 37,208,330</u>

(18) Operating revenue

	Years Ended	
	December 31, 2021	December 31, 2020
Revenue from contracts with customers	\$ 457,320,576	\$ 329,969,092
Exclude (revenue) from contracts with customers from discontinued operations	- (	1,305,087)
	<u>\$ 457,320,576</u>	<u>\$ 328,664,005</u>

A. Disaggregation of revenue from contracts with customers

The Company's revenue is derived from the transfer of goods and services at a point in time in the following major product lines:

<u>Year Ended December 31, 2021</u>	<u>3C products</u>	<u>Others</u>	<u>Total</u>
Revenue from contracts with customers	<u>\$ 450,613,447</u>	<u>\$ 6,707,129</u>	<u>\$ 457,320,576</u>
Timing of revenue recognition			
Revenue recognized at a point in time	<u>\$ 450,613,447</u>	<u>\$ 6,707,129</u>	<u>\$ 457,320,576</u>
<u>Year Ended December 31, 2020</u>	<u>3C products</u>	<u>Others</u>	<u>Total</u>
Revenue from contracts with customers	<u>\$ 325,474,338</u>	<u>\$ 3,189,667</u>	<u>\$ 328,664,005</u>
Timing of revenue recognition			
Revenue recognized at a point in time	<u>\$ 325,474,338</u>	<u>\$ 3,189,667</u>	<u>\$ 328,664,005</u>

Revenue from contracts with customers from discontinued operations for the years ended December 31, 2021 and 2020 amounted to \$0 and \$1,305,087, respectively, and are recognized at a point in time.

B. Contract liabilities

(A) The Company recognized contract liabilities related to the contract revenue from sales amounting to \$1,679,718, \$93,387 and \$161,824 as of December 31, 2021, December 31, 2020 and January 1, 2020, respectively.

(B) The revenue recognized from the beginning balance of contract liability amounted to \$75,477 and \$76,076 for the years ended December 31, 2021 and 2020, respectively.

(19) Other income

	<u>Years Ended</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Rent income	\$ 113,182	\$ 127,290
Dividend income	2,831,193	2,847,955
	<u>\$ 2,944,375</u>	<u>\$ 2,975,245</u>

(20) Other gains (losses)

	<u>Years Ended</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Net (losses) gains on non-derivative financial instruments	(\$ 1,926)	\$ 44,278
Net gains (losses) on derivative financial instruments	561,913	( 428,355)
Net currency exchange (losses) gains	3,220,069	2,566,572
Other net (losses) gains	<u>111,933</u>	<u>134,066</u>
	3,891,989	2,316,561
Exclude other losses (gains) from discontinued operations	-	( 21,068)
	<u>\$ 3,891,989</u>	<u>\$ 2,295,493</u>

(21) Costs and expenses by nature (including discontinued operations)

	Years Ended					
	December 31, 2021			December 31, 2020		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses	\$ 676,165	\$ 14,505,778	\$15,181,943	\$ 526,078	\$ 10,810,347	\$11,336,425
Depreciation	61,307	344,483	405,790	51,147	378,891	430,038
Amortization	287	215,089	215,376	-	221,414	221,414

(22) Employee benefit expenses (including discontinued operations)

	Years Ended	
	December 31, 2021	December 31, 2020
Wages and salaries	\$ 13,730,631	\$ 10,171,718
Labor and health insurance	683,208	565,826
Pension (Note)	350,508	316,387
Directors' remuneration	171,635	101,191
Other personnel expenses	245,961	181,303
	<u>\$ 15,181,943</u>	<u>\$ 11,336,425</u>

Note: Includes the pension expense under the defined contribution plan and defined benefit plan.

- A. The Company's average headcount were 6,622 and 6,095 employees for the years ended December 31, 2021 and 2020, respectively. There were 8 and 8 non-employee directors for the years ended December 31, 2021 and 2020, respectively.
- B. (A) The Company's average employee benefit expense amounted to \$2,269 and \$1,846 for the years ended December 31, 2021 and 2020, respectively.
- (B) The Company's average wages and salaries amounted to \$2,076 and \$1,671 for the years ended December 31, 2021 and 2020, respectively.
- (C) Average wages and salaries increased by 24.2%.
- (D) The Company has established an audit committee in lieu of a supervisor and accordingly, the requirement for disclosure of information on supervisors' remuneration is not applicable.
- (E) The Company's salaries and wages policy:
- The overall salaries and wages level is based on external competitiveness and internal fairness that can effectively attract and retain talents.
  - Link performance and employee salaries and wages by the performance management system to provide employee development motivation and give the company a positive boost.
  - Link the Company's long-term and short-term goals, personal time devoted, positions held, and overall personal work performance together to achieve the purpose of motivating employees.
  - The Company established the compensation committee to effectively measure the whole salary compensation of directors and managers.

C. According to the Articles of Incorporation of the Company, the current year's profit shall be used first to cover accumulated deficit, if any, and then the remaining balance shall be distributed as follows: no less than 1% as employees' compensation, and no more than 1% as directors' remuneration.

D. For the years ended December 31, 2021 and 2020, employees' compensation was accrued at \$3,204,069 and \$1,865,638, respectively; directors' remuneration was accrued at \$168,635 and \$98,191, respectively. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on no less than 1% and no more than 1% of profit of current year distributable for the year ended December 31, 2021.

The employees' compensation and directors' remuneration amounting to \$1,865,638 and \$98,191, respectively, for 2020 as resolved by the Board of Directors were in agreement with the amounts recognized in the 2020 financial statements. The employees' compensation and directors' remuneration were distributed in cash. Related information shall be inquired at the Market Observation Post System website.

(23) Income tax

A. Income tax expenses

(A) Components of income tax expenses:

	Years Ended	
	December 31, 2021	December 31, 2020
Current income tax:		
Current income tax on profits for the year	\$ 7,382,119	\$ 2,633,617
Additional income tax on unappropriated earnings	214,652	-
Difference between prior year's income tax estimation and assessed results	( 193,019)	( 379,919)
Total current income tax	<u>7,403,752</u>	<u>2,253,698</u>
Deferred income tax:		
Origination and reversal of temporary differences	<u>885,481</u>	<u>1,955,299</u>
Total deferred income tax	<u>885,481</u>	<u>1,955,299</u>
Income tax expenses (including discontinued operations)	8,289,233	4,208,997
Exclude income tax benefit (expenses) from discontinued operations	-	( 230,137)
Income tax expenses from continuing operations	<u>\$ 8,289,233</u>	<u>\$ 3,978,860</u>

(B) The income tax relating to components of other comprehensive income is as follows:

	Years Ended	
	December 31, 2021	December 31, 2020
Currency translation differences	<u>(\$ 571,981)</u>	<u>(\$ 880,432)</u>

B. Reconciliation between income tax expenses and accounting profit:

	Years Ended	
	December 31, 2021	December 31, 2020
Income tax calculated based on profit before tax and statutory tax rate	\$ 10,567,806	\$ 6,153,334
Tax exempt income by tax regulation	( 575,693)	( 571,739)
Effect of tax exemption on investment income	( 724,363)	( 354,037)
Difference between prior year's income tax estimation and assessed results	( 193,019)	( 379,919)
Additional income tax on unappropriated earnings	214,652	-
Effect of tax rate changes on unrealized profit from sales	( 170,372)	( 87,369)
Effect of exchange rate changes	( 768,402)	( 571,708)
Others	( 61,376)	20,435
Income tax expenses (including discontinued operations)	8,289,233	4,208,997
Exclude income tax benefit (expenses) from discontinued operations	-	( 230,137)
Income tax expenses from continuing operations	<u>\$ 8,289,233</u>	<u>\$ 3,978,860</u>

C. Amounts of deferred income tax assets or liabilities as a result of temporary differences are as follows:

	2021			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences:				
- Deferred income tax assets:				
Unrealized profit from sales	\$ 677,746	\$ 1,578,705	\$ -	\$ 2,256,451
Unrealized purchase discounts	106,665	( 106,665)	-	-
Decline in value of inventories	968,469	446,927	-	1,415,396
Unrealized expenses and provisions for royalty	668,399	( 14,524)	-	653,875
Currency translation differences of foreign operations	1,495,360	-	571,981	2,067,341
Others	54,355	10,128	-	64,483
Subtotal	<u>3,970,994</u>	<u>1,914,571</u>	<u>571,981</u>	<u>6,457,546</u>
- Deferred income tax liabilities:				
Investment income from foreign investees	( 14,086,842)	( 2,747,714)	-	( 16,834,556)
Unrealized exchange gains	( 219,108)	( 52,338)	-	( 271,446)
Subtotal	<u>( 14,305,950)</u>	<u>( 2,800,052)</u>	<u>-</u>	<u>( 17,106,002)</u>
Total	<u>(\$ 10,334,956)</u>	<u>(\$ 885,481)</u>	<u>\$ 571,981</u>	<u>(\$ 10,648,456)</u>

		2020		
			Recognized in other	
		January 1	Recognized in profit or loss	comprehensive income
				December 31
Temporary differences:				
- Deferred income tax assets:				
Unrealized profit from sales	\$ 884,874	(\$ 207,128)	\$ -	\$ 677,746
Unrealized purchase discounts	114,734	( 8,069)	-	106,665
Decline in value of inventories	1,001,529	( 33,060)	-	968,469
Unrealized expenses and provisions for royalty	828,696	( 160,297)	-	668,399
Currency translation differences of foreign operations	614,928	-	880,432	1,495,360
Others	51,201	3,154	-	54,355
Subtotal	3,495,962	( 405,400)	880,432	3,970,994
- Deferred income tax liabilities:				
Investment income from foreign investees	( 12,637,178)	( 1,449,664)	-	( 14,086,842)
Unrealized exchange gains	( 118,873)	( 100,235)	-	( 219,108)
Subtotal	( 12,756,051)	( 1,549,899)	-	( 14,305,950)
Total	(\$ 9,260,089)	(\$ 1,955,299)	\$ 880,432	(\$ 10,334,956)

D. The Tax Authority has examined the Company's income tax returns through 2019. In addition, the Company has filed administrative remedies for the Company's 2018 income tax assessment.

(24) Earnings per share

	Years Ended	
	December 31, 2021	December 31, 2020
Profit:		
Profit from continuing operations	\$ 44,549,798	\$ 23,973,651
Profit from discontinued operations	-	2,584,021
Profit for the year	<u>\$ 44,549,798</u>	<u>\$ 26,557,672</u>
Number of shares (shares in thousands):		
Weighted average number of shares outstanding - basic	<u>742,760</u>	<u>742,760</u>
Basic earnings per share (in dollars):		
Profit from continuing operations	\$ 59.98	\$ 32.28
Profit from discontinued operations	-	3.48
Profit for the year	<u>\$ 59.98</u>	<u>\$ 35.76</u>



	Years Ended	
	December 31, 2021	December 31, 2020
Profit:		
Profit from continuing operations	\$ 44,549,798	\$ 23,973,651
Profit from discontinued operations	-	2,584,021
Profit for the year	<u>\$ 44,549,798</u>	<u>\$ 26,557,672</u>
Number of shares (shares in thousands):		
Weighted average number of shares outstanding - basic	742,760	742,760
The effect of dilutive potential common shares - employees' compensation	9,696	8,469
Weighted average number of shares outstanding - diluted	<u>752,456</u>	<u>751,229</u>
Diluted earnings per share (in dollars):		
Profit from continuing operations	\$ 59.21	\$ 31.91
Profit from discontinued operations	-	3.44
Profit for the year	<u>\$ 59.21</u>	<u>\$ 35.35</u>

(25) Changes in liabilities arising from financing activities

	January 1, 2021	Cash flow	Non-cash changes	
			Others (Note)	December 31, 2021
Lease liabilities	<u>\$ 3,595</u>	<u>(\$ 14,139)</u>	<u>\$ 129,869</u>	<u>\$ 119,325</u>
	January 1, 2020	Cash flow	Non-cash changes	
			Others (Note)	December 31, 2020
Lease liabilities	<u>\$ 25,620</u>	<u>(\$ 23,992)</u>	<u>\$ 1,967</u>	<u>\$ 3,595</u>

Note: Others are leases modifications.

## 7. **RELATED PARTY TRANSACTIONS**

### (1) Parent and ultimate controlling party

The Company's shares are widely held, so there is no ultimate parent or controlling party.

### (2) Names of related parties and relationship

Names of related parties	Relationship with the Company
ASUS GLOBAL PTE. LTD. (ASGL)	Subsidiary
ACBZ IMPORTACAO E COMERCIO LTDA. (ACBZ)	Subsidiary
ASUS COMPUTER INTERNATIONAL (ACI)	Subsidiary
ASUS TECHNOLOGY PTE. LIMITED (ASTP)	Subsidiary
ASUS INDIA PRIVATE LIMITED (ASIN)	Subsidiary
ASUS JAPAN INCORPORATION (ACJP)	Subsidiary
PT. ASUS TECHNOLOGY INDONESIA BATAM (ACBT)	Subsidiary
UNIMAX ELECTRONICS INCORPORATION (UEI)	Subsidiary
ASKEY COMPUTER CORP. (ASKEY)	Subsidiary
AAEON TECHNOLOGY INC. (AAEON)	Subsidiary
ASMEDIA TECHNOLOGY INC. (ASMEDIA)	Subsidiary
JOTECH LTD. (JOTECH)	Subsidiary
ASUS TECHNOLOGY (SUZHOU) CO., LTD. (ACSZ)	Subsidiary
ASUS CLOUD CORPORATION (ASUSCLOUD)	Subsidiary
ASUS TECHNOLOGY INCORPORATION (ASUTC)	Subsidiary
ONYX HEALTHCARE INC. (ONYX)	Subsidiary
SHINEWAVE INTERNATIONAL INC. (SWI)	Subsidiary
ASUS TECHNOLOGY (HONG KONG) LIMITED (ACHK)	Subsidiary
TAIWAN WEB SERVICE CORPORATION (TWS)	Subsidiary
WT MICROELECTRONICS CO., LTD. (WT)	Associate
ASUSTOR INC. (ASUSTOR)	Associate
I-WAYLINK (IWAYLINK)	Associate
IBASE TECHNOLOGY INC. (IBASE)	Associate
HONGTECH ELECTRONICS CO., LTD. (HONGTECH)	Associate
MORRIHAN INTERNATIONAL CORP. (MORRIHAN)	Associate
POTIX CORPORATION TAIWAN (POTIX)	Associate
LELTEK INC. (LELTEK)	Associate
PORTWELL INC. (PORTWELL)	Associate
Others	Other related party

(3) Significant transactions and balances with related parties

A. Sales of goods (including discontinued operations)

	Years Ended	
	December 31, 2021	December 31, 2020
Sales of goods		
-ASGL	\$ 422,707,167	\$ 305,480,767
-Other subsidiaries	24,950,177	18,107,946
-Associates	5,971	747
	<u>\$ 447,663,315</u>	<u>\$ 323,589,460</u>

The sales prices of transactions with related parties were decided on the basis of the economic environment and market competition in each sales area. The terms of the transactions are due 30 to 180 days after the date of delivery or open account 30 to 60 days. The terms of the above transactions are similar to those for third parties.

B. Purchases of goods and expenses

	Years Ended	
	December 31, 2021	December 31, 2020
Purchases of goods		
-Subsidiaries	\$ 748,671	\$ 987,844
-Associates	2,101,568	1,067,861
-Others	100,563	86,368
	<u>2,950,802</u>	<u>2,142,073</u>
Purchases of services and other expenditures		
-Subsidiaries	71,933	70,451
-Associates	11,512	-
-Others	35,473	22,484
	<u>118,918</u>	<u>92,935</u>
	<u>\$ 3,069,720</u>	<u>\$ 2,235,008</u>

Purchase terms are due 30 to 90 days after the date of acceptance or open account 30 to 60 days, which were similar to those for third parties.

C. Trade receivables

	December 31, 2021	December 31, 2020
Trade receivables		
-ASGL	\$ 63,819,459	\$ 27,036,848
-Other subsidiaries	2,649,542	2,592,052
-Associates	5,395	42
	<u>66,474,396</u>	<u>29,628,942</u>
Other receivables		
-Associates	12	139
	<u>\$ 66,474,408</u>	<u>\$ 29,629,081</u>

The trade receivables mainly arise from sales transactions, are unsecured in nature and bear no interest.

#### D. Notes and trade payables and other items of current liabilities

	December 31, 2021	December 31, 2020
Notes and trade payables		
-Subsidiaries	\$ 94,987	\$ 149,679
-Associates	835,652	432,102
-Others	34,098	20,656
	<u>964,737</u>	<u>602,437</u>
Other items of current liabilities		
-Subsidiaries	87,582	123,888
-Associates	8,270	-
-Others	-	7,484
	<u>95,852</u>	<u>131,372</u>
	<u>\$ 1,060,589</u>	<u>\$ 733,809</u>

The trade payables arise mainly from purchase transactions and bear no interest.

#### (4) Key management compensation

	Years Ended	
	December 31, 2021	December 31, 2020
Salaries and other short-term employee benefits	\$ 1,439,672	\$ 850,665
Post-employment benefits	6,374	5,586
	<u>\$ 1,446,046</u>	<u>\$ 856,251</u>

### 8. PLEDGED ASSETS

Pledged assets	Item	Book Value		Purpose
		December 31, 2021	December 31, 2020	
Other non-current assets	Pledged restricted deposits	\$ 203,200	\$ 185,014	Pledged for lodgment for security by court deposits decisions, customs duties guarantee, etc.

### 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

#### (1) Contingencies

Lawsuits for infringement of intellectual property rights

- A. Several patentees filed lawsuits or investigations for patent infringement including MP3 function for desktop computer and notebook, display and projector products, notebook and tablet against the Company. These lawsuits or investigations are currently under investigation in California and Texas. The Company cannot presently determine the ultimate outcome of these lawsuits but has already recognized the possible loss in the financial statements.

B. Several patentees filed lawsuits or investigations for patent infringement including cellphone and tablet products, AP and Router products supporting MU-MIMO, notebook, LED for cellphone products, wireless network communication products that support IEEE 802.11ac communication standard, after-sales service, OLED for cellphone products, cellphone and tablet products with MPEG2-TS transportation stream function, various products using LVDS technology processors, monitor product, cellphone, notebook and wireless routers complying with 3G/4G communication standard, monitor product with local dimming, router, wireless base station, notebook, cellphone supporting MU-MIMO, circuit board design, router, notebook, desktop, motherboard, Mini PC and cellphone supporting Wi-Fi 6, AMOLED panel and dock with card reader function against the Company. These lawsuits or investigations are currently under investigation in the courts in Texas, California, Alabama, Japan, Brazil, Malaysia, China, and at the Italian Competition Authority. The Company cannot presently determine the ultimate outcome and effect of these lawsuits.

(2) Commitments

The Company signed a long-term supply cooperation contract with the supplier, stipulating that a certain amount of purchase must be reached every year. The contract is valid from March 1, 2021 to December 31, 2024. In addition, prepayment of USD 75,000 thousand has been paid by the Company in accordance with the contract. As of December 31, 2021, the prepayment mentioned above amounting to \$1,848,649 is included under other non-current assets.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL REPORTING PERIOD

None.

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the liability ratio. This ratio is calculated as total liabilities by total assets. Total liabilities calculated as "current liabilities plus non-current liabilities" as shown in the separate balance sheets.

During 2021, the Company's strategy was to maintain the liability ratio within reasonable security range, which was unchanged from 2020. The liability ratios are as follows:

	December 31, 2021	December 31, 2020
Total liabilities	\$ 143,331,478	\$ 89,230,821
Total assets	\$ 375,662,696	\$ 290,995,337
Liability ratio	38.15%	30.66%

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 122,104	\$ 17,908,834
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	73,737,602	70,543,525
Financial assets at amortized cost		
Cash and cash equivalents	6,154,766	2,538,864
Financial assets at amortized cost	-	30,000
Trade receivables	75,505,015	36,060,552
Other receivables	3,031,234	848
Refundable deposits	224,213	205,093
	<u>\$ 158,774,934</u>	<u>\$ 127,287,716</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ 85,889	\$ 234,197
Financial liabilities at amortized cost		
Notes and trade payables	87,965,460	48,802,218
Other payables - accrued expenses	24,947,020	18,992,001
Deposits received	69,016	52,722
Lease liabilities	119,325	3,595
	<u>\$ 113,186,710</u>	<u>\$ 68,084,733</u>

B. Financial risk management policies

- (A) The Company's operating activities expose the Company to a variety of financial risks, including market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. To minimize any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are used to hedge certain exchange rate risk, and derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.
- (B) The Company's key financial plans are all reviewed by the Board of Directors under the related principles and internal control system. When executing the financial plans, the Company's treasury departments will follow the financial operating procedures in accordance with the overall financial risk management and proper segregation of duties.
- (C) Information about derivative financial instruments that are used to hedge financial risk are provided in Note 6(2).

## C. Nature and degree of significant financial risks

### (A) Market risk

#### Foreign exchange risk

- a. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities.
- b. The management has set up the policy to require the organisation to manage the foreign exchange risk against the functional currency. The organisation is required to hedge its entire foreign exchange risk exposure with the Company's treasury. Exchange rate risk is measured through a forecast of highly probably USD expenditures. Forward foreign exchange contracts are adopted to minimize the volatility of the exchange rate affecting recognition of revenue of forecast sale.
- c. The Company hedges foreign exchange rate by using forward exchange contracts. However, the Company does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).
- d. The Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.
- e. The Company's businesses involve some non-functional currency operations (the Company's functional currency is NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2021					
	Foreign currency amount (in dollars)	Exchange rate	Book value (NTD)	Sensitivity Analysis		
				Extent of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 2,660,246,158	27.680	\$73,635,614	1%	\$ 736,356	\$ -
<u>Non-Monetary items</u>						
USD:NTD	3,402,040,720	27.680	94,168,487	-	-	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	3,575,528,470	27.680	98,970,628	1%	989,706	-

	December 31, 2020					
	Foreign currency amount (in dollars)	Exchange rate	Book value (NTD)	Sensitivity Analysis		
				Extent of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 1,206,892,738	28.480	\$34,372,305	1%	\$ 343,723	\$ -
<u>Non-Monetary items</u>						
USD:NTD	2,740,010,710	28.480	78,035,505	-	-	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	2,146,989,514	28.480	61,146,261	1%	611,463	-

f. Net currency exchange (losses) gains arising from foreign exchange variation on the monetary items from continuing and discontinued operations held by the Company for the years ended December 31, 2021 and 2020 amounted to \$3,220,069 and \$2,566,572, respectively.

#### Price risk

- a. The Company's equity instruments, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity instruments, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- b. The Company mainly invests in equity instruments comprised of shares and open-end funds issued by the domestic companies. The value of equity instruments are susceptible to market price risk arising from uncertainties about future performance of equity markets. Assuming a hypothetical increase of 1% in the price of the aforementioned financial assets at fair value through profit or loss while the other conditions remain unchanged could increase the Company's non-operating revenue for the years ended December 31, 2021 and 2020 by \$766 and \$902, respectively. A change of 1% in the price of the aforementioned financial assets at fair value through other comprehensive income could increase the Company's other comprehensive income for the years ended December 31, 2021 and 2020 by \$737,376 and \$705,435, respectively.



### Cash flow and fair value interest rate risk

The Company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Company calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions. The Company expects no significant interest rate risk.

### (B) Credit risk

- a. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- b. The Company manages their credit risk taking into consideration the entire company's concern. For banks and financial institutions, only independently rated parties with a minimum rating of "A" class above as evaluated by an independent party are accepted as counterparties. According to the Company's credit policy, each operating entity in the Company is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors, and the utilization of credit limits is regularly monitored.
- c. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- d. The Company adopts the assumption under IFRS 9, that is, for most operating entities, the default occurs when the contract payments are past due over 90 days.
- e. The Company classifies customer's accounts receivable in accordance with customer types. The Company applies the simplified approach using the provision matrix and loss rate method to estimate expected credit loss.
- f. The Company writes off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. On December 31, 2021 and 2020, the Company has no written-off financial assets that are still under recourse procedures.
- g. (a) The expected loss rate for the excellent credit quality clients is 0%, and the total carrying amount of trade receivables and loss allowance amounted to \$66,474,396, \$0, \$29,628,942, \$0 as of December 31, 2021 and 2020, respectively.

- (b) The Company refers to the forecast ability of global economic indicators to adjust the loss rate which is based on historical and current information when assessing the future default possibility of trade receivable. The provision matrix as of December 31, 2021 and 2020 is as follows:

December 31, 2021	Not past due	Less than 90 days past due	More than 91 days past due	Total
Total book value	\$ 8,459,497	\$ 602,162	\$ 271,046	\$ 9,332,705
Loss allowance	\$ 11,844	\$ 88,374	\$ 201,868	\$ 302,086
Expected loss rate	0.14%	11.30%~59.29%	50.00%~100%	

December 31, 2020	Not past due	Less than 90 days past due	More than 91 days past due	Total
Total book value	\$ 6,045,210	\$ 421,546	\$ 17,061	\$ 6,483,817
Loss allowance	\$ 3,023	\$ 40,653	\$ 8,531	\$ 52,207
Expected loss rate	0.05%	5.49%~41.25%	50.00%~100%	

- h. Movement in relation to the Company applying the simplified approach to provide loss allowance for trade receivables is as follows:

	2021	2020
January 1	\$ 52,207	\$ 14,212
Recognition	249,879	38,333
Write-offs	-	( 338)
December 31	\$ 302,086	\$ 52,207

For provisioned loss for the years ended December 31, 2021 and 2020, the net impairment loss arising from customer's contract was \$249,879 and \$38,333, respectively.

- i. For investments in financial assets at amortized cost of the Company, the credit rating levels is as follows:

	December 31, 2021	
	12 months	Lifetime
Financial assets at amortized cost	\$ -	\$ -

	December 31, 2020	
	12 months	Lifetime
Financial assets at amortized cost	\$ 30,000	\$ -

The Company's financial assets at amortized cost are all time deposits with an original due date of more than three months, and there is no significant abnormality in credit risk assessment.

(C) Liquidity risk

- a. Cash flow forecasting is performed in the various departments of the Company and aggregated by the Company treasury. The Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's cash flow plans and compliance with internal balance sheets ratio targets.
- b. The Company treasury invests surplus cash in demand deposits, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. As of December 31, 2021 and 2020, the Company held financial assets at fair value through profit or loss of \$76,647 and \$17,871,512, respectively, that are expected to readily generate cash inflows for managing liquidity risk.
- c. The table below analyses the Company's non-derivative financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the financial reporting period to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	December 31, 2021				
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
<u>Non-derivative</u>					
<u>financial liabilities:</u>					
Notes and trade payables	\$87,965,460	\$ -	\$ -	\$ -	\$87,965,460
Other payables	24,947,020	-	-	-	24,947,020
- accrued expenses					
Lease liabilities	23,028	21,889	21,774	56,144	122,835
<u>Derivative financial liabilities:</u>					
Forward exchange contracts	85,889	-	-	-	85,889
	December 31, 2020				
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
<u>Non-derivative</u>					
<u>financial liabilities:</u>					
Notes and trade payables	\$48,802,218	\$ -	\$ -	\$ -	\$48,802,218
Other payables	18,992,001	-	-	-	18,992,001
- accrued expenses					
Lease liabilities	3,185	428	-	-	3,613
<u>Derivative financial liabilities:</u>					
Forward exchange contracts	234,197	-	-	-	234,197

d. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis to be significantly earlier, nor expect the actual cash flow amount to be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, financial assets at amortized cost - current, trade receivables, other receivables, refundable deposits, notes and trade payables, other payables - accrued expenses, other current liabilities, lease liabilities and guarantee deposits received are reasonably approximate to the fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(A) The related information about the nature of the assets and liabilities is as follows:

December 31, 2021				
	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 76,647	\$ -	\$ -	\$ 76,647
Beneficiary certificates	-	28,139	-	28,139
Forward exchange contracts	-	17,318	-	17,318
Financial assets at fair value through other comprehensive income				
Equity securities	73,522,226	200,763	14,613	73,737,602
	<u>\$ 73,598,873</u>	<u>\$ 246,220</u>	<u>\$ 14,613</u>	<u>\$ 73,859,706</u>
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 85,889	\$ -	\$ 85,889

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 90,154	\$ -	\$ -	\$ 90,154
Beneficiary certificates	17,781,358	37,322	-	17,818,680
Financial assets at fair value through other comprehensive income				
Equity securities	70,197,089	206,580	139,856	70,543,525
	<u>\$ 88,068,601</u>	<u>\$ 243,902</u>	<u>\$ 139,856</u>	<u>\$ 88,452,359</u>
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 234,197	\$ -	\$ 234,197

(B) The methods and assumptions the Company used to measure fair value are as follows:

- a. The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed and OTC stocks	Open-end fund
Market quoted price	Closing price	Net asset value

- b. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the financial reporting date.
- c. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.

d. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the separate balance sheets. The pricing and inputs information used during valuation are carefully assessed and adjusted based on current market conditions.

D. For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.

E. The movement of Level 3 is as follows:

	Equity instruments	
	2021	2020
January 1	\$ 139,856	\$ -
Acquisitions	-	129,765
Reclassifications	( 108,094)	-
Recognition in other comprehensive (loss) income (Note)	( 17,149)	10,091
December 31	<u>\$ 14,613</u>	<u>\$ 139,856</u>

Note: Recorded as unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income.

F. The investment segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the source of information is independent, reliable and in line with other resources and any other necessary adjustments to the fair value.

The investment segment cooperatively set up valuation policies, valuation processes and rules for measuring fair value of financial instruments that ensure compliance with the related requirements in IFRS.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Equity instruments: Unlisted and non- OTC stocks	\$ 14,613	Discounted cash flow method	Note 1	Not applicable	Note 2

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Equity instruments: Unlisted and non- OTC stocks	\$ 139,856	Discounted cash flow method	Note 1	Not applicable	Note 2

Note 1: Long-term revenue growth rate, weighted average cost of capital, long-term operating profit before income tax, discount for lack of marketability and discounts for minority interest.

Note 2: The higher the discount for lack of marketability is, the lower the fair value is; the higher the weighted average cost of capital and discount for minority interest are, the lower the fair value is; the higher the long-term revenue growth rate and long-term operating profit before income tax are, the higher the fair value is.

H. The Company has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in a different outcome.

### 13. **SUPPLEMENTARY DISCLOSURES**

#### (1) **Significant transactions information**

- A. Financings provided: Please refer to table 1.
- B. Endorsements and guarantees provided: None.
- C. Marketable securities held at the ended of period (excluding investments in subsidiaries, associates and joint ventures): Please refer to table 2.
- D. Marketable securities acquired and disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital: Please refer to table 3.
- E. Acquisition of real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital: None.
- F. Disposal of real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- G. Total purchases from or sales to related parties of at least \$100 million or 20% of the paid-in capital: Please refer to table 4.

H. Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital: Please refer to table 5.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to 6(2).

J. Intercompany relationships and significant intercompany transactions: Please refer to table 6.

(2) Information on investees

Names, locations, and related information of investees over which the company exercises significant influence (excluding information on investment in mainland China): Please refer to table 7.

(3) Information on investments in mainland China

A. Information on investment in mainland China: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in China: Please refer to table 8.

(4) Major shareholders information

Major shareholders information: None.

14. **OPERATING SEGMENT INFORMATION**

Not applicable.



ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
FINANCING PROVIDED  
YEAR ENDED DECEMBER 31, 2021

Table 1 (Amounts in thousands of New Taiwan dollars and foreign currencies)

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate (%)	Nature for Financing ( Note 1 )	Transaction Amounts	Reason for Financing	Loss allowance	Collateral		Financing Limits for Each Borrowing Company ( Note 2 )	Financing Company's Total Financing Amount Limits ( Note 2 )	Note
													Item	Value			
1	ASUS	ASKEY	Other receivables	Yes	1,000,000	1,000,000	-	1.00	b	-	Need for operations	-	-	-	34,849,683	46,466,244	
2	ASTP	ASGL	Other non-current assets	Yes	24,912,000 (USD 900,000)	24,912,000 (USD 900,000)	24,912,000 (USD 900,000)	0.23575 ~ 0.99706	b	-	Need for operations	-	-	-	38,241,435 (USD 1,381,555)	38,241,435 (USD 1,381,555)	
3	ASTP	QCS	Other non-current assets	Yes	481,097 (SEK 156,709)	481,097 (SEK 156,709)	52,322 (SEK 17,043 )	0.5	b	-	Need for operations	-	-	-	38,241,435 (USD 1,381,555)	38,241,435 (USD 1,381,555)	

Note 1 : Nature for Financing : a. Business transaction calls for a loan arrangement.

b. The need for short-term financing.

Note 2 : Limit of total financing amount : a. According to Procedures for Lending of ASUS, limit of total financing amount shall not exceed 20% of the net worth of ASUS as of the period.

b. According to Procedures for Lending of ASTP, limit of total financing amount to the subsidiaries whose voting shares are 100% owned, directly or indirectly, by publicly traded parent company - ASUS, which are not located in Taiwan, shall not exceed 100% of the net worth of ASTP as of the period.

Limit financing amount for individual counterparty : a. According to Procedures for Lending of ASUS, limit of financing amount for individual counterparty shall not exceed 15% of the net worth of ASUS as of the period.

b. According to Procedures for Lending of ASTP, limit of financing amount to the subsidiaries whose voting shares are 100% owned, directly or indirectly, by publicly traded parent company - ASUS, which are not located in Taiwan, for individual counterparty shall not exceed 100% of the net worth of ASTP as of the period.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
MARKETABLE SECURITIES HELD  
(EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)  
DECEMBER 31, 2021

Table 2 (Amounts in thousands of New Taiwan dollars)

Held Company Name	Marketable Securities		Relationship with the Company (Note 1)	Financial Statement Account (Note 2)	December 31, 2021				Note
	Type	Name			Shares/Units	Carrying Value	Percentage (%)	Fair Value	
ASUS	Stock	SPORTON	-	a	353,213	76,647	0.36	76,647	
ASUS	Stock	GLOBALWAFERS	-	c	1,626,626	1,444,444	0.37	1,444,444	
ASUS	Stock	JMC	-	c	830,000	46,895	1.00	46,895	
ASUS	Stock	ENE	b	c	444,365	26,218	1.00	26,218	
ASUS	Stock	ALCOR MICRO	-	c	905,879	54,715	1.00	54,715	
ASUS	Stock	AZUREWAVE	-	c	934,745	25,378	0.62	25,378	
ASUS	Stock	LEDLINK	-	c	718,607	22,708	1.53	22,708	
ASUS	Fund	TNP	-	b	100	8,906	2.05	8,906	
ASUS	Fund	TNP LIGHT	-	b	184	19,233	3.67	19,233	
ASUS	Stock	EMPASS	-	d	1,162,359	36,350	15.86	36,350	
ASUS	Stock	ADVANTECH	-	d	103,177,983	40,910,070	13.33	40,910,070	
ASUS	Stock	PEGA	-	d	448,506,484	30,991,798	16.80	30,991,798	
ASUS	Stock	NANOLUX	-	d	536	66,044	10.84	66,044	
ASUS	Stock	APTOS	-	d	312,600	-	0.35	-	
ASUS	Stock	94BOT	-	d	100,000	-	4.80	-	
ASUS	Stock	A-WEI TECH	-	d	301,876	1,352	1.83	1,352	
ASUS	Stock	AISTORM	-	d	178,784	14,613	0.69	14,613	
ASUS	Stock	EOSTEK	-	d	1,600,000	13,464	14.94	13,464	
ASUS	Stock	AMTRUST	b	d	7,500,000	83,553	7.81	83,553	
ASMEDIA	Fund	FUH HWA RMB MONEY MARKET	-	a	531,862	28,643	-	28,643	
ASMEDIA	Fund	MEGA DIAMOND MONEY MARKET	-	a	23,739,799	300,964	-	300,964	
ASMEDIA	Fund	CAPITAL MONEY MARKET	-	a	17,226,216	280,737	-	280,737	
ASMEDIA	Stock	AUGENTIX	-	d	1,600,000	27,136	11.59	27,136	
ASMEDIA	Stock	ICATCH TECHNOLOGY	-	d	5,500,000	476,630	7.38	476,630	
ASMEDIA	Stock	WT PREFERRED STOCK	a	d	8,000,000	391,600	-	391,600	
ASKEY	Stock	CIPHERMAX	-	b	9,234	-	0.00	-	
ASKEY	Stock	RETI	-	b	80,700	-	3.32	-	
MIC	Stock	BROADCOM	-	b	90	1,658	0.00	1,658	
MIC	Stock	ZARLINK SEMI-CONDUCTOR	-	b	44,775	-	0.04	-	
DIC	Stock	FORTE MEDIA	-	b	200,000	-	0.30	-	
HCVC	Fund	YUANTA WAN TAI MONEY MARKET	-	a	558,765	8,538	-	8,538	
HCVC	Fund	TAISHIN 1699 MONEY MARKET	-	a	2,722,282	37,237	-	37,237	
HCVC	Fund	YUANTA DE BAO MONEY MARKET	-	a	348,419	4,226	-	4,226	
HCVC	Stock	LEDLINK	-	c	336,546	10,635	0.67	10,635	
HCVC	Stock	APAQ TECHNOLOGY	b	d	10,668,012	647,548	11.99	647,548	
HCVC	Stock	A-WEI TECH	-	d	301,876	1,352	1.83	1,352	
HMI	Fund	TAISHIN 1699 MONEY MARKET	-	a	2,496,303	34,146	-	34,146	
HMI	Stock	APAQ TECHNOLOGY	-	d	3,210,015	194,848	3.61	194,848	
HMI	Stock	A-WEI TECH	-	d	174,417	781	1.06	781	
AAEON	Stock	ADVANTECH	-	a	802	318	0.00	318	
AAEON	Fund	MEGA DIAMOND MONEY MARKET	-	a	2,091,070	26,510	-	26,510	
AAEON	Stock	MACHVISION TECHNOLOGY	b	a	1,180,198	329,275	2.64	329,275	
AAEON	Stock	ATECH OEM TECHNOLOGY	b	a	234	3	0.00	3	
AAEON	Stock	INSYNERGER TECHNOLOGY	-	b	1,710,000	19,359	19.29	19,359	
AAEON	Stock	UNITTECH ELECTRONICS	-	a	549,657	12,285	0.73	12,285	
AAEON	Stock	LILEE SYSTEMS PREFERRED STOCK	-	a	468,750	-	-	-	
AAEON	Stock	ALLIED BIOTECH	b	a	300,000	4,575	0.31	4,575	
AAEON	Stock	TELEION WIRELESS PREFERRED STOCK	-	a	149,700	-	-	-	
AAEON	Stock	V-NET AAEON	-	b	29	9,452	14.50	9,452	
AAEONI	Stock	ATECH OEM TECHNOLOGY	b	a	3,456,000	41,126	5.82	41,126	
AAEONI	Stock	SUNENGINE	b	a	156,903	1,089	2.75	1,089	
ONYX	Stock	MELTEN CONNECTED HEALTHCARE	-	d	4,193,548	2,381	6.61	2,381	
ONYX	Stock	MACHVISION TECHNOLOGY	b	a	18,716	5,222	0.04	5,222	
ONYX	Stock	INNO FUND III	-	b	3,000,000	36,406	13.04	36,406	
ONYX	Stock	TOP UNION ELECTRONICS	-	a	169,658	4,903	0.17	4,903	
ONYX	Stock	PROTECTLIFE INTERNATIONAL BIOMEDICAL	-	d	2,500,000	30,000	6.30	30,000	
ASGL	Fund	JIH SUN MONEY MARKET	-	a	816,699	12,240	-	12,240	
ASGL	Fund	USD TERM LIQUIDITY (USD185A3)	-	a	952,519	2,778,557	-	2,778,557	
ASGL	Fund	USD TERM LIQUIDITY (USD370A)	-	b	959,903	2,781,409	-	2,781,409	
ASGL	Bond	AAC TECHNOLOGIES HOLDINGS	-	e	1,900,000	53,215	-	53,268	
ASGL	Bond	ABBVIE	-	e	1,750,000	52,345	-	51,372	
ASGL	Bond	ADANI TRANSMISSION	-	e	1,850,000	52,675	-	53,791	
ASGL	Bond	AERCAP IRELAND CAPITAL DAC/ AERCAP GLOBAL AVIATION TRUST	-	e	3,550,000	107,198	-	106,790	
ASGL	Bond	AFRICA FINANCE	-	e	3,690,000	107,425	-	107,950	
ASGL	Bond	AIB GROUP	-	e	1,800,000	52,505	-	52,475	
ASGL	Bond	AIR LEASE	-	e	3,900,000	108,329	-	106,227	
ASGL	Bond	AIRCASTLE	-	e	3,580,000	107,413	-	106,199	
ASGL	Bond	ALCON FINANCE	-	e	1,500,000	44,241	-	42,934	
ASGL	Bond	ALLY FINANCIAL	-	e	1,670,000	51,992	-	52,185	
ASGL	Bond	APT PIPELINE	-	e	1,640,000	48,918	-	48,562	
ASGL	Bond	ARCELOMITTAL	-	e	1,900,000	57,154	-	57,596	
ASGL	Bond	ARDAGH PACKAGING FINANCE / ARDAGH MP HOLDINGS USA	-	e	1,140,000	32,056	-	32,581	
ASGL	Bond	AUSTRALIA AND NEW ZEALAND BANKING GROUP	-	e	3,460,000	106,656	-	104,890	
ASGL	Bond	AVIATION CAPITAL GROUP	-	e	3,920,000	108,413	-	105,888	
ASGL	Bond	AVOLON HOLDINGS FUNDING	-	e	3,450,000	107,018	-	105,584	
ASGL	Bond	BANCO BTG PACTUAL OF CAYMAN ISLANDS	-	e	2,420,000	64,410	-	65,745	
ASGL	Bond	BANCO LATINOAMERICANO DE COMERCIO EXTERIOR	-	e	3,820,000	107,923	-	105,870	
ASGL	Bond	BANCO SANTANDER	-	e	3,400,000	106,466	-	104,778	
ASGL	Bond	BANK OF AMERICA	-	e	3,430,000	106,333	-	104,580	
ASGL	Bond	BANK OF NOVA SCOTIA	-	e	1,670,000	51,835	-	50,801	

Held Company Name	Marketable Securities		Relationship with the Company (Note 1)	Financial Statement Account (Note 2)	December 31, 2021				Note
	Type	Name			Shares/Units	Carrying Value	Percentage (%)	Fair Value	
ASGL	Bond	BARCLAYS	-	e	3,410,000	104,529	-	105,326	
ASGL	Bond	BAYER US FINANCE II	-	e	3,530,000	107,755	-	105,731	
ASGL	Bond	BERRY GLOBAL	-	e	3,740,000	107,565	-	107,086	
ASGL	Bond	BHARAT PETROLEUM	-	e	1,840,000	52,431	-	53,120	
ASGL	Bond	BHARTI AIRTEL	-	e	2,110,000	61,194	-	62,219	
ASGL	Bond	BNP PARIBAS	-	e	3,520,000	107,738	-	106,010	
ASGL	Bond	BOC AVIATION	-	e	3,860,000	108,592	-	107,712	
ASGL	Bond	BPCE	-	e	3,420,000	106,542	-	104,472	
ASGL	Bond	CHENIERE CORPUS CHRISTI HOLDINGS	-	e	1,690,000	51,227	-	51,863	
ASGL	Bond	CHOUZHOU INTERNATIONAL INVESTMENT	-	e	3,820,000	106,884	-	107,748	
ASGL	Bond	CIFI HOLDINGS GROUP	-	e	1,150,000	31,313	-	30,718	
ASGL	Bond	CIT BANK, N.A.	-	e	1,880,000	53,063	-	53,600	
ASGL	Bond	CITIGROUP	-	e	1,680,000	51,976	-	51,307	
ASGL	Bond	CNH INDUSTRIAL CAPITAL	-	e	1,940,000	53,738	-	53,749	
ASGL	Bond	COLORADO INTERSTATE GAS / COLORADO INTERSTATE ISSUING	-	e	1,940,000	58,476	-	58,445	
ASGL	Bond	COMMONWEALTH BANK OF AUSTRALIA	-	e	1,700,000	51,855	-	51,642	
ASGL	Bond	CONAGRA BRANDS	-	e	1,680,000	51,835	-	51,151	
ASGL	Bond	COOPERATIVE RABOBANK U.A.	-	e	3,570,000	108,137	-	106,478	
ASGL	Bond	COX COMMUNICATION	-	e	1,750,000	52,615	-	51,438	
ASGL	Bond	CREDIT SUISSE GROUP	-	e	3,440,000	107,297	-	104,961	
ASGL	Bond	CROWN AMERICAS / CROWN AMERICAS CAPITAL V	-	e	2,240,000	62,708	-	66,188	
ASGL	Bond	CVS HEALTH	-	e	1,780,000	52,708	-	52,055	
ASGL	Bond	DELL INTERNATIONAL / EMC	-	e	3,310,000	105,326	-	104,753	
ASGL	Bond	DEUTSCHE BANK	-	e	2,520,000	74,193	-	74,599	
ASGL	Bond	DISCOVER BANK	-	e	1,760,000	52,393	-	51,559	
ASGL	Bond	GENTING NY / GENNY CAP	-	e	3,940,000	108,902	-	108,015	
ASGL	Bond	GLENORE FUNDING	-	e	1,960,000	54,077	-	53,720	
ASGL	Bond	GLOBAL PAYMENTS	-	e	1,660,000	51,761	-	51,036	
ASGL	Bond	GLP	-	e	3,710,000	106,152	-	106,935	
ASGL	Bond	GOLDMAN SACHS GROUP	-	e	1,720,000	52,651	-	51,942	
ASGL	Bond	HCA	-	e	1,650,000	51,462	-	51,386	
ASGL	Bond	HEWLETT PACKARD	-	e	2,130,000	59,084	-	58,917	
ASGL	Bond	HIKMA FINANCE USA	-	e	3,780,000	107,973	-	107,368	
ASGL	Bond	HYATT HOTELS	-	e	3,600,000	106,894	-	108,387	
ASGL	Bond	ICICI BANK OF DUBAI	-	e	1,830,000	52,831	-	53,943	
ASGL	Bond	INTERNATIONAL GAME TECHNOLOGY	-	e	1,200,000	33,590	-	34,215	
ASGL	Bond	IQVIA	-	e	2,330,000	64,055	-	66,187	
ASGL	Bond	JERSEY CENTRAL POWER & LIGHT	-	e	1,800,000	54,477	-	54,056	
ASGL	Bond	KEYBANK NATIONAL ASSOCIATION OF CLEVELAND, OHIO	-	e	1,700,000	51,258	-	50,163	
ASGL	Bond	KOHL'S	-	e	2,100,000	61,545	-	62,244	
ASGL	Bond	LENNAR	-	e	3,390,000	105,968	-	105,247	
ASGL	Bond	LEVIATHAN BOND	-	e	2,230,000	63,616	-	65,394	
ASGL	Bond	LLOYDS BANKING GROUP	-	e	3,460,000	104,765	-	105,006	
ASGL	Bond	LUNDIN ENERGY FINANCE BV	-	e	3,910,000	107,846	-	107,531	
ASGL	Bond	LYB INTERNATIONAL FINANCE III	-	e	1,000,000	27,160	-	26,707	
ASGL	Bond	MACQUARIE BANK	-	e	3,490,000	106,180	-	105,389	
ASGL	Bond	MARATHON PETROLEUM	-	e	1,760,000	52,674	-	53,167	
ASGL	Bond	MEG ENERGY	-	e	2,350,000	66,200	-	66,208	
ASGL	Bond	MEITUAN	-	e	1,490,000	39,741	-	39,795	
ASGL	Bond	MEXICO CITY AIRPORT TRUST	-	e	3,600,000	106,883	-	105,502	
ASGL	Bond	MGM GROWTH PROPERTIES OPERATING PARTNERSHIP / MGP FINANCE	-	e	1,150,000	31,656	-	33,901	
ASGL	Bond	MICROCHIP TECHNOLOGY	-	e	1,000,000	28,648	-	28,750	
ASGL	Bond	MITSUBISHI UFJ FINANCIAL GROUP	-	e	1,760,000	52,291	-	50,687	
ASGL	Bond	MIZUHO FINANCIAL GROUP	-	e	1,882,000	56,916	-	55,734	
ASGL	Bond	NATIONWIDE BUILDING SOCIETY	-	e	3,510,000	107,009	-	104,364	
ASGL	Bond	NORTHRIVER MIDSTREAM FINANCE	-	e	2,330,000	64,251	-	67,126	
ASGL	Bond	NXP / NXP FUNDING	-	e	1,630,000	51,955	-	50,999	
ASGL	Bond	OCCIDENTAL PETROLEUM	-	e	2,400,000	58,425	-	68,245	
ASGL	Bond	ONEOK	-	e	3,340,000	104,635	-	106,066	
ASGL	Bond	ONGC VIDEH VANKORNEFT	-	e	3,700,000	105,857	-	107,327	
ASGL	Bond	OVINTIV EXPLORATION	-	e	1,240,000	33,224	-	38,035	
ASGL	Bond	PACIFIC GAS AND ELECTRIC	-	e	3,830,000	106,853	-	107,793	
ASGL	Bond	PHILLIPS 66 PARTNERS	-	e	3,580,000	107,068	-	105,486	
ASGL	Bond	PRIME SECURITY SERVICES BORROWER / PRIME FINANCE	-	e	2,190,000	63,631	-	65,085	
ASGL	Bond	PT BANK MANDIRI (PERSERO)	-	e	1,740,000	51,509	-	52,595	
ASGL	Bond	PULTEGROUP	-	e	1,570,000	49,782	-	49,412	
ASGL	Bond	ROYALTY PHARMA	-	e	1,960,000	53,706	-	53,133	
ASGL	Bond	SABINE PASS LIQUEFACTION	-	e	1,640,000	51,482	-	52,107	
ASGL	Bond	SANTANDER UK GROUP HOLDINGS	-	e	3,460,000	105,329	-	104,503	
ASGL	Bond	SHIMAO GROUP HOLDINGS	-	e	3,770,000	107,016	-	65,119	
ASGL	Bond	SHINHAN BANK	-	e	3,540,000	106,566	-	104,740	
ASGL	Bond	SHINHAN FINANCIAL GROUP	-	e	1,950,000	54,070	-	53,222	
ASGL	Bond	SK HYNIX	-	e	660,000	17,998	-	17,875	
ASGL	Bond	SOCIETE GENERALE	-	e	3,520,000	105,111	-	104,605	
ASGL	Bond	SOFTBANK GROUP	-	e	1,140,000	30,705	-	30,929	
ASGL	Bond	SOLVAY FINANCE AMERICA	-	e	1,680,000	51,491	-	50,695	
ASGL	Bond	SOUTHWESTERN ENERGY	-	e	2,240,000	66,181	-	68,141	
ASGL	Bond	STANDARD CHARTERED	-	e	3,530,000	106,936	-	105,142	
ASGL	Bond	SUMITOMO MITSUI FINANCIAL GROUP	-	e	1,760,000	52,077	-	50,607	
ASGL	Bond	SYNCHRONY FINANCIAL	-	e	3,540,000	104,181	-	104,115	
ASGL	Bond	SYNGENTA FINANCE	-	e	3,550,000	107,594	-	105,563	
ASGL	Bond	TECHNIPMC	-	e	2,210,000	63,807	-	65,501	
ASGL	Bond	TENGIZCHEVROIL FINANCE INTERNATIONAL	-	e	3,800,000	106,846	-	105,568	
ASGL	Bond	T-MOBILE USA	-	e	1,930,000	53,427	-	52,798	
ASGL	Bond	TRINITY ACQUISITION	-	e	1,680,000	52,267	-	50,896	
ASGL	Bond	TURKCELL ILETISIM HIZMETLERI	-	e	1,200,000	31,673	-	32,718	
ASGL	Bond	UBS GROUP	-	e	1,660,000	51,542	-	50,127	
ASGL	Bond	UTAH ACQUISITION SUB	-	e	3,260,000	98,525	-	97,342	
ASGL	Bond	VANKE REAL ESTATE (HONG KONG)	-	e	1,710,000	48,937	-	47,900	
ASGL	Bond	VMWARE	-	e	1,690,000	51,073	-	50,960	
ASGL	Bond	WESTERN MIDSTREAM OPERATING	-	e	2,300,000	63,193	-	67,844	
ASGL	Bond	WOODSIDE FINANCE	-	e	2,020,000	58,647	-	59,514	
ASGL	Bond	XP US EQUITY	-	e	1,620,000	41,474	-	43,182	
AIL	Fund	PRODIGY STRATEGY INVESTMENT XIV	-	a	3,530	133,349	-	133,349	
AIL	Stock	EONEX	-	d	31,733	-	2.70	-	
AIL	Stock	ISTAGING	-	d	988,889	13,615	2.15	13,615	
AIL	Stock	PTSN	-	d	260,977,800	118,328	4.91	118,328	
AIL	Fund	ASIA PACIFIC GENESIS C	-	b	-	8,145	9.00	8,145	
UEI	Fund	CAPITAL MONEY MARKET	-	a	500,661	8,159	-	8,159	

Note 1 : a. Associate. b. Other related parties.

Note 2 : a. Financial assets at fair value through profit or loss - current ; b. Financial assets at fair value through profit or loss - non-current ; c. Financial assets at fair value through other comprehensive income - current ; d. Financial assets at fair value through other comprehensive income - non-current ; e. Financial assets measured at amortized costs - non-current.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION  
OR 20% OF THE PAID-IN CAPITAL  
YEAR ENDED DECEMBER 31, 2021

Table 3 (Amounts in thousands of New Taiwan dollars)

Company Name	Marketable Securities		Financial Statement Account (Note 1)	Counter-party	Nature of Relationship	Beginning Balance		Acquisition			Disposal					Ending Balance	
	Type	Name				Shares/Units	Amount	Shares/Units	Amount	(Note 2)	Shares/Units	Amount	Carrying Value	(Note 2)	Gain/Loss on Disposal	Shares/Units	Amount
ASUS	Fund	UNION MONEY MARKET	a	-	-	229,708,763	3,057,355	926,872,737	12,350,963	a	1,156,581,500	15,413,658	15,401,832	a	11,826	-	-
												6,486	b				
ASUS	Fund	YUANTA WAN TAI MONEY MARKET	a	-	-	241,402,253	3,682,640	215,230,958	3,285,000	a	456,633,211	6,968,648	6,965,318	a	3,330	-	-
												2,322	b				
ASUS	Fund	UPAMC JAMES BOND MONEY MARKET	a	-	-	133,714,369	2,251,857	83,041,839	1,400,000	a	216,756,208	3,653,033	3,650,000	a	3,033	-	-
												1,857	b				
ASUS	Fund	SINOPAC TWD MONEY MARKET	a	-	-	107,829,740	1,512,161	340,568,324	4,780,237	a	448,398,064	6,294,520	6,289,085	a	5,435	-	-
												3,313	b				
ASUS	Fund	TAISHIN TA CHONG MONEY MARKET	a	-	-	96,539,338	1,382,482	135,286,995	1,940,000	a	231,826,333	3,324,255	3,320,000	a	4,255	-	-
												2,482	b				
ASUS	Fund	TAISHIN 1699 MONEY MARKET	a	-	-	219,593,451	2,996,550	357,788,065	4,890,000	a	577,381,516	7,891,122	7,880,370	a	10,752	-	-
												6,180	b				
ASUS	Fund	NOMURA TAIWAN MONEY MARKET	a	-	-	48,707,812	800,946	97,415,623	1,603,223	a	146,123,435	2,405,172	2,403,274	a	1,898	-	-
												895	b				
ASUS	Fund	YUANTA DE LI MONEY MARKET	a	-	-	72,749,890	1,195,928	71,692,616	1,180,000	a	144,442,506	2,377,337	2,374,000	a	3,337	-	-
												1,928	b				
ASUS	Fund	JIH SUN MONEY MARKET	a	-	-	60,296,929	901,439	52,734,870	790,000	a	113,031,799	1,693,034	1,690,000	a	3,034	-	-
												1,439	b				
ASUS	Fund	YUANTA DE BAO MONEY MARKET	a	-	-	-	-	219,452,779	2,660,000	a	219,452,779	2,660,369	2,660,000	a	369	-	-
ASUTC	Fund	NOMURA TAIWAN MONEY MARKET	a	-	-	60,031,084	987,145	120,062,169	1,976,686	a	180,093,253	2,965,760	2,947,686	a	18,074	-	-
												16,145	b				
ASGL	Fund	USD TERM LIQUIDITY (USD185A3)	a	-	-	-	-	952,519	2,800,900	a	-	-	33,025	c	-	952,519	2,778,557
									10,682	b							
ASGL	Fund	USD TERM LIQUIDITY (USD370A)	b	-	-	-	-	959,903	2,800,900	a	-	-	33,059	c	-	959,903	2,781,409
									13,568	b							
ASUS	Stock	PORTWELL	e	POSIFLEX	-	-	-	29,493,170	1,500,000	a	-	-	18,940	e	-	29,493,170	1,563,796
									80,830	d							
									1,906	f							
ASUS	Stock	ADVANTECH	d	-	-	110,677,983	38,737,294	-	-	b	7,500,000	2,754,909	354,004	a	2,400,905 (Note 3)	103,177,983	40,910,070
									2,526,780								
ASTP	Capital	APVN	e	-	-	-	1,099	-	413,816	a	-	-	-		-	-	420,158
									1,576	d							
									3,667	c							

Note 1 : a. Financial assets at fair value through profit or loss - current.  
b. Financial assets at fair value through profit or loss - non-current.  
c. Financial assets at fair value through other comprehensive income - current.  
d. Financial assets at fair value through other comprehensive income - non-current.  
e. Investments accounted for under equity method.

Note 2 : a. Acquired or capital increase/ disposed or capital reduction/liquidation in this period.  
b. Revaluation.  
c. Recognized in effect of exchange rate changes.  
d. Recognized in investment gain or loss under equity investment.  
e. Recognized in other comprehensive income (loss) under equity investment.  
f. Recognized in capital surplus under equity investment.

Note 3 : The difference of disposal is the accumulated other comprehensive income transferred to retained earnings.

## ASUSTEK COMPUTER INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
YEAR ENDED DECEMBER 31, 2021

Table 4

(Amounts in thousands of New Taiwan dollars)

Company Name	Related Party	Nature of Relationship (Note 1)	Transaction Details				Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchases/ (Sales)	Amount	Percentage of Total Purchases/ (Sales) amount (%)	Payment Terms	Unit Price	Payment Terms	Ending Balance	Percentage of Total Notes/Trade Receivables (Payables) (%)	
ASUS	ASUTC	b	(Sales)	( 23,143,705)	( 5.06)	OA 90	-	-	2,459,425	1.95	
ASUS	ASGL	b	(Sales)	( 422,707,167)	( 92.43)	OA 180	-	-	63,819,459	50.49	
ASUS	AAEON	b	(Sales)	( 1,120,200)	( 0.24)	Month-end 30 days	-	-	121,793	0.10	
ASUS	UEI	b	(Sales)	( 628,529)	( 0.14)	OA 30	-	-	13,292	0.01	
ASUS	ASKEY	b	Purchases	292,446	0.04	Month-end 60 days	-	-	( 56,793)	( 0.04)	
ASUS	ASMEDIA	b	Purchases	453,647	0.07	Month-end 30 days	-	-	( 37,626)	( 0.03)	
ASUS	WT	c	Purchases	2,051,524	0.32	Month-end 60 days	-	-	( 822,249)	( 0.59)	
ASGL	ACCQ	b	(Sales)	( 10,752,861)	( 2.30)	OA 180	-	-	713,636	0.58	
ASGL	ACI	b	(Sales)	( 99,558,218)	( 21.26)	OA 180	-	-	38,909,032	31.51	
ASGL	ACSH	b	(Sales)	( 79,602,953)	( 17.00)	OA 180	-	-	25,492,444	20.64	
ASGL	ACJP	b	(Sales)	( 8,083,226)	( 1.73)	OA 120	-	-	1,923,681	1.56	
ASGL	ASIN	b	(Sales)	( 13,836,078)	( 2.96)	OA 180	-	-	6,231,928	5.05	
ASGL	ACMH	b	(Sales)	( 4,068,857)	( 0.87)	OA 180	-	-	1,187,709	0.96	
ASGL	ACNL	b	(Sales)	( 23,661,986)	( 5.05)	OA 180	-	-	6,174,868	5.00	
ASGL	ACJK	b	(Sales)	( 13,473,050)	( 2.88)	OA 180	-	-	5,688,996	4.61	
ASGL	ACBT	b	(Sales)	( 442,178)	( 0.09)	OA 180	-	-	176,263	0.14	
ASGL	ACG	b	(Sales)	( 757,949)	( 0.16)	OA 90	-	-	180,960	0.15	
ASGL	ACH	b	(Sales)	( 103,043)	( 0.02)	OA 90	-	-	29,802	0.02	
ASMEDIA	WT	c	(Sales)	( 928,142)	( 15.45)	Month-end 30 days	-	-	40,010	7.48	
ASKEY	ASKEYI	b	(Sales)	( 5,936,568)	( 25.29)	Month-end 90 days	-	-	1,526,359	20.60	
ASKEY	SILIGENCE	b	(Sales)	( 317,411)	( 1.35)	Month-end 90 days	-	-	16,833	0.23	
ASKEY	ASKEYJS	b	(Sales)	( 3,967,604)	NA (Note 2)	Month-end 90 days	-	-	681,639	9.20	
ASKEY	ASKEYJS	b	Purchases	12,887,228	52.28	Month-end 90 days	Based on cost of finished goods plus related expenditure of related party	-	( 3,830,294)	( 56.60)	
ASKEY	WT	c	Purchases	321,500	1.30	Month-end 120 days	-	-	( 29,250)	( 0.43)	
ASKEYJS	WT	c	Purchases	172,163	1.60	Month-end 120 days	-	-	( 49,836)	( 1.75)	
ASKEYJS	TECHMOSA	c	Purchases	151,798	1.41	Month-end 120 days	-	-	-	-	
AAEON	AAEONEI	b	(Sales)	( 983,439)	( 22.20)	Month-end 60 days	-	-	220,205	21.49	
AAEON	AAEONEU	b	(Sales)	( 707,740)	( 15.97)	Month-end 60 days	-	-	221,870	21.66	
AAEON	AAEONSZ	b	(Sales)	( 311,994)	( 7.04)	Month-end 60 days	-	-	53,464	5.22	
AAEON	ONYXHU	b	(Sales)	( 122,769)	( 2.77)	Month-end 60 days	-	-	25,449	2.48	
ONYX	ONYXHU	b	(Sales)	( 277,974)	( 29.72)	Month-end 90 days	-	-	99,253	45.38	

Note 1 : a. Parent company ; b. Subsidiary ; c. Associate ; d. Other.

Note 2 : Purchasing raw materials is for subsidiary and the related sales revenue are eliminated in the financial reports.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
DECEMBER 31, 2021

Table 5 (Amounts in thousands of New Taiwan dollars)

Company Name	Related Party	Nature of Relationship (Note)	Ending Balance	Turnover (Times)	Overdue		Amounts Received in Subsequent Period	Loss allowance
					Amount	Action Taken		
ASUS	ASUTC	b	2,459,425	9.47	-	-	2,322,396	-
ASUS	ASGL	b	63,819,459	12.41	-	-	63,795,796	-
ASUS	AAEON	b	121,793	13.71	-	-	90,463	-
ASGL	ACCQ	b	713,636	6.40	-	-	486,478	-
ASGL	ACI	b	38,909,032	2.99	-	-	14,501,692	-
ASGL	ACSH	b	25,492,444	3.76	-	-	10,880,409	-
ASGL	ACJP	b	1,923,681	3.52	-	-	1,552,702	-
ASGL	ASIN	b	6,231,928	2.61	-	-	2,295,164	-
ASGL	ACMH	b	1,187,709	3.73	-	-	658,555	-
ASGL	ACNL	b	6,174,868	4.56	-	-	4,010,316	-
ASGL	ACJK	b	5,688,996	2.95	-	-	2,792,219	-
ASGL	ACBT	b	176,263	4.12	-	-	74,499	-
ASGL	ACG	b	180,960	5.70	-	-	178,700	-
ASGL	ACIN	b	147,291	0.35	-	-	22,204	-
ASGL	ASTH	b	117,424	0.05	-	-	20,183	4,715
ASKEY	ASKEYI	b	1,526,359	3.71	-	-	55,584	-
ASKEY	ASKEYJS	b	681,639	4.32	-	-	359,838	-
AAEON	AAEONEU	b	221,870	4.73	-	-	68,217	-
AAEON	AAEONEI	b	220,205	7.17	-	-	217,321	-
ASKEYJS	ASKEY	b	3,830,294	3.20	-	-	470,560	-

Note : a. Parent company ; b. Subsidiary ; c. Associate ; d. Other.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
(ONLY TRANSACTIONS AMOUNTING TO AT LEAST NT\$100 MILLION ARE DISCLOSED)  
YEAR ENDED DECEMBER 31, 2021

Table 6-1

(Amounts in thousands of New Taiwan dollars)

No. (Note 1)	Company Name	Related Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Account	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (%)
0	ASUS	ASUTC	a	Sales	23,143,705	OA 90	4.32
0	ASUS	ASGL	a	Sales	422,707,167	OA 180	78.98
0	ASUS	AAEON	a	Sales	1,120,200	Month-end 30 days	0.21
0	ASUS	UEI	a	Sales	628,529	OA 30	0.12
1	ASMEDIA	ASUS	b	Sales	453,647	Month-end 30 days	0.08
2	ASGL	ACCQ	c	Sales	10,752,861	OA 180	2.01
2	ASGL	ACI	c	Sales	99,558,218	OA 180	18.60
2	ASGL	ACSH	c	Sales	79,602,953	OA 180	14.87
2	ASGL	ACJP	c	Sales	8,083,226	OA 120	1.51
2	ASGL	ASIN	c	Sales	13,836,078	OA 180	2.59
2	ASGL	ACMH	c	Sales	4,068,857	OA 180	0.76
2	ASGL	ACNL	c	Sales	23,661,986	OA 180	4.42
2	ASGL	ACJK	c	Sales	13,473,050	OA 180	2.52
2	ASGL	ACBT	c	Sales	442,178	OA 180	0.08
2	ASGL	ACG	c	Sales	757,949	OA 90	0.14
2	ASGL	ACH	c	Sales	103,043	OA 90	0.02
3	ASKEY	ASUS	b	Sales	292,446	Month-end 60 days	0.05
3	ASKEY	SILIGENCE	c	Sales	317,411	Month-end 90 days	0.06
3	ASKEY	ASKEYI	c	Sales	5,936,568	Month-end 90 days	1.11
3	ASKEY	ASKEYJS	c	Sales	3,967,604	Month-end 90 days	0.74
4	ASKEYJS	ASKEY	c	Sales	12,887,228	Month-end 90 days	2.41
5	AAEON	AAEONEI	c	Sales	983,439	Month-end 60 days	0.18
5	AAEON	AAEONSZ	c	Sales	311,994	Month-end 60 days	0.06
5	AAEON	AAEONEU	c	Sales	707,740	Month-end 60 days	0.13
5	AAEON	ONYXHU	c	Sales	122,769	Month-end 60 days	0.02
6	ONYX	ONYXHU	c	Sales	277,974	Month-end 90 days	0.05
7	ACH	ASGL	c	Service revenue	385,199	Pay on delivery	0.07
8	ACAE	ASGL	c	Service revenue	158,999	Pay on delivery	0.03
9	ACI	ASGL	c	Service revenue	560,415	Pay on delivery	0.10
10	ACCZS	ASGL	c	Service revenue	459,026	Pay on delivery	0.09
11	ACF	ASGL	c	Service revenue	435,023	Pay on delivery	0.08
12	ACG	ASGL	c	Service revenue	389,954	Pay on delivery	0.07
13	ACHK	ASGL	c	Service revenue	152,805	Pay on delivery	0.03
14	ACIN	ASGL	c	Service revenue	140,826	Pay on delivery	0.03
15	ACKR	ASGL	c	Service revenue	114,098	Pay on delivery	0.02
16	ACPL	ASGL	c	Service revenue	126,927	Pay on delivery	0.02
17	ACUK	ASGL	c	Service revenue	230,501	Pay on delivery	0.04
18	ACVN	ASGL	c	Service revenue	136,284	Pay on delivery	0.03
19	ACCQ	ASGL	c	Service revenue	1,301,399	Pay on delivery	0.24
20	ACSH	ASGL	c	Service revenue	174,890	Pay on delivery	0.03
21	ACSZ	ASGL	c	Service revenue	2,366,810	Pay on delivery	0.44
22	ACAU	ASGL	c	Service revenue	207,684	Pay on delivery	0.04
23	ACN	ASGL	c	Service revenue	316,725	Pay on delivery	0.06
24	ACIT	ACNL	c	Service revenue	231,179	Pay on delivery	0.04
25	ACIB	ACNL	c	Service revenue	187,724	Pay on delivery	0.04
26	ACS	ASGL	c	Service revenue	187,933	Pay on delivery	0.04

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
(ONLY TRANSACTIONS AMOUNTING TO AT LEAST NT\$100 MILLION ARE DISCLOSED)  
DECEMBER 31, 2021

Table 6-2

(Amounts in thousands of New Taiwan dollars)

No. (Note 1)	Company Name	Related Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Account	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (%)
0	ASUS	ASUTC	a	Trade receivables	2,459,425	OA 90	0.49
0	ASUS	ASGL	a	Trade receivables	63,819,459	OA 180	12.66
0	ASUS	AAEON	a	Trade receivables	121,793	Month-end 30 days	0.02
2	ASGL	ACCQ	c	Trade receivables	713,636	OA 180	0.14
2	ASGL	ACI	c	Trade receivables	38,909,032	OA 180	7.72
2	ASGL	ACSH	c	Trade receivables	25,492,444	OA 180	5.06
2	ASGL	ACJP	c	Trade receivables	1,923,681	OA 120	0.38
2	ASGL	ASIN	c	Trade receivables	6,231,928	OA 180	1.24
2	ASGL	ACMH	c	Trade receivables	1,187,709	OA 180	0.24
2	ASGL	ACNL	c	Trade receivables	6,174,868	OA 180	1.22
2	ASGL	ACJK	c	Trade receivables	5,688,996	OA 180	1.13
2	ASGL	ACBT	c	Trade receivables	176,263	OA 180	0.03
2	ASGL	ACG	c	Trade receivables	180,960	OA 90	0.04
2	ASGL	ACIN	c	Trade receivables	147,291	OA 150	0.03
2	ASGL	ASTH	c	Trade receivables	117,424	OA 150	0.02
3	ASKEY	ASKEYI	c	Trade receivables	1,526,359	Month-end 90 days	0.30
3	ASKEY	ASKEYJS	c	Trade receivables	681,639	Month-end 90 days	0.14
4	ASKEYJS	ASKEY	c	Trade receivables	3,830,294	Month-end 90 days	0.76
5	AAEON	AAEONEI	c	Trade receivables	220,205	Month-end 60 days	0.04
5	AAEON	AAEONEU	c	Trade receivables	221,870	Month-end 60 days	0.04
7	ACH	ASGL	c	Trade receivables	121,812	Pay on delivery	0.02
10	ACCZS	ASGL	c	Trade receivables	100,890	Pay on delivery	0.02
11	ACF	ASGL	c	Other receivables	121,112	Pay on delivery	0.02
12	ACG	ASGL	c	Trade receivables	120,800	Pay on delivery	0.02
19	ACCQ	ASGL	c	Other receivables	301,169	Pay on delivery	0.06
21	ACSZ	ASGL	c	Trade receivables	774,524	Pay on delivery	0.15
22	ACAU	ASGL	c	Other receivables	146,530	Pay on delivery	0.03

Note 1 : ASUS and its subsidiaries are coded as follows:

- a. ASUS is coded 0.
- b. The subsidiaries are coded consecutively beginning from 1 in the order presented in the table above.

Note 2 : Transactions are categorized as follows:

- a. The parent company to subsidiary.
- b. Subsidiary to parent company.
- c. Subsidiary to subsidiary.



ASUSTEK COMPUTER INC. AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE  
(EXCLUDING INFORMATION ON INVESTMENTS IN MAINLAND CHINA)

YEAR ENDED DECEMBER 31, 2021

Table 7

(Amounts in thousands of New Taiwan dollars)

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2021			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership (%)	Carrying Value			
ASUS	ACI	U.S.A	Selling of 3C products in North America	13,320	13,320	50,000	100.00	-	1,650,091	1,650,091	Note 2 and 3
ASUS	ASUTC	Taiwan	Selling of 3C products in Taiwan	204,244	204,244	19,000,000	100.00	216,326	520,353	520,353	Note 1 and 2
ASUS	ACH	Netherlands	Repairing of 3C products	155,336	37,821	10,800,000	100.00	325,071	12,595	12,595	Note 2
ASUS	AIL	Cayman Islands	Investing in 3C and computer peripheral business	3,281,057	3,281,057	89,730,042	100.00	34,654,377	2,597,679	2,597,679	Note 1 and 2
ASUS	DEEP	Taiwan	Researching, developing and selling of AI medical related software	45,030	45,030	674,908	21.96	40,362	( 13,509)	( 2,966)	Note 2
ASUS	ASGL	Singapore	Selling of 3C products	838,070	838,070	28,000,000	100.00	49,928,352	17,629,540	16,450,878	Note 2
ASUS	ASKEY	Taiwan	Designing, manufacturing, repairing and selling of communication products and computer peripheral spare parts	5,021,108	5,021,108	480,000,000	100.00	731,690	( 1,732,472)	( 1,717,840)	Note 2
ASUS	HCVC	Taiwan	Investing in computer peripherals business	1,100,000	1,100,000	114,500,000	100.00	3,077,622	376,646	376,646	Note 2
ASUS	HMI	Taiwan	Investing in computer peripherals business	680,000	680,000	68,000,000	100.00	1,657,921	186,378	186,378	Note 2
ASUS	QCI	Singapore	Servicing of information technology	25,290	25,290	830,001	100.00	43,242	32,640	32,640	Note 2
ASUS	ASUSCLOUD	Taiwan	Selling and consulting of internet service	596,678	596,678	23,645,558	94.58	24,103	( 76,009)	( 71,891)	Note 2
ASUS	UEI	Taiwan	Manufacturing and selling of automotive electronics and computer peripherals	66,354	66,354	21,300,000	100.00	245,770	152,242	152,242	Note 2
ASUS	GAIUS	Cayman Islands	Investing in electric motor tricycle industry	310,400	310,400	16,386,481	35.00	218,354	( 136,758)	( 47,865)	Note 2
ASUS	TWS	Taiwan	Servicing of AI computing	299,000	-	29,900,000	100.00	152,242	( 146,758)	( 146,758)	Note 2
ASUS	PORTWELL	Taiwan	Manufacturing and selling of computers and computer peripherals and servicing information software	1,500,000	-	29,493,170	30.00	1,563,796	363,604	80,830	Note 2
ASUS	NEXTS	Cayman Islands	Investing in cloud computing service business	94,324	94,324	8,560,974	43.48	97,740	39,337	17,103	Note 2
ASUS	LELTEKH	Cayman Islands	Researching, developing, selling of handheld ultrasound solutions	136,054	-	8,418,740	22.78	140,710	( 7,232)	( 1,647)	Note 2
ASUS and HCVC	ACJK	Indonesia	Selling of 3C products in Indonesia	259,576	259,576	8,500	100.00	6,501	( 179,590)	( 179,590)	Note 2
ASUS and HCVC	IMOTION	Taiwan	Investing in AI and IPC peripherals business	270,000	270,000	27,000,000	30.00	60,514	4,126	1,052	Note 2
ASUS and HCVC	ACBT	Indonesia	Selling of 3C products in Indonesia	1,126,979	1,126,979	4,211,100	100.00	100,919	( 55,323)	( 55,323)	Note 2
ASUS and HCVC	SWI	Taiwan	Researching, developing, selling and consulting of information system software	72,146	72,146	5,469,750	51.00	75,877	1,771	903	Note 2
ASUS and HCVC	IUT	Taiwan	Researching, developing, manufacturing and selling of ink-jet print heads and ink-jet digital image output technology	177,743	177,743	11,323,682	69.25	124,278	8,127	5,628	Note 2
ASUS · HCVC and HMI	ASMEDIA	Taiwan	Designing, researching, developing and manufacturing of high-speed analog circuit	342,673	342,673	31,775,315	45.99	7,445,626	3,193,148	1,130,522	Note 2
ASUS · HCVC and HMI	EMC	Taiwan	Designing, manufacturing and selling of computer peripheral spare parts	81,060	81,060	6,359,548	17.78	292,629	627,912	39,737	Note 2
ASUS · HCVC and HMI	AAEON	Taiwan	Manufacturing and selling of industrial computers and computer peripherals	3,357,568	3,357,568	60,474,000	40.69	5,001,342	468,244	128,751	Note 2
ASUS · HCVC and HMI	JPX	Taiwan	Designing and selling of computer peripheral spare parts	20,000	20,000	2,000,000	15.38	5,970	( 23,609)	( 1,923)	Note 2
ASUS and HCVC	UPI	Taiwan	Designing, researching, developing and selling of integrated circuits	452,526	486,532	23,889,905	33.79	2,110,845	1,113,190	317,057	Note 2
ASUS · HMI and AAEON	ONYX	Taiwan	Designing, manufacturing and selling of medical computers	146,376	146,376	17,188,300	56.80	567,147	131,481	7,361	Note 2 and 4
HMI	JOGEER	Taiwan	Selling and repairing of information software and electronic information materials	30,000	30,000	3,000,000	100.00	24,828	( 2,395)	-	Note 2
ASKEY	ASKEYI	U.S.A	Selling and servicing of communication products	307,607	307,607	10,000,000	100.00	22,827	42,198	-	Note 2
ASKEY	DIC	British Virgin Islands	Investing in communication business	271,695	271,695	8,160,172	100.00	74,095	59	-	Note 2
ASKEY	MIC	British Virgin Islands	Investing in communication business	3,752,306	3,752,306	114,942,014	100.00	3,015,925	56,376	-	Note 2
ASKEY	ECOLAND	Taiwan	Planning and design integration of ecology, architecture and energy	21,840	21,840	780,000	33.91	-	( 6,081)	-	Note 2 and 3
ASKEY	ASKEYDT	Taiwan	Selling and servicing of communication products	30,000	30,000	3,000,000	100.00	30,100	35	-	Note 2
ASKEY	WONDA	Taiwan	Manufacturing and designing of wired and wireless communication, electronic parts products, etc.	65,344	65,344	9,242,232	100.00	48,927	20,334	-	Note 2
ASKEY	ASKEYUK	U.K.	Selling and servicing of communication products	37,740	37,740	1,000,000	100.00	32,173	( 5,236)	-	Note 2
ASKEY and MIC	ASKEYBR	Brazil	Selling and servicing of communication products	28,667	26,883	3,700,000	100.00	5,567	158	-	Note 2
DIC	ASKEYVN	Vietnam	Manufacturing and selling of communication products	158,732	163,319	2,883,359	100.00	70,436	-	-	Note 2

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2021			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership (%)	Carrying Value			
DIC	WISE	Hong Kong	Investing in communication business	37,410	38,491	1,600,000	100.00	12,193	148	-	Note 2
MIC	MAGICOM	Cayman Islands	Investing in communication business	2,519,710	2,592,534	91,030,000	100.00	3,205,821	21,486	-	Note 2
MIC	ASKEYCG	Germany	Selling and servicing of communication products	3,622	3,727	100,000	100.00	1,911	(1,182)	-	Note 2
MIC	ASKEYTH	Thailand	Selling and servicing of communication products	1,735	1,786	20,000	100.00	1,093	1,629	-	Note 2
MIC	ASKEYJP	Japan	Selling and servicing of communication products	1,301	1,339	500,000	100.00	-	1,641	-	Note 2 and 3
ASKEY and WISE	SILIGENCE	France	Selling and servicing of communication products	174,071	175,149	4,623,090	95.95	72,096	914	-	Note 2
AAEON	AAEONEI	U.S.A	Selling of industrial computers and computer peripherals	135,632	139,552	490,000	100.00	221,656	25,783	-	Note 2
AAEON	AAEONTCL	British Virgin Islands	Investing in industrial computers and interface cards business	243,780	250,826	8,807,097	100.00	240,950	27,032	-	Note 2
AAEON	AAEONEU	Netherlands	Selling of industrial computers and computer peripherals	3,132	3,502	-	100.00	31,446	5,245	-	Note 2
AAEON	AAEONI	Taiwan	Investing in industrial computers and computer peripherals business	150,000	150,000	15,000,000	100.00	119,379	(5,175)	-	Note 2
AAEON	LITEMAX	Taiwan	Selling of computer peripherals	70,218	70,218	5,015,050	11.99	103,896	112,149	-	Note 2
AAEON	IBASE	Taiwan	Manufacturing and selling of industrial motherboard	3,498,501	3,498,501	52,921,856	31.91	3,257,009	312,547	-	Note 2
AAEON	AAEONSG	Singapore	Selling of industrial computers and computer peripherals	11,936	12,577	465,840	100.00	53,253	6,990	-	Note 2
AAEONEU	AAEONG	Germany	Selling of industrial computers and computer peripherals	940	1,051	-	100.00	19,044	811	-	Note 2
ONYX	ONYXHU	U.S.A	Selling of medical computers and peripherals	55,360	56,960	200,000	100.00	94,100	(631)	-	Note 2
ONYX	ONYXHE	Netherlands	Marketing support and repairing of medical computers and peripherals	3,132	3,502	100,000	100.00	11,672	4,215	-	Note 2
ONYX	IHELPER	Taiwan	Researching, developing and selling of medical robots	16,560	16,560	1,656,000	46.00	7,557	(1,930)	-	Note 2
ONYX	WINMATE	Taiwan	Bidding and distribution of liquid crystal display application equipment and modules	552,783	538,199	10,041,000	13.85	561,275	364,706	-	Note 2
ASUSCLOUD	ASUSCLOUDSG	Singapore	Investing in internet service business	24,853	24,853	-	100.00	1,762	(861)	-	Note 2
ASUSCLOUD	ASUSCLOUDLB	Luxembourg	Providing maintenance and operating service for information hardware	18,065	18,065	-	100.00	2,949	160	-	Note 2
ASUSCLOUD	ASUSLC	Taiwan	Selling of internet information service	5,000	5,000	500,000	50.00	-	(2,703)	-	Note 2 and 3
ASMEDIA	WT	Taiwan	Agent sales of semiconductor and electronic components	6,624,000	6,624,000	171,000,000	21.44	11,391,413	7,923,257	-	Note 2
AIL	CHANNEL	British Virgin Islands	Investing in 3C business	831,313	855,340	30,033,000	100.00	35,913,547	2,594,502	-	Note 2
CHANNEL	ASTP	Singapore	Investing in 3C business	830,469	854,471	44,419,424	100.00	38,241,435	180,308	-	Note 2
CHANNEL and ASTP	ACEG	Egypt	Providing support for 3C products in Egypt	-	-	-	100.00	1,152	20	-	Note 2
CHANNEL and ASTP	ACAE	United Arab Emirates	Providing support and repair for 3C products in Middle East	81,463	3,928	107	100.00	98,734	(318)	-	Note 2
CHANNEL and ASTP	ASID	Indonesia	Repairing of 3C products in Asia-Pacific and America	41,520	42,720	1,500,000	100.00	41,286	4,083	-	Note 2
CHANNEL 、ASTP and ACNL	ACTH	Thailand	Providing support for 3C products in Thailand	13,076	13,454	20,000	100.00	24,813	3,999	-	Note 2
CHANNEL 、ASTP and ACNL	ASTH	Thailand	Repairing of 3C products in Thailand	5,248	5,400	60,000	100.00	7,427	2,620	-	Note 2
ASTP	ACG	Germany	Selling and providing support for 3C products in Germany	2,622	2,698	-	100.00	168,192	12,751	-	Note 2
ASTP	ACF	France	Providing support for 3C products in France	1,380	1,420	5,300	100.00	61,979	6,726	-	Note 2
ASTP	ACUK	U.K.	Providing support for 3C products in United Kingdom	2,498	2,570	50,000	100.00	64,656	8,759	-	Note 2
ASTP	ACHK	Hong Kong	Providing support and repair for 3C products in Hong Kong	1,781	1,833	500,000	100.00	14,032	296	-	Note 2
ASTP	ACKR	South Korea	Providing support and repair for 3C products in South Korea	9,576	9,852	158,433	100.00	48,173	4,457	-	Note 2
ASTP	ACIN	India	Providing support and repair for 3C products in India	228,843	235,457	20,134,400	100.00	316,798	26,861	-	Note 2
ASTP	ACNL	Netherlands	Selling of 3C products	16,115	16,580	375,000	100.00	1,693,671	182,490	-	Note 2
ASTP	ACVN	Vietnam	Providing support and repair for 3C products in Vietnam	2,214	2,278	-	100.00	29,921	4,914	-	Note 2
ASTP	ACIB	Spain	Providing support for 3C products in Spain	17	17	3,000	100.00	48,649	5,887	-	Note 2
ASTP	ACJP	Japan	Selling of 3C products in Japan	67,750	69,708	20,500	100.00	384,910	66,119	-	Note 2
ASTP	ASAU	Australia	Repairing of 3C products in Australia	26,719	27,492	950,000	100.00	65,868	11,521	-	Note 2
ASTP	ACAU	Australia	Providing support for 3C products in Australia	9,987	10,276	350,000	100.00	57,204	3,753	-	Note 2
ASTP	ACIL	Israel	Providing support for 3C products in Israel	360	370	50,000	100.00	10,631	5,899	-	Note 2
ASTP	ACCO	Colombia	Providing support for 3C products in Colombia	830	854	74,489	100.00	4,090	1,400	-	Note 2
ASTP	ACZA	South Africa	Providing support and repair for 3C products in Africa	2	2	1,000	100.00	7,313	1,471	-	Note 2
ASTP	ACMY	Malaysia	Providing support and repair for 3C products in Malaysia	3,235	3,328	500,000	100.00	20,829	1,980	-	Note 2
ASTP	ACCL	Chile	Providing support for 3C products in Chile	48	49	1,000	100.00	3,540	1,570	-	Note 2

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2021			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership (%)	Carrying Value			
ASTP	ASPH	Philippines	Providing support and repair for 3C products in Philippines	5,345	5,706	1,059,995	100.00	7,921	1,815	-	Note 2
ASTP	APVN	Vietnam	Leasing and trading real estate	415,200	1,424	-	100.00	420,158	1,576	-	Note 2
ASTP and ACNL	A25	Russia	Selling of 3C products in Russia	4	4	-	100.00	5,037	9,465	-	Note 2
ASTP and ACNL	ACPE	Peru	Providing support for 3C products in Peru	35,030	36,073	4,195,740	100.00	29,868	649	-	Note 2
ASTP and ACNL	ACMH	Mexico	Selling of 3C products in Mexico	105,396	108,241	51,250	100.00	264,364	249,002	-	Note 2
ASTP and ACNL	ACBZ	Brazil	Selling of 3C products in Brazil	5,456,036	5,613,750	549,469,000	100.00	3,048,331	527,004	-	Note 2
ASTP and ACNL	ASIN	India	Selling of 3C products in India	187,601	193,023	33,500,000	100.00	568,773	260,029	-	Note 2
ACNL	ACHU	Hungary	Providing support for 3C products in Hungary	1,566	1,751	-	100.00	10,821	1,616	-	Note 2
ACNL	ACPT	Portugal	Providing support for 3C products in Portugal	940	1,051	30,000	100.00	14,507	1,896	-	Note 2
ACNL	ACCH	Switzerland	Providing support for 3C products in Switzerland	7,157	8,003	3,400	100.00	19,842	2,747	-	Note 2
ACNL	ACN	Sweden	Providing support for 3C products in North Europe	998	1,116	3,000	100.00	50,567	11,595	-	Note 2
ACNL	ACTR	Turkey	Providing support and repair for 3C products in Turkey	127,382	15,411	2,046	100.00	164,532	56,438	-	Note 2
ACNL	ASTR	Turkey	Repairing of 3C products in Turkey	319	357	3,000	100.00	6,285	3,799	-	Note 2
ACNL	ACPL	Poland	Providing support for 3C products in Poland	45,592	50,976	1,000	100.00	55,001	4,868	-	Note 2
ACNL	ACIT	Italy	Providing support for 3C products in Italy	1,503	1,681	-	100.00	220	4,034	-	Note 2
ACNL	ACCZ	Czech Republic	Providing support for 3C products in Czech Republic	245	274	-	100.00	22,267	2,782	-	Note 2
ACNL	ACCZS	Czech Republic	Repairing of 3C products in Europe	6,560	7,335	-	100.00	127,672	14,808	-	Note 2
ACNL	QCS	Sweden	Servicing of information technology	146	163	500	100.00	-	6,887	-	Note 2 and 3
ACNL	ACUKR	Ukraine	Providing support for 3C products in Ukraine	9,196	-	-	100.00	10,805	1,085	-	Note 2

Note 1 : Original investment amount excludes other interest oriented from shareholders' stock trust which distributes to employees.

Note 2 : According to regulation, only disclose the share of profits/losses of investee recognized by ASUS.

Note 3 : Credit balance of investments accounted for under equity method is transferred to other liabilities - non-current.

Note 4 : Percentage of ownership represents controlling shareholding ratio but not the comprehensive shareholding ratio.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
YEAR ENDED DECEMBER 31, 2021

Table 8 (Amounts in thousands of New Taiwan dollars and foreign currencies)

Investee Company	Main Businesses	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Beginning Balance of Accumulated Outflow of Investment from Taiwan	Investment Flows		Ending Balance Accumulated Outflow of Investment from Taiwan	Net Income (Loss) of the Investee Company	Percentage of Ownership (%)	Investment Income (Loss) Recognized in Current Period (Note 2 a and b)	Carrying Amount as of December 31, 2021 (Note 2 a and b)	Ending Balance of Accumulated Inward Remittance of Earnings	Note (Note 1 b)
					Outflow	Inflow							
ACSH	Selling of 3C products in China	1,331,408	b	1,331,408	-	-	1,331,408	455,541	100.00	455,541	-	-	ASTP Invested (Note 3)
ACS	Repairing of 3C products	55,360	b	55,360	-	-	55,360	4,702	100.00	4,702	79,301	-	ASTP Invested
ACSZ	Researching and developing of 3C products	1,356,320	b	1,356,320	-	-	1,356,320	177,435	100.00	177,435	3,309,795	-	ASTP Invested
ACCQ	Selling of 3C products in China	1,909,920	b	1,909,920	-	-	1,909,920	473,757	100.00	473,757	6,509,563	-	ASTP Invested
ACISZ	Leasing real estate	716,886	c	-	-	-	-	4,744	100.00	4,744	711,126	-	-
ASKEYSH	Researching, developing and selling of communication products	83,040	b	83,040	-	-	83,040	( 1,783)	100.00	( 1,783)	-	-	MIC Invested (Note 3)
ASKEYJS	Manufacturing and selling of communication products	2,491,200	b	2,491,200	-	-	2,491,200	21,738	100.00	21,738	3,065,403	-	MAGICOM Invested
AAEONSZ	Manufacturing and selling of industrial computers and interface cards	240,547	b	240,547	-	-	240,547	27,177	100.00	27,177	249,690	-	AAEONTCL Invested
ONYXSH	Selling of medical computers and peripherals	60,896	a	55,360	5,536	-	60,896	( 2,588)	100.00	( 2,588)	7,508	-	-
EMES	Selling and consulting of information system software	8,304	a	8,304	-	-	8,304	5,311	100.00	5,311	22,470	-	-
JSCD	Participating and promoting of professional eSports	673,900	a	673,900	-	-	673,900	( 97,435)	100.00	( 97,435)	311,035	-	-
EOSTEK SHENZHEN	Smart TV and projector platform service	193,760	c	49,603	-	-	49,603	-	14.94	-	-	-	-

Company Name	Ending Balance of Accumulated Investment in Mainland China	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
ASUS	5,832,243	6,009,395	147,861,880
	USD 210,702	USD 217,102	
ASKEY	2,931,926	2,931,926	(Note 4)
	USD 105,922	USD 105,922	
AAEON	240,547	240,547	5,034,317
	USD 8,690	USD 8,690	
SWI	8,304	9,411	89,267
	USD 300	USD 340	
ONYX	60,896	60,896	620,860
	USD 2,200	USD 2,200	

Note 1 : The methods for engaging in investment in Mainland China include the following:

- Direct investment in Mainland China.
- Indirectly investment in Mainland China through companies registered in a third region (Please specify the name of the company in third region).
- Other methods.

Note 2 : The investment income (loss) recognized in current period:

Please specify no investment income (loss) has been recognized due to the investment is still during development stage.

The investment income (loss) were determined based on the following basis:

- The financial report was audited by an international accounting firm in cooperation with an R.O.C. accounting firm.
- Others.

Note 3 : Credit balance of investments accounted for under equity method transferred to other liabilities - non-current.

Note 4 : In accordance with the "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China", there is no upper limit on investment.

ASUSTek Computer Inc.

Chairman

*Jonney Shih*



