

ANNUAL REPORT 2020

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I. Letter to Shareholders

Dear Shareholders:

Thank you for your long-term support for ASUS.

The year 2020 was thoroughly tumultuous. The COVID-19 pandemic threatened the lives and health of people worldwide and had a significant impact on the global economy, world trade, the job market, and industrial supply chains. However, society is capable of strengthening and evolving through adversity. It is encouraging to see that the collective global fight against the pandemic, including proactive economic policies and government measures, has duly curtailed and reversed the pandemic's impact. At present, we are also seeing the rise of vaccines and an end on the horizon.

To a certain degree, the pandemic has reshaped the way people live and work, and has accelerated the advancement of society towards digitalization. Remote work, distance learning, and online entertainment have become widespread, which has galvanized strong demand for computers and computer peripherals. In the future, we believe products and services that are user-centric and modeled after the digital economy will flourish, and the digitalization of individuals, businesses, and society will continue to deepen.

Bolstered by our firm leading position in the motherboard, computer, and gaming industries, ASUS will further expand into the commercial market and smart applications field; accelerate digital transformation; develop a dynamic portfolio of AI, cloud computing, and AIoT solutions; and strive to become the world's most admired innovative leading technology enterprise in the new digital era.

Looking back on 2020, the pandemic, the market, and the supply chain caused many ups and downs. For the whole ASUS team, these challenges were far from easy. It was the spirited, unrelenting work of the management team and all colleagues and the mutual support of industry partners fighting by our side that have propelled ASUS to steadfastly continue our evolution and achieve outstanding operations results.

We are incredibly proud that we are a unified team with a culture that trusts in radical truth and transparency and fosters collective wisdom. ASUS is becoming a self-learning organization that continues to evolve and innovate. Guided by our Golden Triangle Principle comprised of Design Thinking, Market Position, and NPS (Net Promoter Scores for user recommendability), the ASUS brand will push towards new milestones in 2021. At the same time, ASUS will establish a firm foothold in the new digital era of AIoT and — with a management culture rooted in trust, radical truth, and transparency — will achieve the crucial work of realizing the next generation of digital technology, digital integration, and digital transformation.

The following is a summary of the business operations results for 2020 and the outlook for 2021.

Honored as the World's Best Laptop Brand 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 2020, ASUS was recognized as one of Fortune's World's Most Admired Companies, was honored as one of Taiwan's most valuable

international brands by Taiwan's Ministry of Economic Affairs through Interbrand, and was ranked as among the Clarivate Top 100 Global Innovators™ 2021. These are clear signals that our innovation capabilities, brand value, and brand spirit are highly esteemed internationally. In terms of product and brand, ASUS won 26 Red Dot Design Awards, 15 Good Design Awards, and 27 Taiwan Excellence Awards in 2020, in addition to being recognized by the prestigious U.S.-based Laptop Mag as the world's best laptop brand of 2020 — with full scores or the world's highest scores in terms of product reviews, innovation, design, and value and selection.

User-centric Design Thinking and Innovation in Products and Smart Applications

With users at the forefront, ASUS is vigorously implementing a number of product innovations, including the ZenBook Pro Duo dual-screen laptop, which was praised as a “killer innovation” by Laptop Mag; the smart, innovative Z490 series motherboards; the Zephyrus G14 gaming laptop with trendy customizable lighting effects; the lightweight, versatile ExpertBook B9 commercial laptop; the ROG Phone 3 gaming smartphone; the ROG Strix XG17AHP 240 Hz portable gaming monitor; ROG Strix LC Radeon™ RX 6800 XT gaming graphics cards with both air- and water-cooling solutions; the HPC server ESC4000A-E10; the world's thinnest flip laptop with an OLED screen, ZenBook Flip S; and the ProArt product series designed for professional creators.

ASUS has also launched many new Design Thinking-based applications that integrate software, hardware, and AI technology, such as AI Overclocking, AI Cooling, and AI Networking, which are three smart applications for motherboards; ScreenPad Plus, the secondary touchscreen for expanded multitasking capabilities on laptops; Armoury Crate, the software portal that integrates, controls, and optimizes software across gaming products and coordinates Aura Sync lighting effects; defect-detection solutions within the smart manufacturing field; and for smart healthcare solutions, technology that intelligently recommends ICD-10 disease classification codes, AI image diagnosis, smart wearable devices, and handheld ultrasounds.

Committed to Corporate Sustainability and Information Security

ASUS has long been dedicated to sustainable business practices and environmental protection. We utilize data and scientific management practices in order to optimize sustainability in everything we do — and our efforts have been acknowledged internationally. In 2020, ASUS was honored as Asia's Most Socially Responsible Company of the Year and received a Taiwan Corporate Sustainability Award (TCSA). ASUS was also recognized in the Morgan Stanley (MSCI) Global Sustainability Index, FTSE4Good Emerging Index, and FTSE4Good TIP Taiwan ESG Index.

In order to strengthen the information security of operations, the ASUS Information Security Management Committee led efforts to implement and pass ISO 27001 information security validation. With this certification from the United Kingdom Accreditation Service, ASUS has advanced our corporate commitment to information security and protection.

An Organization that Trusts in Radical Truth and Transparency, Fosters Collective Wisdom, and Continuously Evolves and Innovates

ASUS has unified into a team that trusts in radical truth and transparency and fosters collective wisdom. Through implementing our Golden Triangle Principle — Design Thinking, Market Position, and NPS —

ASUS Group consolidated revenue for 2020 reached NT\$412.8 billion, which is 17% more than in 2019. Net profit after tax was NT\$28.4 billion, of which NT\$26.6 billion was net profit attributable to owners of the parent company, representing an increase of 119% from 2019. After-tax earnings per share (EPS) were NT\$35.76.

In terms of brand operations, the combined revenue of ASUS brands for 2020 was NT\$382.4 billion (unaudited), which was a 15% increase from 2019. Brand operating profit for 2020 was NT\$25.3 billion (unaudited), which was a 249% increase from 2019.

Looking ahead to 2021, ASUS has become an organization of continuous self-learning, evolution, and innovation. We hold an optimistic view of our operations outlook and will plan robust growth targets to strengthen the leading position of our current core businesses — motherboards, PCs, and gaming products — and to harness the user needs of the new digital era. We will continue to expand into multi-faceted user groups, such as gamers, commercial users, and creators, in addition to implementing a leading strategy in artificial intelligence and AIoT applications. These endeavors will solidify ASUS as a continuously evolving and innovating growth enterprise for years to come. Thus are the aspirations and commitments of the ASUS management team and all ASUS colleagues.

Sincerely,



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.



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 th 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 st 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 th 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 th 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 st place of Top-1000 Manufacturers in the special issue of <i>Commonwealth</i> Magazine. Ranked in the 2 nd 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 th 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 th 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 th 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 th 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 th 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.
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 th 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 th 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 th “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 th “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 rd 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 nd 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 th "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 st , 2011. Shou Yang was the surviving corporation after the merger and acquisition, the Company was renamed AAEON Technology on July 4 th , 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 th 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 th consecutive year in the 20 th 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 th place) in the global Top 500 super computers, and in the 37 th 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 ECVF 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 th 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-E10-12U” 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 its 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.



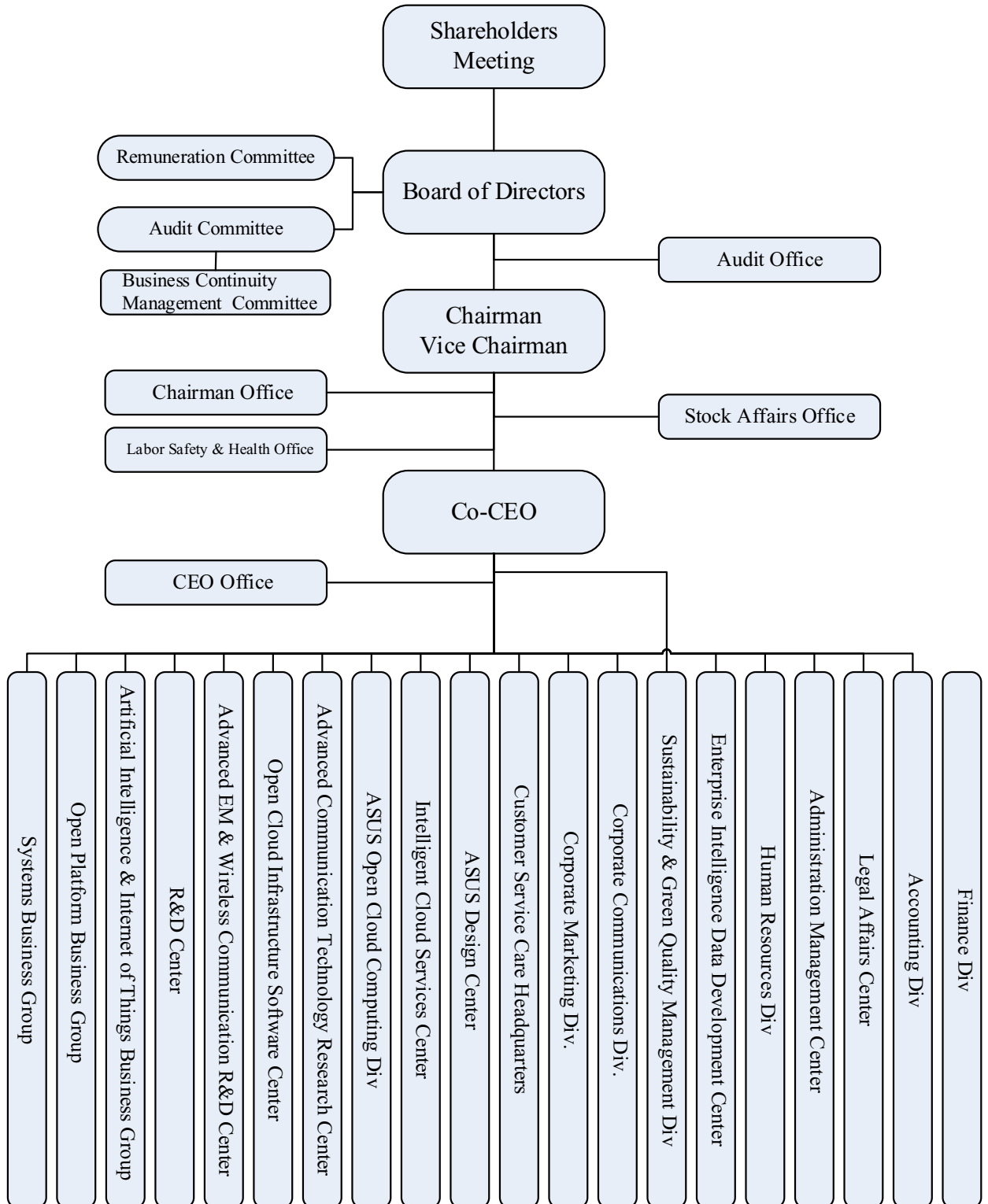
January 2021	ASUS held its Be Ahead product launch conference at the CES 2021.
January 2021	ASUS and Chung Shan Medical University Hospital AI medical care applications won the National Innovation Award, jointly promoting the “Inter-hospital Process Sharing” practice to protect patent privacy.
February 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.

III. Corporate governance report

I. Corporate Organization

(I) Organization Chart

Effective date: 2020.12.31



(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.

Corporate Marketing Division

Responsible for total brand management and corporate marketing planning & implementation.

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	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Base Date: April 12, 2021				Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Shares	%	Current Shareholding	Shares	%	Spouse & Minor Shareholding	Shareholding by Nominee Arrangement				
Chairman	R.O.C.	Jonney Shih	Male	2019.06	3	1994.05	30,093,638	4.05	30,093,638	4.05	0	0	0	Note 1	Director	Jonathan Tsang,	2nd consanguinity
Vice Chairman	R.O.C.	Ted Hsu	Male	2019.06	3	1993.06	7,346,683	0.99	7,346,683	0.99	1,988,142	0.27	0	Note 2	None	None	None
Director	R.O.C.	Jonathan Tsang	Male	2019.06	3	1999.04	1,423,093	0.19	1,423,093	0.19	0	0	0	Note 3	Chairman	Jonney Shih	2nd consanguinity
Director	R.O.C.	S.Y. Hsu	Male	2019.06	3	2011.06	107,019	0.01	107,019	0.01	8,233	0.00	0	Note 4	None	None	None
Director	R.O.C.	Samson Hu	Male	2019.06	3	2012.06	100,592	0.01	100,592	0.01	0	0	0	Note 5	None	None	None
Director	R.O.C.	Eric Chen	Male	2019.06	3	2008.06	157,527	0.02	157,527	0.02	12,275	0.00	0	None	None	None	None
Director	R.O.C.	Joe Hsieh	Male	2019.06	3	2011.06	0	0.00	0	0.00	805	0.00	0	Note 6	None	None	None
Director	R.O.C.	Jackie Hsu	Male	2019.06	3	2016.07	20,353	0.01	21,000	0.01	0	0	0	Note 7	None	None	None
Director	R.O.C.	Jerry Shen	Male	2019.06	3	2002.05	3,370,309	0.45	1,901,309	0.26	19,313	0.00	0	Note 8	None	None	None
Director	R.O.C.	Tze-Kaing Yang	Male	2019.06	3	2016.07	0	0.00	0	0.00	0	0	0	Note 9	None	None	None

Independent Director	R.O.C.	Chung-Hou Tai	Male	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	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	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., GAIUS 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. and iMotion Group 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, and ASUS COMPUTER INTERNATIONAL.

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.(*) and SHUN-MAO INVESTMENT(*).

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., Airtii 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.

Note 11: 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 11.92 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	July 22, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Global investment trends and market practices	3
		Nov 11, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	The whistleblower system and the implementation of corporate governance	3
Vice Chairman	Ted Hsu	July 22, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Global investment trends and market practices	3
		Nov 11, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	The whistleblower system and the implementation of corporate governance	3
Director	Jonathan Tsang	July 22, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Global investment trends and market practices	3
		Nov 11, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	The whistleblower system and the implementation of corporate governance	3
Director	S.Y. Hsu	July 22, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Global investment trends and market practices	3
		Nov 11, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	The whistleblower system and the implementation of corporate governance	3
Director	Samson Hu	July 22, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Global investment trends and market practices	3
		Nov 11, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	The whistleblower system and the implementation of corporate governance	3
Director	Eric Chen	July 22, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Global investment trends and market practices	3
		Nov 11, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	The whistleblower system and the implementation of corporate governance	3
Director	Joe Hsieh	July 22, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Global investment trends and market practices	3
		Nov 11, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	The whistleblower system and the implementation of corporate governance	3

Director	Jackie Hsu	July 22, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Global investment trends and market practices	3
		Nov 11, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	The whistleblower system and the implementation of corporate governance	3
Director	Jerry Shen	July 22, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Global investment trends and market practices	3
		Nov 11, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	The whistleblower system and the implementation of corporate governance	3
Director	Tze-Kaing Yang	July 22, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Global investment trends and market practices	3
		Sep 22, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Corporate M&A Activities and the responsibilities of Company Leaders: Discussing Information Disclosure and Insider Trading	3
Independent Director	Chung-Hou Tai	July 22, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Global investment trends and market practices	3
		Nov 11, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	The whistleblower system and the implementation of corporate governance	3
Independent Director	Ming-Yu Lee	July 22, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Global investment trends and market practices	3
		Aug 26, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Trends and Challenges of Information Security Governance	3
		Sep 22, 2020	TAIWAN STOCK EXCHANGE CORPORATION	Listed Company "Corporate Governance 3.0: Blueprint for Sustainable Development" Summit Forum	3
		Nov 11, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	The whistleblower system and the implementation of corporate governance	3
Independent Director	Chun-An Sheu	July 22, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Global investment trends and market practices	3
		Nov 11, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	The whistleblower system and the implementation of corporate governance	3

3. Professional qualifications and independence of directors

Criteria Name	With over five years of job experience and the following business qualification			Independence Criteria(Note)												Also an independent director of other public company
	Teachers of public or private colleges for the subject of commerce, law, finance, accounting, or business	Judge, prosecutor, attorney, accountant, or business salespersons passed national exam & certified specialists or technicians	With job experience in commerce, law, finance, accounting, or business	1	2	3	4	5	6	7	8	9	10	11	12	
Jonney Shih			✓							✓		✓		✓	✓	0
Ted Hsu			✓			✓		✓	✓	✓	✓	✓	✓	✓	✓	0
Jonathan Tsang			✓			✓		✓		✓		✓		✓	✓	0
S.Y. Hsu			✓			✓		✓		✓		✓	✓	✓	✓	0
Samson Hu			✓			✓		✓		✓		✓	✓	✓	✓	0
Eric Chen			✓			✓		✓	✓	✓	✓	✓	✓	✓	✓	0
Joe Hsieh			✓			✓		✓		✓		✓	✓	✓	✓	0
Jackie Hsu			✓			✓		✓	✓	✓	✓	✓	✓	✓	✓	0
Jerry Shen			✓	✓		✓	✓	✓		✓		✓	✓	✓	✓	0
Tze-Kaing Yang	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Chung-Hou Tai			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Ming-Yu Lee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Chun-An Sheu	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2

Note: Directors and supervisors who have qualified the following conditions two years before being elected and during the term are to tick the box (“✓”) of the corresponding condition.

- (1) Not an employee of the Company or any related party;
- (2) Not a director or supervisor of the Company or any related company (except for case of independent directors appointed in accordance with the Act or legal regulations of local country by, and concurrently serving as such at, the Company and its parent, subsidiary or a subsidiary of the same parent);
- (3) Not a director or supervisor of the Company or any related party (except for being an independent director of the Company or any related party, or, the subsidiary that is with over 50% shareholding with voting rights held directly or indirectly by the Company);
- (4) Not a spouse, relative within second degree of kinship, or lineal relative within the third degree of kinship of a managerial officer listed in (1) or personnel listed in (2) and (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act (except for case of independent directors appointed in accordance with the Act or legal regulations of local country by, and concurrently serving as such at, the Company and its parent, subsidiary or a subsidiary of the same parent);
- (6) Not a director, supervisor, or employee of other company that is the same person controlling a majority of the company's director seats or voting shares (except for case of independent directors appointed in accordance with the Act or legal regulations of local country by, and concurrently serving as such at, the Company and its parent, subsidiary or a subsidiary of the same parent);
- (7) Not a director (or governor), supervisor, or employee of other company or institution, who is the same person acting as, or is spouse of the company's chairperson, general manager or equivalent position (except for case of independent directors appointed in accordance with the Act or legal regulations of local country by, and concurrently serving as such at, the Company and its parent, subsidiary or a subsidiary of the same parent);

- (8) Not a director, supervisor, manager or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the company (except for case of independent directors appointed in accordance with the Act or legal regulations of local country by, and concurrently serving as such at, the Company and its parent, subsidiary or a subsidiary of the same parent, where such specified company or institution holds more than 20% but less than 50% of the company's distributed shares);
 - (9) Not a professional individual, sole proprietor, partner, or company/ institution owner, director, supervisor, manager and spouse that provides auditing services, or relevant services in commercial, legal, financial, accounting aspects with cumulative remuneration not exceeding NT\$500,000 over the past 2 years to the company or related company. (Not applicable to a member of the salary/ remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to relevant regulations under the Securities and Exchange Act or Business Mergers and Acquisitions Act.)
 - (10) Not the spouse nor a relative within two degrees of lineal consanguinity of an individual;
 - (11) Free of any of the behaviors as defined in Article 30 of Company Act;
 - (12) Not a governmental officer, juridical person or its representative as defined in Article 27 of Company Act.
- 4. 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 12, 2021						Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement						
					Shares	%	Shares	%	Shares	%			Shares	%	Title	Name	Relation
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	1,988,142	0.27	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	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	None	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	Non 1, 2019	0	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 2	None	None	None
Corporate Vice President	R.O.C.	Male	Tenlong Deng	Non 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	Non 1, 2019	88,306	0.00	0	0.00	0	0	0	Department of Electronic Engineering, Chun Yuan Christian University Multimedia Business Unit AVP, ASUS	Note 3	None	None	None
Corporate Vice President	R.O.C.	Male	Kent Chien	Non 1, 2019	745	0.00	0	0.00	0	0	0	Master of Business Administration, National Cheng Kung University Project manager of China Productivity Center	Note 4	None	None	None
Corporate Vice President	R.O.C.	Male	Vincent Chiou	Non 1, 2019	126	0.00	0	0.00	0	0	0	Institute of Computer Science, National Chiao Tung University Display Business Unit AVP	None	None	None	None
Chief Financial Officer	R.O.C.	Male	Nick Wu	Aug 11, 2015	457	0.00	161	0.00	0	0	0	MBA, Vanderbilt University The specialist of China Development Industrial Bank	Note 5	None	None	None
Comptroller	R.O.C.	Female	Winnie Liu	Aug 11, 2015	649	0.00	0	0	0	0	0	Institute of Accounting, Soochow University Audit Director of TAIWAN MOBILE	Note 6	None	None	None
Corporate Governance Officer	R.O.C.	Female	Francy Jeng	Nov 11, 2020	38,000	0.01	0	0	0	0	0	Department of Accounting and Statistics, Takming University Division Director of Stock Affairs Office, ASUS	None	None	None	None

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

Note 2: Director of PORTWELL INC, PORTWELL INC, UPI Semiconductor Corp., DEEP01 LIMITED and LELTEK.

Note 3: Director of UNIMAX ELECTRONICS INC.; Executive director of Quantum Could International Pte. Ltd.

Note 4: Director of UNIMAX ELECTRONICS INC.; Executive director of QC Serve AB.

Note 5: Supervisor of the following companies: Hua-Min Investment Co., Ltd., Hua-Cheng Venture Capital Corp. and LELTEK.
Director of ASUS PROPERTIES (VIETNAM) LTD.

Note 6: Director of Askey Technology (Jiangsu) Limited.

Note 7: The Corporate Governance Officer was newly appointed on November 11, 2020.

Note 8: The shareholdings stated in the table exclude trust shareholdings that are with the "rights to use" reserved.

Note 9: 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 10: 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	May 28, 2020	May 29, 2020	ACCOUNTING RESEARCH AND DEVELOPMENT FOUNDATION	Issuer Securities Dealer Accounting Supervisor Continuing Education Course	12
Corporate Governance Officer	Francy Jeng	Nov 11, 2020	Nov 11, 2020	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	The whistleblower system and the implementation of corporate governance	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)									
		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	From ASUS	Companies in the financial statements	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	87,091 thousand	87,091 thousand	0	0	120,122 thousand	227,215 thousand	432 thousand	756 thousand	18,131 thousand	30,187 thousand	0			
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	11,100 thousand	11,100 thousand	0	0	0	0	0	0	0	0	0			
Independent Director	Chun-An Sheu																		None

- 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	Invest in other 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)	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	Jerry Shen, Tze-Kaing Yang, Chung-Hou Tai, Ming-Yu Lee, Chun-An Sheu
5,000,000(included)~10,000,000(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	
10,000,000(included)~15,000,000(not included)	Jonney Shih, Ted Hsu, Jonathan Tsang	Jonney Shih, Ted Hsu, Jonathan Tsang	Jonathan Tsang	
15,000,000(included)~30,000,000(not included)			Jonney Shih, Ted Hsu	Jonney Shih, Ted Hsu, Jonathan Tsang,
30,000,000(included)~50,000,000(not included)			S.Y. Hsu, Samson Hu, Joe Hsieh	S.Y. Hsu, Samson Hu, Joe Hsieh
50,000,000(included)~100,000,000(not included)				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		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	51,559 thousand	51,559 thousand	1,296 thousand	1,296 thousand	200,697 thousand	200,697 thousand	32,944 thousand	0	32,944 thousand	0	1.08%	1.08%	None
Chief Operating Officer	Joe Hsieh													
Corporate V.P.	Henry Yeh													
Corporate V.P.	Alex Sun													
Corporate V.P.	Taiyi Huang													

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	37,881 thousand	37,881 thousand	0.14%
	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				
	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, Supervisors, 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.

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

Year (Note 1)	Ratio of the total remuneration paid to the Company's Directors, Supervisors, President, and V.P. in the last two years to net income
2019	2.56%
2020	1.91%

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

B. In terms of the Company's remuneration policy, a reasonable remuneration is based on the salary level of the industry and the responsibility and contribution of each employee.

III. Corporate governance Implementation

(I) Board of Directors

The 2020 Board of Directors convened 6 meetings (A). The following is the attendance of the directors:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Chairman	Jonney Shih	6	0	100%	
Vice Chairman	Ted Hsu	6	0	100%	
Director	Jonathan Tsang	6	0	100%	
Director	S.Y. Hsu	6	0	100%	
Director	Samson Hu	6	0	100%	
Director	Eric Chen	6	0	100%	
Director	Joe Hsieh	6	0	100%	
Director	Jackie Hsu	6	0	100%	
Director	Jerry Shen	6	0	100%	
Director	Tze-Kaing Yang	6	0	100%	
Independent Director	Chung-Hou Tai	6	0	100%	
Independent Director	Ming-Yu Lee	6	0	100%	
Independent Director	Chun-An Sheu	6	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:

BOD	Subjects	Opinions of independent directors	Company's treatment of the pinions.	Resolution results
The 6th time of the 12 th term Mar 18, 2020	1. Proposal to switch the Company's CPAs. 2. The amendment for "Loans and Endorsement & Guarantee Operational Procedures" of the Company.	None	N/A	The matter is approved by all the attendees
The 9th time of the 12 th term Aug 12, 2020	The amendment for "Loans and Endorsement & Guarantee Operational Procedures" of ASTP and ASGL.	None	N/A	The matter is approved by all the attendees

The 10th time of the 12 th term Nov 11, 2020	1. Capital loan and extension from ASTP (ASUS subsidiary) to ASGL. 2. The amendment for “the internal control and audit systems” of the Company.	None	N/A	The matter is approved by all 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.

- 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: None.
- 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.
- The Attendance of the independent directors at board of directors’ meetings in 2020:
(V: Attendance in Person; *: By Proxy; X: Absent / Leave)

Name	First Jan 17, 2020	Second Mar 18, 2020	Third May 13, 2020	Fourth Jul 22, 2020	Fifth Aug 12, 2020	Sixth Nov 11, 2020
Chung-Hou Tai	V	V	V	V	V	V
Ming-Yu Lee	V	V	V	V	V	V
Chun-An Sheu	V	V	V	V	V	V

5. Implementation of the Board's evaluation

The Company has conducted the 2020 performance appraisal of the Company’s board of directors and functional committees in January 2021 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 field	Evaluation method	Evaluation content
Perform once a year	Jan 1, 2020~ Dec 31, 2020	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) The operation of the Audit Committee:

The 2020 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)	Remarks
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 2020:

Audit Committee	Subjects	Securities and Exchange Act, Article 14-5	Resolution results
The 3 rd time of the 2 ^{ed} term Mar 18, 2020	Audit report of the Company		The matter is approved by all the attendees
	Assessment of CPA's independence for 2019.		
	Ratification of the annual business report and financial statement for 2018.	V	
	To accommodate the internal personnel adjustment of PwC Taiwan, the case of replacing a certified public accountant for the Company was approved.	V	
	Standards and changes of audit fees of the Company's and some subsidiaries' CPAs.		
	The case of assessment on the Company's capacity in producing financial reports and revision on financial report production procedures & management.		
	Profit distribution of 2019.		
	Amendment to the "Loans and Endorsement & Guarantee Operational Procedures."	V	
	Amendment to the "Internal audit system."	V	
	Presentation of the "Annual Internal Control System Statement for 2019."		
The 4 th time of the 2 ^{ed} term May 13, 2020	Presentation of the consolidated financial statements for Q1, 2020.		The matter is approved by all the attendees
	The Company's COVID-19 epidemic prevention report		
	The Company's annual risk control platform management report		
	Audit report of the Company		
The 5 th time of the 2 ^{ed} term August 12, 2020	Ratification of the consolidated financial statements for Q2, 2020.	V	The matter is approved by all the attendees
	The Company's reinvestment-GAIUS AUTOMOTIVE INC. Project Report		
	The Company's reinvestment-ASUS CLOUD CORP. Project Report		
	Audit report of the Company		
	Whether the major accounts of the company were transferred to capital loans for Q2, 2020	V	
The 5 th time of the 2 ^{ed} term November 11, 2020	Presentation of the consolidated financial statements for Q3, 2020.		The matter is approved by all the attendees
	Audit report of the Company		

	Whether the major accounts of the company were transferred to capital loans for Q3, 2020	V	
	The amendment for “the internal control and audit systems” of the Company.	V	
	Presentation of “2021 Annual Audit Plan.”		

Note: Other resolutions not passed by the Audit Committee, however, approved by two third of the Board of Directors: None.

III. The avoidance of conflict of interest on the side of the independent directors: None.

IV. The communication between the independent directors and the internal audit managers and accountants shall include the essential events, ways and results of the Company’s finance and business condition:

- 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.

2020 Summary of communication between independent director and internal audit superintendent:

Date	Communication focus	Communicate results
Mar 18, 2020	2019 Report on Q4 audit tasks and improvement tracking status	No comment
	2019 Resultant report on overall self-assessment of internal control and implementation at operation level	No comment
	In response to the raging Internet fraud in recent years, independent directors proposed to include “Information Security” as part of the audit focus.	“Information Security” is the focus of the annual audit, and the Company will continue to strengthen audit matters and advocacy for internal information security.
	The audit supervisor found fraud in procurement during the internal audit process, and has initiated an audit project.	The progress will be updated in due course and relevant evidence will be continuously verified.
May 13, 2020	2020 Report on Q1 audit tasks and improvement tracking status	No comment
June 9, 2020	Independent directors have implemented punishment of the procurement personnel involved in procurement fraud and instructed relevant units to review improvement measures in order to fulfill internal control measures and prevent frauds from recurring.X	1. Send letters to all suppliers expressing the Company’s stand “Zero Tolerance”

		and subsequent litigation positions. 2. Advocate for communication of internal control and importance of daily management to operating performance, further reinforcing the responsibility of management and supervision.
July 22, 2020	1. Audit supervisor conducted a special report on procurement malpractice.	Convene meetings of managers of various business units to promote that prevention of fraud begins with daily management, strengthen the awareness of internal control and carry out sharing of case studies.
	2. Guidance from independent directors: (1) Strengthen the audit of internal procurement cycles and internal control awareness and education training of each responsible unit. (2) Review the improvement and optimization of the procurement process.	
August 12, 2020	2020 Report on Q2 audit tasks and improvement tracking status	No comment
November 11, 2020	2020 Report on Q3 audit tasks and improvement tracking status	No comment
	Independent directors inquired about the operation status and future directions and strategies of subsidiaries JINSHUO, GAIUS, etc.	JINSHUO, GAIUS and subsidiaries will attend the next audit committee or board of directors meetings to present their reports.
	The 2021 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, letters, and messages if there are any doubts about the reports

2020 Summary of communication between independent director and internal audit superintendent:

Date	Communication focus	Communicate results
Mar 18, 2020	The subject and nature were set as 2019 Review on compiled and individual finance report	No opinion
May 13, 2020	The subject and nature were set as 2020Q1 Review on compiled and individual finance report	No opinion
August 12, 2020	The subject and nature were set as 2020Q2 Review on compiled and individual finance report	No opinion
Nov 11, 2020	The subject and nature were set as 2020Q3 Review on compiled and individual finance report	No opinion

(III) Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Illustration	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has set the “Best practice principles of corporate governance” and revised from time to time according to regulations of competent authority and actual demands of the Company. The latest revision was made on May 7, 2019, which was disclosed in “Company governance” and “Public information” sections in the Company’s website as references to investors.	Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
2. Shareholding structure & shareholders’ rights (1) Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(1) The company has established the spokesman system and department of investor relations. Contact methods are available on the company website, where shareholders can leave comments via telephone or e-mail, and the company will process them according to relevant operation procedures.	Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
(2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		(2) According to requirements, main shareholders of the company shall declare status of change in shares held every month, where the Company will announce the names of top 10 shareholders in the annual report.	
(3) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	V		(3) The finance of the Company and related companies is independent from each other. The Company has established proper risk control mechanism and firewall according to the internal relevant regulations such as the “Regulations Governing Subsidiary Company Management,” “Endorsement and Guarantee Operation Procedure” and “Acquisition or Disposition of Information Asset Process.”	
(4) Does the Company establish internal rules against insiders trading with undisclosed information?	V		(4) The Company has established the “Operating Procedure for Processing of Important Internal Information” and “Employees’ Code of Conduct”. The Company regulates all members to avoid conflict of duties related to work duties; no known and unpublished information shall be used for insider trading.	
3. Composition and Responsibilities of the Board of Directors				Compliant with the Code of “the Corporate Governance

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Illustration	
(1) Does the Board develop and implement a diversified policy for the composition of its members?	V		<p>(1) All board members shall possess the knowledge, skills, and characters needed to exercise their duties. Article 20 of our “Best practice principles of corporate governance” has proposed that board members should be diversified in a manner that supports the Company’s operations, business activities and growth. The diversification should be based on, but is not limited to, the following two principles:</p> <p>(1) Background and value: Gender, age, nationality, culture etc.</p> <p>(2) Knowledge and skills: Career background (e.g. law, accounting, industry, finance, marketing or technology), professional skill and industry experience.</p> <p>At present, there are a total of 13 seats on the board of directors, each equipped with professional knowledge and skills covering backgrounds such as industrial operation, technological R&D, marketing management, finance & accounting, as well as tax management. The Board of directors as a whole has been equipped with various capacities required for duty execution. See Note 1 for the implementation of each Board.</p>	Best-Practice Principles for TWSE/TPEX Listed Companies”
(2) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		<p>(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.</p>	
(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		<p>(3) From the salary remuneration committee, the Company measures the overall operation of the board or director with reference to level of participation contributed by each director regarding the company operation, where performance assessment is implemented biannually. The company has completed the formulation of the</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Y	N	Abstract Illustration	
(4) Does the Company regularly evaluate the independence of CPAs?	V		<p>Self-Evaluation Evaluation of the Board of Directors in 2020, and carried out regular performance evaluation and related reports before the first quarter of 2021.</p> <p>The Company plans to complete setting measures of performance assessment on board of directors by 2021, where regular performance assessment shall be performed before Q1 of next year.</p> <p>(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 2 for the criteria of independence evaluation.</p>	

Evaluation Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	
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><u>The main authority should include the following:</u></p> <ul style="list-style-type: none"> ● Relevant matters on directors' meeting, audit committee meeting, remuneration committee meeting and shareholders' meeting were conducted as per legal requirements. ● Assistance offered for director inauguration and advanced study. ● Assistance offered to provide data required for director execution. ● Assistance offered to directors for adhering with relevant legal regulations. ● Other matters stipulated in accordance with the Company's article of incorporation or contracts. <p><u>2020 corporate governance tasks performance key points</u></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>

Evaluation 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 governance	V	<p>(1) The Company has established a website of investor relations http://www.asus.com/tw/Investor/ for regular disclosure of relevant information on financial business and company administration.</p>	Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”

Evaluation Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Y	N	
(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)?	V		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.
(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		
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		Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”
			(1) For information regarding employees' rights and care for employees, please refer to the section on “Labor-Employer Relation” of this annual report.
			(2) The Company has built up the Investor Relations area on its official website.
			(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.
			(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)
			(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.
			(6) The Company follows the laws and regulation with emphasis on labor-employer relation, providing

Evaluation Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Y	N	
			<p>employment opportunity, 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		Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”

Note 1: Individual directors for diversification of Board members

- The Company's board of directors has 13 members, which includes 3 independent directors.
- 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.
- 7 directors are between 51 and 60 years old, 5 are between 61 and 70 years old and 1 is more than 70 years old.
- At present, all members of the board of directors have professional knowledge and skills covering management of industry, technology research and development, marketing management, finance, accounting and taxation and the details are as follows:

Diversification Item Name	Gender	Concurrent positions as employees of the Company of subsidiaries	Service term of independent directors	Professional knowledge and skills				
				Industry Operating	Technology R&D	Marketing Management	Finance	Accounting and Taxation
Jonney Shih	Male	V		V	V			
Ted Hsu	Male	V		V	V			
Jonathan Tsang	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				
Tze-Kaing Yang	Male			V			V	
Chung-Hou Tai	Male		5 years	V	V	V		
Ming-Yu Lee	Male		5 years					V
Chun-An Sheu	Male		5 years					V

Note 2: Assessment criteria of accountant's independence

Assessment			
		2020 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

Assessment	2020 assessment result (Y/N)	Independence (Y/N)
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 Operations:

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	Meets One of the Following Professional Qualification Requirements, Together with at Least Five Years' Work Experience			Independence Criteria (Note)										Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Remark
		Teachers of public or private colleges for the subject of commerce, law, finance, accounting, or business	Judge, prosecutor, attorney, accountant, or business salespersons passed national exam & certified specialists or technicians	With job experience in commerce, law, finance, accounting, or business	1	2	3	4	5	6	7	8	9	10		
Independent Director	Li, Ming-Yu	v	v	v	v	v	v	v	v	v	v	v	v	v	0	
Independent Director	Tai, Chung-Ho			v	v	v	v	v	v	v	v	v	v	v	0	
Independent Director	Sheu, Chun-An	v		v	v	v	v	v	v	v	v	v	v	v	2	

Note : The members who have qualified the following conditions two years before being elected and during the term are to tick the box ("✓") of the corresponding condition.

- (1) Not an employee of the Company or any related party;

- (2) Not a director or supervisor of the Company or any related company (except for case of independent directors appointed in accordance with the Act or legal regulations of local country by, and concurrently serving as such at, the Company and its parent, subsidiary or a subsidiary of the same parent);
- (3) Not a director or supervisor of the Company or any related party (except for being an independent director of the Company or any related party, or, the subsidiary that is with over 50% shareholding with voting rights held directly or indirectly by the Company);
- (4) Not a spouse, relative within second degree of kinship, or lineal relative within the third degree of kinship of a managerial officer listed in (1) or personnel listed in (2) and (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act (except for case of independent directors appointed in accordance with the Act or legal regulations of local country by, and concurrently serving as such at, the Company and its parent, subsidiary or a subsidiary of the same parent);
- (6) Not a director, supervisor, or employee of other company that is the same person controlling a majority of the company's director seats or voting shares (except for case of independent directors appointed in accordance with the Act or legal regulations of local country by, and concurrently serving as such at, the Company and its parent, subsidiary or a subsidiary of the same parent);
- (7) Not a director (or governor), supervisor, or employee of other company or institution, who is the same person acting as, or is spouse of the company's chairperson, general manager or equivalent position (except for case of independent directors appointed in accordance with the Act or legal regulations of local country by, and concurrently serving as such at, the Company and its parent, subsidiary or a subsidiary of the same parent);
- (8) Not a director, supervisor, manager or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the company (except for case of independent directors appointed in accordance with the Act or legal regulations of local country by, and concurrently serving as such at, the Company and its parent, subsidiary or a subsidiary of the same parent, where such specified company or institution holds more than 20% but less than 50% of the company's distributed shares);
- (9) Not a professional individual, sole proprietor, partner, or company/ institution owner, director, supervisor, manager and spouse that provides auditing services, or relevant services in commercial, legal, financial, accounting aspects with cumulative remuneration not exceeding NT\$500,000 over the past 2 years to the company or related company. (Not applicable to a member of the salary/ remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to relevant regulations under the Securities and Exchange Act or Business Mergers and Acquisitions Act.)
- (10) Free of any of the behaviors as defined in Article 30 of Company Act.

3. Operations of ASUS Compensation Committee:

- (1) The members of the Remuneration Committee of the Company: 3 people.
- (2) Period of the 4th term: June 18, 2019 to June 17, 2022.
- (3) The Salary and Remuneration Committee convened 3 meetings in 2020 (A). The qualification of the members and their attendance are as below:

Title	Identify	Name	Attendance (Times) (B)	Proxy	Frequency of attendance (%)(B/A)	Remark
Convener	Independent Director	Li, Ming-Yu	3	0	100%	
Committee	Independent Director	Kenneth Tai	3	0	100%	
Committee	Independent Director	Sheu, Chun-An	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	Operation	Resolution results
Jan 17, 2020 The 2 nd time of the 4 th term	Approved the Company's motion for allocation of year-end bonus to managers in 2019.	The matter is approved by all the attendees
Mar 18, 2020 The 2 nd time of the 4 th term	Approved the motion for allocation of remuneration to directors and employee bonus from earnings of 2019.	The matter is approved by all the attendees
Jul 22, 2020 The 3 rd time of the 4 th term	1. Passage of the proposal for compensation distribution to directors for 2019. 2. Approved the Company's motion for allocation of mid-year bonus to managers in 2020. 3. Approved the Company's salary adjustment to manager's in 2020.	The matter is approved by all the attendees
Jan 20, 2021 The 5 th time of the 4 th 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 th time of the 4 th 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

(V) Corporate Social Responsibility and deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status		Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	
1. 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 has provided the Business Community Management Committee that follows AA 1000 SES standard to conduct discussion with interested parties, review topics such as external sustainability frame, request of social investment and trend of international development, as well as analyzing risks affecting ASUS. At the same time, ASUS sets measures for corporate risk management, which applies management strategy on major risks to strengthen corporate resilience.
2. Does the Company establish an exclusive (concurrent) unit to promote corporate social responsibility, where high-tier management is authorized by the board of directors for handling and reporting the status to the board?	V		The Company has established a permanent unit known as the Sustainable & green quality managing division 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.
3. Environmental issues	V		Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
(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.
(2) Is the Company striving in promoting efficiency of utilizing various resources, as well as regenerated materials that impose low impact to the environment?	V		(2) In order to effectively utilize resources and reduce emission of greenhouse gas during transportation, we have designed a special patented packaging structure that reduces packaging weight, volume of packaging materials and introduced the use of regenerated materials. In future, ASUS will continue to reduce wastage, control the total amount of packaging materials used and improve packaging affinity, as well as introducing sustainable materials.
(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

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Explanation	
well as taking correspondent measures on climate-related topics?			(Financial Stability Board), which discloses financial influence caused by climate change based on administration, strategy, risk management, indexes and target frame. For relevant information, please refer to our corporate sustainability report and ASUS CSR website.	
(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?	V		(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.	
4. Social issues	V		(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.	Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
(1) Did the Company set relevant management policy and procedures according to related legal regulations and the “International Bill of Human Rights”?	V		(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 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 happy leave. The Company has established regulations such as	
(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?	V			

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Y	N	Abstract Explanation	
(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>“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.</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 & 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) Regarding client health, safety, privacy, marketing and labelling on product and services, does the Company follow relevant legal regulations and international criteria, as well as setting relevant policy and appealing procedures on protection of consumers’ interests?	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. 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 (http://support.asus.com.tw).</p>	
(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	V		<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</p>	

Evaluation Item	Implementation Status		Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	
status of implementation?			labor, safety & 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.
5. Does the Company refer to report editing criteria or guidance that are common internationally for producing CSR report and report that discloses non-finance information of the Company? Did the above-mentioned report receive assurance or guaranteed comments from the third-party verification unit?	V		The 2019 Corporate sustainability report published in 2020 was based on the structure of GRI Standards Core Option, where SGS (Taiwan) was commissioned to adopt AA1000AS Type II High level guarantee and PwC Taiwan to execute independent limited assurance on selected indicators according to no. 1 “Assurance case of non-historical finance information verification or review” under the ROC assurance criteria gazette, which complied with inclusive, sustainable, significant and thorough principles of report, as well as covering quality principles on accuracy, balance, clarity, comparability and time-effect.
6. If the Company has established the corporate social responsibility principles based on “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the Principles and their implementation: ASUS has substantiated corporate social responsibility in accordance with the “Rules Governing Listed & OTC corporate governance.			Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
7. Other important information to facilitate better understanding of the Company’s corporate social responsibility practices: Please refer to the business sustainability report and website of ASUS at http://csr.asus.com/chinese/index.aspx#120			

(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.

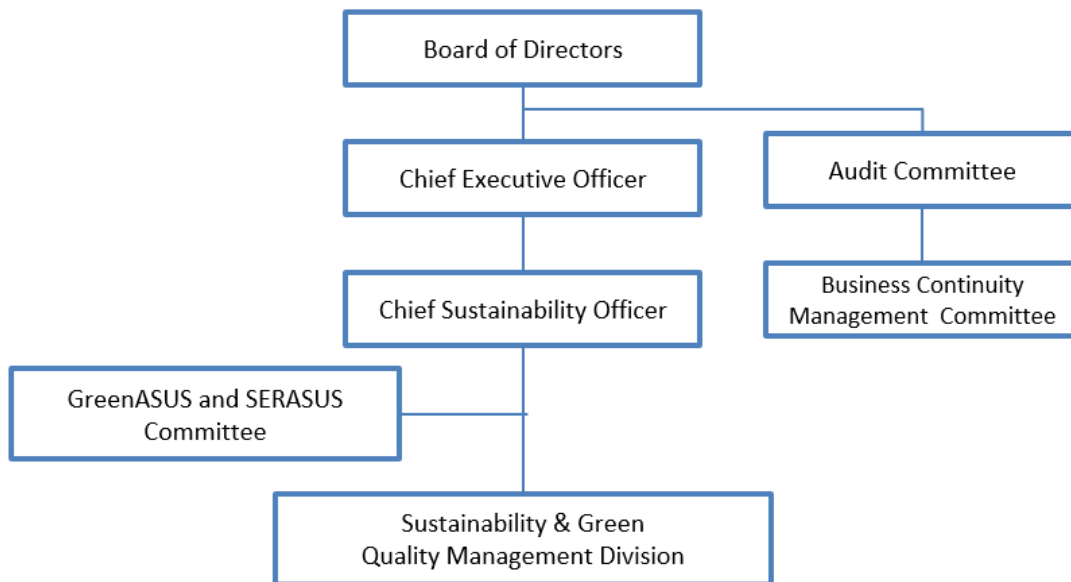
We believe that sustainability should not be a mere PR (Public Relations) method to vamp up the corporate image. Instead, it shall allow us to carry the social responsibility by solving problems in societies and the environment, as well as seeking humankind well-being while pursuing our operation growth 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 "Sustainable & green quality managing division." The unit was provided with the position of Sustainability Director 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 sustainability director 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 of the 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) Acquisition of 「Asia's Most Socially Responsible Company of the Year」 Award.
- (2) Selected as a component of the MSCI Global Sustainability Indexes for six consecutive years (2014-2019).
- (3) Selected as a component of the FTSE4Good Emerging Index for five consecutive years (2016-2020).
- (4) Selected as a component of FTSE4Good Emerging Index and TIP Taiwan ESG Index for four consecutive years (2017-2020).
- (5) Listed in the “World's Most Admired Companies” six times by Fortune Magazine of the US.
- (6) 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).

- (7) First electronic company in the world that obtained the ISO 20400 Sustainable procurement certificate in 2019.
- (8) 2019 GCSA (Global Corporate Sustainability Award): Global sustainability excellence award and Global best practice award.
- (9) 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.
- (10) 2018 Asia Sustainability Reporting Award: Acquisition of Asia's Best Supply Chain Reporting and nominated for Asia's Best SDG Reporting.
- (11) 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 significance 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 started from the five models, namely “circular supply chain,” “extension of product life cycle,” “Product as a Service (PaaS),” “sharing platform” and “recycle for regeneration,” 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 86% 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, 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 recycled plastics

From 2019, all commercial computers from ASUS contain more than 5% of recycled plastics. For certain screens, the recycled plastics were even obtained from recycled products.

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.

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 81% 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 Eee PC 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 1st for the monitor products. Meanwhile, the notebook UL30A also ranked 1st 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 1st place among the international own-brand manufacturers participating the competition with respect to computer and peripheral devices.

2. Climate activity

The climate change is a contemporary global issue that has far-reaching implications and challenges for human ecology and the global environment. Therefore, the 21st session of the Conference of the Parties (COP21) was held in

Paris, France in 2015, 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.

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"> - 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. - The annual sustainability report will be presented to the board of directors, including the implementation results of the 2020 Sustainable Target and the progress of the greenhouse gas reduction target - 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 executives 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.
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"> - The Office of Sustainability and Green Quality Management 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

	<p>Continuity Management Committee, which reports climate change-related risk management indicators every quarter.</p> <ul style="list-style-type: none"> - 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 carried out on product, operation and value chain management. Bi-monthly committee meeting. - The sustainable risk management platform manages the risks and opportunities related to climate change, and reports the management progress to the audit committee every year and forwards it to the board of directors.
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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"> - Physical risk: Extreme severe climate disasters. - Transformation risks: Mandatory product and service regulations, carbon tax/renewable energy practices, changes in customer behavior. <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	<p>Based on new climate actions, we estimate the following impacts under the global climate actions:</p> <ul style="list-style-type: none"> - Operation: ASUS does not make energy-intensive

and financial planning in different climate change scenarios	<p>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.</p> <ul style="list-style-type: none"> - Product: According to ASUS's observation and analysis, government bodies around the world have adopted the 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 have set a target that is 30% better than Energy Star to ensure our performance. - 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.
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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"> - 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.

	<ul style="list-style-type: none"> - 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, and drive the supply chain to transform to low-carbon manufacturing. - 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.
Describe how procedures for identifying, assessing, and managing risk associated with climate change are integrated into the overall risk management structure of the organization	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 Office is the main responsible unit handling climate-related risks, and it reviews the effectiveness and resilience of ASUS's climate risk management.

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"> – Operating aspect: Greenhouse gas emissions (ton) and use of renewable energy – Product aspect: Energy efficiency is better than the percentage required by Energy Star – Supply chain: Extent of reduction of carbon emissions intensity.
Disclose Category 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</p>

	travel are also inventoried continuously.
Objectives for managing climate change-related risks and opportunities by the organization, and the deviation between the performance and objectives	<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 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"> - Operation: Reduce carbon emissions from global operations by 50% by 2030. Percentage of renewable energy used in Taiwan's operations reaching 100% by 2030. Percentage of renewable energy used in global operations reaching 100% by 2035. - Supply chain: Reduce the emission intensity of key suppliers by 30% by 2025. - Product: The energy efficiency of main products every year is more than 30% better than the requirements of Energy Star.

Significant milestones of other climate actions over recent years are briefly described as follows:

- (1) The new ASUS headquarter "LiGong Building" received LEED (new building category) platinum certificate from USGBC.
- (2) In 2020, the average energy efficiency of notebooks is 28% better than the Energy Star standard, helping consumers to reduce carbon emissions during use and enhance green competitiveness.
- (3) In 2016, ASUS headquarters received LEED platinum certificate from USGBC and diamond certificate under Taiwan green building.
- (4) In 2016, our headquarter acquired the silver standard among existing buildings under Taiwan Intelligent Green Building.
- (5) In 2016, we passed the certification of ISO 50001 Energy management system.
- (6) In 2013, we were honored with the "Energy conservation label among commercial buildings in Taipei City."
- (7) 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.

- (8) 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.
- (9) 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.”
- (10) In 2010, our U53Jc bamboo model received the PAS 2050 / ISO14067 “Carbon footprint” certificate.
- (11) 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 was 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 member of RBA, ASUS is committed to follow the 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.

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.

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 participation

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.

Social and public welfare results:

(1) Refurbished computer digital training plan

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 number of recycled computer donations, including the overseas donations, in 2020 was 1,850(including overseas) and accumulatively amounted to a total number of 17,771 to this day. The number of nonprofit organizations that have received the donations is 1,800, including the organizations in 39 foreign countries. The groups 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. When the recipient's ability is upgraded, the partners who receive its service may also be benefited therefor. For example, few teachers are willing to serve in the cram schools in remote areas because of lack of learning resources and the students in the schools seldom have chance to see the outside world. The students have no digital capability and have no chance to improve their schooling via the digital learning portals prevailing in urban areas. Through the cooperation with the ASUS Foundation under its refurbished computer digital training plan, these disadvantaged students have applied distance learning via video on demand by utilizing refurbished computers. The students will not feel lonely in the process of learning, as they may learn mathematics and Chinese language on line through integration of software and hardware resources.

ASUS uses the SROI (Social Return on Investment) approach to determining the benefits of the recycled computer training program on a monetization basis, and acquires the first global SRIO certification report in Asian technology industry and Taiwan. The monetization approach is helpful for ASUS to assess the CSR program and ensure that NPOs, volunteer organizations, and digital learning centers use our resources adequately.

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.

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>

(2) Digital opportunity 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. In the past decade, 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). In 2020, ASUS Foundation, TDOC and the Ministry of Foreign Affairs jointly donated 1,045 brand new computer devices in Taiwan and overseas, as well as 1,850 recycled computers to the rural schools and institutions domestically and 25 foreign countries. 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, Shuguo, 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

(3) ASUS international volunteer worker project

Due to the raging COVID-19 pandemic around the world in 2020, 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

(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.

The volunteering service activities in 2020 include ASUS Children's Line stickers and Otto Robot Camp, Youth Corner Line sticker design camp, and summer digital music camp at 4 school in rural areas, Shulin Elementary School in Qigu, Tainan, Shanjia Elementary School in Miaoli, Fa-Zhi Elementary School in Ren-Ai Township, Nantou County and Tong-An Elementary School in Fenyuan Township, Changhua County, to promote digital learning.

Since 2017, ASUS has adopted a 500-meter coastline in Bali District, New Taipei City. ASUS employees and their families have been invited to join the beach-cleaning voluntary service from time to time. In the past four years, an accumulation of 3,500 kilograms of marine garbage has been retrieved. In all Asus events, the engagements of Asus volunteers are seen. Not only the enthusiasm of ASUS employees to engage in social welfare event is demonstrated, but also the employees' self-values and achievements are upgraded. In 2020, the total hours of domestic voluntary service were 4,453 hours.

Domestic Volunteer Service Achievements:

http://www.asusfoundation.org/article_achievements.aspx?id=8

(5) "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. A total of 409 entries were submitted for this year, a record high in the past five years. The entries were also very diverse, including COVID-19 issues, LGBT rights, air pollution issues, animal friendship, and parent-child relationships, issues the whole world is facing.

The participating teams in 10th Competition extended from elementary schools to post-graduate institutes, which summed up to a total of 83 facilities throughout Taiwan. Some hearing-impaired schools and medical schools even started from their own experiences, disclosing daily challenges they faced in an attempt to induce change in others with their own strengths.

(6) Community service and cultural & educational activities

ASUS and ASUS Foundation continue to sponsor art and cultural activities to care the locals, have the whole world in view and fulfill corporate social responsibility, in hopes of enhancing investment of resources in arts and cultures to upgrade the national spirit life quality, in the capacity of a citizen.

a. Business and Enterprise College

ASUS and National Taiwan University of Science and Technology launched a long-term Business and Enterprise College Program in 2015 to training talents for the country using the resources of ASUS. The students of the Business and Enterprise College Program come from different departments and are selected on a filtering-off basis. They are led to understand more about the actual situation of the industry via courses, visits, contests, and simulated cross-department and cross-industry working modes. ASUS’s officers and executors experienced in the career act as instructors to help the students minimize the gap in their understanding of the industry, establish a clear direction toward their career, and improve the employment rate. This is also helpful for the instructors to improve their professional capability by planning the curricula

b. ASUS Campus Executive Officer Program

ASUS has provided the ASUS Campus Executive Officer Program since the 4th quarter of 2005. Elites from colleges and universities were selected to serve as front line personnel for marketing campaigns, so that they can understand the product of ASUS and the spirit of its brand, and accumulatively improve their professional capability in the career. The program has been implemented for more than 10 years and continuously

nurtured talents for ASUS and the country. ASUS also employs the graduates who have participated in the program and met the employment requirements. The students who did not join ASUS are yet excellent workers in the industry and will surely create value for the country and society.

c. Kuandu Arts Festival

ASUS has developed in Kuandu for more than 20 years, but connected with this area to a minimum extent. With this in the mind, ASUS worked with Taipei National University of the Arts, which is also located in Kuandu”, to jointly organize the “Bustling Kuandu Art Festival”. With the pandemic ravaging the world in 2020, we tried to coexist peacefully with nature, using art as the medium of communication to find our own culture in the uniqueness of history and hydrology and diversity of geography between the past and the future. Theme of “Living in Time.” Start with Guandu, an important tributary of Danshui River, to know the local culture and tourism.

d. DaAi TV Public Welfare Advertisement

Since 2008, ASUS has sponsored Daai TV for 12 consecutive years on producing mind-purifying adverts. Advocated for “Environmental Protection to Love the Earth” in 2020, living in cities with nature as our neighbor. Guandu Nature Park, located in the Greater Taipei area, has a good wetland environment. The area uses buffalo grazing to control weeds in the wetland has them dredge ditches naturally to mitigate the problems with siltation. The practices help create a habitat for birds, and we hope to maintain the ecology and landscape of the wetland through natural means. Let us work together to rehabilitate wetlands and promote ecological conservation for Earth’s sustainability.

e. Development and growth of children with mental disabilities

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 "Xihaner Baker’s 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 Xihaner Baker’s 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.

f. Money collection, fund raising, and donation of materials

In 2020, 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
Hours of Service	Corporate volunteers service hours conversion
In-kind Donation	Donation from non-profit fair earnings to non-profit organizations
In-kind Donation	Refurbished computer recycle value
In-kind Donation	Donation of ASUS computers

ASUS did not only make literal donations that put our corporate social responsibility into practice, but also donated via staff care and resources. Starting from ASUS core value, we realized the vision of contributing for human society. At the same time, we also encourage monetary donations from staff, where a charity donation platform was built, so employees busy from work could respond to relevant charity activities at ease. Through the platform, a total of NTD 3,379,314 was received from ASUS employees in 2020 and accumulated to NTD 21,020,708, which benefited 29 social welfare units with more than 5,000 school children, families and elders in need were helped.

Fundraising from charity sales and resources donation

ASUS supports and cares for minorities with action, where we invite various shelter workshops and social welfare units in Taiwan to set up booths at ASUS each month, on Dragon Boat Festival, Mid-Autumn Festival and ASUS Family Day for selling various products made by social welfare units and promote the concept of social welfare. In 2020, 7 NGO units were invited to the charity sale and obtained turnover of NTD 583,782. At the same time, ASUS also established the charity resource collection platform, where employees were encouraged to donate unused home appliances (no matter old or new) via such a platform. Some of the items donated in 2020 became things for charity sale at the Bustling Guandu Festival. In response to the Bravo FM91.3 radio station's Christmas shoebox gift donation plan, ASUS employees donated 150 boxes to children in rural areas of China. The proceeds from the charity sale were donated to the Taiwan Disability-Free

Association and Taipei Youth Corner to support various activities that benefit the disabled and young people.

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 Corporate 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”

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs (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?	V		1. 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 operation management.	Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
(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 various conducts under Article 7, Paragraph 2 of the “Honest operation rules for listed and OTC (Over-The-Counter) companies.”?	V		2. ASUS requests all external vendors to sign the “Honesty commitment.” Should the external units cause damage to the Company with violation to anti-bribe and anti-corruption clauses, penalty will be claimed with necessary legal actions taken according to requirements under the “Honesty commitment” signed.	
(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?	V		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	

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Y	N	Abstract Illustration	
2. Fulfill operations integrity policy (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.	V		result of execution and review for improvement.	Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”
(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?	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 The Human Resources Division in the Company is in charge with promoting adherence with corporate policy of honest operation and ethical conducts, which assists the board of 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 relevant measures will be submitted to the board of directors in advance for discussion and approval under resolution. The status of execution is regularly reported to the board of directors at least once per annum. (2)Operations and Execution 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. Every year, repeating an online course is promoted</p>	

Evaluation 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		continuously as a declaration to employees worldwide on the importance of honesty and adherence to 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 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

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
			Abstract Illustration	
	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 27,924 personnel and 16,966.5 hours on educational training related to honest operation was completed, 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> <p> 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.</p>	

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Illustration	
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 Sustainability and Investor Website.	Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
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 (e.g., review and amend its policies). In addition to this Annual Report, please refer to the information of disclosure related to ASUS’s Corporate Sustainability. (http://csr.asus.com/chinese/index.aspx)				

(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 and Supervisor Liability Insurance: The Company has insured liability insurance for all directors and supervisors.
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, supervisors, managers, and all employees through internal company website, contracts, and courses and announcements for education and training for due compliance of relevant procedures.

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

(X) Enforcement of internal control

1. Declaration of Internal Control: Please refer to Page 181.
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	Subjects	Review of execution
Jun 9, 2020 AGM	1. To adopt 2019 Business Report and Financial Statements.	The proposal was passed via voting as it was and would be the basis for the 2019 profit distribution.
	2. To adopt the proposal for distribution of 2019 profits.	The proposition was adopted through voting. The board of directors set the record date of allocation of dividend on July 4, 2020, and date of allocation of cash dividend on July 23, 2020.

	3. Amendment to the “Loans and Endorsement & Guarantee Operational Procedures”	The case has been voted and approved with resolution, which is executed according to the revise’s clauses.
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2. The important resolutions of the Board of Directors:

Date	Major resolutions
Jan 17, 2020	<ol style="list-style-type: none"> 1. Reported the renewal of the director and supervisor liability insurance for 2020. 2. Approved the proposal on the 2019 year-end performance bonus distribution to managers. 3. Approved for "Company registration" address changed. 4. Approved the proposal on donating to the ASUS Foundation for 2020.
Mar 18, 2020	<ol style="list-style-type: none"> 1. Approved the assessment of CPA’s independence for 2019. 2. Approved the annual business report and financial statement for 2019. 3. To accommodate the internal personnel adjustment of PwC Taiwan, the case of replacing a certified public accountant for the Company was approved. 4. Approved the case of accountant finance & tax certification fees standard and change for the Company and certain subsidiary companies. 5. Approved the case of assessment on the Company’s capacity in producing financial reports and revision on financial report production procedures & management. 6. Approved the proposal of the 2019 compensations to directors and employees. 7. Approved the proposal on profit distribution of 2019. 8. Approved the proposal on the amendments to the “Loans and Endorsement & Guarantee Operational Procedures” of the Company. 9. Approved the case of signing a bank loan contract and annual contract extension for the Company. 10. Amended the case through the company’s “internal audit system.” 11. Approved the presentation of the “Statement of Internal Control System for 2019.” 12. Approved the matters of convening 2019 Shareholders’ meeting.
May 13, 2020	Approved the consolidated financial statements for 2020Q1.
Jul 16, 2020	<ol style="list-style-type: none"> 1. 2019 Corporate Social Responsibility Report Issuance Report. 2. Approved the proposal of the annual renewal of the company’s bank credit. 3. Approved the Company’s new proposal on “Foreign Exchange and Derivative Commodity Trading Quota” 4. Approved the proposal for compensation distribution to directors. 5. Approved the Company’s mid-year performance bonus distribution for managers in 2019. 6. Approved the Company’s salary adjustment proposal for managers in 2020.
Aug 12, 2020	<ol style="list-style-type: none"> 1. Approved the consolidated financial statements for 2020Q2. 2. Approved the case of whether the major accounts of the company should be transferred to the capital loan for Q2, 2020. 3. Approved the proposal on the amendments to the “Rules of Procedure for Board Meetings”, ” Rules Governing the Scope of Powers of Independent Directors”, “Remuneration Committee Charter” and “Audit Committee Charter” of the Company. 4. Approved the proposal on the amendments to the “Loans and Endorsement & Guarantee Operational Procedures” by ASTP & ASGL.
Nov 11, 2020	<ol style="list-style-type: none"> 1. The corporate integrity management implementation status report 2. Report on the performance status of the Company’s intellectual property management.

Date	Major resolutions
	<ol style="list-style-type: none"> 3. Approved the consolidated financial statements for 2020Q3. 4. Approved the case of whether the major accounts of the company should be transferred to the capital loan for Q3, 2020. 5. Capital loan and extension from ASTP (ASUS subsidiary) to ASGL. 6. Approved the proposal on the "Self-Evaluation Evaluation of the Board of Directors". 7. Approved the proposal on the establishment of Corporate Governance Officer. 8. Amended the case through the company's "internal control system" and "internal audit system." 9. Approved the presentation of "2021 Annual Audit Plan."
Jan 20, 2021	<ol style="list-style-type: none"> 1. Project report of the Company's subsidiary JINSHUO CULTURAL DIFFUSION CO., LTD. 2. Approved on donating to the ASUS Foundation for 2020. 3. Approved the proposal on the 2019 year-end performance bonus distribution to managers.
Feb 4, 2021	Approved the strategic investment cooperation proposal between the Company and PORTWELL INC.
Mar 17, 2021	<ol style="list-style-type: none"> 1. Report on the performance and results of the performance evaluation of the board of directors and functional committees of the Company in 2020. 2. Approved the assessment of CPA's independence for 2020. 3. Approved the company and some subsidiaries' accountants' fiscal and tax signing public expense standards and changes 4. Approval of whether the company's major accounts should be transferred to capital loans for Q4, 2020. 5. Approved the proposal of the 2020 compensations to directors and employees. 6. Approved the annual business report and financial statement for 2020. 7. Approved the proposal on profit distribution of 2020. 8. Approved the proposal on the amendments to the "Articles of Association" of the Company. 9. Approved the proposal on the amendments to the "Rules for Election of Directors" of the Company. 10. Approved the matters of convening 2021 Shareholders' meeting. 11. Approved the lifting of restrictions on the non-compete clause of the Company's managers. 12. Approved the company's new bank "Foreign Exchange and Derivative Commodity Trading Quota" proposal 13. Approved the case of signing a bank loan contract and annual contract extension for the Company. 14. Approved the presentation of the "Statement of Internal Control System for 2020."

(XIII) Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: 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

Accounting Firm	Name of CPA		Period Covered by CPA's Audit	Remarks
PricewaterhouseCoopers, Taiwan	CHOU, CHIEN-HUNG	LIN, CHUN-YAO	Jan 1, 2020~ Dec 31, 2020	

Unit: NT\$ thousands

Fee Range		Fee Items	Auditing fee	Non-auditing fee	Total
1	Below 2,000 thousand				
2	2,000 thousands (included) ~4,000 thousand				
3	4,000 thousands (included) ~6,000 thousand				
4	6,000 thousands (included) ~8,000 thousand		V	V	
5	8,000 thousands (included) ~10,000 thousand				
6	Over 10,000 thousand (included)				V

- (I) The non-auditing fees paid to CPAs, CPA firm, and the CPA firm's related party accounted for over a quarter of the total auditing fees, the auditing amount and non-auditing amount; also, the non-auditing service must be disclosed:

CPA firm	Name of CPA	Audit fee	Non-auditing fees					Period Covered by CPA's Audit	Remarks
			System of Design	Company Registration	Human Resource	Others	Subtotal		
PricewaterhouseCoopers, Taiwan	CHOU, CHIEN-HUNG	7,800	0	71	70	6,372	6,513	Jan 1, 2020~ Dec 31, 2020	Non-audit fees: Other are international tax consulting for NT\$1,400 thousand, enterprise master file and country-by-country report for NT\$1,200 thousand, subsidiary financial information review for NT\$860 thousand, TIMM and management consulting for NT\$650 thousand, reinvestment business tax consulting for NT\$550 thousand, income tax law consultation for NT\$442 thousand, CSR report project for NT\$360 thousand, correction for profit-seeking enterprise income tax for NT\$350 thousand, subsidiary tax consultation NT\$460 thousand, and discontinued operations information review for NT\$100 thousand.
	LIN, CHUN-YAO								

- (II) In case the auditing fee paid in the year retaining service from another CPA Firm is less than the auditing fee paid in the year before, the amount of auditing fee before / after the change of CPA Firm and the reasons for the said change must be disclosed: None.
- (III) In case the auditing fee paid in the year retaining service from another CPA Firm is over 15% less than the auditing fee paid in the year before, the amount and ratio of auditing fee reduced and the reasons for the said change must 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, Supervisors, Department Heads and Shareholders of 10% Shareholding or More:

(1) Information on Net Change in Shareholding

Title	Name	2019		As of April 12, 2021	
		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	(402,000)	0	(114,000)	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	0	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	0	0	0	0
Corporate V.P.	Vincent Chiou	0	0	0	0
Chief Financial Officer	Nick Wu	0	0	0	0

Title	Name	2019		As of April 12, 2021	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Comptroller	Winnie Liu	0	0	0	0
Corporate Governance Officer	Francy Jeng (Note 1)	0	0	0	0

Note 1: New appointment since November 11, 2020, and the increase (decrease) in the number of shares held for in 2020 is calculated from the new appointment date.

Note 2: The parties involved in shares transfer or equity pledge are known as the related party and they must have the following forms filled out.

- (2) Information of shares transferred: There is no party involved in shares transfer known as the related party.
- (3) Information of equity pledged: There is no party involved in equity pledge known as the related party.

VIII. The Top-10 Shareholders and Information of Related Parties

Base Date: April 12, 2021

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees	
	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)	20,586,282	2.77	0	0	0	0	None	None
New Labor Pension Fund	16,283,140	2.19	0	0	0	0	None	None
Taiwan Bank managed Silchester International Investors International Value Equity Trust	13,899,000	1.87	0	0	0	0	None	None
Yuanta Taiwan High Dividend Fund Account	10,231,888	1.38	0	0	0	0	None	None
JP Morgan Chase Bank N.A. Taipei Branch in Custody for Saudi Arabian Monetary Agency	9,798,000	1.32	0	0	0	0	None	None

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees	
	Shares	%	Shares	%	Shares	%	Name	Relation
Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds	9,675,937	1.30	0	0	0	0	None	None
JPMorgan Chase Bank N.A. Taipei Branch in Custody for JPMorgan Securities Plc.	9,397,383	1.27	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	8,925,511	1.20	0	0	0	0	None	None

IX. Ownership of Shares in Affiliated Enterprises:

Total Shareholding Ratio

Base date: Dec.31.2020, 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
ASUS CLOUD CORPORATION	23,645,558	94.58			23,645,558	94.58
ONYX HEALTHCARE INC.	1,540,102	5.60	18,453,865	67.08	19,993,967	72.68
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	35.43	7,317,655	10.06	31,775,315	46.03
NEXT SYSTEM LIMITED	8,560,974	43.48			8,560,974	43.48
AAEON TECHNOLOGY INC.	43,756,000	29.47	16,718,000	11.26	60,474,000	40.73
UPI SEMICONDUCTOR CORP.	20,135,968	28.53	4,654,937	6.59	24,790,905	35.12
GAUUS 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
DEEP01 LIMITED	674,908	21.96			674,908	21.96
JOINT POWER EXPONENT, LTD.	1,040,000	10.40	960,000	9.60	2,000,000	20.00
JIE-LI TECHNOLOGY CO., LTD.	2,247,888	6.34	4,111,660	11.60	6,359,548	17.94
ASUS COMPUTER INTERNATIONAL	50,000	100.00			50,000	100.00
ASUS HOLLAND B. V.	3,000,000	100.00			3,000,000	100.00
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	830,001	100.00			830,001	100.00

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
INTERNATIONAL PTE. LTD.						
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 MIDDdle EAST FZCO			5	100.00	5	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
ASUSTEK COMPUTER (S) PTE. LTD.			20,002	100.00	20,002	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
ASUS COMPUTER CZECH REPUBLIC S. R. O.			-	100.00	-	100.00
ASUS CZECH SERVICE S.			-	100.00	-	100.00

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
R. O.						
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 MEXICO, S. A. DE C. V.			132	100.00	132	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.			50,000	100.00	50,000	100.00
LIMITED LIABILITY COMPANY A25			-	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	21.70	171,000,000	21.70
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
LEADING PROFIT CO., LTD.			50,050,000	100.00	50,050,000	100.00
UNI LEADER INTERNATIONAL LTD.			50,000	100.00	50,000	100.00
ASKEY COMMUNICATION GMBH			100,000	100.00	100,000	100.00
ASKEY DO BRASIL TECHNOLOGY LTDA.			3,200,000	100.00	3,200,000	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			-	100.00	-	100.00

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
(JIANGSU) LTD.						
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.			56,157,481	32.76	56,157,481	32.76
LITEMAX ELECTRONICS INC.			9,110,121	21.80	9,110,121	21.80
WINMATE INC.			14,163,000	19.54	14,163,000	19.54

Note: Company investment under Equity Method.

IV. Stock Subscription

I. Capital and shares

(1) History of capitalization

1. Type of shares

Base date: As of April 12, 2021 / 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 earning \$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 earning \$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 earning \$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. Self-registration system: None

(2) Status of shareholders

Status of Shareholders

Base date: As of April 12, 2021

Status of QTY shareholders	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	4	30	377	94,967	1,403	96,781
Shareholding (shares)	10	26,681,979	83,037,983	187,784,125	445,256,183	742,760,280
Percentage	0.00	3.59	11.18	25.28	59.95	100.00

(3) Shareholding Distribution Status

1. Common Shares

Base date: As of April 12, 2021

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1- 999	65,116	15,202,097	2.05
1,000- 5,000	27,319	46,769,010	6.30
5,001- 10,000	1,931	14,410,534	1.94
10,001- 15,000	645	8,087,618	1.09
15,001- 20,000	329	5,938,912	0.80
20,001- 30,000	338	8,568,357	1.15
30,001- 50,000	287	11,164,406	1.50
50,001- 100,000	237	17,352,027	2.34
100,001- 200,000	174	24,263,899	3.27
200,001- 400,000	141	39,986,091	5.38
400,001- 600,000	66	32,034,353	4.31
600,001- 800,000	35	23,969,738	3.23
800,001-1,000,000	25	22,015,747	2.96
Over 1,000,001	138	472,997,491	63.68
Total	96,781	742,760,280	100.00

2. Preferred Shares: None

(4) List of Major Shareholders

Base date: As of April 12, 2021

Shareholder's Name	Shareholding	Percentage (%)
Jonney Shih	30,093,638	4.05
Cathay United Bank managed Expert Union Limited Investment account	24,560,177	3.31

Shareholder's Name	Shareholding	Shareholding	Percentage (%)
ASUS's Certificate of Depository with CitiBank (Taiwan)		20,586,282	2.77%
New Labor Pension Fund		16,283,140	2.19%
Taiwan Bank managed Silchester International Investors International Value Equity Trust		13,899,000	1.87%
Yuanta Taiwan High Dividend Fund Account		10,231,888	1.38%
JP Morgan Chase Bank N.A. Taipei Branch in Custody for Saudi Arabian Monetary Agency		9,798,000	1.32%
Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds		9,675,937	1.30%
JPMorgan Chase Bank N.A. Taipei Branch in Custody for JPMorgan Securities Plc.		9,397,383	1.27%
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		8,925,511	1.20%

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

Unit: NT\$/Share

Fiscal year			2019	2020	As of March 31, 2021 (Note 9)
Item					
Market price per share (Note 1) (Note 3)	Highest Market Price		243.0	265.0	386
	Lowest Market Price		196.5	167.0	250.0
	Average Market Price		220.12	227.08	315.16
Net worth per share (Note 2)	Before Distribution		238.11	271.64	-
	After Distribution		224.11	(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	16.34	35.76	-
		After adjustment	16.34	(Note 8)	
Dividends per share	Cash dividends		14	(Note 8)	-
	Stock dividends	Dividends from Retained earnings	0	(Note 8)	-
		Dividends from Capital Surplus	0	(Note 8)	-
	Accumulated undistributed dividends (Note 4)		-	-	-
Analysis of return on investment	Price/Earning Ratio (Note 5)		13.47	6.35	-
	Price/Dividend Ratio (Note 6)		15.72	(Note 8)	-
	Cash dividends yield rate (Note 7)		6.36%	(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 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, 2021 were included in the report printed on April 12, 2021 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 2020, the net income after tax was NT\$26,557,672,270, the distributable surplus was NT\$23,885,757,040. After take into consideration of the unappropriated earnings of prior years of NT\$83,489,916,989, the total distributable surplus was NT\$107,375,674,029. The proposed distribution of shareholder dividends was NT\$19,311,767,280, which is NT\$26 per share and will be paid in cash.

(Please refer to the Company's 2020 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 2020

Unit: NT\$

Account	Amount	Note
Unappropriated earnings - beginning	83,489,916,989	
(+)2020 Net Income	26,557,672,270	
(-)Change in associates and joint ventures accounted for under equity method	(1)	

(-)Disposal of financial assets at fair value through other comprehensive	(17,942,225)	
(-)Appropriated 10% legal reserve	(2,653,973,004)	
2020 Distributable surplus	23,885,757,040	
Distributable earnings - current	107,375,674,029	
(-)Distributions :		
Shareholder bonus	19,311,767,280	NT\$26 per share
2020 Unappropriated earnings	4,573,989,760	
Unappropriated earnings - ending	88,063,906,749	

Note: Earnings distribution of the year is appropriated from the 2020 after-tax distributable earnings.

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

(8) Remuneration 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 2020

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

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

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.

- (3) Imputed EPS after taking into consideration the remuneration to be allocated to employees and directors: N/A, in order to deal with the expensed remuneration to employees, directors and supervisors.

4. The actual remuneration allocated to employees and directors actually in 2019:

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

	Amount (NT\$)
Remuneration to employees	906,785,935
Remuneration to directors	47,725,575

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

- (9) Purchase of Treasury stock in 2020: None.

II. Arrangement of corporate bond:

(I) Arrangement of corporate bond: None

(II) Convertible Bonds: None

(III) Information of CB: None

(IV) Self registration of CB: None

(V) Bond with stock option: None

III. Preferred stock (with stock option): None

IV. Issuance of global depository receipts:

GDR

Item	Date of issuance (process) May 30, 1997
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			4,680,830 GDRS (December 31, 2020)			
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\$)	2020	Highest	US\$ 46.82			
		Lowest	US\$ 28.09			
		Average	US\$ 38.55			
	As of April 12, 2021	Highest	US\$ 66.09			
		Lowest	US\$ 44.75			
		Average	US\$ 55.29			
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.

ASUS's major business is design, development and sales of 3C information products. For a number of 3C integrated products, ASUS is recognized by many domestic and international awards for the excellent quality and the original leading technologies in the industry. ASUS is a multinational company known for the world's best motherboards, PCs, monitors, graphics cards and routers. Along with an expanding range of superior gaming, content-creation and AIoT solutions, ASUS leads the industry through cutting-edge design and innovations made to create the most ubiquitous, intelligent, heartfelt and joyful smart life for everyone. With a global workforce that includes more than 5,000 R&D professionals, ASUS is driven to become the world's most admired innovative leading technology enterprise. Inspired by the In Search of Incredible brand spirit, ASUS won more than 11 awards every day in 2019 and ranks as one of Forbes' World's Best Regarded Companies and Fortune's World's Most Admired Companies.

ASUS's core business is PC-related products. In 2020, 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. Smartphone
- d. High performance Ultrabook
- e. Duel ScreenPad Plus
- f. Creator ProArt Laptop
- g. High-speed router / Network switch / Firewall / VPN
- h. New-generation advanced server
- i. Professional Gaming LED display & PC
- j. Chrome OS devices
- k. AIoT Solution (Smart Manufacturing, Smart Healthcare, Smart Retail)

In 2021, 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 outperform the industry with the board and open platform product lines. ROG and all e-sports-related products, along with the expansion of the e-sports industry and e-sports 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

e-sports users and expert users; Establish market leading position and brand value for 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”

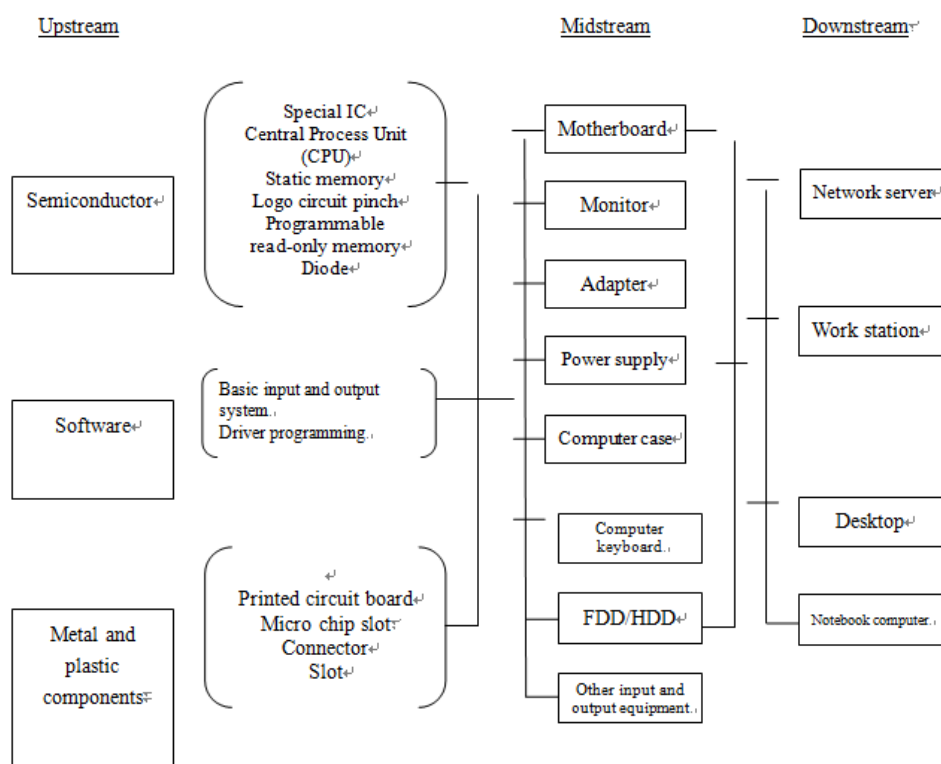
(II) Industry Overview

1. Progress and development of the industry:

The market of thin & light laptop computers has expanded increasingly. The emerging digital content and multimedia entertainment industries as well as the needs of the PC game players drive the demand for 3D multimedia and high-performance video & 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 upper-stream, mid-stream, and down-stream of the industry, the upper-stream 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.). Mid-stream industry includes optoelectronic (monitor, LCD, etc.), electronic parts (motherboard, VGA, etc.), and computer peripherals (computer case, mouse, keyboard, etc.). Down-stream industry includes table-top computers and notebook computers.



3. Product development trends:

Cloud computing generally means that the user connects from a terminal to a remote

server 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 automatic equipment brand-new in types 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 property, connection capability and service depth, and provide the user with ultimate application experience.

4. Competition:

The pandemic in 2020 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 competitors and win mindshare. In 2020, ASUS's Gaming notebooks grow significantly better 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 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. ASUS R&D expense of NTD 11.2 billion for 2020; consolidated R&D expense is NTD 16.9 billion for 2020. R&D budget in 2021 is NT\$15~16 billion.

ASUS continues to invest in research and development resources in new-style computer products, such as computers for Gaming notebooks, Creator ProArt notebooks, Commercial notebooks and Chrome OS new type of computing device. ASUS has also launched a number of new applications based on design thinking that integrate software, hardware and AI technology, such as the three smart applications of motherboards "AI Overclocking," "AI Cooling," and "AI Networking"; laptops "ScreenPad Plus" multitasking extension touch screen; the "Armoury Crate" of gaming products for integration and optimization of control software; "Aura Sync" to synchronize lighting effects; defect detection solutions in the field of smart manufacturing; ICD 10 smart coding for the smart medical care field; AI image diagnosis; smart wearable devices, handheld ultrasound and other smart health solutions. In terms of enhancing the core capabilities of e-sports computers, ASUS leads the industry, to introduce the LCD display with refresh rate of 144 Hz/3 millisecond response time, as well as originally created the active aerodynamic system (AAS) cooling technology, to launch the most powerful compact e-sports notebooks in the market. Enhancing consumer experience and creating consumer value are the core spirits of ASUS, via the partnership with the giant in the game industry, Activision, ASUS co-develops the game lighting effects that enhance the player experience, as well as the 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.

The specific product in the recent year:

R&D planned in 2021:

- a. Digital control wireless transmission technology CPU MB
- b. Advanced 3D graphics cards
- c. Smartphone
- d. High performance Ultrabook
- e. Dual ScreenPad Plus
- f. Creator ProArt Laptop
- g. High-speed router / network switch / firewall / VPN
- h. New-generation advanced server
- i. Professional gaming LED display & PC
- j. Chrome OS devices
- k. AIoT Solution (Smart Manufacturing, Smart Healthcare, Smart Retail)

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

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		2020	
	Subtotal	Total	Subtotal	Total
Sales to TW		21,641,747		21,419,537
Sales to region outside of Taiwan	81,150,793	346,827,690	107,573,633	395,773,510
America	154,106,998		162,267,972	
Asia Pacific / Oceania	109,390,552		123,254,852	
Europe	2,179,347		2,677,053	
Africa				
Net sales		368,469,437		417,193,047
(-) Revenue from contracts with customers from discontinued operations		(17,138,944)		(4,412,608)
Total		351,330,493		412,780,439

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, leading ahead of the others in the same trade absolutely.

(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 consumer laptop computer suppliers and constantly leads the industry in terms of product innovation, attaining high brand value and consumer recognition. The 2020 research institute estimated the shipment of ASUS consumer laptop computers to take about 12% 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 ROG Phone and Zenfone in the smartphone market has 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 e-sports notebook, compact notebooks, and content creation notebooks, 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 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 have the leading positions in each product line, and is the No. 1 in terms of the global market share of the motherboards. In terms of notebooks, it won the first place in Taiwan and Southeast Asia (Indonesia, Malaysia, Thailand, Vietnam). ASUS has also achieved good performance in other regions, making it the third largest consumer notebook computer in the world. According to research institutions, the ASUS High-end gaming notebooks has the No.1 market share in the world in 2020, with better growth than 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 notebooks, 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 → assembling → system test

(III) Supply of major raw materials:

Major raw materials	Suppliers
Chips	AMD, Intel, Nvidia, Qualcomm
Memory	Samsung, SK Hynix, Micron, Western Digital
Logic IC	Newland, RT, RICHTEK, ASMedia
PCB	HSB, WUS, Nova, SUNFLEX
LCD	AUO, INX, BOE, Samsung, LGD, TIANMA

Most of the aforementioned manufacturers have been doing business with ASUS for years.

(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	2019				2020				2021Q1 (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	57,437,182	21	None	F Suppliers	65,007,110	20	None				
	Others	212,679,376	79		Others	261,986,017	80					
	Net purchase amount	270,116,558	100		Net purchase amount	326,993,127	100					

Note 1: The 2021Q1 financial statements audited by the CPA were not yet available up to the print of annual report on April 12, 2021.

Note 2: Causes of increase and decrease: The major suppliers of the ASUS Group did not change substantially in 2020 and 2019.

2. Major Customers of the last two fiscal years:

The sales income of one customer from the consolidated company between 2020 and 2019 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	2019				2020			
	Domestic Sales		Export Sales		Domestic Sales		Export Sales	
	QTY	Amount	QTY	Amount	QTY	Amount	QTY	Amount
IT products	2,884,810	19,077,441	45,874,113	261,202,955	2,564,496	17,961,657	52,708,253	308,817,768
Others	-	743,740	-	3,256,915	-	671,130	-	2,518,537
Total	-	19,821,181	-	264,459,870	-	18,632,787	-	311,336,305

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 12, 2021

Year		2019	2020	As of April 12, 2021
Employee	Direct Labor	0	0	0
	Indirect labor	5,831	6,396	6,433
	Total	5,831	6,396	6,433
Average age		35.8	36	36.1
Average years of service		7	7.1	7.2
Education (%)	Ph. D.	0.65%	0.59%	0.58%
	Masters	56.32%	56.25%	56.38%
	College /University	40.13%	40.6%	40.57%
	Senior High School	2.64%	2.33%	2.24%
	Junior High School and below	0.26%	0.23%	0.23%

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 2020 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

ASUS has years of experience in cultivating talents in accordance with operating concepts of “cultivation, cherishment, caring for employees, and helping ASUS fellows reaching their potential;” moreover, ASUS has a profound operating model setup in education and training and with excellent internal tradition formed. The talents cultivation and development is illustrated as follows:

1. Personal development plan

ASUS fully promotes the “Individual Development Plan,” where employees can take into account actual project tasks, improvement of professional skills, and personalized learning lessons to increase work commitment and satisfaction. At the same time, it helps supervisors check their teams’ strength, prepare according to the needs of the organization and improve the abilities of workers to achieve departmental goals. Supervisors adhere to the principle of “Teaching based on aptitude” to plan employees’ individual development plans based on their performance and career development and the organizational ASUS DNA and functions required for each level after discussions with employees, so that the training and development can be more personalized, systematic and effective, enabling employees to elaborate on their potential. In 2020, a total of 5,972 people from the HQ participated in the IDP. The planned rate was 74.85%, and the rate of completion was 85.39%. The development methods were diverse, with OJT accounting for 58%, Off-JT at 22% and SD at 20%. The personal development flow chart is shown as follows:

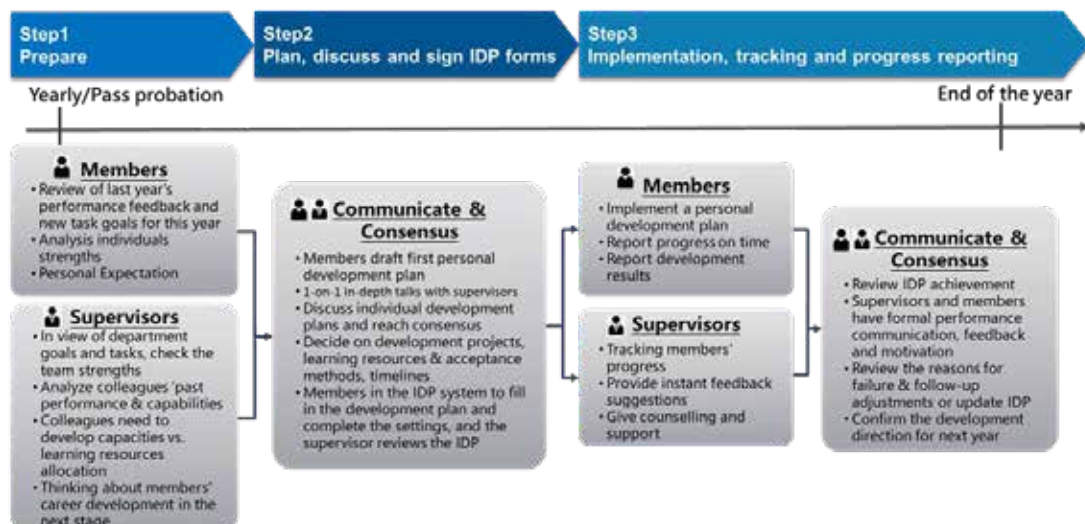


Figure 1: Personal development plan flow chart

2. Diversified learning resources

Talents are the key to the success of an enterprise. ASUS has never taken it light in terms of talents training. The mission of ASUS is to help each worker learn and grow

at work continuously; also, to exercise their potentials to the extreme. ASUS has a series of training course and learning resources planned for the staffs taking as a whole. The training course included orientation, newly promoted directors training, core value training, management functions training, and professional competence training. In addition to the internal training courses, external training courses, on-job training, and self-development training are also available.

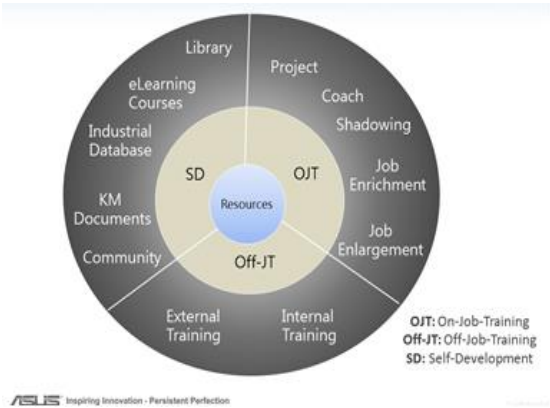


Figure2: Diversify Learning & Development Resources

(1) Internal training courses - Management and core vocational training (including generality seminar)

AUSU plans comprehensive learning blueprint for each employee to help build up their occupational competence. Annual management training program including junior management training and management competency training in all level is to help the management upgrade managing ability systematically and exercise management effectiveness. Plan core value training courses to help staff generate ASUS DNA and upgrade staff’s work skills and performance. The average cumulative training hours of each employee in management and core value was 4.29 hours in 2020. The actual expenses of included the learning management system and classroom equipment costs of NT\$455,000. And the classroom/E-learning courses costs of NT\$10,559,562. The total amount was NT\$11,014,562. The result of training is as below:

Course Type	Course	Cumulative Hours (hr.)	Cumulative attendance times	Expense (NTD)
Classroom	93	447.5	4,436	\$9,188,262
E-learning	93	89.98	24,649	\$1,371,300
Total	186	537.48	29,085	\$10,559,562

(2) Internal training courses - Professional training

ASUS has new recruits trained with various professional and practical courses to help them adapt to working culture and accumulate professional skills in width and depth. Professional training courses arranged by each department in 2020 included 668 courses. The expenses produced due to professional training provided by each department were amounted up to NT\$269,817 in 2020.



Figure 3: Internal Training Course

(3) Self-learning development resources

For the purpose of encouraging staffs for independent study, ASUS provides various learning resources for independent development, such as, ASUS Library, industry database, E-Book, document sharing, and community discussion of diverse topics. Build up colleague's active learning and personal capability and positive work attitude and sense of value. ASUS library, MP talking book, and VCD / DVD are 773 items in total in 2020. The costs of self - learning development resource is NT\$1,852,156.

(4) On-job training

Directors have on-the-job training arranged in accordance with the mission assigned and personal development added it with the participating in the projects, coaching, internship, job enlargement, and job enrichment to upgrade employee's competence. Let employees learn from daily operation systematically and apply the learned skills to work. Directors have 4,191 on-job training programs planned and arranged in 2020, representing 56.38% of development plan for personal development plan.

(5) External training

In addition to the internal training courses planned in accordance with the demands of the staff taking as a whole, employees are assigned to be trained externally in response to the demand of each individual in order to upgrade the professional ability needed for performing the task. ASUS grants employees financial support for the external training courses related to their job performance. ASUS had 284 external training courses arranged in 2020 with NT\$1,397,931 granted as follows:

Item	Course	Expense (NTD)
Professional	193	\$986,596
Management	19	\$47,815
Language	22	\$199,530
Others	50	\$163,990
Total	284	\$1,397,931

The overall investment amount for training in 2019 is as follow (HQ):

Item	Fee (NTD)
Internal training courses - Management and core value training (Classroom/Online Course)	\$10,559,562

Internal training courses - Professional training	\$ 269,817
Learning management system and training classroom equipment	\$ 455,000
Self-development learning resources	\$ 1,852,156
External training	\$ 1,397,931
Total	\$14,534,466

(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 management is 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:

1. Establish occupational health and safety management department
The Company has established the dedicated health and safety personnel pursuant to laws and regulations, in charge of the planning, execution, audit and improvement for the o company personnel, environmental and occupational safety and health management systems.
2. Regular implementation of environment aspects and risk assessment
Through annual environmental considerations and risk assessments for safety and health, the potential risks are identified for workers and the environment, and with the improvement and prevention, it is sought to reduce accidents.
3. Regular occupational health and safety management training and physical examination
To ensure the safety of the employee and environment, we hold regular occupational health and safety management training for employees and contractors. We designate managers for the employee who engages in special operations, conduct environmental monitoring, and arrange physical (health) examination for these employees in accordance with the laws to ensure their health and safety.

4. Fire management and emergency response training

Besides preparing fire protection plans and reporting for safety inspection in accordance with the laws, every six months we provide emergency response training to improve the emergency response ability of the workers and contractors.

5. Regular operational environment testing implementation

The Company formulates operational environment testing sampling plans and entrusts qualified firms to conduct tests and posts the testing result in obvious places. If there is any abnormality, list it as the goal for improvement of the safety and health.

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, pregnant women's safety and health, 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, the establishment of management systems for health, abnormal work overload and maternity health have been completed consecutively for effective control over high-risk groups and prevention against occupational disease.

7. The Company establishes EAP psychological consultation service hotline to provide consultation services for employees in terms of work, life and health, implementing the management philosophy of "cultivation, cherish and care for employees."

8. Honored by 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, which was 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

VI. Major agreements:

April 12, 2021

Contract Property	Affiliated Person	Start/Expiration date of Contract	Content	Restrictions
Credit Contracts	Australia and New Zealand Banking Group Limited	From Dec 9, 2020 to modify or terminate the contract	Unsecured loan, totaling NT\$80 million	N/A
Credit Contracts	Taiwan Cooperative Bank	Aug 20, 2020 ~ May 18, 2021	Unsecured loan, totaling NT\$1 billion	N/A
Credit Contracts	Taipei Fubon Bank	Sep 24, 2020 ~ Jul 28, 2021	Unsecured loan, totaling NT\$2 billion	N/A
Credit Contracts	Mega International Commercial Bank	Aug 17, 2020 ~ Aug 16, 2021	Unsecured loan, totaling NT\$3 billion	N/A
Credit Contracts	The Shanghai Commercial & Savings Bank, Ltd.	Aug 16, 2020 ~ Aug 15, 2021	Unsecured loan, totaling NT\$1 billion and USD 40 million	N/A

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 2)					As of April 12, 2021
		2017	2018	2019	2020	2021	
Current Assets		273,972,099	257,588,380	254,924,246	240,183,814	260,584,730	(Note 3)
Property, plant and equipment		13,743,767	15,250,476	16,733,866	22,354,443	21,022,891	
Intangible Assets		1,898,724	1,953,183	2,071,736	2,181,855	2,182,446	
Other Assets		74,605,336	70,099,130	68,436,028	87,283,999	112,724,649	
Total Assets		364,219,926	344,891,169	342,165,876	352,004,111	396,514,716	
Current Liabilities	Before allocation	168,496,912	153,886,173	162,689,625	154,518,625	166,172,007	
	After allocation	181,123,837	165,027,577	173,831,029	164,917,269	(Note 1)	
Total non-current liabilities		11,505,800	12,330,693	11,784,327	14,198,694	15,701,158	
Total Liabilities	Before allocation	180,002,712	166,216,866	174,473,952	168,717,319	181,873,165	
	After allocation	192,629,637	177,358,270	185,615,356	179,115,963	(Note 1)	
Share capital		7,427,603	7,427,603	7,427,603	7,427,603	7,427,603	
Capital surplus		5,079,722	5,554,197	6,299,430	6,297,000	9,784,103	
Retained earnings	Before allocation	125,934,543	133,995,876	136,913,856	130,233,968	147,344,480	
	After allocation	121,368,951	125,772,452	119,092,564	120,804,750	(Note 1)	
Other Equity		34,982,282	25,248,529	17,404,000	31,932,043	37,208,330	
Treasury shares		-	-	-	-	-	
Non-controlling interest		2,731,731	3,530,118	6,326,923	6,426,752	12,877,035	
Total Equity	Before allocation	184,217,214	178,674,303	167,691,924	183,286,792	214,641,551	
	After allocation	171,590,289	167,532,899	156,550,520	172,888,148	(Note 1)	

Note 1: General shareholders meeting has not yet been summoned up to April 12, 2021; therefore, the amount after adjustment is not disclosed.

Note 2: The above financial information for each year was audited by CPA.

Note 3: The 2021Q1 financial statements have not yet been audited by CPA up to the date of the report printed on April 12, 2021.

Condensed statements of comprehensive income (consolidated)

Unit: NT\$ thousands

Year Item	Financial information in the past five years (Note 1)					As of April 12, 2021
	2016	2017	2018	2019	2020	
Operating revenue	466,802,706	386,418,859	354,187,665	351,330,493	412,780,439	(Note 2)
Gross Profit	66,227,367	54,902,250	52,014,276	53,488,118	73,210,173	
Operating Income	18,751,955	17,284,892	16,975,634	11,616,692	24,957,063	
Non-operating Income and Expenses	5,529,994	6,435,902	4,010,083	7,687,459	8,162,975	
Profit before income tax	24,281,949	23,720,794	20,985,717	19,304,151	33,120,038	
Income (Losses) from Continuing Operations for the year	19,618,404	19,556,284	17,342,299	15,210,129	25,802,857	
Losses from Discontinued Operations	-	(3,516,290)	(12,069,803)	(2,195,100)	2,584,021	
Profit for the year (Losses)	19,618,404	16,039,994	5,272,496	13,015,029	28,386,878	
Other comprehensive income for the year (Net of income tax)	5,708,881	(9,749,918)	(7,613,160)	14,518,543	6,055,576	
Total comprehensive income for the year	25,327,285	6,290,076	(2,340,664)	27,533,572	34,442,454	
Profit attributable to shareholders of the parent	19,202,737	15,544,905	4,235,036	12,138,555	26,557,672	
Profit attributable to Non-controlling interests	415,667	495,089	1,037,460	876,474	1,829,206	
Total comprehensive income attributable to shareholders of the parent	24,914,879	5,811,152	(3,346,590)	26,666,598	31,833,959	
Total comprehensive income attributable to Non-controlling interests	412,406	478,924	1,005,926	866,974	2,608,495	
Earnings per share (non-retroactive)	25.85	20.93	5.70	16.34	35.76	

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

Note 2: The 2021Q1 financial statements have not yet been audited by CPA up to the date of the report printed on April 12, 2021.

(II) Condensed balance sheets (separate)

Unit: NT\$ thousands

Year Item		Financial information in the past five years (Note 2)					As of April 12, 2021
		2016	2017	2018	2019	2020	
Current Assets		137,328,384	114,259,033	108,263,861	101,725,411	108,269,180	(Note 3)
Property, plant and equipment		7,008,339	7,431,227	9,041,080	11,851,468	12,284,243	
Intangible Assets		191,765	115,992	113,635	90,479	242,070	
Other Assets		137,888,365	137,492,255	133,165,955	151,366,338	170,199,844	
Total Assets		282,416,853	259,298,507	250,584,531	265,033,696	290,995,337	
Current Liabilities	Before allocation	89,805,339	72,510,647	77,519,048	73,526,095	74,647,706	
	After allocation	102,432,264	83,652,051	88,660,452	83,924,739	(Note 1)	
Total non-current liabilities		11,126,031	11,643,675	11,700,482	14,647,561	14,583,115	
Total Liabilities	Before allocation	100,931,370	84,154,322	89,219,530	88,173,656	89,230,821	
	After allocation	113,558,295	95,295,726	100,360,934	98,572,300	(Note 1)	
Share capital		7,427,603	7,427,603	7,427,603	7,427,603	7,427,603	
Capital surplus		5,079,722	5,554,197	6,299,430	6,297,000	9,784,103	
Retained earnings	Before allocation	133,995,876	136,913,856	130,233,968	131,203,394	147,344,480	
	After allocation	121,368,951	125,772,452	119,092,564	120,804,750	(Note 1)	
Other Equity		34,982,282	25,248,529	17,404,000	31,932,043	37,208,330	
Treasury shares		-	-	-	-	-	
Total Equity	Before allocation	181,485,483	175,144,185	161,365,001	176,860,040	201,764,516	
	After allocation	168,858,558	164,002,781	150,223,597	166,461,396	(Note 1)	

Note 1: General shareholders meeting has not yet been summoned up to April 12, 2021; therefore, the amount after adjustment is not disclosed

Note 2: The above financial information for each year was audited by CPA.

Note 3: The 2021Q1 financial statements have not yet been audited by CPA up to the date of the report printed on April 12, 2021.

Condensed statements of comprehensive income (separate)

Unit: NT\$ thousands

Item \ Year	Financial information in the past five years (Note 1)					As of April 12, 2021
	2016	2017	2018	2019	2020	
Operating revenue	360,595,685	300,429,666	273,282,876	274,303,772	328,664,005	(Note 2)
Realized gross profit	22,662,633	19,928,677	18,154,704	18,739,717	29,470,078	
Operating Income	9,080,820	8,576,620	8,904,342	4,730,162	11,915,457	
Non-operating Income and Expenses	13,420,744	12,841,875	9,345,784	12,603,188	16,037,054	
Profit before tax	22,501,564	21,418,495	18,250,126	17,333,350	27,952,511	
Income (Losses) from Continuing Operations for the year	19,202,737	19,061,195	16,304,839	14,333,655	23,973,651	
Losses from Discontinued Operations	-	(3,516,290)	(12,069,803)	(2,195,100)	2,584,021	
Profit for the year	19,202,737	15,544,905	4,235,036	12,138,555	26,557,672	
Other comprehensive income for the year (Net of income tax)	5,712,142	(9,733,753)	(7,581,626)	14,528,043	5,276,287	
Total comprehensive income for the year	24,914,879	5,811,152	(3,346,590)	26,666,598	31,833,959	
Earnings per share (non-retroactive)	25.85	20.93	5.70	16.34	35.76	

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

Note 2: The 2021Q1 financial statements have not yet been audited by CPA up to the date of the report printed on April 12, 2021.

(III) Auditing by CPAs

CPAs and their auditing opinions in the past five years

Auditing Year	CPAs	Opinions
2016	Chou Tseng Hui-Chin, CHANG, MING-HUI	Modified unqualified
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

II. Financial analysis in the past five years

(I) Financial analysis for consolidated report

<div>Year (Note 1)</div> <div>Item (Note 3)</div>		Financial analysis in the past five years					As of April 11, 2020
		2016	2017 (Note 8)	2018	2019	2020	
Financial structure (%)	Ratio of liabilities to assets	49.42	48.19	50.99	47.93	45.87	(Note 2)
	Ratio of long-term capital to Property, plant and equipment	1,424.09	1,252.45	1,072.53	883.43	1,095.68	
Solvency	Current ratio (%)	162.60	167.39	156.69	155.44	156.82	
	Quick ratio (%)	107.33	108.38	95.01	101.85	93.33	
	Times interest earned	389.85	114.93	35.65	102.98	215.56	
Operating ability	Account receivable turnover (times)	5.37	4.96	4.10	4.46	5.52	
	Days sales in accounts receivable	67.97	73.58	89.02	81.83	66.12	
	Inventory turnover (times)	3.60	3.73	2.90	3.00	3.47	
	Account payable turnover (times)	6.06	5.76	4.97	4.80	5.93	
	Average days in sales	101.38	97.85	125.86	121.66	105.18	
	Property, plant and equipment turnover (times)	40.97	29.93	22.15	17.98	19.03	
	Total assets turnover (times)	1.34	1.22	1.03	1.01	1.10	
Profitability	Ratio of return on total assets (%)	5.64	4.56	1.60	3.79	7.62	
	Ratio of return on equity (%)	11.09	8.84	3.04	7.42	14.27	
	Ratio of profit before tax to Paid-in capital (%) (Note 7)	326.92	268.78	120.04	230.34	480.69	
	Profit ratio (%)	4.20	3.70	1.49	3.70	6.88	
	Earnings per share (\$) (non-retroactive)	25.85	20.93	5.70	16.34	35.76	
Cash flow (%)	Cash flow ratio	29.26	(0.90)	3.18	22.86	(1.26)	
	Cash flow adequacy ratio	90.54	86.40	58.32	79.66	71.00	
	Cash reinvestment ratio	18.33	(6.91)	(3.15)	11.60	(5.14)	
Leverage	Degree of operating leverage	3.19	4.54	3.05	4.83	3.16	
	Degree of financial leverage	1.00	1.01	1.02	1.01	1.01	

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

Long-term fund to property, plant and equipment ratio: The ratio increased due to the increase in total equity this year.

Times interest earned: Increased due to the increase in the pre-tax net profit (including discontinued operations) of the year.

Accounts receivable turnover ratio: Went up due to the increase in net sales of the year.

Accounts payable turnover ratio: Went up due to the increase in the cost of goods sold of the year.

Return on total assets: Increased due to the increase in the after-tax net profit (including discontinued operations) of the year.

Return on equity: Increased due to the increase in the after-tax net profit (including discontinued operations) of the year.

Pre-tax income to paid-in capital (%): Increased due to the pre-tax net profit (including discontinued operations) of the year.

Profit margin: Increased due to the after-tax net profit (including discontinued operations) is greater than that of the operating income.

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 decreased during the year, resulting in a decrease in the cash flow ratio.

Cash reinvestment ratio: The cash inflow from operating activities decreased during the year, resulting in a decrease in the cash reinvestment ratio.

Operating leverage: Decreased due to the increase in the operating profit this year.

(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					As of April 12, 2021
		2016	2017 (Note 8)	2018	2019	2020	
Financial structure (%)	Ratio of liabilities to assets	35.74	32.45	35.60	33.27	30.66	(Note 2)
	Ratio of long-term capital to Property, plant and equipment	2,748.32	2,513.55	1,914.21	1,615.90	1,761.18	
Solvency	Current ratio (%)	152.92	157.58	139.66	138.35	145.04	
	Quick ratio (%)	115.37	111.11	87.40	93.75	77.49	
	Times interest earned	202,717.79	76,318.04	2,427.51	6,816.96	64,697.04	
Operating ability	Account receivable turnover (times)	4.03	3.96	4.04	4.46	6.80	
	Days sales in accounts receivable	90.57	92.17	90.34	81.83	53.67	
	Inventory turnover (times)	8.44	9.14	6.31	6.10	6.69	
	Account payable turnover (times)	5.99	5.73	5.18	4.87	6.01	
	Average days in sales	43.24	39.93	57.84	59.83	54.55	
	Property, plant and equipment turnover (times)	70.95	46.52	33.18	26.26	27.23	
	Total assets turnover (times)	1.33	1.24	1.07	1.06	1.18	
Profitability	Ratio of return on total assets (%)	7.09	5.74	1.66	4.71	9.55	
	Ratio of return on equity (%)	11.01	8.72	2.52	7.18	14.03	
	Ratio of profit before tax to Paid-in capital (%) (Note 7)	302.95	236.32	83.21	203.81	411.12	
	Profit ratio (%)	5.33	4.63	1.55	4.43	8.08	
	Earnings per share (\$) (non-retroactive))	25.85	20.93	5.70	16.34	35.76	
Cash flow	Cash flow ratio	13.57	11.86	14.78	16.98	9.45	
	Cash flow adequacy ratio	46.69	42.01	35.03	41.88	51.48	
	Cash reinvestment ratio	0.53	(2.11)	0.18	0.69	(1.53)	
Leverage	Degree of operating leverage	1.95	2.31	1.43	3.36	1.77	
	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:

Times interest earned: Increased due to the increase in the pre-tax net profit (including discontinued operations) of the year.

Accounts receivable turnover ratio: Went up due to the increase in net sales and the decrease in average accounts receivable during the year.

Days sales outstanding: Decreased due to the increase in the receivable turnover ratio during the year.

Accounts payable turnover ratio: Went up due to the increase in the cost of goods sold of the year.

Return on total assets: Increased due to the increase in the after-tax net profit (including discontinued operations) of the year.

Return on equity: Increased due to the increase in the after-tax net profit (including discontinued operations) of the year.

Pre-tax income to paid-in capital (%): Increased due to the pre-tax net profit (including discontinued operations) of the year.

Profit margin: Increased due to the after-tax net profit (including discontinued operations) is greater than that of the operating income.

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 decreased during the year, resulting in a decrease in the cash flow ratio.

Cash flow adequacy rate: The net cash inflow from operating activities increased in the recent five years, resulting in an increase in the cash adequacy flow rate.

Cash reinvestment ratio: The cash inflow from operating activities decreased during the year, resulting in a decrease in the cash reinvestment ratio.

Operating leverage: Decreased due to the increase in the operating profit this year.

Note 1: The financial information is audited by CPA.

Note 2: The 2021Q1 financial statements have not yet been audited by CPA up to the date of the report printed on April 12, 2021.

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: Include discontinued operations.

III. Audit Committee's review report of 2020

Audit Committee's Review Report of ASUSTeK Computer Inc.

The Board of Directors has prepared the ASUSTeK Computer Inc. ("the Company") 2020 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 17, 2021

IV. Consolidated Financial Statements and Report of Independent Accountants of the parent company and subsidiaries in the most recent years: Please refer to Page 182-281 for details.

V. Separate Financial Statements and Report of Independent Accountants in the most recent years: Please refer to Page 282-352 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	2020	2019	Difference	
			Amount	%
Current assets	260,584,730	240,183,814	20,400,916	8.49
Property, plant and equipment	21,022,891	22,354,443	(1,331,552)	(5.96)
Long-term investment, intangible assets and other assets	114,907,095	89,465,854	25,441,241	28.44
Total assets	396,514,716	352,004,111	44,510,605	12.64
Current liabilities	166,172,007	154,518,625	11,653,382	7.54
Non-current liabilities	15,701,158	14,198,694	1,502,464	10.58
Total liabilities	181,873,165	168,717,319	13,155,846	7.80
Share capital	7,427,603	7,427,603	-	-
Capital surplus	9,784,103	6,297,000	3,487,103	55.38
Retained earnings	147,344,480	131,203,394	16,141,086	12.30
Other equity	37,208,330	31,932,043	5,276,287	16.52
Total equity attributable to shareholders of the parent	201,764,516	176,860,040	24,904,476	14.08
Total equity	214,641,551	183,286,792	31,354,759	17.11
Analysis of financial ratio change:				
Long-term investment, intangible assets and other assets: Increase in investments accounted for using equity method during the period.				
Capital surplus: Increase in changes in ownership interests in subsidiaries recognized of the period.				

Separate Comparison of Financial Position

Unit: NT\$ thousands

Item \ Year	2020	2019	Difference	
			Amount	%
Current assets	108,269,180	101,725,411	6,543,769	6.43
Property, plant and equipment	12,284,243	11,851,468	432,775	3.65
Long-term investment, intangible assets and other assets	170,441,914	151,456,817	18,985,097	12.53
Total assets	290,995,337	265,033,696	25,961,641	9.80
Current liabilities	74,647,706	73,526,095	1,121,611	1.53
Non-current liabilities	14,583,115	14,647,561	(64,446)	(0.44)
Total liabilities	89,230,821	88,173,656	1,057,165	1.20
Share capital	7,427,603	7,427,603	-	-
Capital surplus	9,784,103	6,297,000	3,487,103	55.38
Retained earnings	147,344,480	131,203,394	16,141,086	12.30
Other equity	37,208,330	31,932,043	5,276,287	16.52
Total equity	201,764,516	176,860,040	24,904,476	14.08
Analysis of financial ratio change: Capital surplus: Increase in changes in ownership interests in subsidiaries recognized of the period.				

II. Business performance

(I) Consolidated Comparison of Business Performance

Unit: NT\$ thousands

Item	2020	2019	Amount change	Ratio change (%)
Operating revenues	\$412,780,439	\$351,330,493	\$61,449,946	17.49
Operating costs	(339,554,721)	(297,842,375)	(41,712,346)	14.00
Gross profit	73,225,718	53,488,118	19,737,600	36.90
Unrealized sales benefit	(15,545)	-	(15,545)	-
Net operating profit	73,210,173	53,488,118	19,722,055	36.87
Operating expenses	(48,253,110)	(41,871,426)	(6,381,684)	15.24
Operating profit	24,957,063	11,616,692	13,340,371	114.84
Non-operating income and expenses				
Interest income	639,852	1,310,091	(670,239)	(51.16)
Other income	3,023,137	2,483,358	539,779	21.74
Other gains (losses)	4,019,102	4,022,275	(3,173)	(0.08)
Finance costs	(166,409)	(167,762)	1,353	(0.81)
Share of profit of associates and joint ventures accounted for under equity method	647,293	39,497	607,796	1,538.84
Total non-operating income and expenses	8,162,975	7,687,459	475,516	6.19
Profit before income tax	33,120,038	19,304,151	13,815,887	71.57
Income tax expenses	(7,317,181)	(4,094,022)	(3,223,159)	78.73
Profit from continuing operations for the period	25,802,857	15,210,129	10,592,728	69.64
Profit from discontinuing operations for the period	2,584,021	(2,195,100)	4,779,121	(217.72)
Profit for the year	\$28,386,878	\$13,015,029	\$15,371,849	118.11
Other comprehensive income (loss)				
Components of other comprehensive income that will not be reclassified to profit or loss				
Remeasurements of defined benefit plan	(\$25,556)	(\$13,840)	(\$11,716)	84.65
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	8,671,271	16,934,513	(8,263,242)	(48.80)
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	1,770,567	1,663	1,768,904	106,368.25

Item	2020	2019	Amount change	Ratio change (%)
Income tax relating to the components of other comprehensive income	(21,171)	(9,520)	(11,651)	122.38
Components of other comprehensive income that will be reclassified to profit or loss				
Financial statements translation differences of foreign operations	(4,372,649)	(2,252,810)	(2,119,839)	94.10
Gains (losses) on hedging instrument	(503,550)	(586,752)	83,202	(14.18)
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	(341,112)	(2,245)	(338,867)	15,094.30
Income tax relating to the components of other comprehensive income	877,776	447,534	430,242	96.14
Other comprehensive income (loss) for the year	\$6,055,576	\$14,518,543	(\$8,462,967)	(58.29)
Total comprehensive income for the year	\$34,442,454	\$27,533,572	\$ 6,908,882	25.09
Profit attributable to: shareholders of the parent	\$26,557,672	\$12,138,555	\$14,419,117	118.79
Total comprehensive income attributable to: shareholders of the parent	\$31,833,959	\$26,666,598	\$ 5,167,361	19.38
<p>Analysis of financial ratio change:</p> <p>1. Operating profit: Mainly due to the increase in operating income this year.</p> <p>2. Net profit (loss) of discontinued operations: Mainly due to the decrease in operating costs of discontinued operations during the current period.</p> <p>3. Other comprehensive profit or loss: Due to the decrease in the recognition of unrealized losses of equity instruments measured at fair value through other comprehensive profit or loss.</p>				

Separate Comparison of Business Performance

Unit: NT\$ thousands

Item	2020	2019	Amount change	Ratio change (%)
Operating revenue	\$328,664,005	\$274,303,772	\$ 54,360,233	19.82
Operating costs	(299,827,531)	(252,686,275)	(47,141,256)	18.66
Gross profit	28,836,474	21,617,497	7,218,977	33.39
Unrealized profit from sales	633,604	(2,877,780)	3,511,384	(122.02)
Realized Gross profit	29,470,078	18,739,717	10,730,361	57.26
Operating expenses	(17,554,621)	(14,009,555)	(3,545,066)	25.30
Operating profit	11,915,457	4,730,162	7,185,295	151.90
Non-operating income and expenses				
利息收入	25,351	35,639	(10,288)	(28.87)
Other income	2,975,245	2,429,352	545,893	22.47
Other gains (losses)	2,295,493	1,847,030	448,463	24.28
Finance costs	(472)	(2,221)	1,749	(78.75)
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	10,741,437	8,293,388	2,448,049	29.52
Total non-operating income and expenses	16,037,054	12,603,188	3,433,866	27.25
Profit before income tax	27,952,511	17,333,350	10,619,161	61.26
Income tax expenses	(3,978,860)	(2,999,695)	(979,165)	32.64
Profit from continuing operations for the period	23,973,651	14,333,655	9,639,996	67.25
Profit from discontinuing operations for the period	2,584,021	(2,195,100)	4,779,121	(217.72)
Profit for the year	\$26,557,672	\$12,138,555	\$ 14,419,117	118.79
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	\$8,416,416	\$16,996,339	(\$8,579,923)	(50.48)
Share of other comprehensive income (losses) of associates and joint ventures accounted for under equity method	1,009,591	(84,589)	1,094,180	(1,293.53)
Components of other comprehensive income that will be reclassified to profit or loss				
Financial statements translation	(4,063,588)	(1,854,143)	(2,209,445)	119.16

Item	2020	2019	Amount change	Ratio change (%)
differences of foreign operations				
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under equity method	(966,564)	(951,315)	(15,249)	1.60
Income tax relating to the components of other comprehensive income	880,432	421,751	458,681	108.76
Other comprehensive (loss) income for the year	\$5,276,287	\$14,528,043	(\$9,251,756)	(63.68)
Total comprehensive income for the year	\$31,833,959	\$26,666,598	\$ 5,167,361	19.38
Analysis of financial ratio change: Operating profit: Mainly due to the increase in operating income during the current period. 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. Net profit (loss) of discontinued units: Mainly due to the decrease in operating costs of discontinued operations during the current period. Profit for the year: Due to the decrease in the recognition of unrealized losses of equity instruments measured at fair value through other comprehensive profit or loss.				

III. Analysis of cash flow

(I) Consolidated liquidity analysis of the last two years

Year Item	2020	2019	Financial ratio change
Cash flow ratio	(1.26%)	22.86%	(105.51%)
Cash flow adequacy ratio	71.00%	79.66%	(10.87%)
Cash reinvestment ratio	(5.14%)	11.60%	(144.31%)
Analysis of financial ratio change: 1.The cash flow ratio for the current year decreased: The cash inflow from operating activities decreased during the year, resulting in a decrease in the cash flow ratio. 2.The cash re-investment ratio decreased during the year: The cash inflow from operating activities decreased during the year, resulting in a decrease in the cash re-investment ratio.			

Separate liquidity analysis of the last two years

Item \ Year	2020	2019	Financial ratio change
Cash flow ratio	9.45%	16.98%	(44.35%)
Cash flow adequacy ratio	51.48%	41.88%	22.92%
Cash reinvestment ratio	(1.53%)	0.69%	(321.74%)
Analysis of financial ratio change:			
1. The cash flow ratio for the current year decreased: Cash inflows from operating activities decreased during the year, so the cash flow ratio decreased.			
2. Cash flow adequacy ratio: The net cash flow from operating activities has increased in the last five years, which has led to an increase in the allowable cash flow ratio.			
2. The rate of cash re-investment for the current year decreased: The cash inflow ratio of business activities decreased during the year, so the ratio of cash re-investment also decreased.			

(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 2020	Root cause of profit or loss	Corrective action	Investment Plans
Own brand business	840,754	Develop brand business to improve competitiveness and operating performance	11,289,213	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 2020 interest income and interest expense for ASUS Group to the 2020 revenue were 0.16% and 0.04% 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 2020 net foreign exchange loss recognized by the Group accounted the ratio to 2020 revenue was 1.27%, 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 2020 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 2020:
 - (1) Digital control wireless transmission technology CPU MB
 - (2) Advanced 3D image display and wireless TV transmission graphic card
 - (3) Smartphone
 - (4) Ultra Mobile PC
 - (5) High-speed router / exchanger / firewall / VPN
 - (6) New-generation advanced server
 - (7) Professional LED display & PC
 - (8) Dual ScreenPad Plus Laptop
 - (9) Creator ProArt Laptop
 - (10) Touch Windows Notebook & Tablet
 - (11) AIoT Solution (Smart Manufacturing, Smart Healthcare, Smart Retail)
 2. R&D budget in 2021: NT\$15~16 billion
- (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 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 3.47 times of inventory turnover in 2020; apparently, there was not any significant negative impact on finance.

- (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 2018 and up to the date of the annual report printed: Not Applicable
- (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, supervisors, and shareholders with over 10% shareholding, the risk, and the responsive measures:
There was not any massive stock transfer or change by directors, supervisors, and shareholders with over 10% shareholding in 2020 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 the user interface, audio signal encoding and decoding system, audio stream, UMTS communication function products, product with remote upgrade code function, tablet, cellphone and pad supporting OK Google functions, products with Google Play Movies and TV function, cellphone and tablet supporting touchscreen scrolling in accordance with user touch control, display and projector products, products supporting LTE Aperiodic CQI / PMI / RI Reporting and smartphone communications products against the Company. These lawsuits or investigations are currently under investigation in a California court, in a Texas court, in a Germany court, in a French court, in a Netherlands court, in an England court and in a Tokyo court. The Company 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 MP3 function for desktop and notebook, ZenFone trademarks, AP and Router products supporting MU-MIMO, notebook, products supporting HDCP 2.0 or higher version, cellphone and tablet, microprocessor with Intel's 14nm process Tri-Gate technology, products that support Google Voice Assist or Microsoft Cortana Voice Assist and mixed reality products against the Company. These lawsuits or investigations are currently under investigation in a Texas court, in a California court, in a Delaware court, in an Alabama court, United States International Trade Commission, in a Germany court, in an India court and in a China court. The Company 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 Information security

In order to reinforce the Company's sustainable operation, ASUS 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.



To ensure that information security measures or specifications comply with requirements of existing laws, the information security policy is reviewed annually.

1. Ensure confidentiality of relevant business information, prevent sensitive information and personal information of consumers from various threats and damage due to internal or external, deliberate or accidental factors, which exposes business information under risks such as modification, exposure, damage or missing.
2. Ensure integrity and availability of relevant business information for correct execution of operation and various businesses to protect security of information assets under administration.

Performance of 2020 information security management

ASUS builds an Information Security Management System (ISMS) that complies with international standards, such as ISO/IEC 27001:2013 (including the national standard CNS 27001:2014) for information security management systems. The

scope covers the Company's internal IT core systems and key external services websites and e-commerce systems, and adds verification to SaaS smart cloud services.

In response to the ever-increasing threats to information security, 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.

Goals and results of 2020 information security management

1. 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. Strengthen employees' awareness of information security and email fraud. Information security education and training sessions were conducted, with a training completion rate of 99.9%. Three sessions of social engineering drills were conducted.
3. Expansion of physical equipment, and at least 1 operation drill is run each year.

Structure of information security management



The frame of ASUS ISMS was built according to the Cybersecurity Framework of NIST (National Institute of Standards and Technology), which included 5 core aspects, namely risk assessment, protection of information security, information detection, notification and response on product security, as well as continuous operation of information service. The risks on information security were checked and managed through the above-mentioned 5 aspects, which corresponded to links

before, during and after the event, as well as covering management strategy on life cycle of information security management.

1. Risk assessment

The valuation and risk assessment on information assets is performed at least once per annum. The value of assets is calculated according to confidentiality, integrity and availability of the information assets; the ones with high value undergo risk assessment and all items with high risk are compiled into operation impact analysis and finally applied with improvement measures for risk reduction. This ensures adequate protection for information assets with great significance and reduces risk of operation interruption. This year, weaknesses on the mainframe of the core information system were scanned through assessment results. Items with Critical & High weakness in the scan report received security modification and enhancement of network protective measures to strengthen security of the core information system.

2. Protection of information security

Product safety lifecycle management

ASUS provides a variety of products and services to users around the world, including hardware devices such as personal computers, mobile devices, home network equipment, business computers, laptops, enterprise workstations and servers, and corporate software solutions. Among the variety of software and hardware products and services, the Company provides users with various functions that can enhance data security based on different levels and specifications, such as trusted platform module (TPM), multifactor authentication (MFA), network security and protection AiProtection and software asset inventory (SAM).

Security must be observed in every link. 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. In the design stage, threat identification and impact analysis are conducted to calculate the risk value with respect to the threat items, and related risks are mitigated in the design and development stages. In the deployment/launch stage, personnel's responsibilities are divided and controlled, and dynamic testing and host vulnerability scanning are performed before the service is officially launched to ensure the security of the running service software itself and the hosting system.

During the manufacturing stage, the information security governance maturity of the collaborating suppliers is confirmed. The suppliers are requested to provide the ISO 27001 certificate to further confirm the relevance of the scope and validity of the certification to the Company's business collaboration. The suppliers are then asked to cooperate with the Company and work together to control information security. The sales and product use stages provide customers and users with quick and instant problem reporting, response, and handling channels. In order to provide better customer service quality, the Company has established a global service hot-line, security consultation page and the corresponding technical support team.

Improve information security awareness and formulate information security rules

In order to fulfill information security at ASUS, information security education and training sessions are carried out on a regular basis every year. In 2020, information security general education courses were offered to continue the advocacy for information security awareness. A total of 6,702 people participated in the course, with a course completion rate of 99.9%. E-mail social engineering drills were run three times in 2020. The drills reinforced promotion of information security awareness to high-risk groups, further improving their alertness toward unknown emails. In order to enable ASUS employees to pay attention to details of information security in their daily tasks, ten rules of information security have been formulated, which cover multiple control objectives and measures of ISO 27001, and have been made into information security cards to be distributed to all employees, so that they can carry it with them at all time as a reminder to reduce the Company information security risks.

3. Detection of information security

As forward-looking detection can reduce potential security threats, ASUS introduced its threat discovery service to quickly and efficiently respond to malicious program intrusion through smart network protection and virus pattern comparison mechanism. With the introduction of ACC (ASUS Control Center) developed by ASUS, all computers throughout the Company can be managed with one-stop collective system. All employees using software from unknown source will receive warning notification. We asked all staff to value the intellectual property right and follow relevant company regulations and through the mechanism of regular check, we asked superintendents to confirm necessity of software used by staff in the Department, which reduced the risk of unknown software hidden with malicious attack to minimum.

ASUS participates in the 2020 Hacks in Taiwan Conference (HITCON) organized by the Industrial Development Bureau, and provided wireless router products for testing, expecting to find potential vulnerabilities through the thinking process of hackers. ASUS will continue to participate in this event and provide more products for testing in order to find vulnerabilities before they are exploited by criminals. Relying on the technical capabilities of white hat hackers in the information security community to conduct penetration testing through the offensive and defensive security scenarios can enable the Company to strengthen product security and subsequent product development capabilities.

4. Information security notification and incident correspondence

(1) ASUS Security Advisory

We strive to ensure safety of ASUS products at all costs for protecting the privacy of our valued clients. We always strive in improvement of our safety and protective measures on personal information according to all applicable laws and regulations. We also welcome clients to notify us on safety or privacy issues related to the product. As a result, the product and information security notification and management platform were established for the consumers, information security experts or researchers to report security vulnerabilities or problems with ASUS products or information systems. The

Platform is for automated management and notification of cases, and there is a product safety response team for horizontal communication to improve the internal notification practices, and maintain case reporting and improve the management quality of responses. Through such a platform, we would make random announcements on security of ASUS products, so consumers could understand security updates of ASUS products, as well as keeping good communication and interaction with information security experts or researchers over the internet community via the Platform.

(2) Information Security Trend and Joint Defense Mechanism

Regarding the latest trend on information security, ASUS introduced the warning notification provided by an external consulting company and purchased an information security database, which can provide preventive measures of handling through notification and regular monitoring once new type of attack appears. This prevents important information assets of the Company from new types of external attacks on information security. The Company also regularly participates in information security research forums, such as CYBERSEC. Through the industry's joint defense practices, the Company learn from industry practices and sharing of the latest trends to improve the vulnerability prevention and problem solving capabilities for ASUS product development.

Vulnerability identification is conducted through three major aspects, product safety engineering, joint defense of intelligence and information, and external notification. Focus on product development and testing stages incorporating multiple automated detection tools to identify known vulnerabilities as early as possible. The Company also has established a trustworthy joint defense practice with the National Information Sharing and Analysis Center (ISAC) and the Taiwan Computer Emergency Response Team / Coordination Center, so that new cyber security incidents or loopholes exploited can be reported as early as possible for related measures.

5. Continued operation of information service

The continuous operation capacity of the core information system for Company operation was improved. In addition to the information facility located at our headquarters, we hired the facility that passed ISO27001 information security certification as an extended facility provided to the core information system for establishing structure of remote backup. At present, the important operation core information system of the Company has been completed with establishment of backup structure and operated with application of Active-Active loading balance structure. This ensures that the information system of the remote backup facility can take over the operation within the shortest time when a major accident occurs. Moreover, the accident recovery and switching drill for continuous operation capacity of the core information system was completed in 2020, which ensured that risk of operation interruptions reduced to a minimum.

AI Cloud Software Service Information Security Management

The AI cloud software service of ASUS Intelligent Cloud Services (AICS) passed the ISO/IEC 27001:2013 (including the national standard for information security management system CNS 27001:2014) certification in December 2020. ASUS AI R&D Center (AICS) provides smart medical care services, and has passed information security management evaluation in accordance with the Health Insurance Portability and Accountability Act (HIPAA), showing that the Company has comprehensively reinforced information security defense to ensure that the service process complies with the most advanced and complete world-class medical and health privacy protection standards, setting a new benchmark in the industry.

ASUS AI R&D Center adopts the AI SaaS as the core approach, and uses natural language processing, computer vision, deep learning, big data analysis and other technologies to drive precision health, precision treatment and environmental safety and health management in the manufacturing sector with data to help business clients solve their most challenging problem, further creating Taiwan's next world-class industry. Smart healthcare is a major trend of the future. In terms of opportunities of related applications, services such as the collection, transmission, storage and analysis of health information present two major challenges in information security and privacy. Facing internal or external threats, the capabilities to protect the electronic protected health information (ePHI) and ensure the confidentiality, availability and integrity of the data will be the key to the future development of smart medicine. AICS actively establishes a program safety and quality culture in the development environment, and sets quantifiable quality indicators for program quality management. Multiple review practices are also designed. Detection services are also carried out in the software development process, scanning each service code that will be launched to check for possible errors and security loopholes. These measures greatly reduce data loss, improve the overall information security condition and the availability of the service system, ensuring that safety and efficiency of the products and services launched can satisfy customers.

The scope of ISO 27001 certification for AICS covers the information security management activities related to the SaaS smart cloud services provided by the AICS. As information security risks increase significantly, the most important benefit of introducing the ISO 27001 is to build an information security management system and goals to build an organizational consensus on information security and further enhance the Company's information security culture. The introduction of ISMS can reinforce the inventory of information security, secure software development life cycle (SSDLC), outsourcing management, and information security incident handling to help reduce the risks impact of equipment infection, data leakage and operational interruption and increase the confidence of customers and interested parties in the stable operation of the Company.

Management of intellectual property

ASUS's mission is about "pursuing unparalleled technological innovation and creating attentive, smart lives and ubiquitous happiness for users around the world". 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 and financial rights and avoid infringement by others. An "Annual Fee 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 "Annual Fee 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 11, 2020.

In 2020, the list of intellectual property achievements for ASUS is shown as follows:

- As of the end of 2020, 4,646 patents have been obtained in countries around the world.
- The number of patent applications in Taiwan in 2020 was 141, ranking the Company in 17th place.
- 139 patents awarded in 2020, ranking the Company in 16th place of all companies.
- 304 patents were granted in Europe and America in 2020, an increase of 230% over the previous year.
- 111 patents were granted in Asia (Japan, Korea, China, India) in 2020.
- 554 patents were granted worldwide in 2020, an increase of 148% over last year.

- 568 patent applications in 2020 were in the communication field.

A total of 40 Standard Essential Patents (SEP) in the European Telecommunications Standard Institute (ETSI) in 2020.

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 159-162.

(2) Company profile of related party: Please refer to Page 163-167.

(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 168-174.

2. Business operation of the related party: Please refer to Page 175-180.

(II) Consolidated Financial Statements and Report of Independent Accountants of the parent company and subsidiaries: Please refer to Page 182-281.

(III) Related Party Report: Not Applicable

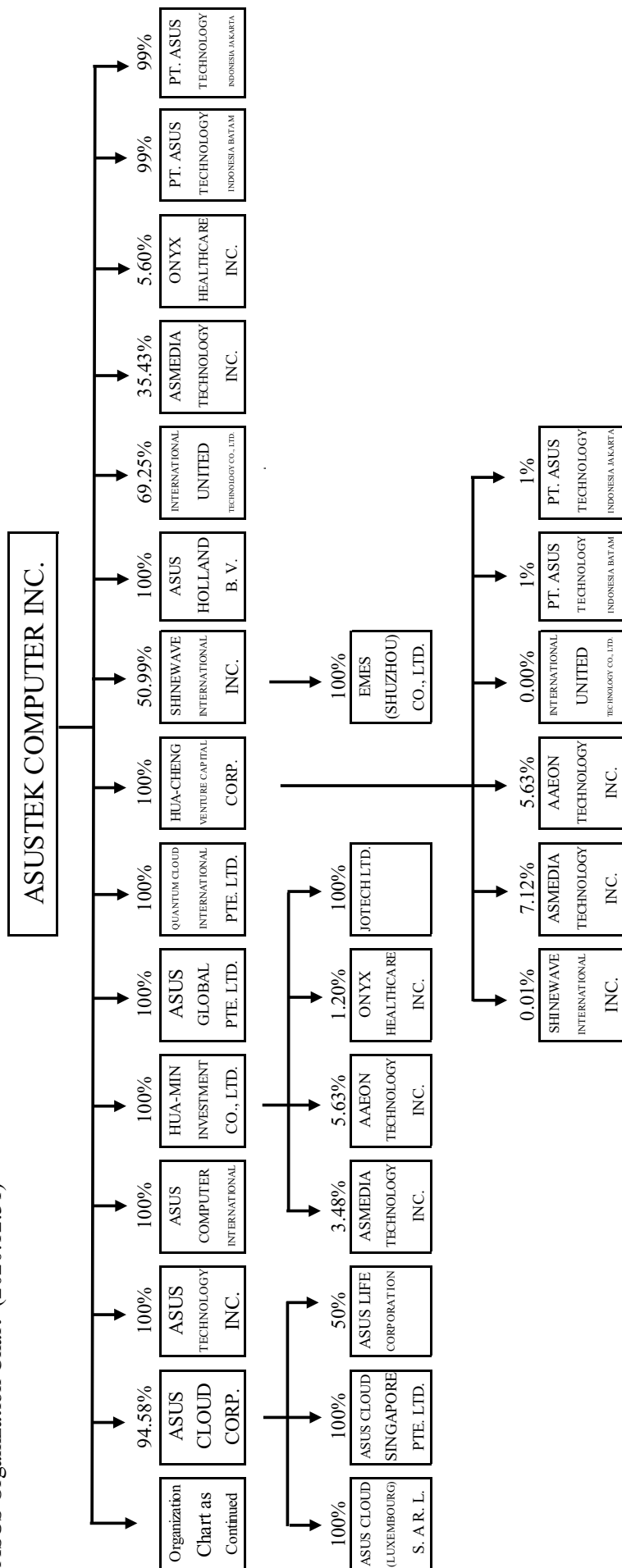
II. Subscription of marketable securities privately in the most recent years and up to the date of the report printed: None

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

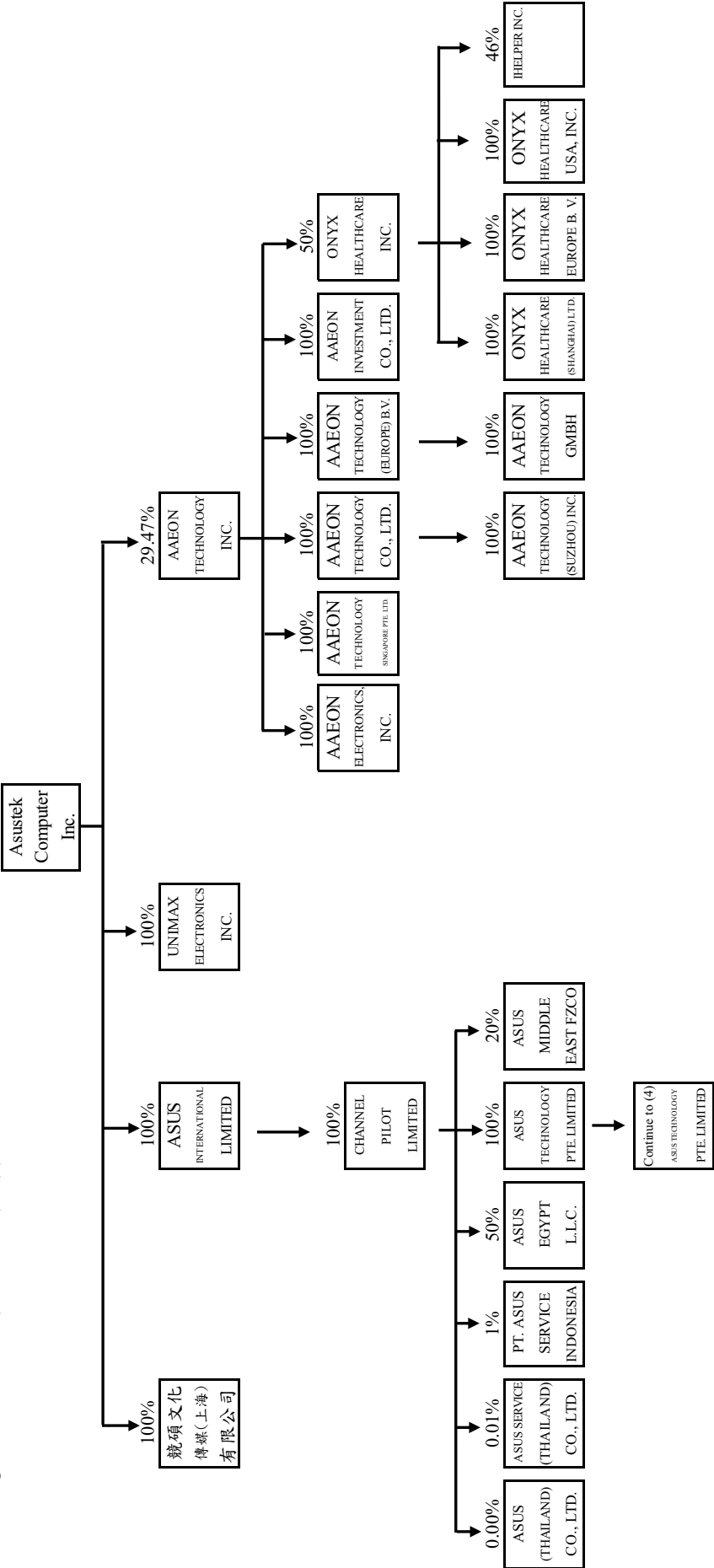
IV. Supplementary disclosures: None

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

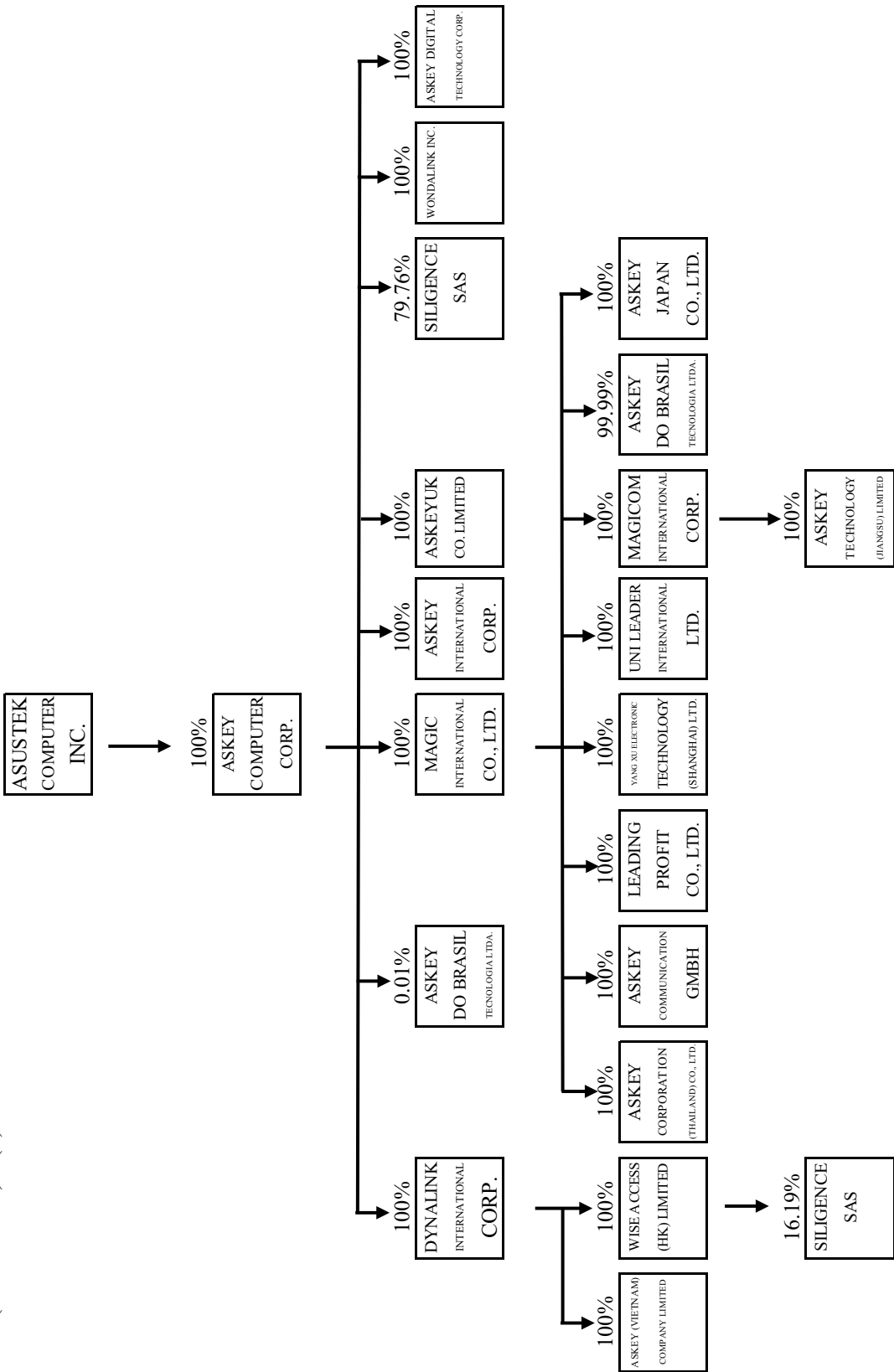
ASUS Organization Chart (2020.12.31)



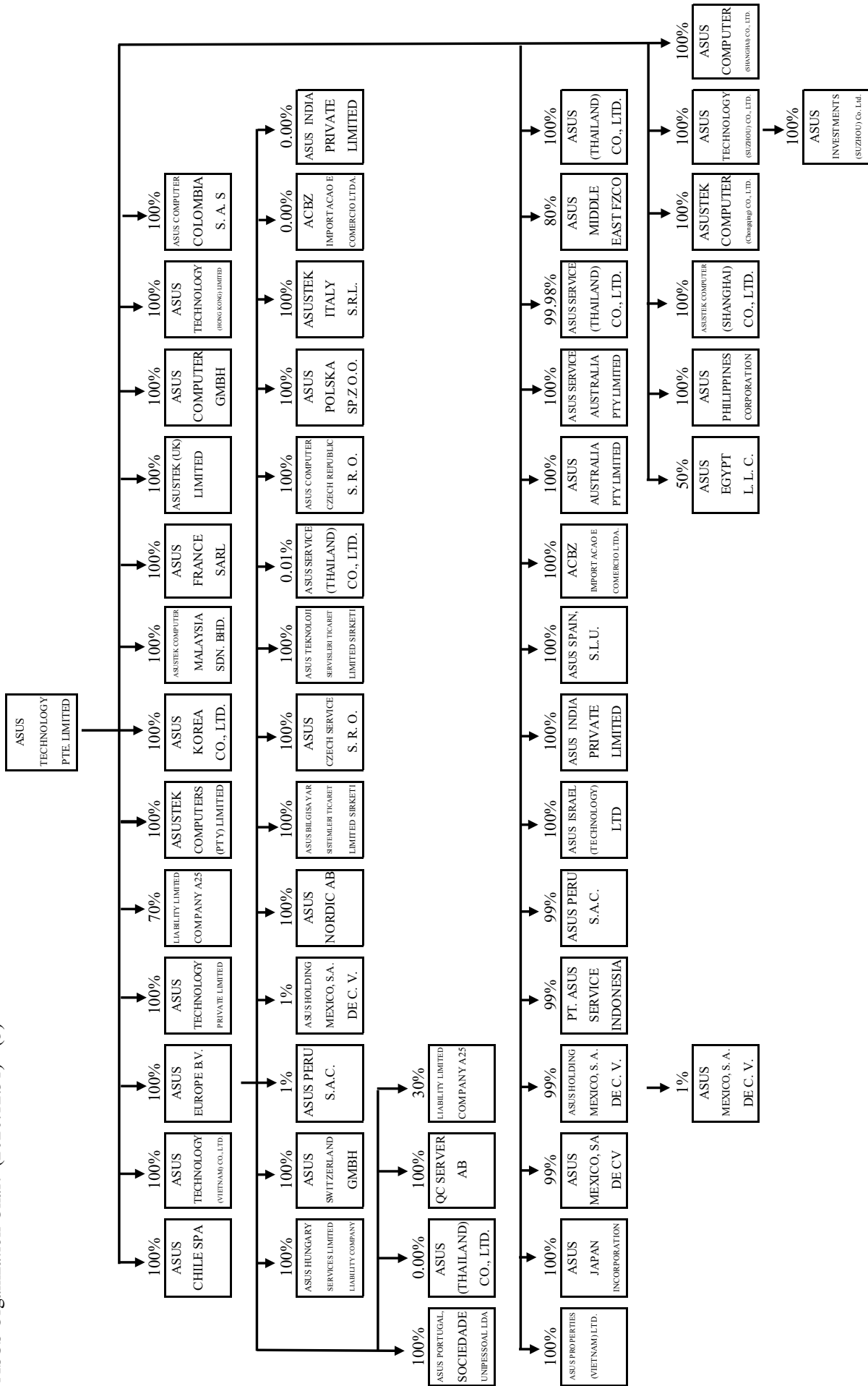
ASUS Organization Chart (2020.12.31) - (1)



ASUS Organization Chart (2020.12.31) - (2)



ASUS Organization Chart (2020.12.31) - (3)



(2) Basic Data of Affiliated Enterprises (As of Dec 31, 2020)

In thousand NTD

NAME OF CORPORATION	DATE OF ESTABLISHMENT	ADDRESS	CAPITAL	MAJOR BUSINESS SCOPE
ASUS COMPUTER INTERNATIONAL	June 21, 1994	USA	14,240	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	47,276	Repairing 3C products
ASUS INTERNATIONAL LIMITED	March 8, 2002	Cayman Islands	2,555,512	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
JOTECH LTD.	Dec 13, 2019	Taiwan	30,000	Repairing and selling of information software and electronic information materials
ASMEDIA TECHNOLOGY INC.	March 31, 2004	Taiwan	6,984,994	Designing, researching, developing and manufacturing of high-speed analog circuit
ASUS GLOBAL PTE. LTD.	March 15, 2013	Singapore	797,440	Selling 3C products
QUANTUM CLOUD INTERNATIONAL PTE. LTD.	Feb 11, 2014	Singapore	23,638	Servicing of information technology
PT. ASUS TECHNOLOGY INDONESIA JAKARTA	May 23, 2017	Indonesia	228,545	Selling of 3C products in Indonesia
PT. ASUS TECHNOLOGY INDONESIA BATAM	May 24, 2017	Indonesia	1,022,413	Selling of 3C products in Indonesia
JINSHUO CULTURAL DIFFUSION CO., LTD.	June 15, 2018	China	647,280	Professional eSports
UNIMAX ELECTRONICS INCORPORATION	April 17, 2007	Taiwan	213,000	Manufacturing and selling of automotive electronics and computer peripherals
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	284,800	Selling and servicing about communication products
DYNALINK INTERNATIONAL CORP.	October 1, 1996	British Virgin Islands	232,402	Investing in communication business
MAGIC INTERNATIONAL CO., LTD.	May 13, 1999	British Virgin Islands	3,273,549	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 product design of wired and wireless communication, electronic parts
ASKEY (VIETNAM) COMPANY LIMITED	November 1, 1996	Vietnam	163,319	Manufacturing and selling of communication products
WISE ACCESS (HK) LIMITED	September 21, 2011	Hong Kong	38,491	Investing in communication business

NAME OF CORPORATION	DATE OF ESTABLISHMENT	ADDRESS	CAPITAL	MAJOR BUSINESS SCOPE
MAGICOM INTERNATIONAL CORP.	June 23, 1999	Cayman Islands	2,592,534	Investing in communication business
LEADING PROFIT CO., LTD.	March 12, 2004	Mauritius	1,425,424	Selling of communication products and computer peripherals
UNI LEADER INTERNATIONAL LTD.	September 2, 2004	Mauritius	1,424	Selling of communication products and computer peripherals
ASKEY COMMUNICATION GMBH	April 11, 2013	Germany	3,502	Selling and servicing of communication products
ASKEY CORPORATION (THAILAND) CO., LTD.	June 21, 2017	Thailand	1,914	Selling and servicing of communication products
ASKEYUK CO. LIMITED	July 15, 2021		38,900	Selling and servicing of communication products
ASKEY JAPAN CO., LTD.	March 19, 2018	Japan	1,381	Selling and servicing of communication products
ASKEY DO BRASIL TECNOLOGIA LTDA.	April 20, 2016	Brasil	17,525	Services of communication products
SILIGENCE SAS	July 19, 2011	France	168,725	Selling and servicing of communication products
YANG XU ELECTRONIC TECHNOLOGY (SHANGHAI) LTD.	July 1, 2003	China	85,440	Researching, developing and selling of communication products
ASKEY TECHNOLOGY (JIANGSU) LTD.	August 30, 2001	China	2,563,200	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	22,884	Investing in internet service business
ASUS CLOUD (LUXEMBOURG) S.A R.L	December 3, 2013	Luxembourg	14,008	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	10,233	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	1,484,985	Manufacturing and selling of industrial computers and computer peripherals
AAEON ELECTRONICS, INC.	June 6, 1995	USA	139,552	Selling of industrial computers and computer peripherals
AAEON TECHNOLOGY CO., LTD.	September 11, 2001	British Virgin Islands	250,826	Investing in industrial computers and interface cards business
AAEON TECHNOLOGY (EUROPE) B. V.	March 4, 2005	Netherlands	3,502	Selling of industrial computers and computer peripherals

NAME OF CORPORATION	DATE OF ESTABLISHMENT	ADDRESS	CAPITAL	MAJOR BUSINESS SCOPE
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	12,577	Selling of industrial computers and computer peripherals
AAEON TECHNOLOGY GMBH	October 23, 2007	Germany	1,051	Selling of industrial computers and computer peripherals
AAEON TECHNOLOGY (SUZHOU) INC.	November 1, 2001	China	247,499	Manufacturing and selling industrial computers and interface cards
ONYX HEALTHCARE INC.	February 2, 2010	Taiwan	275,102	Designing, manufacturing and selling of medical computers
ONYX HEALTHCARE USA, INC.	October 27, 2011	USA	56,960	Selling of medical computers and peripherals
ONYX HEALTHCARE EUROPE B.V.	May 16, 2012	Netherlands	3,502	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	56,960	Selling of medical computers and peripherals
CHANNEL PILOT LIMITED	March 30, 2005	British Virgin Islands	855,340	Investing in 3C business
ASUS TECHNOLOGY PTE. LIMITED	April 26, 2005	Singapore	1,265,065	Investing in 3C business
ASUS MIDDLE EAST FZCO	October 22, 2007	Dubai	3,878	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	29,358	Repairing of 3C products in Asia-Pacific and America
ASUS (THAILAND) CO., LTD.	January 6, 2016	Thailand	15,311	Providing support for 3C products in Thailand
ASUS SERVICE (THAILAND) CO., LTD.	February 23, 2005	Thailand	5,742	Repairing of 3C products in Thailand
ASUS COMPUTER GMBH	June 19, 1991	Germany	8,952	Selling and providing support for 3C products in Germany
ASUS FRANCE SARL	July 12, 2002	France	3,712	Providing support for 3C products in France
ASUSTEK (UK) LIMITED	April 3, 2006	UK	1,945	Providing support for 3C products in United Kingdom
ASUS TECHNOLOGY (HONG KONG) LIMITED	November 25, 2005	Hong Kong	1,837	Providing support and repair for 3C products in Hong Kong
ASUS KOREA CO., LTD.	July 1, 2006	Kore	20,756	Providing support and repair for 3C products in South Korea
ASUS TECHNOLOGY PRIVATE LIMITED	September 13, 2006	India	78,560	Providing support and repair for 3C products in India

NAME OF CORPORATION	DATE OF ESTABLISHMENT	ADDRESS	CAPITAL	MAJOR BUSINESS SCOPE
ASUS EUROPE B. V.	March 6, 2007	Netherlands	307,292	Selling of 3C products
ASUS TECHNOLOGY (VIETNAM) CO., LTD.	March 1, 2007	Vietnam	1,580	Repairing of 3C products in Vietnam
ASUS SPAIN, S.L.U.	May 19, 2004	Spain	1,051	Providing support for 3C products in Spain
ASUS JAPAN INCORPORATION	May 28, 2008	Japan	56,632	Selling of 3C products in Japan
ASUS SERVICE AUSTRALIA PTY LIMITED	February 10, 2011	Australia	20,852	Repairing of 3C products in Australia
ASUS AUSTRALIA PTY LIMITED	January 5, 2011	Australia	7,682	Providing support for 3C products in Australia
ASUS ISRAEL (TECHNOLOGY) LTD	March 12, 2012	Israel	371	Providing support for 3C products in Israel
ASUS COMPUTER COLOMBIA S. A. S	February 19, 2015	Colombia	615	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	3,526	Providing support and repair for 3C products in Malaysia
ASUS CHILE SPA	January 24, 2018	Chile	40	Providing support for 3C products in Chile
ASUS PERU S. A. C.	April 25, 2013	Peru	33,088	Providing support for 3C products in Peru
ASUS HOLDING MEXICO, S. A. DE C. V.	March 27, 2013	Mexico	73,232	Selling of 3C products in Mexico
ACBZ IMPORTACAO E COMERCIO LTDA.	January 5, 2011	Brazil	3,009,279	Selling of 3C products in Brazil
ASUS INDIA PRIVATE LIMITED	July 5, 2011	India	130,709	Selling of 3C products in India
ASUS MEXICO, S. A. DE C. V.	April 22, 2013	Mexico	189	Providing support for 3C products in Mexico
ASUS HUNGARY SERVICES LIMITED LIABILITY COMPANY	May 10, 2007	Hungary	1,197	Providing support and repair for 3C products in Hungary
ASUS SWITZERLAND GMBH	May 10, 2009	Switzerland	10,984	Providing support for 3C products in Switzerland
ASUS NORDIC AB	July 10, 2004	Sweden	1,044	Providing support for 3C products in North Europe
ASUS PORTUGAL, SOCIEDADE UNIPESSOAL LDA.	May 21, 2008	Portugal	1,051	Providing support for 3C products in Portugal
ASUS BILGISAYAR SISTEMLERI TICARET LIMITED SIRKETI	December 30, 2018	Turkey	7,907	Providing support and repair for 3C products in Turkey
ASUS TEKNOLOJII SERVİSLERİ TICARET LIMITED SIRKETİ	July 23, 2018	Turkey	290	Repairing of 3C products in Turkey
ASUS POLSKA SP.Z O.O.	July 31, 2005	Polska	384	Providing support for 3C products in Poland
ASUSTEK ITALY S. R. L.	July 21, 2000	Italy	1,681	Providing support for 3C products in Italy
ASUS COMPUTER CZECH REPUBLIC S. R. O.	October 31, 2005	Czech Republic	267	Providing support for 3C products in Czech Republic
ASUS CZECH SERVICE S. R. O.	February 15, 2010	Czech Republic	7,189	Repairing of 3C products in Europe

NAME OF CORPORATION	DATE OF ESTABLISHMENT	ADDRESS	CAPITAL	MAJOR BUSINESS SCOPE
ASUS PHILIPPINES CORPORATION	Feb 12, 2019	Philippines	6,284	Providing support and repair for 3C products in Philippines
QC SERVER AB	Jul 4, 2019	Sweden	174	Servicing of information technology
ASUS PROPERTIES (VIETNAM) LTD.	Mar 10, 2020	Vietnam	1,422	Servicing of management consulting
LIABILITY LIMITED COMPANY A25	Sep 18, 2018	Russia	4	Selling of 3C products in Russia
ASUSTEK COMPUTER (SHANGHAI) CO., LTD.	June 9, 2000	China	1,369,888	Selling of 3C products in China
ASUS COMPUTER (SHANGHAI) CO., LTD.	June 30, 2000	China	56,960	Repairing of 3C products
ASUS TECHNOLOGY (SUZHOU) CO., LTD.	March 12, 2008	China	1,395,520	Researching and developing of 3C products
ASUSTEK COMPUTER (CHONGQING) CO., LTD.	May 9, 2011	China	1,965,120	Selling of 3C products in China
ASUS INVESTMENTS (SUZHOU) CO., LTD.	December 6, 2013	China	737,605	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, 2020

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%
ASUS CLOUD CORPORATION	Chairman	ASUSTEK COMPUTER INC. (Representative: Joe Hsieh)	23,645,558	94.58%
	Director	ASUSTEK COMPUTER INC. (Representative: Samson Hu)	—	—
	Director & General Manager	Peter_Wu	102,828	0.41%
	Supervisor	Alan Hsieh	—	—
ASMEDIA TECHNOLOGY INC.	Chairman	ASUSTEK COMPUTER INC. (Representative: Jerry Shen)	24,457,660	35.43%
	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	29.47%
	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	28.08%
	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	225,000	0.15%

NAME OF CORPORATION	TITLE	NAME OF PERPRESENTATIVE (Note)	SHAREHOLDING	
			SHARES	%
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)	—	—
	Director	HUA ENG WIRE & CABLE CO.,LTD. (Representative: MS Lin)	987,354	6.04%
	Supervisor	HUA-CHENG VENTURE CAPITAL CORP. (Representative: Charlene Hsu)	515	0.00%
SHINEWAVE INTERNATIONAL INC.	Chairman	ASUSTEK COMPUTER INC. (Representative: H.C. Hung)	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. (Representative: Samson Hu)	—	—
	Director	ASUSTEK COMPUTER INC. (Representative: Joe Hsieh)	—	—
	General Manager	Steve Chang	—	—
ASUS HOLLAND B.V.	Director	ASUSTEK COMPUTER INC. (Representative: Chen, Hsin-Yi)	3,000,000	100.00%
	Director	ASUSTEK COMPUTER INC. (Representative: Hung, Wen-Chi)	—	—
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: Benson Lin)	—	—
	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: Weiting Lin)	8,415	99.00%
	Supervisor	ASUSTEK COMPUTER INC. (Representative: Karl Chu)	—	—
PT.ASUS TECHNOLOGY INDONESIA BATAM	Director	ASUSTEK COMPUTER INC. (Representative: Weiting Lin)	4,189,000	99.00%
	Supervisor	ASUSTEK COMPUTER INC. (Representative: Karl Chu)	—	—
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: Benson Lin)	—	—
	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)	4	80.00%
	Director	CHANNEL PILOT LIMITED(Representative: Chiu, Yu-Sheng)	1	20.00%
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 -Kang*)	500,000	100.00%

NAME OF CORPORATION	TITLE	NAME OF PERPRESENTATIVE (Note)	SHAREHOLDING	
			SHARES	%
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: Li, Yu-Lin)	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.	Director4	ASUS TECHNOLOGY PTE LIMITED (Representative: Li,Yu-Lin)	375,000	100.00%
	Director	ASUS TECHNOLOGY PTE LIMITED (Representative: Eric Ou)	—	—
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: Steve Chang)	—	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: Alvin Chen)	20,500	100.00%
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)	—	—

NAME OF CORPORATION	TITLE	NAME OF PERPRESENTATIVE (Note)	SHAREHOLDING	
			SHARES	%
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: Steve Chang)	50,608	99.00%
	Director	ASUS EUROPE B.V. (Representative: Steve Chang)	512	1.00%
ASUS MEXICO, S. A. DE C. V.	Director	ASUS TECHNOLOGY PTE LIMITED (Representative: Steve Chang)	130	99.00%
	Director	ASUS HOLDING MEXICO, S. A. DE C. V. (Representative: Steve Chang)	2	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: Steve Chang)	—	—
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%
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: CHA MING CHANG LIN)	1,000	100.00%

NAME OF CORPORATION	TITLE	NAME OF PERPRESENTATIVE (Note)	SHAREHOLDING	
			SHARES	%
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 ŞİRKETİ	Director	ASUS EUROPE B.V. (Representative: Ufuk Ozgur)	3,000	100.00%
ASUS BİLGİSAYAR SİSTEMLERİ TICARET LİMİTED ŞİRKETİ	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)	50,000	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%
eMES (SHUZHOU) CO., LTD.	Chairman	SHINEWAVE INTERNATIONAL INC. (Representative: Yu, Jiunn-Hwa*)	—	100.00%
	Director	SHINEWAVE INTERNATIONAL INC. (Representative: Cheng Shu-Fen*)	—	—
	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. (Representative: Mingho Huang)	250,000	25.00%
	Director	ASUS CLOUD CORPORATION (Representative: Henry Yeh)	500,000	50.00%
	Director	ASUS CLOUD CORPORATION (Representative: Joe Hsieh)	—	—
	Director	ASUS CLOUD CORPORATION (Representative: Wjh Chen)	—	—
	Supervisor	Charlene Hsu	—	—
	Supervisor	Li, Liu*	—	—
AAEON ELECTRONICS, INC	The Chairman of BOD	AAEON TECHNOLOGY INC. (Representative: Chuang, Yung-Shun)	490,000	100.00%
	General Manager	Paul Yang	—	—
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%

NAME OF CORPORATION	TITLE	NAME OF PERPRESENTATIVE (Note)	SHAREHOLDING	
			SHARES	%
ONYX HEALTHCARE INC.	Chairman	JUI-HAI INVESTMENT CO., LTD. (Representative: Chuang, Yung-Shun)	185,381	0.67%
	Director	AAEON TECHNOLOGY INC. (Representative: Lin, Chien-Hung)	13,756,431	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 DEVELOPMENT 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)	—	—
IHHELPER INC.	Chairman	KINPO ELECTRONICS, INC. (Representative: Shen, Shih-Jung*)	1,584,000	44.00%
	Director	KINPO ELECTRONICS, INC. (Representative: Chen, Wei-Chang *)	—	—
	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%
MAGIC INTERNATIONAL CO., LTD.	Director	ASKEY COMPUTER CORP. (Representative: Lin, Cheng-Kuei)	114,942,014	100.00%
ASKEY DIGITAL TECHNOLOGY CORP.	Director	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: Fu, Ko-Ting)	—	—
ASKEY (VIETNAM) COMPANY LIMITED	Director	DYNALINK INTERNATIONAL CORP. (Representative: Lin, Cheng-Kuei)	2,883,359	100.00%

NAME OF CORPORATION	TITLE	NAME OF PERPRESENTATIVE (Note)	SHAREHOLDING	
			SHARES	%
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%
LEADING PROFIT CO., LTD.	Director	MAGIC INTERNATIONAL CO., LTD. (Representative: Lin, Cheng-Kuei)	50,050,000	100.00%
UNI LEADER INTERNATIONAL LTD.	Director	MAGIC INTERNATIONAL CO., LTD. (Representative: Lin, Cheng-Kuei)	50,000	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)	3,199,680	99.99%
	Director	ASKEY COMPUTER CORP. (Representative: Kao, Chung- Ming)	320	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, 2020.

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, 2020

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	14,240	39,100,178	37,765,101	1,335,077	77,110,716	921,652	771,553	-
ASUS TECHNOLOGY INC.	190,000	5,691,361	5,448,494	242,867	18,631,318	275,764	235,104	12.37
ASUS HOLLAND B. V.	47,276	345,982	118,737	227,245	341,586	17,564	12,751	-
ASUS INTERNATIONAL LIMITED	2,555,512	36,118,053	1,500	36,116,553	-	(1,691)	425,410	-
HUA-CHENG VENTURE CAPITAL CORP.	1,145,000	2,875,265	33,174	2,842,091	-	(172)	272,960	2.38
HUA-MIN INVESTMENT CO., LTD.	680,000	1,586,991	16,778	1,570,213	-	(173)	149,970	2.21
JOTECH LTD.	30,000	27,361	138	27,223	-	(2,422)	(2,318)	(0.77)
ASMEDIA TECHNOLOGY INC.	6,984,994	15,690,529	1,588,955	14,101,574	6,987,470	2,472,711	2,927,912	4.19
ASUS GLOBAL PTE. LTD.	797,440	139,104,639	97,277,506	41,827,133	340,044,164	10,120,924	11,113,895	-
QUANTUM CLOUD INTERNATIONAL PTE. LTD.	23,638	21,702	10,399	11,303	16,707	8,165	6,135	-
PT. ASUS TECHNOLOGY INDONESIA JAKARTA	228,545	4,208,619	3,773,466	435,153	8,153,187	140,670	94,917	-
PT. ASUS TECHNOLOGY INDONESIA BATAM	1,022,413	270,261	98,561	171,700	555,661	31,660	(295,344)	-
JINSHUO CULTURAL DIFFUSION CO., LTD.	647,280	469,272	57,532	411,740	184,733	(124,678)	(124,930)	Note
UNIMAX ELECTRONICS INC.	213,000	107,457	13,929	93,528	77,137	16,414	25,200	1.18
ASKEY COMPUTER CORP.	4,800,000	16,102,993	13,626,699	2,476,294	22,713,619	(328,492)	(555,198)	(1.16)
ASKEY INTERNATIONAL CORP.	284,800	1,665,738	1,685,159	(19,421)	5,021,115	(34,578)	(34,194)	-
DYNALINK INTERNATIONAL CORP.	232,402	78,252	-	78,252	-	(150)	1,837	-

NAME OF CORPORATION	CAPITAL	TOTAL ASSETS	TOTAL LIABILITIES	NET WORTH	NET OPERATING REVENUES	OPERATING INCOME (LOSS)	NET INCOME (LOSS)	EARNING (LOSS) PER SHARE(NTD)
MAGIC INTERNATIONAL CO., LTD.	3,273,549	3,019,309	20	3,019,289	-	(107)	(270,068)	-
ASKEY DIGITAL TECHNOLOGY CORP.	30,000	30,065	-	30,065	-	(48)	68	0.02
WONDALINK INC.	92,422	50,618	22,025	28,593	64,278	10,041	2,825	0.31
ASKEY (VIETNAM) COMPANY LIMITED	163,319	123,059	50,389	72,670	-	-	1	-
WISE ACCESS (HK) LIMITED	38,491	13,474	-	13,474	-	-	1,812	Note
MAGICOM INTERNATIONAL CORP.	2,592,534	3,103,561	177	3,103,384	-	(427)	(270,460)	-
LEADING PROFIT CO., LTD.	1,425,424	576	37,617	(37,041)	3,988,044	(91)	301	-
UNI LEADER INTERNATIONAL LTD.	1,424	18,385	-	18,385	4,812	(208)	(96)	-
ASKEY COMMUNICATION GMBH	3,502	3,461	77	3,384	232	11	11	-
ASKEY CORPORATION (THAILAND) CO., LTD.	1,914	3,551	4,039	(488)	1,705	5,409	5,419	-
ASKEYYUK CO. LIMITED	38,900	38,900	-	38,900	-	-	-	-
ASKEY JAPAN CO., LTD.	1,381	3,726	8,115	(4,389)	18,357	(2,779)	(2,917)	-
ASKEY DO BRASIL TECNOLOGIA LTDA.	17,525	3,676	367	3,309	5,652	275	289	-
SILIGENCE SAS	168,725	129,389	46,342	83,047	467,953	11,419	11,190	-
YANG XU ELECTRONIC TECHNOLOGY (SHANGHAI) LTD.	85,440	87,917	89,330	(1,413)	116,809	(2,548)	(3,010)	Note
ASKEY TECHNOLOGY (JIANGSU) LTD.	2,563,200	8,982,626	5,914,875	3,067,751	14,861,636	(316,524)	(270,349)	Note
ASUS CLOUD CORPORATION	250,000	437,529	335,651	101,878	411,453	(20,269)	(24,472)	(2.28)
ASUS CLOUD SINGAPORE PTE. LTD.	22,884	2,680	-	2,680	3,554	(1,762)	(1,673)	-

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 CLOUD (LUXEMBOURG) S. A R. L	14,008	3,773	654	3,119	1,025	(103)	(121)	-
ASUS LIFE CORPORATION	10,000	6,371	5,285	1,086	9,060	(1,687)	(757)	(0.07)
SHINEWAVE INTERNATIONAL INC.	107,250	197,600	50,469	147,131	110,847	(12,988)	(6,924)	(0.65)
EMES (SHUZHOU) CO., LTD.	10,233	24,179	6,897	17,282	20,078	6,492	6,708	Note
INTERNATIONAL UNITED TECHNOLOGY CO., LTD.	163,515	284,877	105,369	179,508	323,079	(3,951)	8,143	0.50
AAEON TECHNOLOGY INC.	1,484,985	8,570,865	729,744	7,841,121	4,085,537	448,619	365,591	3.42
AAEON ELECTRONICS, INC.	139,552	354,207	134,185	220,022	1,102,730	(12,336)	34,556	-
AAEON TECHNOLOGY CO., LTD.	250,826	226,251	10	226,241	-	(75)	3,064	-
AAEON TECHNOLOGY (EUROPE) B. V.	3,502	165,382	131,386	33,996	687,489	(14,346)	(12,522)	-
AAEON INVESTMENT CO., LTD.	150,000	124,636	82	124,554	-	(98)	13,666	0.91
AAEON TECHNOLOGY SINGAPORE PTE. LTD.	12,577	83,045	32,825	50,220	167,857	12,205	11,670	-
AAEON TECHNOLOGY GMBH	1,051	26,249	5,813	20,436	34,250	1,966	1,927	-
AAEON TECHNOLOGY (SUZHOU) INC.	247,499	309,018	85,390	223,628	580,849	(409)	3,272	Note
ONYX HEALTHCARE INC.	275,102	1,329,368	286,432	1,042,936	966,340	146,497	163,146	5.93
ONYX HEALTHCARE USA, INC.	56,960	200,293	97,480	102,813	652,491	17,895	17,497	-
ONYX HEALTHCARE EUROPE B. V.	3,502	25,838	9,011	16,827	61,052	3,153	2,443	-
IHELPER INC.	36,000	21,860	3,502	18,358	6,683	(3,947)	(4,015)	(1.12)
ONYX HEALTHCARE (SHANGHAI) LTD.	56,960	6,870	1,374	5,496	971	(2,938)	(3,029)	Note
CHANNEL PILOT LIMITED	855,340	39,403,169	4,779,526	34,623,643	-	(253)	417,466	-
ASUS TECHNOLOGY PTE. LIMITED	1,265,065	39,511,234	355,523	39,155,711	-	55,225	293,193	-

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 MIDDLE EAST FZCO	3,878	55,018	32,208	22,810	139,193	917	209	-
ASUS EGYPT L. L. C.	1	2,451	1,285	1,166	11,543	521	(567)	-
PT. ASUS SERVICE INDONESIA	29,358	52,929	14,125	38,804	46,354	1,356	2,555	-
ASUS (THAILAND) CO., LTD.	15,311	49,156	25,021	24,135	99,407	3,849	3,217	-
ASUS SERVICE (THAILAND) CO., LTD.	5,742	12,325	6,620	5,705	15,191	596	(147)	-
ASUS COMPUTER GMBH	8,952	264,643	90,053	174,590	688,546	16,218	13,469	-
ASUS FRANCE SARL	3,712	254,586	192,391	62,195	397,618	16,489	9,262	-
ASUSTEK (UK) LIMITED	1,945	104,234	45,767	58,467	222,072	10,600	8,225	-
ASUS TECHNOLOGY (HONG KONG) LIMITED	1,837	70,712	56,486	14,226	150,468	(19,827)	3,156	Note
ASUS KOREA CO., LTD.	20,756	57,078	7,654	49,424	123,404	5,817	5,625	-
ASUS TECHNOLOGY PRIVATE LIMITED	78,560	449,474	143,939	305,535	299,336	11,018	14,710	-
ASUS EUROPE B. V.	307,292	6,821,073	5,120,107	1,700,966	21,949,901	254,812	201,209	-
ASUS TECHNOLOGY (VIETNAM) CO., LTD.	1,580	60,249	35,047	25,202	136,703	8,544	5,666	-
ASUS SPAIN, S.L.U.	1,051	64,824	16,647	48,177	180,729	7,889	5,879	-
ASUS JAPAN INCORPORATION	56,632	3,164,967	2,795,075	369,892	10,110,399	116,393	71,491	-
ASUS SERVICE AUSTRALIA PTY LIMITED	20,852	117,139	57,203	59,936	117,039	16,053	19,483	-
ASUS AUSTRALIA PTY LIMITED	7,682	82,200	23,599	58,601	167,787	5,316	3,977	-
ASUS ISRAEL (TECHNOLOGY) LTD.	371	13,827	8,887	4,940	69,480	6,316	4,922	-
ASUS COMPUTER COLOMBIA S. A. S	615	9,659	6,273	3,386	51,864	2,465	1,488	-

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 COMPUTERS (PTY) LIMITED	2	16,103	9,444	6,659	43,464	2,370	1,682	-
ASUSTEK COMPUTER MALAYSIA SDN. BHD.	3,526	38,154	18,045	20,109	93,614	1,721	(11)	-
ASUS CHILE SPA	40	7,931	5,343	2,588	29,553	2,414	1,184	-
ASUS PERU S. A. C.	33,088	44,710	11,659	33,051	33,468	685	67	-
ASUS HOLDING MEXICO, S. A. DE C. V.	73,232	1,475,892	1,460,380	15,512	3,529,114	55,687	56,757	-
ACBZ IMPORTACAO E COMERCIO LTDA.	3,009,279	4,539,364	1,694,486	2,844,878	5,003,561	222,352	64,574	-
ASUS INDIA PRIVATE LIMITED	130,709	1,327,492	997,498	329,994	9,069,161	321,135	249,226	-
ASUS MEXICO, S. A. DE C. V.	189	21,416	13,267	8,149	71,599	2,301	1,201	-
ASUS HUNGARY SERVICES LIMITED LIABILITY COMPANY	1,197	19,829	9,310	10,519	44,166	2,103	1,701	-
ASUS SWITZERLAND GMBH	10,984	37,426	7,402	30,024	74,324	3,539	2,793	-
ASUS NORDIC AB	1,044	142,228	62,452	79,776	296,150	15,089	11,828	-
ASUS PORTUGAL, SOCIEDADE UNIPessoal LDA.	1,051	27,097	12,879	14,218	53,964	2,675	1,927	-
ASUS BILGISAYAR SISTEMLERI TICARET LIMITED Sirketi	7,907	33,452	3,871	29,581	67,648	3,985	(6,353)	-
ASUS TEKNOLOJI SERVİSLERİ TICARET LIMITED Sirketi	290	28,504	23,271	5,233	41,803	3,000	2,175	-
ASUS POLSKA SP. Z O. O.	384	68,224	11,457	56,767	121,379	5,780	4,086	-
ASUSTEK ITALY S. R. L.	1,681	116,439	122,227	(5,788)	257,680	8,475	3,176	-
ASUS COMPUTER CZECH REPUBLIC S. R. O.	267	41,060	20,316	20,744	82,294	4,210	3,081	-

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 CZECH SERVICE S. R. O.	7,189	153,708	33,589	120,119	414,258	19,072	15,795	-
ASUS PHILIPPINES CORPORATION	6,284	57,981	51,209	6,772	49,909	1,055	781	-
QC SERVER AB	174	7,931	65,046	(57,115)	8,176	(2,312)	(55,761)	-
ASUS PROPERTIES (VIETNAM) LTD.	1,422	1,226	127	1,099	-	(338)	(335)	-
LIABILITY LIMITED COMPANY A25	4	30,181	34,620	(4,439)	90,726	(755)	(5,065)	-
ASUSTEK COMPUTER (SHANGHAI) CO., LTD.	1,369,888	21,278,932	24,771,275	(3,492,343)	53,671,813	266,235	216,354	Note
ASUS COMPUTER (SHANGHAI) CO., LTD.	56,960	100,616	25,428	75,188	145,280	3,925	4,534	Note
ASUS TECHNOLOGY (SUZHOU) CO., LTD.	1,395,520	3,549,262	392,168	3,157,094	1,636,451	105,101	139,963	Note
ASUSTEK COMPUTER (CHONGQING) CO., LTD.	1,965,120	10,311,780	4,228,363	6,083,417	11,529,636	49,054	622,106	Note
ASUS INVESTMENTS (SUZHOU) CO., LTD.	737,605	712,631	659	711,972	-	(6,409)	(5,506)	Note

Note: It's not applied to company limited.

ASUSTeK Computer Inc.

Declaration of Internal Control

Date: March 17, 2020

The internal control system in 2020 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, 2020, 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 17, 2020 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, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2020 and 2019, 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, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2020 and 2019 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 audit 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 for the year ended December 31, 2020; we conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Financial Supervisory Commission Letter No. 1090360805 of February 25, 2020 and generally accepted auditing standards in the Republic of China for the year ended December 31, 2019. 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 Accountants 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 consolidated financial statements of the current period. 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 consolidated financial statements in the current period 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 for 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(17) for the details of refund liabilities - sales returns and discounts. As of December 31, 2020, refund liabilities - sales returns and discounts amounted to \$24,436,364 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 judgment and the market of 3C products changes rapidly, management's use of historical experience to accrue 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 that 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 that 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.

Classification and presentation of discontinued operations

Description

Refer to Note 6(13) for details of discontinued operations.

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 in the same year. Given the magnitude that the Group continuously disposed of discontinued operations as well as the significant impact of how the profit or loss of discontinued operations was classified and presented in the financial statements, we consider the classification and presentation of discontinued operations 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. Obtained management's detailed listings of valuation effects of assets and liabilities in discontinued operations and checked relevant supporting documentation.
2. Confirmed the financial statements are reasonably presented by reviewing and assessing how the management disclosed the discontinued operations.

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 \$9,600,499 thousand and \$11,405,539 thousand (including investments accounted for under the equity method amounting to \$4,194,107 thousand and \$4,185,826 thousand), constituting 2.42% and 3.24% of consolidated total assets as of December 31, 2020 and 2019, respectively, total operating revenues of \$3,769,646 thousand and \$2,121,798 thousand, constituting 0.91% and 0.60% of consolidated operating revenues for the years ended December 31, 2020 and 2019, respectively, and the share of profit and other comprehensive

income of associates and joint ventures accounted for under the equity method of \$59,173 thousand and \$89,052 thousand, constituting 0.17% and 0.32% of consolidated comprehensive income for the years ended December 31, 2020 and 2019, 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, 2020 and 2019.

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

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

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

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

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 17, 2021

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such 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, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS	NOTES	DECEMBER 31, 2020		DECEMBER 31, 2019	
		AMOUNT	%	AMOUNT	%
<u>Current assets</u>					
Cash and cash equivalents	6(1)	\$ 56,779,464	15	\$ 79,083,376	23
Financial assets at fair value through profit or loss - current	6(2)	19,979,703	5	5,689,854	2
Financial assets at fair value through other comprehensive income - current	6(3)	1,284,648	-	769,603	-
Financial assets at amortized cost - current	6(4)	151,500	-	119,500	-
Derivative financial assets for hedging - current	6(5)	14,234	-	5,612	-
Notes receivable	6(6)	4,257,331	1	5,178,261	1
Trade receivables	6(6)(7) and 7	71,845,003	18	65,748,653	19
Other receivables	7	496,974	-	528,727	-
Inventories	6(8)	97,309,753	25	74,442,780	21
Prepayments		8,188,781	2	8,360,883	2
Other current assets	8	277,339	-	256,565	-
Total current assets		260,584,730	66	240,183,814	68
<u>Non-current assets</u>					
Financial assets at fair value through profit or loss - non-current	6(2)	112,748	-	244,224	-
Financial assets at fair value through other comprehensive income - non-current	6(3)	70,834,757	18	62,083,635	18
Financial assets at amortized cost - non-current	6(4)	4,163,816	1	-	-
Investments accounted for under equity method	6(9)	16,467,905	4	6,367,892	2
Property, plant and equipment	6(10) and 8	21,022,891	5	22,354,443	6
Right-of-use assets	6(11)	1,240,450	-	3,016,854	1
Investment property		7,269,510	2	4,007,876	1
Intangible assets	6(12)	2,182,446	1	2,181,855	1
Deferred income tax assets	6(27)	11,268,531	3	10,174,080	3
Other non-current assets	8	1,366,932	-	1,389,438	-
Total non-current assets		135,929,986	34	111,820,297	32
<u>TOTAL ASSETS</u>		\$ 396,514,716	100	\$ 352,004,111	100

(Continued)

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

LIABILITIES AND EQUITY	NOTES	DECEMBER 31, 2020		DECEMBER 31, 2019	
		AMOUNT	%	AMOUNT	%
<u>Current liabilities</u>					
Short-term borrowings	6(14)(30)	\$ 5,875,775	2	\$ 5,600,728	2
Financial liabilities at fair value through profit or loss - current	6(2)	938,214	-	480,597	-
Derivative financial liabilities for hedging - current	6(5)	823,640	-	311,468	
Contract liabilities - current	6(22)	1,125,325	1	968,662	-
Notes and trade payables	6(7) and 7	55,470,313	14	59,025,552	17
Other payables - accrued expenses	7	40,898,928	10	35,693,856	10
Current income tax liabilities		8,996,550	2	4,875,979	2
Provisions for liabilities - current	6(16) and 9	22,633,219	6	21,752,992	6
Lease liabilities - current	6(30)	398,576	-	445,844	-
Refund liabilities - current	6(17)	24,436,364	6	20,829,445	6
Other current liabilities	7	4,575,103	1	4,533,502	1
Total current liabilities		166,172,007	42	154,518,625	44
<u>Non-current liabilities</u>					
Deferred income tax liabilities	6(27)	14,456,769	4	12,876,044	4
Lease liabilities - non-current	6(30)	547,577	-	683,584	-
Other non-current liabilities	6(15)	696,812	-	639,066	-
Total non-current liabilities		15,701,158	4	14,198,694	4
Total liabilities		181,873,165	46	168,717,319	48
<u>Equity attributable to shareholders of the parent</u>					
Share capital - common shares	6(18)	7,427,603	2	7,427,603	2
Capital surplus	6(19)	9,784,103	3	6,297,000	2
Retained earnings	6(20)				
Legal reserve		36,620,905	9	35,407,050	10
Special reserve		693,928	-	693,928	-
Unappropriated retained earnings		110,029,647	28	95,102,416	27
Other equity	6(3)(5)(21)	37,208,330	9	31,932,043	9
Total equity attributable to shareholders of the parent		201,764,516	51	176,860,040	50
Non-controlling interest		12,877,035	3	6,426,752	2
Total equity		214,641,551	54	183,286,792	52
<u>TOTAL LIABILITIES AND EQUITY</u>		\$ 396,514,716	100	\$ 352,004,111	100

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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

ITEMS	NOTES	FOR THE YEARS ENDED DECEMBER 31,			
		2020		2019	
		AMOUNT	%	AMOUNT	%
Operating revenue	6(22) and 7	\$ 412,780,439	100	\$ 351,330,493	100
Operating costs	6(8)(10)(11)(12)(15) (25)(26) and 7	(339,554,721)	(82)	(297,842,375)	(85)
Gross profit		73,225,718	18	53,488,118	15
Unrealized profit from sales		(15,545)	-	-	-
Gross profit		73,210,173	18	53,488,118	15
Operating expenses	6(10)(11)(12)(15) (25)(26), 7 and 9	(48,253,110)	(12)	(41,871,426)	(12)
Selling expenses		(23,815,792)	(6)	(20,954,331)	(6)
General and administrative expenses		(7,562,320)	(2)	(6,797,051)	(2)
Research and development expenses		(16,874,998)	(4)	(14,120,044)	(4)
Total operating expenses		(48,253,110)	(12)	(41,871,426)	(12)
Operating profit		24,957,063	6	11,616,692	3
Non-operating income and expenses					
Interest income	6(4)	639,852	-	1,310,091	-
Other income	6(3)(23)	3,023,137	1	2,483,358	1
Other gains (losses)	6(2)(4)(5)(10)(11) (24)	4,019,102	1	4,022,275	1
Finance costs	6(11)	(166,409)	-	(167,762)	-
Share of profit (loss) of associates and joint ventures accounted for under equity method	6(9)	647,293	-	39,497	-
Total non-operating income and expenses		8,162,975	2	7,687,459	2
Profit before income tax		33,120,038	8	19,304,151	5
Income tax expenses	6(27)	(7,317,181)	(2)	(4,094,022)	(1)
Profit from continuing operations for the year		25,802,857	6	15,210,129	4
Profit (loss) from discontinued operations for the year	6(13)	2,584,021	1	(2,195,100)	-
Profit for the year		\$ 28,386,878	7	\$ 13,015,029	4
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
Profit (loss) on remeasurements of defined benefit plans	6(21)	(\$ 25,556)	-	(\$ 13,840)	-
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(21)	8,671,271	2	16,934,513	5
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	6(9)(21)	1,770,567	-	1,663	-
Income tax relating to components of other comprehensive income	6(21)(27)	(21,171)	-	(9,520)	-
Components of other comprehensive income that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations	6(21)	(4,372,649)	(1)	(2,252,810)	(1)
Gains (losses) on hedging instrument	6(5)(21)	(503,550)	-	(586,752)	-
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	6(9)(21)	(341,112)	-	(2,245)	-
Income tax relating to components of other comprehensive income	6(21)(27)	877,776	-	447,534	-
Other comprehensive income (loss) for the year		\$ 6,055,576	1	\$ 14,518,543	4
Total comprehensive income for the year		\$ 34,442,454	8	\$ 27,533,572	8
Profit attributable to:					
Shareholders of the parent		\$ 26,557,672	6	\$ 12,138,555	4
Non-controlling interest		1,829,206	1	876,474	-
		\$ 28,386,878	7	\$ 13,015,029	4
Total comprehensive income attributable to:					
Shareholders of the parent		\$ 31,833,959	7	\$ 26,666,598	8
Non-controlling interest		2,608,495	1	866,974	-
		\$ 34,442,454	8	\$ 27,533,572	8
Basic earnings per share:	6(28)				
Profit from continuing operations		\$ 32.28		\$ 19.30	
Profit (loss) from discontinued operations		3.48	(2.96)		
Basic earnings per share		\$ 35.76		\$ 16.34	
Diluted earnings per share:	6(28)				
Profit from continuing operations		\$ 31.91		\$ 19.19	
Profit (loss) from discontinued operations		3.44	(2.94)		
Diluted earnings per share		\$ 35.35		\$ 16.25	

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Equity attributable to owners of the parent											
	Retained Earnings				Other Equity Interest							
	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	Non-controlling interest	Total equity	
Common shares												
	\$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	\$ 6,426,752	\$183,286,792
For the year ended December 31, 2020												
	Balance at January 1, 2020											
	Appropriations of 2019 earnings: (Note 6(20))											
	Legal reserve	-	1,213,855	-	(1,213,855)	-	-	-	-	-	-	-
	Cash dividends	-	-	-	(10,398,644)	-	-	-	-	(10,398,644)	-	(10,398,644)
	Profit for the year	-	-	-	26,557,672	-	-	-	-	26,557,672	1,829,206	28,386,878
	Other comprehensive income (loss) for the year	-	-	-	-	(3,646,202)	9,445,203	(503,550)	(19,164)	5,276,287	779,289	6,055,576
	Change in associates and joint ventures accounted for under equity method	-	649,500	-	-	-	-	-	-	649,500	-	649,500
	Recognition of changes in ownership interest in subsidiaries (Note 6(29))	-	2,837,603	-	-	-	-	-	-	2,837,603	3,787,640	6,625,243
	Non-controlling interest	-	-	-	-	-	-	-	-	-	54,148	54,148
	Disposal of financial assets at fair value through other comprehensive income	-	-	-	(17,942)	-	-	-	-	(17,942)	-	(17,942)
	Balance at December 31, 2020	\$9,784,103	\$36,620,905	\$ 693,928	\$110,029,647	(\$6,447,186)	\$ 44,600,953	(\$ 809,406)	(\$ 136,031)	\$201,764,516	\$12,877,035	\$214,641,551
For the year ended December 31, 2019												
	Balance at January 1, 2019	\$6,299,430	\$34,983,546	\$ 693,941	\$ 94,556,481	(\$1,004,029)	\$ 18,234,029	\$ 280,896	(\$ 106,896)	\$161,365,001	\$ 6,326,923	\$167,691,924
	Appropriations of 2018 earnings: (Note 6(20))											
	Legal reserve	-	423,504	-	(423,504)	-	-	-	-	-	-	-
	Cash dividends	-	-	-	(11,141,404)	-	-	-	-	(11,141,404)	-	(11,141,404)
	Profit for the year	-	-	-	12,138,555	-	-	-	-	12,138,555	876,474	13,015,029
	Other comprehensive income (loss) for the year	-	-	-	-	(1,796,955)	16,921,721	(586,752)	(9,971)	14,528,043	(9,500)	14,518,543
	Change in associates and joint ventures accounted for under equity method	-	6,065	-	(843)	-	-	-	-	5,222	-	5,222
	Difference between consolidation and carrying amount of subsidiaries acquired or disposed	-	(7,634)	-	-	-	-	-	-	(7,634)	-	(7,634)
	Recognition of changes in ownership interest in subsidiaries	-	(861)	-	-	-	-	-	-	(861)	-	(861)
	Reversal of special reserve	-	-	(13)	13	-	-	-	-	-	-	-
	Non-controlling interest	-	-	-	-	-	-	-	-	-	(767,145)	(767,145)
	Disposal of financial assets at fair value through other comprehensive income	-	-	-	(26,882)	-	-	-	-	(26,882)	-	(26,882)
	Balance at December 31, 2019	\$6,297,000	\$35,407,050	\$ 693,928	\$ 95,102,416	(\$2,800,984)	\$ 35,155,750	(\$ 305,856)	(\$ 116,867)	\$176,860,040	\$ 6,426,752	\$183,286,792

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>FOR THE YEARS ENDED DECEMBER 31,</u>	
	<u>2020</u>	<u>2019</u>
<u>Cash flows from operating activities</u>		
Profit before income tax from continuing operations for the year	\$ 33,120,038	\$ 19,304,151
Profit (loss) before income tax from discontinued operations for the year	2,982,224	(2,560,421)
Profit before income tax from continuing and discontinued operations for the year	36,102,262	16,743,730
Income and expenses that result in non-cash flows		
Depreciation (including investment property and right-of-use assets)	2,885,997	2,096,486
Amortization	517,792	476,329
Expected credit impairment (gains) losses	(324,286)	252,098
Net loss (gain) on financial assets or liability at fair value through profit or loss	2,246,700	(510,055)
Share of profit of associates and joint ventures accounted for under equity method	(647,293)	(39,497)
Bargain purchase gain	(378,940)	-
Interest income	(639,853)	(1,310,917)
Dividend income	(2,879,397)	(2,349,345)
Interest expense	166,409	167,762
Others	294,851	77,388
Changes in assets / liabilities relating to operating activities		
Financial assets at fair value through profit or loss	(12,706,369)	862,727
Notes receivable	919,486	(865,463)
Trade receivables	(6,010,480)	11,872,261
Other receivables	130,618	192,127
Inventories	(22,821,053)	19,858,032
Prepayments	204,736	(1,397,328)
Other current assets	(20,774)	(137,040)
Financial liabilities at fair value through profit or loss	(3,341,674)	(1,373,672)
Contract liabilities	175,204	15,111
Notes and trade payables	(3,625,944)	(6,140,834)
Other payables - accrued expenses	5,662,290	(2,073,889)
Provisions for liabilities	880,227	(676,057)
Refund liabilities	3,606,036	967,638
Other current liabilities	(138,743)	360,023
Other operating liabilities	(11,249)	10,775
Receipt of interest	652,199	1,314,669
Payment of interest	(188,727)	(189,121)
Payment of income tax	(2,803,612)	(2,876,674)
Net cash flows provided by (used in) from operating activities	(2,093,587)	35,327,264
<u>Cash flows from investing activities</u>		
Acquisition of financial assets at fair value through other comprehensive income	(529,765)	-
Acquisition of financial assets at amortized cost	(4,414,553)	-
Proceeds from disposal of financial assets at amortized cost	-	1,555,722
Acquisition of investments accounted for under equity method	(162,981)	(371,903)
Acquisition of property, plant and equipment	(2,565,786)	(7,527,919)
Acquisition of intangible assets	(449,989)	(157,570)
Increase (decrease) in refundable deposits	70,286	(153,308)
Changes in other non-current assets	(11,357)	(198,991)
Dividends received	3,425,477	2,546,501
Others	52,038	116,833
Net cash flows provided by (used in) investing activities	(4,586,630)	(4,190,635)
<u>Cash flows from financing activities</u>		
Increase (decrease) in short-term borrowings	285,489	(1,500,601)
Payment of cash dividends	(10,398,644)	(11,141,404)
Redemption of lease liabilities	(517,210)	(589,619)
Change in non-controlling interest	(786,931)	(779,444)
Others	68,995	47,812
Net cash flows provided by (used in) financing activities	(11,348,301)	(14,058,880)
Effects due to changes in exchange rate	(4,275,394)	(1,966,921)
(Decrease) Increase in cash and cash equivalents	(22,303,912)	15,110,828
Cash and cash equivalents at beginning of year	79,083,376	63,972,548
Cash and cash equivalents at end of year	<u>\$ 56,779,464</u>	<u>\$ 79,083,376</u>

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
 (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, tablet PCs, 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 on March 17, 2021.

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 endorsed by the FSC effective from 2020 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1 and IAS 8, "Disclosure initiative - definition of material"	January 1, 2020
Amendments to IFRS 3, "Definition of a business"	January 1, 2020

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9, IAS 39 and IFRS 7, “Interest rate benchmark reform”	January 1, 2020
Amendment to IFRS 16, “Covid-19-related rent concessions”	June 1, 2020 (Note)

Note: Early application from January 1, 2020 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 International Financial Reporting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

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

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) International Financial Reporting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

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 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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 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.

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 of the Group 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 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 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
			2020/12/31	2019/12/31	
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	

Investor	Subsidiary	Main business activities	Ownership (%)		Remark
			2020/12/31	2019/12/31	
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	
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	46.03	52.93	
ASUS, HCVC and HMI	AAEON TECHNOLOGY INC. (AAEON)	Manufacturing and selling of industrial computers and computer peripherals	40.73	40.73	
ASUS, HMI and AAEON	ONYX HEALTHCARE INC. (ONYX)	Designing, manufacturing and selling of medical computers	56.80	56.80	Note 2
HMI GROUP	JOTECH LTD. (JOTECH)	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	

Investor	Subsidiary	Main business activities	Ownership (%)		Remark
			2020/12/31	2019/12/31	
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	OPENBASE LIMITED (OB)	Selling of communication products and peripherals	-	100.00	
ASKEY GROUP	LEADING PROFIT CO., LTD. (LP)	Selling of communication products and peripherals	100.00	100.00	
ASKEY GROUP	UNI LEADER INTERNATIONAL LTD. (UNI)	Selling of communication products and peripherals	100.00	100.00	
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	

Investor	Subsidiary	Main business activities	Ownership (%)		Remark
			2020/12/31	2019/12/31	
ASKEY GROUP	ASKEYUK CO. LIMITED (ASKEYUK)	Selling and servicing of communication products	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	
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	

Investor	Subsidiary	Main business activities	Ownership (%)		Remark
			2020/12/31	2019/12/31	
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	ASUSTEK COMPUTER (S) PTE. LTD. (ACSG)	Repairing of 3C products in Singapore	-	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)	Repairing of 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	Note 1
AIL GROUP	ASUS TECHNOLOGY (SUZHOU) CO., LTD. (ACSZ)	Researching and developing of 3C products	100.00	100.00	
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	

Investor	Subsidiary	Main business activities	Ownership (%)		Remark
			2020/12/31	2019/12/31	
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	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 and repair 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	Note 1
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	
AIL GROUP	ASUS BILGISAYAR SISTEMLERİ TICARET LİMİTED SİRKETİ (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 TEKNOLOJİ SERVİSLERİ TICARET LİMİTED SİRKETİ (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	

Investor	Subsidiary	Main business activities	Ownership (%)		Remark
			2020/12/31	2019/12/31	
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)	Servicing of management consulting	100.00	-	
AIL GROUP	LIABILITY LIMITED COMPANY A25 (A25)	Selling of 3C products in Russia	100.00	-	

Note 1: ACIB was named ASUS SPAIN MARKETING SUPPORT SL before it was renamed in April 2019. ACTH was named ASUS MARKETING (THAILAND) CO., LTD. before it was renamed in January 2019.

Note 2: 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 as 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 debt instruments measured at fair value through other comprehensive income, 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 or contract assets 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 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 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 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.

(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 as interest expense. Provisions are not recognized for future operating losses.

(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 as expenses in that period when the employees render service.

B. Pensions

(A) Defined contribution plans

For defined contribution plans, 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 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 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 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 as 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 as 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 for 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, 2020, the Group recognized \$24,436,364 as refund liabilities for 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, 2020, the carrying amount of inventories was \$97,309,753.

6. **DETAILS OF SIGNIFICANT ACCOUNTS**

(1) Cash and cash equivalents

	2020/12/31	2019/12/31
Cash on hand and petty cash	\$ 6,492	\$ 7,194
Checking accounts and demand deposits	29,119,590	31,952,371
Time deposits	27,603,227	45,793,398
Others	50,155	1,330,413
	<u>\$ 56,779,464</u>	<u>\$ 79,083,376</u>

The Group has no cash and cash equivalents pledged to others.

(2) Financial assets and liabilities at fair value through profit or loss

	2020/12/31	2019/12/31
Financial assets mandatorily measured at fair value through profit or loss - current:		
Listed and OTC stocks	\$ 507,121	\$ 539,720
Unlisted and non-OTC stocks	6,144	6,333
Beneficiary certificates	19,456,752	5,129,519
Derivatives	9,686	14,282
	<u>\$ 19,979,703</u>	<u>\$ 5,689,854</u>

Financial assets mandatorily measured at fair value through profit or loss - non-current:

Listed and OTC stocks	\$ 1,121	\$ 853
Unlisted and non-OTC stocks	57,621	53,229
Beneficiary certificates	42,988	59,214
Hybrid instruments	11,018	10,928
Convertible bonds	-	120,000
	<u>\$ 112,748</u>	<u>\$ 244,224</u>

Financial liabilities held for trading - current:

Derivatives	<u>\$ 938,214</u>	<u>\$ 480,597</u>
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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) 8 for the fair value on December 31, 2020 and 2019.

B. Amounts recognized in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	For the years ended December 31,	
	2020	2019
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Equity instruments	(\$ 36,006)	\$ 64,247
Beneficiary certificates	34,626	14,733
Derivatives	(2,245,410)	430,446
Hybrid instruments	90	629
	<u>(\$ 2,246,700)</u>	<u>\$ 510,055</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:

	2020/12/31		2019/12/31	
	Contract amount (in thousands)	Maturity period	Contract amount (in thousands)	Maturity period
Derivative financial assets:				
Forward exchange contracts				
-EUR/USD	EUR -	-	EUR 27,000	2020/02~ 2020/04
-USD/NTD	USD -	-	USD 200	2020/01
-GBP/USD	GBP -	-	GBP 11,000	2020/03
-PLN/USD	PLN 65,000	2021/02	PLN -	-
-CNH/USD	CNH -	-	CNH 69,687	2020/02
-INR/USD	INR -	-	INR 1,775,100	2020/01
-SEK/USD	SEK -	-	SEK 20,000	2020/04
-RUB/USD	RUB 1,106,165	2021/01	RUB -	-
Currency option contracts				
-CNH/USD	CNH -	-	CNH 464,784	2020/05
-JPY/USD	JPY -	-	JPY 7,044,180	2020/03
Currency swap contracts				
-USD/NTD	USD -	-	USD 500	2020/01

	2020/12/31			2019/12/31		
	Contract amount (in thousands)		Maturity period	Contract amount (in thousands)		Maturity period
Derivative financial liabilities:						
Forward exchange contracts						
-CAD/USD	CAD	151,500	2021/08	CAD	122,000	2020/01~ 2020/08
-NTD/USD	USD	750,000	2021/05	USD	360,000	2020/03
-USD/NTD	USD	-	-	USD	500	2020/01
-EUR/USD	EUR	280,000	2021/04	EUR	345,000	2020/03~ 2020/04
-GBP/USD	GBP	51,000	2021/03	GBP	12,000	2020/03
-NOK/USD	NOK	-	-	NOK	110,000	2020/04
-CNH/USD	CNH	-	-	CNH	1,669,883	2020/02
-IDR/USD	IDR	796,109,000	2021/01	IDR	1,137,271,000	2020/02
-INR/USD	INR	7,229,928	2021/02	INR	2,152,087	2020/01
-SEK/USD	SEK	64,000	2021/01	SEK	104,634	2020/04
-PLN/USD	PLN	65,000	2021/01	PLN	180,000	2020/04
-CHF/USD	CHF	2,100	2021/01	CHF	2,500	2020/02
-MXN/USD	MXN	-	-	MXN	110,000	2020/02
-AUD/USD	AUD	26,000	2021/02	AUD	16,000	2020/02
-RUB/USD	RUB	-	-	RUB	188,055	2020/01
-JPY/USD	JPY	3,105,145	2021/01	JPY	-	-
Currency option contracts						
-RUB/USD	RUB	-	-	RUB	2,593,690	2020/04
-CNH/USD	CNH	1,649,436	2021/04	CNH	2,074,684	2020/05
-GBP/USD	GBP	-	-	GBP	2,000	2020/01
-EUR/USD	EUR	40,000	2021/02	EUR	117,000	2020/03
-IDR/USD	IDR	-	-	IDR	539,331,000	2020/04
-AUD/USD	AUD	12,000	2021/01	AUD	-	-

(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 or sell various foreign currencies rights at an agreed price in the future to hedge exchange rate risk of import and export proceeds. However, these currency option contracts are not accounted for under hedge accounting.

(C) Currency swap contracts

The Group entered into currency swap contracts to hedge cash flow risk of the floating-rate liability positions. However, these currency swap contracts are not accounted for under hedge accounting.

D. The Group has no financial assets at fair value through profit or loss pledged to others.

E. Information about credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at fair value through other comprehensive income

	<u>2020/12/31</u>	<u>2019/12/31</u>
Equity instruments - current:		
Listed and OTC stocks	\$ 305,839	\$ 310,939
Valuation adjustment	978,809	458,664
	<u>\$ 1,284,648</u>	<u>\$ 769,603</u>
Equity instruments - non-current:		
Listed and OTC stocks	\$ 27,274,828	\$ 26,878,597
Unlisted and non-OTC stocks	714,504	510,739
	27,989,332	27,389,336
Valuation adjustment	42,845,425	34,694,299
	<u>\$ 70,834,757</u>	<u>\$ 62,083,635</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 \$72,119,405 and \$62,853,238 on December 31, 2020 and 2019, respectively.

B. 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:

	<u>For the years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Reclassified from other equity to retained earnings due to disposal	(\$ 17,942)	(\$ 26,882)
Dividends from investments recognized in profit or loss held at end of the year	\$ 2,860,030	\$ 2,314,850

C. The Group has no financial assets at fair value through other comprehensive income pledged to others.

(4) Financial assets at amortized cost

<u>Items</u>	<u>2020/12/31</u>	<u>2019/12/31</u>
Current items:		
Time deposits with original maturity period of more than three months	\$ 151,500	\$ 119,500

Items	2020/12/31	2019/12/31
Non-current items:		
Corporate bonds	\$ 4,224,004	\$ -
Less: Accumulated impairment	(60,188)	-
	<u>\$ 4,163,816</u>	<u>\$ -</u>

A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	For the years ended December 31,	
	2020	2019
Interest income	\$ 16,716	\$ 1,192
Impairment loss	(62,447)	-
	<u>(\$ 45,731)</u>	<u>\$ 1,192</u>

B. The Group has no financial assets at amortized cost pledged to others.

C. As of December 31, 2020 and 2019, 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 \$4,315,316 and \$119,500, respectively.

D. Information about credit risk of financial assets at amortized cost is provided in Note 12(2).

(5) Hedging financial assets and liabilities

	2020/12/31	2019/12/31
Financial assets - current		
Cash flow hedges - Forward exchange contracts	\$ 14,234	\$ 5,612
Financial liabilities - current		
Cash flow hedges - Forward exchange contracts	(823,640)	(311,468)
	<u>(\$ 809,406)</u>	<u>(\$ 305,856)</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:

	2020/12/31		2019/12/31	
	Contract amount (in thousands)	Maturity period	Contract amount (in thousands)	Maturity period
Hedging instruments				
Cash flow hedges:				
Hedging financial assets				
Forward exchange contracts				
-EUR/USD	EUR -	-	EUR 10,000	2020/03
-PLN/USD	PLN 91,000	2021/06	PLN -	-
-GBP/USD	GBP 3,000	2021/06	GBP 18,000	2020/06
-JPY/USD	JPY -	-	JPY 1,520,000	2020/03
-RUB/USD	RUB 1,704,000	2021/03	RUB -	-
Hedging financial liabilities				
Forward exchange contracts				
-AUD/USD	AUD 56,000	2021/03	AUD 27,000	2020/03
-NOK/USD	NOK -	-	NOK 208,000	2020/06
-EUR/USD	EUR 595,500	2021/06	EUR 535,000	2020/06
-GBP/USD	GBP 85,000	2021/06	GBP 41,000	2020/06
-RUB/USD	RUB 1,347,500	2021/03	RUB 2,185,000	2020/03
-SEK/USD	SEK 148,500	2021/06	SEK 132,000	2020/06
-PLN/USD	PLN 132,200	2021/06	PLN 164,000	2020/06
-JPY/USD	JPY 6,650,000	2021/03	JPY 400,000	2020/03

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:

	2020	2019
<u>Other equity - hedge effectiveness</u>		
January 1	(\$ 305,856)	\$ 280,896
Gains (losses) on hedge instrument	(503,550)	(586,752)
December 31	(\$ 809,406)	(\$ 305,856)
Other gains - hedge ineffectiveness	\$ 11,870	\$ 7,991

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

	<u>2020/12/31</u>	<u>2019/12/31</u>
Notes receivable	\$ 4,344,878	\$ 5,264,364
Trade receivables	<u>72,978,913</u>	<u>66,982,552</u>
	77,323,791	72,246,916
Less: Loss allowance	(<u>1,221,457</u>)	(<u>1,320,002</u>)
	<u>\$ 76,102,334</u>	<u>\$ 70,926,914</u>

A. The ageing analysis of notes and trade receivable is as follows:

	<u>2020/12/31</u>	<u>2019/12/31</u>
Not past due	\$ 69,297,840	\$ 60,499,057
Less than 90 days past due	6,884,090	10,617,189
Between 91 and 180 days past due	112,141	465,392
More than 181 days past due	<u>1,029,720</u>	<u>665,278</u>
	<u>\$ 77,323,791</u>	<u>\$ 72,246,916</u>

B. As of December 31, 2020, December 31, 2019 and January 1, 2019, the balances of notes and trade receivables from contracts with customers amounted to \$77,323,791, \$72,246,916 and \$85,229,672, respectively.

C. The Group does not hold financial assets as security for trade receivables.

D. As of December 31, 2020 and 2019, 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 \$4,257,331 and \$5,178,261, respectively. The maximum exposure to credit risk in respect of the amount that best represents the Group's trade receivables were \$71,845,003 and \$65,748,653, respectively.

E. Information about credit risk of notes and trade receivable is provided in Note 12(2).

(7) Offsetting financial assets and financial liabilities

A. The Group has assets (fair value of \$28,862,320 and \$23,052,990 as of December 31, 2020 and 2019, respectively) and liabilities (fair value of \$35,649,312 and \$30,151,754 as of December 31, 2020 and 2019, respectively) with certain companies that meet the offsetting criteria in paragraph 42 of IAS 32, recognition of a net amount for trade receivables and notes and trade payables after 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		of financial		collateral
	assets (before	(before	Offsetting	assets (after	(after	(received)
	offsetting)	offsetting)	amount	offsetting)	offsetting)	/provided
2020/12/31	\$ 28,862,320	(\$ 35,649,312)	(\$ 28,667,684)	\$ 194,636	(\$ 6,981,628)	\$ -
2019/12/31	23,052,990	(30,151,754)	(22,190,250)	862,740	(7,961,504)	-

(8) Inventories

2020/12/31			
	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>
2019/12/31			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 35,599,092	(\$ 5,699,572)	\$ 29,899,520
Work in process	3,085,728	(339,379)	2,746,349
Finished goods	2,996,863	(343,442)	2,653,421
Merchandise inventories	44,799,733	(6,558,770)	38,240,963
Inventories in transit	902,527	-	902,527
	<u>\$ 87,383,943</u>	<u>(\$ 12,941,163)</u>	<u>\$ 74,442,780</u>

Except for costs of goods sold, the inventories recognized as operating costs from continued and discontinued operations amounted to (\$1,267,794) and (\$3,316,090), of which \$1,609,832 and \$3,502,265 pertain to the recovery in value of inventories for the years ended December 31, 2020 and 2019, respectively. The Group 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 for the years ended December 31, 2020 and 2019.

(9) Investments accounted for under equity method

	2020/12/31	2019/12/31
Associates	<u>\$ 16,467,905</u>	<u>\$ 6,367,892</u>

A. The Group's associates are all immaterial, and the summary on financial information of share attributable to the Group is as follows:

	For the years ended December 31,	
	2020	2019
Profit (loss) for the year	\$ 647,293	\$ 39,497
Other comprehensive income (loss) for the year (net of income tax)	1,429,455 (	227)
Total comprehensive (loss) income for the year	<u>\$ 2,076,748</u>	<u>\$ 39,270</u>

B. The fair value of the Group's associates which have quoted market price is as follows:

	2020/12/31	2019/12/31
Fair value of associates	<u>\$ 10,658,393</u>	<u>\$ 3,845,079</u>

C. The Group is the single largest shareholder of IBASE, NEXTS, EMC and UPI with a 30.79%, 43.48%, 17.94% and 35.12% 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, 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>

	Land	Buildings	Machinery and equipment	Miscellaneous equipment	Construction in progress and equipment under installation	Total
January 1, 2019						
Cost	\$6,447,064	\$ 7,363,769	\$ 5,432,501	\$ 4,299,207	\$ 3,231,834	\$ 26,774,375
Accumulated depreciation and impairment	- (3,028,235)	(3,883,916)	(3,128,358)	-	(10,040,509)	
	<u>\$6,447,064</u>	<u>\$ 4,335,534</u>	<u>\$ 1,548,585</u>	<u>\$ 1,170,849</u>	<u>\$ 3,231,834</u>	<u>\$ 16,733,866</u>
January 1, 2019	\$6,447,064	\$ 4,335,534	\$ 1,548,585	\$ 1,170,849	\$ 3,231,834	\$ 16,733,866
Acquisitions	1,014,089	1,962,865	3,475,457	434,944	602,078	7,489,433
Disposals	-	- (71,710)	(21,192)	-	(92,902)	
Depreciation	- (208,671)	(794,099)	(451,326)	-	(1,454,096)	
Impairment	-	- (18,627)	(8,985)	-	(27,612)	
Reclassifications	-	2,114,401	20,316	16,896	(2,145,131)	6,482
Effects due to changes in consolidated entities	-	-	-	874	-	874
Net exchange differences	(12,901)	(80,546)	(125,701)	(21,321)	(61,133)	(301,602)
December 31, 2019	<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>
December 31, 2019						
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>

A. After evaluating and comparing the carrying amount of property, plant and equipment and its recoverable amounts, the Group recognized impairment loss amounting to \$14,521 and \$27,612 for the years ended December 31, 2020 and 2019, 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, office 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	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>

	Buildings	Transportation equipment	Office equipment	Other equipment	Land use right	Total
January 1, 2019 adjustment of adoption of IFRS 16	\$ 1,354,295	\$ 26,889	\$ 2,246	\$ 6,471	\$ 2,002,288	\$ 3,392,189
Acquisitions	292,755	25,716	-	-	-	318,471
Disposals	(21,473)	(87)	-	-	-	(21,560)
Depreciation	(561,501)	(13,766)	(663)	(2,618)	(54,527)	(633,075)
Reclassifications	(5,418)	(404)	-	-	-	(5,822)
Net exchange differences	50,153	(10,440)	43	(391)	(72,714)	(33,349)
December 31, 2019	<u>\$ 1,108,811</u>	<u>\$ 27,908</u>	<u>\$ 1,626</u>	<u>\$ 3,462</u>	<u>\$ 1,875,047</u>	<u>\$ 3,016,854</u>

C. The information on income and expense accounts relating to lease contracts is as follows:

	For the years ended December 31,	
	2020	2019
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 34,215	\$ 36,316
Expense on short-term lease contracts	191,142	272,840
Expense on leases of low-value assets	2,982	16,654
Gain on lease modification	5,003	1,311

D. For the years ended December 31, 2020 and 2019, the Group's total cash outflow for leases was \$745,549 and \$915,429, respectively.

(12) Intangible assets

	<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>
	<u>Trademark</u>	<u>Computer software</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
January 1, 2019					
Cost	\$ 355,103	\$ 1,862,492	\$ 1,138,513	\$ 685,072	\$ 4,041,180
Accumulated amortization and impairment	- (	1,416,011)	(6,615)	(546,818)	(1,969,444)
	<u>\$ 355,103</u>	<u>\$ 446,481</u>	<u>\$ 1,131,898</u>	<u>\$ 138,254</u>	<u>\$ 2,071,736</u>
January 1, 2019	\$ 355,103	\$ 446,481	\$ 1,131,898	\$ 138,254	\$ 2,071,736
Acquisitions	-	141,380	-	1,265	142,645
Disposals	- (	18,856)	-	-	(18,856)
Amortization and impairment	- (	272,754)	- (	79,308)	(352,062)
Reclassifications	-	3,387	-	309,451	312,838
Effect due to changes in consolidated entities	-	-	31,599	6,529	38,128
Net exchange differences	-	(2,181)	-	(10,393)	(12,574)
December 31, 2019	<u>\$ 355,103</u>	<u>\$ 297,457</u>	<u>\$ 1,163,497</u>	<u>\$ 365,798</u>	<u>\$ 2,181,855</u>
December 31, 2019					
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>

- 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:

	For the years ended December 31,	
	2020	2019
Operating cash flows	\$ 1,590,575	(\$ 3,398,906)
Investing cash flows	-	-
Financing cash flows (Note)	(1,590,575)	3,398,906
Total cash flows	<u>\$ -</u>	<u>\$ -</u>

Note: The continuing operations provided (obtained) financing support to (from) the discontinued operations.

C. Analysis of the results of discontinued operations is as follows:

	For the years ended December 31,	
	2020	2019
Operating revenue	\$ 4,412,608	\$ 17,138,944
Operating (costs)	(1,826,943)	(17,423,504)
Operating (expenses)	253,027	(2,108,213)
Non-operating income and (expenses)	143,532	(167,648)
Profit (loss) before income tax from discontinued operations	2,982,224	(2,560,421)
Income tax (expenses) benefit	(398,203)	365,321
Total profit (loss) from discontinued operations	\$ 2,584,021	(\$ 2,195,100)

(14) Short-term borrowings

Type of borrowings	2020/12/31	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>		
Type of borrowings	2019/12/31	Interest rate range	Collateral
Bank borrowings			
Guaranteed borrowings	\$ 44,370	5.15%~5.40%	Property, plant and equipment
Credit borrowings	5,556,358	1.03%~2.65%	-
	<u>\$ 5,600,728</u>		

(15) 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:

	<u>2020/12/31</u>	<u>2019/12/31</u>
Present value of defined benefit obligations	(\$ 437,459)	(\$ 389,680)
Fair value of plan assets	<u>214,070</u>	<u>202,683</u>
Net defined benefit liability	<u>(\$ 223,389)</u>	<u>(\$ 186,997)</u>

(C) Movements in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
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	-	6,673	6,673
(excluding amounts included in interest income or expense)			
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>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
January 1, 2019	(\$ 397,350)	\$ 218,861	(\$ 178,489)
Current service cost	(19,639)	-	(19,639)
Interest (expense) income	(6,421)	2,233	(4,188)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	6,540	6,540
Change in demographic assumptions	(3,290)	-	(3,290)
Change in financial assumptions	(15,629)	-	(15,629)
Experience adjustments	(1,461)	-	(1,461)
Pension fund contribution	-	6,232	6,232
Pension payment	45,817	(31,183)	14,634
Exchange difference and others	8,293	-	8,293
December 31, 2019	<u>(\$ 389,680)</u>	<u>\$ 202,683</u>	<u>(\$ 186,997)</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, 2020 and 2019 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(E) The principal actuarial assumptions used are as follows:

	For the years ended December 31,	
	2020	2019
Discount rate	<u>0.40%~7.51%</u>	<u>0.75%~8.18%</u>
Future salary increases rate	<u>2.00%~10.00%</u>	<u>2.00%~10.00%</u>

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	Decrease	Increase	Decrease
	0.25%~1%	0.25%~1%	0.25%~1%	0.25%~1%
December 31, 2020				
Effect on present value of defined benefit obligation	(\$ 26,285)	\$ 28,930	\$ 24,199	(\$ 22,363)
December 31, 2019				
Effect on present value of defined benefit obligation	(\$ 17,133)	\$ 18,802	\$ 14,011	(\$ 13,064)

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 contributions to the defined benefit pension plans of the Group for the year ending December 31, 2021 amount to \$8,526.
- (G) As of December 31, 2020, the weighted average duration of that retirement plan is 11.2~29 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 \$911,333 and \$968,191 for the years ended December 31, 2020 and 2019, respectively.

(16) Provisions for liabilities

	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>

	Provisions for warranty	Provisions for legal claims and royalty	Total
January 1, 2019	\$ 15,121,138	\$ 7,307,911	\$ 22,429,049
Recognition (reversal)	8,108,757	(62,175)	8,046,582
Used	(7,973,283)	(205,109)	(8,178,392)
Net exchange differences	(354,552)	(189,695)	(544,247)
December 31, 2019	<u>\$ 14,902,060</u>	<u>\$ 6,850,932</u>	<u>\$ 21,752,992</u>

Analysis of total provisions:

	2020/12/31	2019/12/31
Current	<u>\$ 22,633,219</u>	<u>\$ 21,752,992</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.

(17) Refund liabilities

	2020	2019
January 1	\$ 20,829,445	\$ 19,861,807
Recognition (reversal)	41,084,968	34,459,219
Used	(36,377,687)	(32,936,204)
Net exchange differences	(1,100,362)	(555,377)
December 31	<u>\$ 24,436,364</u>	<u>\$ 20,829,445</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.

(18) Common shares

A. As of December 31, 2020, 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, 2020 and 2019 are both 742,760,280 shares.

B. As of December 31, 2020, the Company issued Global Depositary Receipts (GDRs), of which 4,681,000 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 23,404,000 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.

(19) 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.

	2020/12/31	2019/12/31
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	3,968,392	1,130,789
Changes in associates and joint ventures accounted for under equity method	702,355	52,855
	<u>\$ 9,784,103</u>	<u>\$ 6,297,000</u>

(20) 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 Company is facing a rapidly changing industrial environment, with the life cycle of the industry in the growth phase. In line with the long-term financial plan of the Company and the demand for cash by the shareholders, the Company should distribute cash dividends of not less than 10% of the total dividends declared.
- 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 18, 2019, the Company distributed cash dividends to owners amounting to \$11,141,404 (\$15 (in dollars) per share) for the appropriation of 2018

earnings. 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.

F. The appropriation of 2020 earnings had been proposed by the Board of Directors on March 17, 2021.

Details are summarized as follows:

	For the year ended December 31, 2020	
	Amount	Dividends per share (in dollars)
Cash dividends	\$ 19,311,767	\$ 26.00

As of March 17, 2021, the appropriations of 2020 earnings stated above has not been resolved by the shareholders.

(21) 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 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	<u>(\$ 809,406)</u>	<u>\$ 44,600,953</u>	<u>(\$ 6,447,186)</u>	<u>(\$ 136,031)</u>	<u>\$ 37,208,330</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, 2019	\$ 280,896	\$ 18,234,029	(\$ 1,004,029)	(\$ 106,896)	\$ 17,404,000
-The Company	-	16,996,339	(1,432,392)	-	15,563,947
-Subsidiaries	(586,752)	(75,491)	(363,563)	(9,773)	(1,035,579)
-Associates	-	873	(1,000)	(198)	(325)
December 31, 2019	<u>(\$ 305,856)</u>	<u>\$ 35,155,750</u>	<u>(\$ 2,800,984)</u>	<u>(\$ 116,867)</u>	<u>\$ 31,932,043</u>

(22) Operating revenue

	For the years ended December 31,	
	2020	2019
Revenue from contracts with customers	\$ 417,193,047	\$ 368,469,437
Exclude (revenue) from contracts with customers from discontinued operations	(4,412,608)	(17,138,944)
	<u>\$ 412,780,439</u>	<u>\$ 351,330,493</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>3C products</u>	<u>Others</u>	<u>Total</u>
<u>For the year ended December 31, 2020</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	<u>133,155</u>	<u>90,017</u>	<u>223,172</u>
	<u>\$ 408,590,828</u>	<u>\$ 4,189,611</u>	<u>\$ 412,780,439</u>
	<u>3C products</u>	<u>Others</u>	<u>Total</u>
<u>For the year ended December 31, 2019</u>			
Revenue from contracts with customers	<u>\$ 347,222,938</u>	<u>\$ 4,107,555</u>	<u>\$ 351,330,493</u>
Timing of revenue recognition			
Revenue recognized at a point in time	\$ 347,096,247	\$ 4,020,487	\$ 351,116,734
Revenue recognized over time	<u>126,691</u>	<u>87,068</u>	<u>213,759</u>
	<u>\$ 347,222,938</u>	<u>\$ 4,107,555</u>	<u>\$ 351,330,493</u>

Revenue from contracts with customers from discontinued operations for the years ended December 31, 2020 and 2019 amounted to \$4,412,608 and \$17,138,944, respectively, and are recognized at a point in time.

B. Contract liabilities

(A) The Group recognized contract liabilities related to the contract revenue from sales and warranty amounting to \$1,125,325, \$968,662 and \$954,548 as of December 31, 2020, December 31, 2019 and January 1, 2019, respectively.

(B) The revenue recognized from the beginning balance of contract liabilities amounted to \$516,293 and \$408,211 for the years ended December 31, 2020 and 2019, respectively.

(23) Other income

	<u>For the years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Rent income	\$ 143,740	\$ 134,013
Dividend income	<u>2,879,397</u>	<u>2,349,345</u>
	<u>\$ 3,023,137</u>	<u>\$ 2,483,358</u>

(24) Other gains (losses)

	For the years ended December 31,	
	2020	2019
Net currency exchange gains (losses)	\$ 5,259,113	\$ 2,161,179
Net (losses) gains on derivative financial instruments	(2,245,320)	431,075
Net (losses) gains on non-derivative financial instruments	(1,380)	78,980
(Losses) gains on disposal of investments	(2,638)	5,591
Other net gains (losses)	1,152,858	1,176,976
	4,162,633	3,853,801
Exclude other (gains) losses from discontinued operations	(143,531)	168,474
	<u>\$ 4,019,102</u>	<u>\$ 4,022,275</u>

(25) Costs and expenses by nature (including discontinued operations)

	For the years ended December 31,					
	2020			2019		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses	\$3,531,148	\$23,961,469	\$27,492,617	\$ 3,471,365	\$ 22,167,833	\$25,639,198
Depreciation	1,661,383	1,206,960	2,868,343	960,791	1,126,380	2,087,171
Amortization	14,725	503,067	517,792	14,343	461,986	476,329

(26) Employee benefit expenses (including discontinued operations)

	For the years ended December 31,	
	2020	2019
Wages and salaries	\$ 24,333,301	\$ 22,510,331
Labor and health insurance	1,539,698	1,449,317
Pension (Note)	932,380	992,018
Other personnel expenses	687,238	687,532
	<u>\$ 27,492,617</u>	<u>\$ 25,639,198</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, 2020 and 2019, employees' compensation was accrued at \$1,865,638 and \$906,786, respectively; directors' remuneration was accrued at \$98,191 and \$47,725, 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, 2020.

Employees' compensation and directors' remuneration amounting to \$906,786 and \$47,725, respectively, for 2019 as resolved by the Board of Directors during its meeting were in agreement with those amounts recognized in the 2019 financial statements. Related information is available at the Market Observation Post System website.

(27) Income tax

A. Income tax expenses

(A) Components of income tax expense:

	For the years ended December 31,	
	2020	2019
Current income tax:		
Current income tax on profits for the year	\$ 5,392,070	\$ 1,970,398
Additional tax on unappropriated earnings	3,155	9,080
Difference between prior year's income tax estimation and assessed results	1,238,760	178,007
Total current income tax	6,633,985	2,157,485
Deferred income tax:		
Origination and reversal of temporary differences	1,081,399	1,571,216
Total deferred income tax	1,081,399	1,571,216
Income tax expense (including discontinued operations)	7,715,384	3,728,701
Exclude income tax (expenses) benefit from discontinued operations	(398,203)	365,321
Income tax expense from continuing operations	<u>\$ 7,317,181</u>	<u>\$ 4,094,022</u>

(B) The income tax relating to components of other comprehensive income is as follows:

	For the years ended December 31,	
	2020	2019
Changes in fair value of financial assets at fair value through other comprehensive income	\$ 27,155	\$ 15,071
Currency translation differences	(877,776)	(447,534)
Remeasurements of defined benefit plans	(5,984)	(5,551)
	<u>(\$ 856,605)</u>	<u>(\$ 438,014)</u>

B. Reconciliation between income tax expenses and accounting profit:

	For the years ended December 31,	
	2020	2019
Income tax calculated based on profit before tax and statutory tax rate	\$ 8,318,987	\$ 3,483,112
Tax exempt income by tax regulation	(647,791)	(465,135)
Effect of tax exemption on investment income	(479,829)	(120,871)
Effect of investment tax credit	(34,983)	(53,094)
Temporary differences not recognized as deferred tax assets	203,710	15,701
Effect of net operating loss carryforward	(6,040)	12,667
Difference between prior year's income tax estimation and assessed results	1,238,760	178,007
Additional income tax on unappropriated earnings	3,155	9,080
Change in assessment of realization of deferred tax assets	(554,306)	48,159
Effect of tax rate changes on unrealized profit from sales	(87,369)	162,404
Effect of exchange rate changes	(571,708)	293,862
Taxable loss not recognized as deferred tax assets	295,393	173,784
(Income) expenses adjusted by tax regulation	(6,611)	8,833
Others	44,016	(17,808)
Income tax expenses (including discontinued operations)	7,715,384	3,728,701
Exclude income tax (expenses) benefit from discontinued operations	(398,203)	365,321
Income tax expenses from continuing operations	<u>\$ 7,317,181</u>	<u>\$ 4,094,022</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and loss carryforwards are as follows:

	2020				
	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	\$ 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	700,350	-	877,776	-	1,578,126
Others	866,717	109,256	5,984	(57,047)	924,910
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	(199)	-	-	-	(199)
Unrealized gain on valuation of equity investments	(22,406)	-	(27,155)	-	(49,561)
Others	(189,261)	(106,745)	-	1,944	(294,062)
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>

		2019			
			Recognized in	Effect of	
			other	exchange	
			comprehensive	rate	
			income	changes	
	January 1	Recognized in profit or loss			December 31
Temporary differences:					
- Deferred income tax assets:					
Decline in value of inventories	\$ 2,791,484	(\$ 651,236)	\$ -	(\$ 25,229)	\$ 2,115,019
Unrealized profit from sales	430,828	796,430	-	(11,549)	1,215,709
Unrealized purchase discounts	123,331	114,018	-	(299)	237,050
Unrealized sales discounts	1,811,867	169,545	-	(61,461)	1,919,951
Unrealized provisions for warranty	1,371,416	(4,709)	-	(37,222)	1,329,485
Other unrealized expenses	1,730,385	(371,796)	-	(12,400)	1,346,189
Loss carryforwards	417,010	32,777	-	(6,177)	443,610
Currency translation differences	254,253	-	446,097	-	700,350
Others	795,782	91,628	3,227	(23,920)	866,717
Subtotal	<u>9,726,356</u>	<u>176,657</u>	<u>449,324</u>	<u>(178,257)</u>	<u>10,174,080</u>
- Deferred income tax liabilities:					
Investment income from foreign investees	(10,956,177)	(1,708,001)	-	-	(12,664,178)
Currency translation differences	(1,636)	-	1,437	-	(199)
Unrealized gain on valuation of equity investments	(7,336)	-	(15,070)	-	(22,406)
Others	(152,847)	(39,872)	2,323	1,135	(189,261)
Subtotal	<u>(11,117,996)</u>	<u>(1,747,873)</u>	<u>(11,310)</u>	<u>1,135</u>	<u>(12,876,044)</u>
Total	<u>(\$ 1,391,640)</u>	<u>(\$ 1,571,216)</u>	<u>\$ 438,014</u>	<u>(\$ 177,122)</u>	<u>(\$ 2,701,964)</u>

D. Expiration dates of unused taxable loss and amounts of unrecognized deferred income tax assets are as follows:

2020/12/31				
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

2019/12/31				
Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred income tax assets	Year of expiration
2010	\$ 42,565	\$ 42,565	\$ 42,565	2020
2011	93,103	87,987	87,987	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	648,215	255,203	172,682	2025
2016	136,499	126,940	126,287	2021-2026
2017	1,713,896	1,390,565	595,851	2027
2018	1,972,617	1,972,617	1,653,855	2023-2028
2019	1,293,223	1,293,223	637,634	2024-2029

E. The amounts of deductible temporary differences that were not recognized as deferred income tax assets are as follows:

	2020/12/31	2019/12/31
Deductible temporary differences	\$ 195,492	\$ 142,738

F. As of December 31, 2020 and 2019, 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 2018.

(28) Earnings per share

	For the years ended December 31,	
	2020	2019
Profit:		
Profit from continuing operations attributable to shareholders of the parent	\$ 23,973,651	\$ 14,333,655
Profit (loss) from discontinued operations attributable to shareholders of the parent	2,584,021 (	2,195,100)
Profit attributable to shareholders of the parent	<u>\$ 26,557,672</u>	<u>\$ 12,138,555</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	\$ 32.28	\$ 19.30
Profit (loss) from discontinued operations attributable to shareholders of the parent	3.48 (	2.96)
Profit attributable to shareholders of the parent	<u>\$ 35.76</u>	<u>\$ 16.34</u>
	For the years ended December 31,	
	2020	2019
Profit:		
Profit from continuing operations attributable to shareholders of the parent	\$ 23,973,651	\$ 14,333,655
Profit (loss) from discontinued operations attributable to shareholders of the parent	2,584,021 (	2,195,100)
Profit attributable to shareholders of the parent	<u>\$ 26,557,672</u>	<u>\$ 12,138,555</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	8,469	4,195
Weighted average number of shares outstanding - diluted	<u>751,229</u>	<u>746,955</u>
Diluted earnings per share (in dollars):		
Profit from continuing operations attributable to shareholders of the parent	\$ 31.91	\$ 19.19
Profit (loss) from discontinued operations attributable to shareholders of the parent	3.44 (	2.94)
Profit attributable to shareholders of the parent	<u>\$ 35.35</u>	<u>\$ 16.25</u>

(29) Transactions with non-controlling interest

In April 2020, the Group's subsidiary - ASMEDIA exchanged shares with WT, and increased capital by issuing new shares as consideration for acquiring 22.39% equity of WT in the amount 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:

	For the year ended December 31, 2020
The consideration for subsidiary's increase in 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	\$ 2,836,360

(30) Changes in liabilities arising from financing activities

	January 1, 2020	Cash flow	Non-cash changes Foreign exchange changes	Others (Note)	December 31, 2020
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>

	January 1, 2019	Cash flow	Non-cash changes Foreign exchange changes	Others (Note)	December 31, 2019
Short-term borrowings	\$ 7,124,984	(\$ 1,500,601)	(\$ 23,655)	\$ -	\$ 5,600,728
Lease liabilities	1,384,624	(589,619)	(28,063)	362,486	1,129,428
	<u>\$ 8,509,608</u>	<u>(\$ 2,090,220)</u>	<u>(\$ 51,718)</u>	<u>\$ 362,486</u>	<u>\$ 6,730,156</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
LITEMAX ELECTRONIC INC. (LITEMAX)	Associate

<u>Names of related parties</u>	<u>Relationship with the Group</u>
POTIX CORPORATION TAIWAN (POTIX)	Associate
IBASE TECHNOLOGY INC. (IBASE)	Associate
IBASE GAMING INC. (IBASEGI)	Associate
I-WAYLINK (IWAYLINK) (Note)	Associate
WINMATE INC. (WINMATE)	Associate
EXCELLIANCE MOS CORPORATION (EMC)	Associate
WT MICROELECTRONICS CO., LTD. (WT)	Associate
TECHMOSA INTERNATIONAL INC. (TECHMOSA)	Associate
MORRIHAN INTERNATIONAL CORP. (MORRIHAN)	Associate
NUVISION TECHNOLOGY INC. (NUVISION)	Associate
HONGTECH ELECTRONICS CO., LTD. (HONGTECH)	Associate
MAXTEK TECHNOLOGY CO., LTD. (MAXTEK)	Associate
Others	Other related parties

Note: I-WAYLINK was named BITATEK CO., LTD. before it was renamed in April 2019.

(3) Significant transactions and balances with related parties

A. Sales of goods

	<u>For the years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Sales of goods		
-Associates	\$ 410,719	\$ 69,842
-Others	12,992	12,323
	<u>\$ 423,711</u>	<u>\$ 82,165</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>For the years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Purchases of goods		
-Associates	\$ 1,347,316	\$ 27,728
-Others	90,137	52,322
Purchases of services and other expenditures		
-Associates	3,911	3,332
-Others	27,981	24,829
	<u>\$ 1,469,345</u>	<u>\$ 108,211</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

	2020/12/31	2019/12/31
Trade receivables		
-Associates	\$ 38,330	\$ 1,038
-Others	671	3,140
	<u>39,001</u>	<u>4,178</u>
Other receivables		
-Associates	739	600
	<u>\$ 39,740</u>	<u>\$ 4,778</u>

The trade receivables mainly arise from sales transactions, are unsecured in nature and bear no interest. The other receivables are mainly advance disbursement receivable.

D. Trade payables and other items of current liabilities

	2020/12/31	2019/12/31
Trade payables		
-Associates	\$ 524,734	\$ 4,034
-Others	21,350	16,481
	<u>546,084</u>	<u>20,515</u>
Other items of current liabilities		
-Associates	4	3,879
-Others	7,694	3,329
	<u>7,698</u>	<u>7,208</u>
	<u>\$ 553,782</u>	<u>\$ 27,723</u>

The trade payables arise mainly from purchase transactions and bear no interest.

(4) Key management compensation

	For the years ended December 31,	
	2020	2019
Salaries and other short-term employee benefits	\$ 1,152,216	\$ 801,614
Post-employment benefits	6,882	6,687
	<u>\$ 1,159,098</u>	<u>\$ 808,301</u>

8. PLEDGED ASSETS

Pledged assets	Items	Book Value		Purpose
		2020/12/31	2019/12/31	
Other current assets and other non-current assets	Pledged restricted deposits and refundable deposits	\$ 673,277	\$ 701,706	Note
Property, plant and equipment	Land and buildings	200,010	209,817	Bank loans, customs guarantee and credit limits
		<u>\$ 873,287</u>	<u>\$ 911,523</u>	

Note: Pledged for customs duties, lodgment for security decided by court, letter of credit, foreign exchange forward transactions, social security, salary account, 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 the user interface, audio signal encoding and decoding system, audio stream, UMTS communication function products, MP3 function for desktop computer and note book, product with remote upgrade code function, cellphone and tablet supporting touchscreen scrolling in accordance with user touch control, display and projector products, computer, tablet, cellphone with touchscreen against the Group. These lawsuits or investigations are currently under investigation in a California court, in a Texas court, in a German court and in a Netherlands court. 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 ZenFone trademarks, AP and Router products supporting MU-MIMO, notebook, LED for cellphone products, products supporting HDCP 2.0 version and above, router products, microprocessor with Intel's 14nm process Tri-Gate technology, products that support Google Voice Assist or Microsoft Cortana Voice Assist, PCI Bridge driver, Bluetooth module, I²C and SM Bus protocol, hard disk drive, motion sensor with mother board, notebook, desktop computer, server, tablet and cellphone products, wireless network communication products that support IEEE 802.11ac communication standard, after-sales service, monitor product that feature local dimming or black frame insertion, notebook and tablet with embedded camera module, OLED for cellphone products, router with WiFi function, wireless repeater products, wireless AP products, display, notebook products with touchscreen, cellphone, tablet and single board computer products, cellphone and tablet products with MPEG2-TS transportation stream function against the Group. These lawsuits or investigations are currently under investigation, in a Texas court, in a California court, in a Delaware court, in an Alabama court, at the United States International Trade Commission, in an Arkansas court, in a German court, in a Japan court, in an India court, in a Brazil court, at the Italian Competition Authority, in a China court and in a Malaysia court. The Group cannot presently determine the ultimate outcome and effect of these lawsuits.

(2) Commitments

None.

10. **SIGNIFICANT DISASTER LOSS:** None.

11. **SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL REPORTING PERIOD**

The Company invested \$1.5 billion to acquire 30% equity interest in Portwell, Inc. (Portwell) on February 26, 2021 based on a resolution adopted by the Board of Directors on February 4, 2021. To strengthen the partnership between the two parties, the Company planned to acquire another 15% equity interest in Portwell further one year later positively, based on Portwell's 100% stock value worth \$5.5 billion.

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 2020, the Group's strategy was to maintain the liability ratio within reasonable security range, which was unchanged from 2019. The liability ratios are as follows:

	<u>2020/12/31</u>	<u>2019/12/31</u>
Total liabilities	\$ 181,873,165	\$ 168,717,319
Total assets	\$ 396,514,716	\$ 352,004,111
Liability ratio	45.87%	47.93%

(2) Financial instruments

A. Financial instruments by category

	<u>2020/12/31</u>	<u>2019/12/31</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	\$ 20,092,451	\$ 5,934,078
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	72,119,405	62,853,238
Financial assets at amortized cost		
Cash and cash equivalents	56,779,464	79,083,376
Financial assets at amortized cost	4,315,316	119,500
Notes receivable	4,257,331	5,178,261
Trade receivables	71,845,003	65,748,653
Other receivables	496,974	528,727
Refundable deposits	961,375	1,031,661
Derivative financial assets for hedging	14,234	5,612
	<u>\$ 230,881,553</u>	<u>\$ 220,483,106</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ 938,214	\$ 480,597
Financial liabilities at amortized cost		
Short-term borrowings	5,875,775	5,600,728
Notes and trade payables	55,470,313	59,025,552
Other payables - accrued expenses	40,898,928	35,693,856
Deposits received	328,463	263,095
Lease liabilities	946,153	1,129,428
Derivative financial liabilities for hedging	823,640	311,468
	<u>\$ 105,281,486</u>	<u>\$ 102,504,724</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 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, currency option contracts and currency swap 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:

2020/12/31						
(Foreign currency: functional currency)	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
	<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	-
2019/12/31						
(Foreign currency: functional currency)	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
	<u>Financial assets</u>					
	<u>Monetary items</u>					
	USD:NTD	\$ 2,826,399,266	29.980	\$ 84,735,450	1%	\$ 847,355
EUR:USD	372,630,272	33.590	12,516,499	1%	125,165	-
CNH:USD	3,546,677,285	4.305	15,268,900	1%	152,689	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	3,648,538,312	29.980	109,383,179	1%	1,093,832	-
EUR:USD	53,356,706	33.590	1,792,230	1%	17,922	-
CNH:USD	2,363,458,728	4.305	10,174,992	1%	101,750	-

- 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, 2020 and 2019 amounted to \$5,259,113 and \$2,161,179, 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, 2020 and 2019 by \$5,720 and \$6,001, 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, 2020 and 2019 by \$721,194 and \$628,532, 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, 2020 and 2019, the Group's borrowings at variable rates were denominated in USD and NTD.
- b. At December 31, 2020 and 2019, 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, 2020 and 2019 would have been \$764 and \$1,273 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 that counterparties could not repay in full the accounts receivable based on the agreed terms, financial assets at amortized cost, and the contract cash flows of debt instruments stated at fair value through profit or loss.
- 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 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, 2020 and 2019, 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 \$7,078,183 and \$9,493,985 and loss allowance amounted to \$438 and \$86,548 as of December 31, 2020 and 2019, 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, 2020 and 2019 is as follows:

	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
2020/12/31							
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%	
2019/12/31							
Total book value	\$ 51,118,302	\$ 7,722,452	\$ 2,236,939	\$ 630,670	\$ 379,290	\$ 665,278	\$ 62,752,931
Loss allowance	\$ 22,903	\$ 1,968	\$ 307,161	\$ 105,051	\$ 136,049	\$ 660,322	\$ 1,233,454
Expected loss rate	0.01%~4.68%	0.01%~29.77%	0.09%~49.01%	0.35%~59.79%	1.42%~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:

	2020	2019
January 1	\$ 1,320,002	\$ 3,115,124
Recognition (reversal)	(43,057)	214,000
Write-offs	(17,233)	(281,775)
Reclassifications	(223)	(1,696,950)
Net exchange differences	(38,032)	(30,397)
December 31	\$ 1,221,457	\$ 1,320,002

For provisioned loss for the years ended December 31, 2020 and 2019, the net (reversal of benefits) impairment loss arising from customer's contract was (\$43,057) and \$214,000, 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 as follows:

	2020	
	12 months expected credit loss	Lifetime expected credit loss
January 1	\$ -	\$ -
Recognition	62,447	-
Net exchange differences	(2,259)	-
December 31	<u>\$ 60,188</u>	<u>\$ -</u>

The Group has no loss allowance for investment in debt instruments for the year ended December 31, 2019.

1. 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:

	2020/12/31		
	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	<u>4,224,004</u>	<u>-</u>	<u>4,224,004</u>
Total book value	<u>4,375,504</u>	<u>-</u>	<u>4,375,504</u>
Loss allowance	<u>(60,188)</u>	<u>-</u>	<u>(60,188)</u>
	<u>\$ 4,315,316</u>	<u>\$ -</u>	<u>\$ 4,315,316</u>

	2019/12/31		
	12 months expected credit loss	Lifetime expected credit loss	Total
Financial assets at amortized cost			
Time deposits	<u>\$ 119,500</u>	<u>\$ -</u>	<u>\$ 119,500</u>
Financial assets at fair value through profit or loss			
Convertible bonds	<u>\$ 120,000</u>	<u>\$ -</u>	<u>\$ 120,000</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, 2020 and 2019, the Group held financial assets at fair value through profit or loss of \$19,970,017 and \$5,675,572, 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.

2020/12/31					
	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
2019/12/31					
	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	\$ 5,600,728	\$ -	\$ -	\$ -	\$ 5,600,728
Notes and trade payables	59,025,552	-	-	-	59,025,552
Other payables	35,693,856	-	-	-	35,693,856
- accrued expenses					
Lease liabilities	477,686	339,574	180,834	214,028	1,212,122
Other financial liabilities	1,020,620	-	-	2,155	1,022,775
<u>Derivative financial liabilities:</u>					
Forward exchange contracts	726,536	-	-	-	726,536
Currency option contracts	65,529	-	-	-	65,529

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, guarantee deposits received, lease liabilities, are reasonably approximate to the fair values.

	2020/12/31			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial assets:				
Financial assets at amortised cost				
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:

	2020/12/31			
	Level 1	Level 2	Level 3	Total
Assets:				
<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>
Liabilities:				
<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>

2019/12/31				
	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 540,573	\$ 5,244	\$ 54,318	\$ 600,135
Debt instruments	-	-	120,000	120,000
Beneficiary certificates	5,129,519	59,214	-	5,188,733
Forward exchange contracts	-	11,338	-	11,338
Currency option contracts	-	2,767	-	2,767
Currency swap contracts	-	177	-	177
Hybrid instruments	-	-	10,928	10,928
Derivative financial assets for hedging	-	5,612	-	5,612
Financial assets at fair value through other comprehensive income				
Equity instruments	62,638,033	212,824	2,381	62,853,238
	<u>\$68,308,125</u>	<u>\$ 297,176</u>	<u>\$ 187,627</u>	<u>\$68,792,928</u>
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 415,068	\$ -	\$ 415,068
Currency option contracts	-	65,529	-	65,529
Derivative financial liabilities for hedging	-	311,468	-	311,468
	<u>\$ -</u>	<u>\$ 792,065</u>	<u>\$ -</u>	<u>\$ 792,065</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, 2020 and 2019, 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:

	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>

	2019		
	Equity instruments	Debt instruments	Total
January 1	\$ 137,091	\$ -	\$ 137,091
Acquisitions	30,000	120,000	150,000
Recognition in profit (loss) (Note 1)	(4,155)	-	(4,155)
Recognition in other comprehensive income (loss) (Note 2)	651	-	651
Transfer out	(95,960)	-	(95,960)
December 31	<u>\$ 67,627</u>	<u>\$ 120,000</u>	<u>\$ 187,627</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 Group changed the fair value classification of iCatch Technology, Inc. from Level 3 to level 1 at the end of December 2019, due to the trading volume of shares iCatch Technology, Inc. has increased stably to reach a sufficient level for market observation available in December 2019.
- G. 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.
- H. 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:

	<u>Fair value at December 31, 2020</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
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
	<u>Fair value at December 31, 2019</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Equity instruments:					
Unlisted and non-OTC stocks	\$ 34,958	Net asset value	Not applicable	Not applicable	The higher the net asset value, the higher the fair value
Unlisted and non-OTC stocks	21,741	Discounted cash flow method	Note 1	Not applicable	Note 2
Hybrid instruments:					
Unlisted and non-OTC stocks	49,695	Discounted cash flow method	Note 1	Not applicable	Note 2
Embedded option	(38,767)	Option pricing model	Stock price volatility	Not applicable	The higher the stock price volatility, the higher the fair value
Debt instruments:					
Convertible bonds	120,000	Income approach and trinomial model	Note 1	20.00%	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.

- I. 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: Please refer to table 4.
- 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 5.
- H. Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital: Please refer to table 6.
- 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 7.

(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 8.

(3) **Information on investments in China**

- A. Information on investments in mainland China: Please refer to table 9.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies

in China: Please refer to table 7.

(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:

	For the 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)	\$ -	\$ -	\$ -

	For the year ended December 31, 2019		
	3C Brand	Others	Total
Revenues from external customers (Note 1)	\$ 330,829,246	\$ 37,640,191	\$ 368,469,437
Revenues from other segments (Note 1)	\$ 1,700,922	\$ 5,748,065	- (Note 2)
Segment income from continuing operations	\$ 9,641,086	\$ 1,991,362	\$ 11,632,448
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:

	For the years ended December 31,	
	2020	2019
Reportable continuing operation's profit before adjustment	\$ 24,950,396	\$ 11,632,448
Unallocated profit (loss)	6,667	(15,756)
Reportable continuing operation's profit	<u>\$ 24,957,063</u>	<u>\$ 11,616,692</u>

(5) Geographical information

Geographical information for the years ended December 31, 2020 and 2019 is as follows:

	For the years ended December 31,			
	2020		2019	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 50,112,061	\$ 21,511,485	\$ 48,303,457	\$ 20,547,113
China	64,871,106	8,482,871	64,371,682	8,997,887
Singapore	158,379,349	59,097	142,257,323	78,991
USA	83,838,466	1,289,416	62,164,702	1,379,951
Europe	23,465,450	348,954	20,623,894	440,933
Others	36,526,615	429,012	30,748,379	473,625
	<u>417,193,047</u>	<u>\$ 32,120,835</u>	<u>368,469,437</u>	<u>\$ 31,918,500</u>
Exclude (revenue) from contracts with customers from discontinued operations	(4,412,608)		(17,138,944)	
Total	<u>\$412,780,439</u>		<u>\$351,330,493</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, 2020 and 2019.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2020

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
1	ASTP	ASGL	Other non-current assets	Yes	25,632,000 (USD 900,000)	25,632,000 (USD 900,000)	25,632,000 (USD 900,000)	0.99706 ~ 1.61331	2	-	Need for operations	-	-	39,155,711 (USD 1,374,849)	39,155,711 (USD 1,374,849)	
2	ASTP	QCS	Other non-current assets	Yes	545,348 (SEK 156,709)	545,348 (SEK 156,709)	63,336 (SEK 18,200)	0.5	2	-	Need for operations	-	-	39,155,711 (USD 1,374,849)	39,155,711 (USD 1,374,849)	
3	ASGL	ACBT	Other receivables	Yes	432,518 (IDR 213,906,215)	- (USD -)	- (USD -)	-	1	432,518	-	-	-	41,827,133 (USD 1,468,649)	41,827,133 (USD 1,468,649)	
4	ONYX	ONYXSH	Other receivables	Yes	3,925 (USD 138)	- (USD -)	- (USD -)	5.756	2	-	Need for operations	-	-	104,294	417,174	

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 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.
b. According to Procedures for Lending of ASGL, 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 ASGL as of the period.
c. According to Procedures for Lending of ONYX, limit of total financing amount shall not exceed 40% ONYX's the net worth of the latest audited or reviewed report.

Limit financing amount for individual counterparty : a. 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.
b. According to Procedures for Lending of ASGL, 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 ASGL as of the period.
c. According to Procedures for Lending of ONYX, limit of financing amount for individual counter-party shall not exceed 10% of the net worth of ONYX as of the period.
Where funds are loaned for business dealings, limit of financing amount for individual counter-party shall not exceed business dealings amount of latest year.
Business dealings amount here means sales amount or purchase amount of lender and borrower, which is higher.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
MARKETABLE SECURITIES HELD
(EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)
DECEMBER 31, 2020

Table 2 (Amounts in thousands of New Taiwan dollars)

Held Company Name	Type	Marketable Securities	Relationship with the Company (Note 1)	Financial Statement Account (Note 2)	December 31, 2020					Note
		Name			Shares/Units	Carrying Value	(%)	Fair Value		
ASUS	Fund	YUANTA WAN TAI MONEY MARKET	-	a	241,402,253	3,682,640	-	3,682,640		
ASUS	Fund	NOMURA TAIWAN MONEY MARKET	-	a	48,707,812	800,946	-	800,946		
ASUS	Fund	UPAMC JAMES BOND MONEY MARKET	-	a	133,714,369	2,251,857	-	2,251,857		
ASUS	Fund	SINOPAC TWD MONEY MARKET	-	a	107,829,740	1,512,161	-	1,512,161		
ASUS	Fund	TAISHIN 1699 MONEY MARKET	-	a	219,593,451	2,996,550	-	2,996,550		
ASUS	Fund	YUANTA DE LI MONEY MARKET	-	a	72,749,890	1,195,928	-	1,195,928		
ASUS	Fund	TAISHIN TA CHONG MONEY MARKET	-	a	96,539,338	1,382,482	-	1,382,482		
ASUS	Fund	UNION MONEY MARKET	-	a	229,708,763	3,057,355	-	3,057,355		
ASUS	Fund	JIH SUN MONEY MARKET	-	a	60,296,929	901,439	-	901,439		
ASUS	Stock	SPORTON	-	a	336,394	90,154	0.36	90,154		
ASUS	Stock	GLOBALWAFERS	-	c	1,626,626	1,151,651	0.37	1,151,651		
ASUS	Stock	JMC	-	c	830,000	45,401	1.00	45,401		
ASUS	Stock	ENE	a	c	917,247	12,842	1.22	12,842		
ASUS	Stock	ALCOR MICRO	-	c	905,879	19,114	1.28	19,114		
ASUS	Stock	AZUREWAVE	-	c	934,745	26,360	0.62	26,360		
ASUS	Stock	LEDLINK	-	c	718,607	19,941	1.53	19,941		
ASUS	Fund	TNP	-	b	100	13,482	2.05	13,482		
ASUS	Fund	TNP LIGHT	-	b	175	23,840	3.67	23,840		
ASUS	Stock	EMPASS	-	d	1,056,690	55,476	15.97	55,476		
ASUS	Stock	ADVANTECH	-	d	110,677,983	38,737,294	14.34	38,737,294		
ASUS	Stock	PEGA	-	d	448,506,484	30,184,486	16.84	30,184,486		
ASUS	Stock	NANOLUX	-	d	536	72,059	10.84	72,059		
ASUS	Stock	APTOS	-	d	312,600	41	0.35	41		
ASUS	Stock	94BOT	-	d	100,000	-	4.80	-		
ASUS	Stock	A-WEI TECH	-	d	301,876	897	1.83	897		
ASUS	Stock	LELTEK	-	d	6,688,636	96,986	18.98	96,986		
ASUS	Stock	AIStorm	-	d	178,784	42,870	0.07	42,870		
ASUS	Stock	EOSTEK	-	d	1,600,000	5,833	14.94	5,833		
ASUS	Stock	AMTRUST	a	d	7,500,000	72,274	7.81	72,274		
ASUTC	Fund	NOMURA TAIWAN MONEY MARKET	-	a	60,031,084	987,145	-	987,145		
ASMEDIA	Fund	FUH HWA RMB MONEY MARKET	-	a	531,862	28,433	-	28,433		
ASMEDIA	Fund	MEGA DIAMOND MONEY MARKET	-	a	7,940,513	100,447	-	100,447		
ASMEDIA	Fund	CAPITAL MONEY MARKET	-	a	4,937,240	80,306	-	80,306		
ASMEDIA	Stock	AUGENTIX	-	d	1,600,000	125,152	14.70	125,152		
ASMEDIA	Stock	ICATCH TECHNOLOGY	-	d	5,500,000	124,960	7.50	124,960		
ASMEDIA	Stock	WT PREFERENCE STOCK	c	d	8,000,000	388,400	-	388,400		
ASKEY	Stock	CIPHERMAX	-	b	9,234	-	0.00	-		
ASKEY	Stock	RETI	-	b	80,700	-	3.32	-		
MIC	Stock	BROADCOM	-	b	90	1,121	0.00	1,121		
MIC	Stock	ZARLINK SEMI-CONDUCTOR	-	b	44,775	-	0.04	-		
HCVC	Fund	YUANTA WAN TAI MONEY MARKET	-	a	558,765	8,524	-	8,524		
HCVC	Fund	TAISHIN TA CHONG MONEY MARKET	-	a	4,853,463	69,504	-	69,504		
HCVC	Fund	YUANTA DE BAO MONEY MARKET	-	a	348,419	4,219	-	4,219		
HCVC	Fund	TAISHIN 1699 MONEY MARKET	-	a	5,272,147	71,943	-	71,943		
HCVC	Stock	LEDLINK	-	c	336,546	9,339	0.67	9,339		
HCVC	Stock	APAQ TECHNOLOGY	a	d	10,668,012	597,409	12.63	597,409		
HCVC	Stock	A-WEI TECH	-	d	301,876	897	1.83	897		
HMI	Fund	TAISHIN 1699 MONEY MARKET	-	a	3,189,558	43,525	-	43,525		
HMI	Fund	TAISHIN TA CHONG MONEY MARKET	-	a	3,535,536	50,630	-	50,630		
HMI	Stock	APAQ TECHNOLOGY	-	d	3,210,015	179,761	3.80	179,761		
HMI	Stock	A-WEI TECH	-	d	174,417	518	1.06	518		
AAEON	Stock	ADVANTECH	-	a	802	281	0.00	281		
AAEON	Fund	MEGA DIAMOND MONEY MARKET	-	a	2,091,070	26,452	-	26,452		
AAEON	Stock	MACHVISION TECHNOLOGY	b	a	1,180,198	347,568	2.64	347,568		
AAEON	Stock	ATECH OEM TECHNOLOGY	b	a	234	3	0.00	3		
AAEON	Stock	INSYNERGER TECHNOLOGY	-	b	1,710,000	19,360	19.29	19,360		
AAEON	Stock	UNITECH ELECTRONICS	-	a	549,600	11,102	1.17	11,102		
AAEON	Stock	LILEE SYSTEMS PREFERENCE STOCK	-	a	468,750	-	-	-		
AAEON	Stock	YAN CHUNG TECHNOLOGY	-	a	266,600	-	7.27	-		
AAEON	Stock	ALLIED BIOTECH	b	a	300,000	5,055	0.32	5,055		
AAEON	Stock	TELEION WIRELESS PREFERENCE STOCK	-	a	149,700	-	-	-		
AAEON	Stock	V-NET AAEON	-	b	29	11,018	14.50	11,018		
AAEONI	Fund	HSBC GLOBAL INCOME BOND	-	a	555,078	7,394	-	7,394		
AAEONI	Stock	ATECH OEM TECHNOLOGY	b	a	3,456,000	44,410	5.82	44,410		
AAEONI	Stock	MUTTO OPTRONICS	-	a	310,000	8,091	0.68	8,091		
AAEONI	Stock	SUNENGINE	b	a	156,903	1,089	2.75	1,089		
ONYX	Stock	MELTEN CONNECTED HEALTHCARE	-	d	4,193,548	2,381	6.47	2,381		
ONYX	Stock	MACHVISION TECHNOLOGY	b	a	18,716	5,512	0.04	5,512		
ONYX	Stock	INNO FUND III	-	b	3,000,000	38,261	13.04	38,261		
ASGL	Fund	JIH SUN MONEY MARKET	-	a	615,972	9,209	-	9,209		
ASGL	Fund	YUANTA DE BAO MONEY MARKET	-	a	2,647,183	32,057	-	32,057		
ASGL	Bond	AAC TECHNOLOGIES HOLDINGS	-	e	1,900,000	55,025	-	55,288		
ASGL	Bond	ABBVIE	-	e	1,750,000	54,704	-	55,217		
ASGL	Bond	ADANI TRANSMISSION	-	e	1,850,000	54,476	-	56,952		
ASGL	Bond	AIB GROUP	-	e	1,800,000	54,709	-	56,050		
ASGL	Bond	ALCON FINANCE	-	e	1,500,000	46,044	-	46,756		
ASGL	Bond	ALLY FINANCIAL	-	e	1,670,000	55,087	-	56,477		
ASGL	Bond	APT PIPELINE	-	e	1,640,000	51,349	-	51,523		
ASGL	Bond	ARDAGH PACKAGING FINANCE /ARDAGH MP HOLDINGS USA	-	e	1,140,000	33,466	-	34,253		
ASGL	Bond	ASHTREAD CAPITAL	-	e	2,020,000	59,811	-	60,909		
ASGL	Bond	BHARTI AIRTEL	-	e	1,810,000	54,454	-	56,042		
ASGL	Bond	BOC AVIATION	-	e	1,800,000	53,625	-	54,289		
ASGL	Bond	CENTENE	-	e	280,000	8,283	-	8,423		
ASGL	Bond	CHENIERE CORPUS CHRISTI HOLDINGS	-	e	1,690,000	53,948	-	56,014		
ASGL	Bond	CIFI HOLDINGS GROUP	-	e	1,150,000	32,042	-	35,290		

Held Company Name	Type	Marketable Securities Name	Relationship with the Company (Note 1)	Financial Statement Account (Note 2)	December 31, 2020					Note
					Shares/Units	Carrying Value	(%)	Fair Value		
ASGL	Bond	CIT BANK, N.A.	-	e	1,880,000	54,787	-	56,086		
ASGL	Bond	CNH INDUSTRIAL CAPITAL	-	e	1,940,000	55,239	-	57,862		
ASGL	Bond	COLORADO INTERSTATE GAS / COLORADO INTERSTATE ISSUING	-	e	1,940,000	61,102	-	62,782		
ASGL	Bond	CONAGRA BRANDS	-	e	1,680,000	54,629	-	56,360		
ASGL	Bond	COX COMMUNICATION	-	e	1,750,000	54,956	-	56,002		
ASGL	Bond	CVS HEALTH	-	e	1,780,000	54,909	-	56,094		
ASGL	Bond	DELL INTERNATIONAL / EMC	-	e	1,840,000	61,605	-	63,929		
ASGL	Bond	DISCOVER BANK	-	e	1,760,000	54,639	-	56,059		
ASGL	Bond	ENDEAVOR ENERGY RESOURCES / EER FINANCE	-	e	1,160,000	32,550	-	33,901		
ASGL	Bond	GLENCORE FUNDING	-	e	1,960,000	55,561	-	57,428		
ASGL	Bond	GLOBAL PAYMENTS	-	e	1,660,000	54,503	-	56,104		
ASGL	Bond	HCA	-	e	1,650,000	54,126	-	55,615		
ASGL	Bond	HEWLETT PACKARD ENTERPRISE	-	e	2,130,000	60,750	-	62,826		
ASGL	Bond	JAMES HARDIE INTERNATIONAL FINANCE DESIGNATED ACTIVITY	-	e	1,160,000	33,096	-	33,605		
ASGL	Bond	LENNAR	-	e	1,000,000	32,010	-	33,749		
ASGL	Bond	LEVIATHAN BOND	-	e	1,140,000	32,588	-	35,795		
ASGL	Bond	LYB INTERNATIONAL FINANCE III	-	e	1,000,000	28,227	-	28,979		
ASGL	Bond	MARATHON PETROLEUM	-	e	1,760,000	55,286	-	57,421		
ASGL	Bond	MGM GROWTH PROPERTIE SOPERATING PARTNERSHIP / MGP FINANCE	-	e	1,150,000	32,353	-	35,077		
ASGL	Bond	MICROCHIP TECHNOLOGY	-	e	1,000,000	29,525	-	30,130		
ASGL	Bond	MINERVA LUXEMBOURG	-	e	1,140,000	32,648	-	34,091		
ASGL	Bond	MPLX	-	e	1,860,000	54,359	-	54,363		
ASGL	Bond	NORTHRIVER MIDSTREAM FINANCE	-	e	1,210,000	33,430	-	35,591		
ASGL	Bond	NXP / NXP FUNDING	-	e	1,630,000	55,015	-	55,928		
ASGL	Bond	OCCIDENTAL PETROLEUM	-	e	1,490,000	32,975	-	40,411		
ASGL	Bond	ONEOK	-	e	1,880,000	60,690	-	64,166		
ASGL	Bond	OVINTIV EXPLORATION	-	e	1,240,000	33,881	-	37,898		
ASGL	Bond	PACIFIC GAS AND ELECTRIC	-	e	1,920,000	54,959	-	57,860		
ASGL	Bond	PARKLAND CORPORATION OF CANADA	-	e	1,140,000	32,956	-	34,091		
ASGL	Bond	ROYALTY PHARMA	-	e	1,960,000	55,042	-	56,755		
ASGL	Bond	SABINE PASS LIQUEFACTION	-	e	1,640,000	54,178	-	56,474		
ASGL	Bond	SHIMAO GROUP HOLDINGS	-	e	1,750,000	53,571	-	54,676		
ASGL	Bond	SOLVAY FINANCE AMERICA	-	e	1,680,000	54,175	-	54,705		
ASGL	Bond	SYNCHRONY FINANCIAL	-	e	1,790,000	53,967	-	56,583		
ASGL	Bond	THE BANK OF EAST ASIA	-	e	1,920,000	54,175	-	55,496		
ASGL	Bond	T-MOBILE USA	-	e	1,930,000	54,908	-	56,278		
ASGL	Bond	TRINITY ACQUISITION	-	e	1,680,000	55,076	-	55,745		
ASGL	Bond	TURKCELL ILETISIM HIZMETLERI	-	e	1,200,000	32,180	-	36,484		
ASGL	Bond	UTAH ACQUISITION SUB	-	e	1,710,000	54,156	-	55,720		
ASGL	Bond	VIRGIN MEDIA SECURED FINANCE	-	e	1,140,000	32,302	-	33,725		
ASGL	Bond	VMWARE	-	e	1,690,000	53,700	-	55,085		
ASGL	Bond	WESTERN MIDSTREAM OPERATING	-	e	1,270,000	33,295	-	36,893		
ASGL	Bond	WOODSIDE FINANCE	-	e	2,020,000	60,854	-	62,579		
ASGL	Bond	AFRICA FINANCE	-	e	1,820,000	55,701	-	56,908		
ASGL	Bond	AUSTRALIA AND NEW ZEALAND BANKING GROUP	-	e	1,690,000	54,301	-	55,364		
ASGL	Bond	BANK OF AMERICA	-	e	1,680,000	54,994	-	55,767		
ASGL	Bond	BANK OF NOVA SCOTIA	-	e	1,670,000	54,702	-	55,454		
ASGL	Bond	BARCLAYS	-	e	1,890,000	59,804	-	62,586		
ASGL	Bond	BHARAT PETROLEUM	-	e	1,840,000	54,262	-	54,957		
ASGL	Bond	CITIGROUP	-	e	1,680,000	54,695	-	56,071		
ASGL	Bond	COMMONWEALTH BANK OF AUSTRALIA	-	e	1,700,000	54,509	-	55,856		
ASGL	Bond	COOPERATIEVE RABOBANK U.A.	-	e	1,730,000	54,754	-	55,683		
ASGL	Bond	CREDIT SUISSE GROUP	-	e	1,670,000	55,162	-	55,956		
ASGL	Bond	GLP	-	e	1,870,000	54,520	-	55,941		
ASGL	Bond	GOLDMAN SACHS GROUP	-	e	1,720,000	54,928	-	56,177		
ASGL	Bond	ICICI BANK OF DUBAI	-	e	1,830,000	54,753	-	56,811		
ASGL	Bond	KEYBANK NATIONAL ASSOCIATION OF CLEVELAND, OHIO	-	e	1,700,000	53,645	-	54,360		
ASGL	Bond	LLOYDS BANKING GROUP	-	e	1,940,000	60,987	-	63,547		
ASGL	Bond	MACQUARIE BANK	-	e	1,900,000	60,181	-	61,402		
ASGL	Bond	MITSUBISHI UFJ FINANCIAL GROUP	-	e	1,760,000	54,538	-	55,145		
ASGL	Bond	MIZUHO FINANCIAL GROUP	-	e	1,477,000	46,686	-	47,109		
ASGL	Bond	ONGC VIDESH VANKORNEFT	-	e	1,860,000	54,241	-	57,409		
ASGL	Bond	PT BANK MANDIRI (PERSERO) TBK	-	e	1,740,000	53,850	-	55,467		
ASGL	Bond	SEMICONDUCTOR MANUFACTURING INTERNATIONAL	-	e	1,970,000	55,008	-	55,297		
ASGL	Bond	SHINHAN BANK	-	e	1,760,000	55,073	-	55,826		
ASGL	Bond	SHINHAN FINANCIAL GROUP	-	e	1,950,000	55,634	-	56,317		
ASGL	Bond	STANDARD CHARTERED	-	e	1,750,000	55,373	-	56,363		
ASGL	Bond	SUMITOMO MITSUI FINANCIAL GROUP	-	e	1,760,000	54,285	-	54,732		
ASGL	Bond	UBS GROUP	-	e	1,660,000	54,302	-	54,653		
ASGL	Bond	VANKE REAL ESTATE (HONG KONG)	-	e	710,000	20,972	-	21,172		
AIL	Fund	PRODIGY STRATEGY INVESTMENT XIV	-	a	3,530	137,202	-	137,202		
AIL	Stock	EONEX	-	d	31,733	-	2.70	-		
AIL	Stock	ISTAGING	-	d	988,889	24,632	2.15	24,632		
AIL	Stock	PTSN	-	d	260,977,800	122,431	4.91	122,431		
AIL	Fund	ASIA PACIFIC GENESIS C	-	b	-	5,666	9.00	5,666		
UEI	Fund	CAPITAL MONEY MARKET	-	a	1,131,483	18,404	-	18,404		

Note 1 : a. Other related parties - Held company is the legal entity as director of investee company. b. Other related parties - Director of held company is the director of investee company. c. Associate.

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
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 3 (Amounts in thousands of New Taiwan dollars)

Company Name	Marketable Securities		Financial Statement Account (Note 1)	Counter-party	Nature of Relationship (Note 2)	Beginning Balance		Acquisition			Disposal				Ending Balance		
	Type	Name				Shares/Units	Amount	Shares/Units	Amount	(Note 3)	Shares/Units	Amount	Carrying Value	(Note 3)	Gain/Loss on Disposal	Shares/Units	Amount
ASUS	Fund	SINOPAC TWD MONEY MARKET	a	-	-	71,083,476	993,335	200,128,753	2,800,000	a	163,382,489	2,286,000	2,284,152	a	1,848	107,829,740	1,512,161
								-	2,978	b							
ASUS	Fund	UNION MONEY MARKET	a	-	-	79,175,992	1,049,407	297,470,779	3,950,000	a	146,938,008	1,950,000	1,948,137	a	1,863	229,708,763	3,057,355
								-	6,085	b							
ASUS	Fund	YUANTA WAN TAI MONEY MARKET	a	-	-	32,894,521	500,082	662,159,875	10,085,000	a	453,652,143	6,907,320	6,904,682	a	2,638	241,402,253	3,682,640
								-	2,240	b							
ASUS	Fund	UPAMC JAMES BOND MONEY MARKET	a	-	-	71,423,578	1,198,359	547,340,580	9,200,000	a	485,049,789	8,150,786	8,148,034	a	2,752	133,714,369	2,251,857
								-	1,532	b							
ASUS	Fund	TAISHIN TA CHONG MONEY MARKET	a	-	-	-	-	128,072,700	1,830,000	a	31,533,362	450,053	450,000	a	53	96,539,338	1,382,482
								-	2,482	b							
ASUS	Fund	TAISHIN 1699 MONEY MARKET	a	-	-	-	-	346,533,202	4,718,000	a	126,939,751	1,728,235	1,727,630	a	605	219,593,451	2,996,550
								-	6,180	b							
ASUS	Fund	NOMURA TAIWAN MONEY MARKET	a	-	-	-	-	129,711,080	2,130,000	a	81,003,268	1,330,219	1,329,949	a	270	48,707,812	800,946
								-	895	b							
ASUS	Fund	YUANTA DE LI MONEY MARKET	a	-	-	-	-	72,749,890	1,194,000	a	-	-	-	-	-	72,749,890	1,195,928
								-	1,928	b							
ASUS	Fund	YUANTA DE BAO MONEY MARKET	a	-	-	-	-	249,801,133	3,020,000	a	249,801,133	3,020,606	3,020,000	a	606	-	-
ASUS	Fund	JIH SUN MONEY MARKET	a	-	-	-	-	60,296,929	900,000	a	-	-	-	-	-	60,296,929	901,439
								-	1,439	b							
ASUS and HCVC	Stock	ACBT	c	-	a	1,100,000	-	3,111,100	825,658	a	-	-	295,344	c	-	4,211,100	171,044
								-	17,677	h	-	-	429,792	g			
								-	50,245	d	-	-					
								-	2,600	i	-	-					
ASMEDIA	Stock	WT	c	-	b	-	-	171,000,000	6,624,000	a	-	-	337,579	d	-	171,000,000	9,946,611
								-	593,007	e	-	-	15,544	h			
								-	2,703,787	e							
								-	378,940	f							
ASMEDIA	Stock	WT PREFERENCE STOCK	d	-	b	-	-	8,000,000	400,000	a	-	-	11,600	b	-	8,000,000	388,400

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. Subsidiary ; b. Associate.

Note 3 : a. Acquired or capital increase/ disposed or capital reduction/liquidation in this period.

b. Current-revaluation.

c. Recognized investment gain or loss under equity investment.

d. Recognized effect of exchange rate changes and recognized financial statements translation differences of foreign operations under equity investment.

e. Recognized change in ownership under equity investment.

f. Bargain purchase gain.

g. Credit balance of investments accounted for under equity method transferred to other liabilities - non-current.

h. Unrealized profit from sales.

i. Recognized effect of remeasurements of defined benefit plan under equity investment.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

ACQUISITION OF REAL ESTATE PROPERTIES AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2020

Table 4

(Amounts in thousands of New Taiwan dollars)

Company Name	Type of Property	Transaction Date	Transaction Amount	Status of Payment	Counterparty	Nature of Relationship	Where Counterparty is a Related Party, Details of Prior Transaction				Price Reference	Purpose of Acquisition	Other Commitments
							Former Holder of Property	Former Holder	Transfer Date	Amount			
ASUS	Buildings	2020/5/29	358,451	T/T based on construction progress and acceptance	Chung-Lin General Contractors, Ltd.	-	NA	NA	NA	NA	Tendering, price comparison and price negotiation	Office use	-

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
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 5

(Amounts in thousands of New Taiwan dollars)

Company Name	Related Party	Nature of Relationship (Note 1)	Transaction Details				Abnormal Transaction		Notes/Trade Receivables or Payables		Note
			Purchases/ (Sales)	Amount	% to Total Purchases/ (Sales) amount	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total Notes/Trade Receivables or Payables	
ASUS	ASUTC	b	(Sales)	(17,004,080)	(5.15)	OA 90	-	-	2,428,939	6.74	
ASUS	ASGL	b	(Sales)	(305,480,767)	(92.58)	OA 180	-	-	27,036,848	74.98	
ASUS	AAEON	b	(Sales)	(1,029,746)	(0.31)	Month-end 30 days	-	-	96,074	0.27	
ASUS	ASKEY	b	Purchases	643,344	0.22	Month-end 60 days	-	-	(140,609)	0.29	
ASUS	ASMEDIA	b	Purchases	344,056	0.12	Month-end 30 days	-	-	(9,070)	0.02	
ASUS	WT	c	Purchases	1,042,432	0.35	Month-end 60 days	-	-	(424,925)	0.87	
ASGL	ACCQ	b	(Sales)	(9,885,316)	(2.91)	OA 180	-	-	2,680,296	2.98	
ASGL	ACI	b	(Sales)	(76,327,758)	(22.45)	OA 180	-	-	27,691,413	30.77	
ASGL	ACSH	b	(Sales)	(45,447,294)	(13.37)	OA 180	-	-	16,864,939	18.74	
ASGL	ACJP	b	(Sales)	(10,510,976)	(3.09)	OA 120	-	-	2,693,709	2.99	
ASGL	ASIN	b	(Sales)	(7,685,755)	(2.26)	OA 180	-	-	4,360,660	4.85	
ASGL	ACMH	b	(Sales)	(2,911,143)	(0.86)	OA 180	-	-	997,495	1.11	
ASGL	ACNL	b	(Sales)	(20,298,062)	(5.97)	OA 180	-	-	4,200,488	4.67	
ASGL	ACJK	b	(Sales)	(8,003,518)	(2.35)	OA 180	-	-	3,438,825	3.82	
ASGL	ACBT	b	(Sales)	(234,399)	(0.07)	OA 180	-	-	57,705	0.06	
ASGL	ACG	b	(Sales)	(303,356)	(0.09)	OA 90	-	-	84,040	0.09	
ASMEDIA	WT	c	(Sales)	(408,036)	5.84	Month-end 60 days	-	-	37,430	8.99	
ASKEY	LP	b	(Sales)	(3,999,686)	NA (Note 2)	Month-end 90 days	-	-	37,617	0.51	
ASKEY	ASKEYI	b	(Sales)	(5,096,932)	22.44	Month-end 90 days	-	-	1,674,576	22.61	
ASKEY	SILIGENCE	b	(Sales)	(368,334)	1.62	Month-end 90 days	-	-	17,267	0.23	
ASKEY	ASKEYJS	b	(Sales)	(1,190,761)	NA (Note 2)	Month-end 90 days	-	-	1,156,687	15.62	
ASKEY	ASKEYJS	b	Purchases	14,661,463	61.87	Month-end 90 days	Based on cost of finished goods plus related expenditure of related party	-	(4,230,509)	67.31	
LP	ASKEYJS	b	(Sales)	(3,961,498)	99.32	Month-end 90 days	Based on cost of finished goods plus related expenditure of related party	-	-	-	
AAEON	AAEONEU	b	(Sales)	(481,741)	(11.79)	Month-end 60 days	-	-	77,693	18.66	
AAEON	AAEONEI	b	(Sales)	(878,974)	(21.51)	Month-end 60 days	-	-	54,026	12.98	
AAEON	AAEONSZ	b	(Sales)	(322,389)	(7.89)	Month-end 60 days	-	-	42,132	10.12	
AAEON	ONYXHU	b	(Sales)	(190,570)	(4.66)	Month-end 60 days	-	-	31,634	7.60	
ONYX	ONYXHU	b	(Sales)	(286,739)	(29.67)	Month-end 90 days	-	-	52,484	47.79	

Note 1 : a. Parent company ; b. Subsidiary ; c. Associate ; d. Other.

Note 2 : Purchasing raw material 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, 2020

Table 6 (Amounts in thousands of New Taiwan dollars)

Company Name	Related Party	Nature of Relationship (Note)	Ending Balance	Turnover	Overdue		Amounts Received in Subsequent Period	Loss allowance
					Amount	Action Taken		
ASUS	ASUTC	b	2,428,939	6.10 times	-	-	1,637,453	-
ASUS	ASGL	b	27,036,848	7.77 times	-	-	21,241,536	-
ASGL	ACCQ	b	2,680,296	2.20 times	-	-	2,041,931	-
ASGL	ACI	b	27,691,413	3.08 times	-	-	16,367,793	-
ASGL	ACSH	b	16,864,939	2.47 times	-	-	9,019,926	-
ASGL	ACJP	b	2,693,709	5.52 times	-	-	2,126,102	-
ASGL	ASIN	b	4,360,660	2.01 times	-	-	2,330,662	-
ASGL	ACMH	b	997,495	2.89 times	-	-	494,231	-
ASGL	ACNL	b	4,200,488	5.17 times	-	-	2,719,345	-
ASGL	ACJK	b	3,438,825	2.00 times	-	-	1,744,329	-
ASKEY	ASUS	a	140,609	2.25 times	-	-	63,092	-
ASKEY	ASKEYI	b	1,674,576	3.37 times	-	-	252,622	-
ASKEY	ASKEYJS	b	1,156,687	2.06 times	-	-	3,714	-
ASKEYJS	ASKEY	b	4,230,509	3.37 times	-	-	370,240	-

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)
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 7-1

(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	17,004,080	OA 90	4.08%
0	ASUS	ASGL	a	Sales	305,480,767	OA 180	73.22%
0	ASUS	AAEON	a	Sales	1,029,746	Month-end 30 days	0.25%
1	ASMEDIA	ASUS	b	Sales	344,056	Month-end 30 days	0.08%
2	ASGL	ACCQ	c	Sales	9,885,316	OA 180	2.37%
2	ASGL	ACI	c	Sales	76,327,758	OA 180	18.30%
2	ASGL	ACSH	c	Sales	45,447,294	OA 180	10.89%
2	ASGL	ACJP	c	Sales	10,510,976	OA 120	2.52%
2	ASGL	ASIN	c	Sales	7,685,755	OA 180	1.84%
2	ASGL	ACMH	c	Sales	2,911,143	OA 180	0.70%
2	ASGL	ACNL	c	Sales	20,298,062	OA 180	4.87%
2	ASGL	ACJK	c	Sales	8,003,518	OA 180	1.92%
2	ASGL	ACBT	c	Sales	234,399	OA 180	0.06%
2	ASGL	ACG	c	Sales	303,356	OA 90	0.07%
3	ASKEY	ASUS	b	Sales	643,344	Month-end 60 days	0.15%
3	ASKEY	LP	c	Sales	3,999,686	Month-end 90 days	0.96%
3	ASKEY	ASKEY1	c	Sales	5,096,932	Month-end 90 days	1.22%
3	ASKEY	SILIGENCE	c	Sales	368,334	Month-end 90 days	0.09%
3	ASKEY	ASKEYJS	c	Sales	1,190,761	Month-end 90 days	0.29%
4	LP	ASKEYJS	c	Sales	3,961,498	Month-end 90 days	0.95%
5	ASKEYJS	ASKEY	c	Sales	14,661,463	Month-end 90 days	3.51%
6	AAEON	AAEONEI	c	Sales	878,974	Month-end 60 days	0.21%
6	AAEON	AAEONSZ	c	Sales	322,389	Month-end 60 days	0.08%
6	AAEON	AAEONEU	c	Sales	481,741	Month-end 60 days	0.12%
6	AAEON	ONYXHU	c	Sales	190,570	Month-end 60 days	0.05%
7	ONYX	ONYXHU	c	Sales	286,739	Month-end 90 days	0.07%
8	ACH	ASGL	c	Service revenue	433,915	Pay on delivery	0.10%
9	ACAE	ASGL	c	Service revenue	143,602	Pay on delivery	0.03%
10	ACI	ASGL	c	Service revenue	318,215	Pay on delivery	0.08%
11	ACCZS	ASGL	c	Service revenue	439,110	Pay on delivery	0.11%
12	ACF	ASGL	c	Service revenue	406,726	Pay on delivery	0.10%
13	ACG	ASGL	c	Service revenue	370,156	Pay on delivery	0.09%
14	ACHK	ASGL	c	Service revenue	147,174	Pay on delivery	0.04%
15	ACIN	ASGL	c	Service revenue	145,035	Pay on delivery	0.03%
16	ACKR	ASGL	c	Service revenue	119,192	Pay on delivery	0.03%
17	ACPL	ASGL	c	Service revenue	116,470	Pay on delivery	0.03%
18	ACTH	ASGL	c	Service revenue	103,641	Pay on delivery	0.02%
19	ACUK	ASGL	c	Service revenue	213,192	Pay on delivery	0.05%
20	ACVN	ASGL	c	Service revenue	130,218	Pay on delivery	0.03%
21	ACCQ	ASGL	c	Service revenue	1,120,842	Pay on delivery	0.27%
22	ACSH	ASGL	c	Service revenue	138,563	Pay on delivery	0.03%
23	ACSZ	ASGL	c	Service revenue	1,654,959	Pay on delivery	0.40%
24	ACAU	ASGL	c	Service revenue	161,591	Pay on delivery	0.04%
25	ACN	ASGL	c	Service revenue	292,068	Pay on delivery	0.07%
26	ACIT	ACNL	c	Service revenue	255,275	Pay on delivery	0.06%
27	ACIB	ACNL	c	Service revenue	180,727	Pay on delivery	0.04%
28	ACS	ASGL	c	Service revenue	168,886	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, 2020

Table 7-2 (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	2,428,939	OA 90	0.61%
0	ASUS	ASGL	a	Trade receivables	27,036,848	OA 180	6.82%
2	ASGL	ACCQ	c	Trade receivables	2,680,296	OA 180	0.68%
2	ASGL	ACI	c	Trade receivables	27,691,413	OA 180	6.98%
2	ASGL	ACSH	c	Trade receivables	16,864,939	OA 180	4.25%
2	ASGL	ACJP	c	Trade receivables	2,693,709	OA 120	0.68%
2	ASGL	ASIN	c	Trade receivables	4,360,660	OA 180	1.10%
2	ASGL	ACMH	c	Trade receivables	997,495	OA 180	0.25%
2	ASGL	ACNL	c	Trade receivables	4,200,488	OA 180	1.06%
2	ASGL	ACJK	c	Trade receivables	3,438,825	OA 180	0.87%
3	ASKEY	ASUS	b	Trade receivables	140,609	Month-end 60 days	0.04%
3	ASKEY	ASKEYI	c	Trade receivables	1,674,576	Month-end 90 days	0.42%
3	ASKEY	ASKEYJS	c	Trade receivables	1,156,687	Month-end 90 days	0.29%
5	ASKEYJS	ASKEY	c	Trade receivables	4,230,509	Month-end 90 days	1.07%
8	ACH	ASGL	c	Trade receivables	109,596	Pay on delivery	0.03%
23	ACSZ	ASGL	c	Trade receivables	335,002	Pay on delivery	0.08%
21	ACCQ	ASGL	c	Other receivables	307,340	Pay on delivery	0.08%

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)

FOR THE YEAR ENDED DECEMBER 31, 2020

Table 8

(Amounts in thousands of New Taiwan dollars)

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		Balance as of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2020	December 31, 2019	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	-	771,553	771,553	Note 2 and 3
ASUS	ASUTC	Taiwan	Selling of 3C products in Taiwan	204,244	204,244	19,000,000	100.00	-	235,104	235,104	Note 1、2 and 3
ASUS	ACH	Netherlands	Repairing of 3C products	37,821	37,821	3,000,000	100.00	227,245	12,751	12,751	Note 2
ASUS	AIL	Cayman Islands	Investing in 3C and computer peripheral business	3,281,057	3,281,057	89,730,042	100.00	35,421,031	425,410	425,410	Note 1 and 2
ASUS	DEEP	Taiwan	Researching, developing and selling of AI medical related software	45,030	-	674,908	21.96	43,328	(8,637)	(1,702)	Note 2
ASUS	ASGL	Singapore	Selling of 3C products	838,070	838,070	28,000,000	100.00	37,988,234	11,113,895	10,135,909	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	2,467,792	(555,198)	(554,316)	Note 2
ASUS	HCVC	Taiwan	Investing in computer peripherals business	1,100,000	1,100,000	114,500,000	100.00	2,842,091	272,960	272,960	Note 2
ASUS	HMI	Taiwan	Investing in computer peripherals business	680,000	680,000	68,000,000	100.00	1,570,213	149,970	149,970	Note 2
ASUS	QCI	Singapore	Servicing of information technology	25,290	25,290	830,001	100.00	11,303	6,135	6,135	Note 2
ASUS	ASUSCLOUD	Taiwan	Selling and consulting of internet service	596,678	596,678	23,645,558	94.58	96,359	(24,472)	(23,146)	Note 2
ASUS	UEI	Taiwan	Manufacturing and selling of automotive electronics and computer peripherals	66,354	66,354	21,300,000	100.00	93,528	25,200	25,200	Note 2
ASUS	GAIUS	Cayman Islands	Investing in electric motor tricycle industry	310,400	310,400	16,386,481	35.00	266,219	(110,179)	(38,563)	Note 2
ASUS	NEXTS	Cayman Islands	Investing in cloud computing service business	94,324	94,324	8,560,974	43.48	80,516	20,204	8,784	Note 2
ASUS and HCVC	ACJK	Indonesia	Selling of 3C products in Indonesia	259,576	244,480	8,500	100.00	357,232	94,917	94,917	Note 2
ASUS and HCVC	IMOTION	Taiwan	Investing in AI and IPC peripherals business	270,000	180,000	27,000,000	30.00	90,754	(374,002)	(95,370)	Note 2
ASUS and HCVC	ACBT	Indonesia	Selling of 3C products in Indonesia	1,126,979	301,321	4,211,100	100.00	171,044	(295,344)	(295,344)	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	75,036	(6,924)	(3,531)	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	124,312	8,143	5,639	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	46.03	6,466,654	2,927,912	1,063,415	Note 2
ASUS、HCVC and HMI	EMC	Taiwan	Designing, manufacturing and selling of computer peripheral spare parts	81,060	81,060	6,359,548	17.94	220,149	326,434	20,795	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	40.73	5,006,857	365,591	98,543	Note 2
ASUS、HCVC and HMI	JPX	Taiwan	Designing and selling of computer peripheral spare parts	20,000	20,000	2,000,000	20.00	3,449	(12,503)	(1,300)	Note 2
ASUS and HCVC	UPI	Taiwan	Designing, researching, developing and selling of integrated circuits	486,532	486,532	24,790,905	35.12	1,793,371	437,580	126,239	Note 2
ASUS、HMI and AAEON	ONYX	Taiwan	Designing, manufacturing and selling of medical computers	146,376	146,376	15,625,728	56.80	580,675	163,146	9,133	Note 2 and 4
HMI	JOTECH	Taiwan	Selling and repairing of information software and electronic information materials	30,000	30,000	3,000,000	100.00	27,223	(2,318)	-	Note 2
ASKEY	ASKEYI	U.S.A	Selling and servicing of communication products	307,607	307,607	10,000,000	100.00	-	(34,194)	-	Note 2 and 3
ASKEY	DIC	British Virgin Islands	Investing in communication business	271,695	271,695	8,160,172	100.00	78,252	1,837	-	Note 2
ASKEY	MIC	British Virgin Islands	Investing in communication business	3,752,306	3,752,306	114,942,014	100.00	3,019,289	(270,068)	-	Note 2
ASKEY	ECOLAND	Taiwan	Planning and design integration of ecology, architecture and energy	21,840	21,840	780,000	33.91	6,331	361	-	Note 2
ASKEY	ASKEYDT	Taiwan	Selling and servicing of communication products	30,000	30,000	3,000,000	100.00	30,065	68	-	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	60,192	2,825	-	Note 2
ASKEY	ASKEYUK	U.K.	Selling and servicing of communication products	37,740	-	1,000,000	100.00	38,900	-	-	Note 2
ASKEY、MIC and OB	ASKEYBR	Brazil	Selling and servicing of communication products	26,883	28,299	3,200,000	100.00	3,309	289	-	Note 2
DIC	ASKEYVN	Vietnam	Manufacturing and selling of communication products	163,319	171,921	2,883,359	100.00	72,670	1	-	Note 2
DIC	WISE	Hong Kong	Investing in communication business	38,491	40,518	1,600,000	100.00	13,474	1,812	-	Note 2
MIC	MAGICOM	Cayman Islands	Investing in communication business	2,592,534	2,729,079	91,030,000	100.00	3,103,384	(270,460)	-	Note 2

Investor Company MIC	Investee Company LP	Location	Main Businesses	Original Investment Amount		Balance as of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2020	December 31, 2019	Shares	Percentage of Ownership(%)	Carrying Value			
		Mauritius	Selling of communication products and peripherals	1,425,424	1,500,499	50,050,000	100.00	-	301	-	Note 2 and 3
MIC	UNI	Mauritius	Selling of communication products and peripherals	1,424	1,499	50,000	100.00	18,385	(96)	-	Note 2
MIC	ASKEYCG	Germany	Selling and servicing of communication products	3,727	3,923	100,000	100.00	3,384	11	-	Note 2
MIC	ASKEYTH	Thailand	Selling and servicing of communication products	1,786	1,880	20,000	100.00	-	5,419	-	Note 2 and 3
MIC	ASKEYJP	Japan	Selling and servicing of communication products	1,339	1,409	500,000	100.00	-	(2,917)	-	Note 2 and 3
ASKEY and WISE	SILIGENCE	France	Selling and servicing of communication products	175,149	177,170	4,623,090	95.95	79,684	11,190	-	Note 2
AAEON	AAEONEI	U.S.A	Selling of industrial computers and computer peripherals	139,552	146,902	490,000	100.00	208,801	34,556	-	Note 2
AAEON	AAEONTCL	British Virgin Islands	Investing in industrial computers and interface cards business	250,826	264,037	8,807,097	100.00	217,064	3,064	-	Note 2
AAEON	AAEONEU	Netherlands	Selling of industrial computers and computer peripherals	3,502	3,359	-	100.00	32,617	(12,522)	-	Note 2
AAEON	AAEONI	Taiwan	Investing in industrial computers and computer peripherals business	150,000	150,000	15,000,000	100.00	124,554	13,666	-	Note 2
AAEON	LITEMAX	Taiwan	Selling of computer peripherals	70,218	70,218	5,015,050	12.00	101,813	70,391	-	Note 2
AAEON	IBASE	Taiwan	Manufacturing and selling of industrial motherboard	3,498,501	3,498,501	52,921,856	30.79	3,331,594	60,386	-	Note 2
AAEON	AAEONSG	Singapore	Selling of industrial computers and computer peripherals	12,577	12,998	465,840	100.00	49,158	11,670	-	Note 2
AAEONEU	AAEONG	Germany	Selling of industrial computers and computer peripherals	1,051	1,008	-	100.00	20,436	1,927	-	Note 2
ONYX	ONYXHU	U.S.A	Selling of medical computers and peripherals	56,960	59,960	200,000	100.00	95,464	17,497	-	Note 2
ONYX	ONYXHE	Netherlands	Marketing support and repairing of medical computers and peripherals	3,502	3,359	100,000	100.00	14,803	2,443	-	Note 2
ONYX	IHELPER	Taiwan	Researching, developing and selling of medical robots	16,560	16,560	1,656,000	46.00	8,445	(4,015)	-	Note 2
ONYX	WINMATE	Taiwan	Bidding and distribution of liquid crystal display application equipment and modules	538,199	510,248	9,845,000	13.60	537,102	256,062	-	Note 2
ASUSCLOUD	ASUSCLOUDSG	Singapore	Investing in internet service business	24,853	24,853	-	100.00	2,680	(1,673)	-	Note 2
ASUSCLOUD	ASUSCLOUDLB	Luxembourg	Providing maintenance and operating service for information hardware	18,065	18,065	-	100.00	3,119	(121)	-	Note 2
ASUSCLOUD	ASUSLC	Taiwan	Selling of internet information service	5,000	5,000	500,000	50.00	543	(757)	-	Note 2
ASMEDIA	WT	Taiwan	Agent sales of semiconductor and electronic components	6,624,000	-	171,000,000	21.70	9,946,611	-	-	Note 2
AIL	CHANNEL	British Virgin Islands	Investing in 3C business	855,340	900,389	30,033,000	100.00	34,623,643	417,466	-	Note 2
CHANNEL	ASTP	Singapore	Investing in 3C business	854,471	899,475	44,419,424	100.00	39,155,711	293,193	-	Note 2
CHANNEL	ACEG	Egypt	Providing support for 3C products in Egypt	-	-	-	100.00	1,166	(567)	-	Note 2
CHANNEL and ASTP	ACAE	United Arab Emirates	Providing support and repair for 3C products in Middle East	3,928	4,134	5	100.00	22,810	209	-	Note 2
CHANNEL and ASTP	ASID	Indonesia	Repairing of 3C products in Asia-Pacific and America	42,720	44,970	1,500,000	100.00	38,804	2,555	-	Note 2
CHANNEL , ASTP and ACNL	ACTH	Thailand	Providing support for 3C products in Thailand	13,454	14,163	20,000	100.00	24,135	3,217	-	Note 2
CHANNEL , ASTP and ACNL	ASTH	Thailand	Repairing of 3C products in Thailand	5,400	5,684	60,000	100.00	5,705	(147)	-	Note 2
ASTP	ACG	Germany	Selling and providing support for 3C products in Germany	2,698	2,840	-	100.00	174,590	13,469	-	Note 2
ASTP	ACF	France	Providing support for 3C products in France	1,420	1,495	5,300	100.00	62,195	9,262	-	Note 2
ASTP	ACUK	U.K.	Providing support for 3C products in United Kingdom	2,570	2,705	50,000	100.00	58,467	8,225	-	Note 2
ASTP	ACHK	Hong Kong	Providing support and repair for 3C products in Hong Kong	1,833	1,929	500,000	100.00	14,226	3,156	-	Note 2
ASTP	ACKR	South Korea	Providing support and repair for 3C products in South Korea	9,852	10,371	158,433	100.00	49,424	5,625	-	Note 2
ASTP	ACIN	India	Providing support and repair for 3C products in India	235,457	247,859	20,134,400	100.00	305,535	14,710	-	Note 2
ASTP	ACNL	Netherlands	Selling of 3C products	16,580	17,454	375,000	100.00	1,700,966	201,209	-	Note 2
ASTP	ACVN	Vietnam	Repairing of 3C products in Vietnam	2,278	2,398	-	100.00	25,202	5,666	-	Note 2
ASTP	ACIB	Spain	Providing support for 3C products in Spain	17	18	3,000	100.00	48,177	5,879	-	Note 2
ASTP	ACJP	Japan	Selling of 3C products in Japan	69,708	73,380	20,500	100.00	369,892	71,491	-	Note 2
ASTP	ASAU	Australia	Repairing of 3C products in Australia	27,492	28,940	950,000	100.00	59,936	19,483	-	Note 2
ASTP	ACAU	Australia	Providing support for 3C products in Australia	10,276	10,817	350,000	100.00	58,601	3,977	-	Note 2
ASTP	ACIL	Israel	Providing support for 3C products in Israel	370	390	50,000	100.00	4,940	4,922	-	Note 2
ASTP	ACCO	Colombia	Providing support for 3C products in Colombia	854	899	74,489	100.00	3,386	1,488	-	Note 2
ASTP	ACZA	South Africa	Providing support and repair for 3C products in Africa	2	2	1,000	100.00	6,659	1,682	-	Note 2
ASTP	ACMY	Malaysia	Providing support and repair for 3C products in Malaysia	3,328	3,504	500,000	100.00	20,109	(11)	-	Note 2
ASTP	ACCL	Chile	Providing support for 3C products in Chile	49	51	1,000	100.00	2,588	1,184	-	Note 2
ASTP	ASPH	Philippines	Providing support and repair for 3C products in Philippines	5,706	6,006	1,059,995	100.00	6,772	781	-	Note 2

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		Balance as of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2020	December 31, 2019	Shares	Percentage of Ownership(%)	Carrying Value			
ASTP	APVN	Vietnam	Servicing of management consulting	1,424	-	50,000	100.00	1,099	(335)	-	Note 2
ASTP and ACNL	A25	Russia	Selling of 3C products in Russia	4	-	-	100.00	-	(5,065)	-	Note 2 and 3
ASTP and ACNL	ACPE	Peru	Providing support for 3C products in Peru	36,073	37,936	4,195,740	100.00	33,051	67	-	Note 2
ASTP and ACNL	ACMH	Mexico	Selling of 3C products in Mexico	108,241	113,843	51,120	100.00	15,512	56,757	-	Note 2
ASTP and ACNL	ACBZ	Brazil	Selling of 3C products in Brazil	5,613,750	5,909,388	549,469,000	100.00	2,844,878	64,574	-	Note 2
ASTP and ACNL	ASIN	India	Selling of 3C products in India	193,023	203,189	33,500,000	100.00	329,994	249,226	-	Note 2
ASTP and ACMH	ACMX	Mexico	Providing support for 3C products in Mexico	289	305	132	100.00	8,149	1,201	-	Note 2
ACNL	ACHU	Hungary	Providing support and repair for 3C products in Hungary	1,751	1,679	-	100.00	10,519	1,701	-	Note 2
ACNL	ACPT	Portugal	Providing support for 3C products in Portugal	1,051	1,008	30,000	100.00	14,218	1,927	-	Note 2
ACNL	ACCH	Switzerland	Providing support for 3C products in Switzerland	8,003	7,676	3,400	100.00	30,024	2,793	-	Note 2
ACNL	ACN	Sweden	Providing support for 3C products in North Europe	1,116	1,070	3,000	100.00	79,776	11,828	-	Note 2
ACNL	ACTR	Turkey	Providing support and repair for 3C products in Turkey	15,411	14,782	2,046	100.00	29,581	(6,353)	-	Note 2
ACNL	ASTR	Turkey	Repairing of 3C products in Turkey	357	342	3,000	100.00	5,233	2,175	-	Note 2
ACNL	ACPL	Poland	Providing support for 3C products in Poland	50,976	48,896	1,000	100.00	56,767	4,086	-	Note 2
ACNL	ACIT	Italy	Providing support for 3C products in Italy	1,681	1,612	-	100.00	-	3,176	-	Note 2 and 3
ACNL	ACCZ	Czech Republic	Providing support for 3C products in Czech Republic	274	263	-	100.00	20,744	3,081	-	Note 2
ACNL	ACCZS	Czech Republic	Repairing of 3C products in Europe	7,335	7,035	-	100.00	120,119	15,795	-	Note 2
ACNL	QCS	Sweden	Servicing of information technology	163	157	500	100.00	-	(55,761)	-	Note 2 and 3

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
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 9

(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 b and c)	Carrying Amount as of December 31, 2020 (Note 2 b and c)	Ending Balance of Accumulated Inward Remittance of Earnings	Note (Note 1 b)
					Outflow	Inflow							
ACSH	Selling of 3C products in China	1,369,888	b	1,369,888	-	-	1,369,888	216,354	100.00	216,354	-	-	ASTP Invested (Note 3)
ACS	Repairing of 3C products	56,960	b	56,960	-	-	56,960	4,534	100.00	4,534	75,188	-	ASTP Invested
ACSZ	Researching and developing of 3C products	1,395,520	b	1,395,520	-	-	1,395,520	139,963	100.00	139,963	3,157,094	-	ASTP Invested
ACCQ	Selling of 3C products in China	1,965,120	b	1,965,120	-	-	1,965,120	622,106	100.00	622,106	6,083,417	-	ASTP Invested
ACISZ	Leasing real estate	737,605	c	-	-	-	-	(5,506)	100.00	(5,506)	711,972	-	-
ASKEYSH	Researching, developing and selling of communication products	85,440	b	85,440	-	-	85,440	(3,010)	100.00	(3,010)	-	-	MIC Invested (Note 3)
ASKEYJS	Manufacturing and selling of communication products	2,563,200	b	2,563,200	-	-	2,563,200	(270,349)	100.00	(270,349)	3,067,751	-	MAGICOM Invested
AAEONSZ	Manufacturing and selling of industrial computers and interface cards	247,499	b	247,499	-	-	247,499	3,272	100.00	3,272	223,628	-	AAEONTCL Invested
ONYXSH	Selling of medical computers and peripherals	56,960	a	56,960	-	-	56,960	(3,029)	100.00	(3,029)	4,622	-	-
EMES	Selling and consulting of information system software	8,544	a	8,544	-	-	8,544	6,708	100.00	6,708	17,282	-	-
JSCD	Participating and promoting of professional eSports	673,900	a	673,900	-	-	673,900	(124,930)	100.00	(124,930)	411,740	-	-
EOSTEK SHENZHEN	Smart TV and projector platform service	199,360	c	51,036	-	-	51,036	-	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	6,000,805 USD 210,702	6,183,077 USD 217,102	128,784,931
ASKEY	3,016,664 USD 105,922	3,016,664 USD 105,922	(Note 4)
AAEON	247,499 USD 8,690	247,499 USD 8,690	5,023,472
SWI	8,544 USD 300	9,683 USD 340	88,278
ONYX	56,960 USD 2,000	56,960 USD 2,000	631,709

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.
- The financial statements were audited by independent auditors of the parent company in Taiwan.
- 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, 2020 and 2019, and the related statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2020 and 2019, 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 matter 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, 2020 and 2019, and its financial performance and its cash flows for the years ended December 31, 2020 and 2019, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audit 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 for the year ended December 31, 2020; we conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Financial Supervisory Commission Letter No. 1090360805 of February 25, 2020 and generally accepted auditing standards in the Republic of China for the year ended December 31, 2019. 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 Accountants 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 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 the separate financial statements in the current period are stated as follows:

Evaluation of inventoriesDescription

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 for 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 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

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 estimate sales returns and discounts based on each product line's actual sales returns and discounts, and consider if there are special factors which will affect the original estimations. Since the refund liabilities - sales returns and discounts is subject to judgment and the market of 3C products changes rapidly, management's use of historical experience to accrue 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 that 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 that 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.

Classification and presentation of discontinued operations

Description

Refer to Note 6(11) for details of discontinued operations.

ASUSTEK COMPUTER INC. 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 ASUSTEK COMPUTER INC. recognized valuation effects of assets and liabilities accordingly in the same year. Given the magnitude that ASUSTEK COMPUTER INC. continuously disposed of discontinued operations as well as the significant impact of how the profit or loss of discontinued operations was classified and presented in the financial statements, we consider the classification and presentation of discontinued operations 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. Obtained management's detailed listings of valuation effects of assets and liabilities in discontinued operations; and checked relevant supporting documentation.
2. Confirmed the financial statements are reasonably presented by reviewing and assessing how the management disclosed the discontinued operations.

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 \$7,384,970 thousand and \$8,323,345 thousand, constituting 2.54% and 3.14% of total assets as of December 31, 2020 and 2019, respectively, and other comprehensive income (loss) of subsidiaries, associates, and joint ventures accounted for under equity method amounted to (\$717,511) thousand and (\$347,384) thousand, constituting (2.25%) and (1.30%) of total comprehensive income for the years ended December 31, 2020 and 2019, 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:

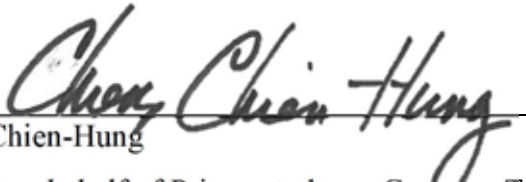
1. Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not 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 17, 2021

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ASUSTEK COMPUTER INC.
SEPARATE BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS	NOTES	DECEMBER 31, 2020		DECEMBER 31, 2019	
		AMOUNT	%	AMOUNT	%
<u>Current assets</u>					
Cash and cash equivalents	6(1)	\$ 2,538,864	1	\$ 3,756,606	1
Financial assets at fair value through profit or loss - current	6(2)	17,871,512	6	3,812,835	1
Financial assets at fair value through other comprehensive income - current	6(3)	1,275,309	-	760,936	-
Financial assets at amortized cost - current	6(4)	30,000	-	-	-
Trade receivables	6(5)(6)	6,431,610	2	5,425,288	2
Trade receivables - related parties	6(5) and 7	29,628,942	10	55,119,915	21
Inventories	6(7)	48,916,360	17	30,822,974	12
Prepayments		1,507,384	1	1,972,118	1
Other current assets		69,199	-	54,739	-
Total current assets		108,269,180	37	101,725,411	38
<u>Non-current assets</u>					
Financial assets at fair value through profit or loss - non-current	6(2)	37,322	-	51,126	-
Financial assets at fair value through other comprehensive income - non-current	6(3)	69,268,216	24	61,266,507	23
Investments accounted for under equity method	6(8)	92,503,276	32	82,067,084	31
Property, plant and equipment	6(9)	12,284,243	4	11,851,468	5
Right-of-use assets	6(10)	3,598	-	25,460	-
Investment property		4,005,020	2	4,006,405	2
Intangible assets		242,070	-	90,479	-
Deferred income tax assets	6(23)	3,970,994	1	3,495,962	1
Other non-current assets	8	411,418	-	453,794	-
Total non-current assets		182,726,157	63	163,308,285	62
<u>TOTAL ASSETS</u>		\$ 290,995,337	100	\$ 265,033,696	100

(Continued)

ASUSTEK COMPUTER INC.
SEPARATE BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

LIABILITIES AND EQUITY	NOTES	DECEMBER 31, 2020		DECEMBER 31, 2019	
		AMOUNT	%	AMOUNT	%
<u>Current liabilities</u>					
Financial liabilities at fair value through profit or loss - current	6(2)	\$ 234,197	-	\$ 101,499	-
Contract liabilities - current	6(18)	93,387	-	161,824	
Notes and trade payables	6(6) and 7	48,802,218	17	51,015,301	19
Other payables - accrued expenses	7	18,992,001	7	17,644,938	7
Current income tax liabilities		2,891,303	1	1,081,022	1
Provisions for liabilities - current	6(13) and 9	3,118,392	1	3,108,612	1
Lease liabilities - current	6(25)	3,167	-	23,378	-
Other current liabilities	7	513,041	-	389,521	-
Total current liabilities		74,647,706	26	73,526,095	28
<u>Non-current liabilities</u>					
Deferred income tax liabilities	6(23)	14,305,950	5	12,756,051	5
Lease liabilities - non-current	6(25)	428	-	2,242	-
Other non-current liabilities		276,737	-	1,889,268	-
Total non-current liabilities		14,583,115	5	14,647,561	5
Total liabilities		89,230,821	31	88,173,656	33
<u>Equity</u>					
Share capital - common shares	6(14)	7,427,603	2	7,427,603	3
Capital surplus	6(15)	9,784,103	3	6,297,000	3
Retained earnings	6(16)				
Legal reserve		36,620,905	13	35,407,050	13
Special reserve		693,928	-	693,928	-
Unappropriated retained earnings		110,029,647	38	95,102,416	36
Other equity	6(3)(17)	37,208,330	13	31,932,043	12
Total equity		201,764,516	69	176,860,040	67
<u>TOTAL LIABILITIES AND EQUITY</u>		\$ 290,995,337	100	\$ 265,033,696	100

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

ASUSTEK COMPUTER INC.
SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE IN NEW TAIWAN DOLLARS)

ITEMS	NOTES	FOR THE YEARS ENDED DECEMBER 31,			
		2020		2019	
		AMOUNT	%	AMOUNT	%
Operating revenue	6(18) and 7	\$ 328,664,005	100	\$ 274,303,772	100
Operating costs	6(7)(9)(10)(12)(21)(22)(25) and 7	(299,827,531)	(91)	(252,686,275)	(92)
Gross profit		28,836,474	9	21,617,497	8
Unrealized loss (profit) from sales		633,604	-	(2,877,780)	(1)
Gross profit		29,470,078	9	18,739,717	7
Operating expenses	6(9)(10)(12)(21)(22)(25), 7 and 9				
Selling expenses		(3,301,025)	(1)	(2,713,127)	(1)
General and administrative expenses		(3,021,772)	(1)	(1,959,151)	(1)
Research and development expenses		(11,231,824)	(4)	(9,337,277)	(3)
Total operating expenses		(17,554,621)	(6)	(14,009,555)	(5)
Operating profit		11,915,457	3	4,730,162	2
Non-operating income and expenses					
Interest income	6(4)	25,351	-	35,639	-
Other income	6(19)	2,975,245	1	2,429,352	1
Other gains (losses)	6(2)(20)	2,295,493	1	1,847,030	1
Finance costs	6(10)	(472)	-	(2,221)	-
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(8)	10,741,437	3	8,293,388	3
Total non-operating income and expenses		16,037,054	5	12,603,188	5
Profit before income tax		27,952,511	8	17,333,350	7
Income tax expenses	6(23)	(3,978,860)	(1)	(2,999,695)	(1)
Profit from continuing operations for the year		23,973,651	7	14,333,655	6
Profit (loss) from discontinued operations for the year	6(11)	2,584,021	1	(2,195,100)	(1)
Profit for the year		\$ 26,557,672	8	\$ 12,138,555	5
Other comprehensive income					
Components of other comprehensive income 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)	\$ 8,416,416	3	\$ 16,996,339	6
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	6(8)(17)	1,009,591	-	(84,589)	-
Components of other comprehensive income that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations	6(17)	(4,063,588)	(1)	(1,854,143)	(1)
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	6(8)(17)	(966,564)	-	(951,315)	-
Income tax relating to the components of other comprehensive income	6(17)(23)	880,432	-	421,751	-
Other comprehensive income (loss) for the year		\$ 5,276,287	2	\$ 14,528,043	5
Total comprehensive income for the year		\$ 31,833,959	10	\$ 26,666,598	10
Basic earnings per share	6(24)				
Profit from continuing operations		\$ 32.28		\$ 19.30	
Profit (loss) from discontinued operations		3.48		(2.96)	
Basic earnings per share		\$ 35.76		\$ 16.34	
Diluted earnings per share					
Profit from continuing operations	6(24)	\$ 31.91		\$ 19.19	
Profit (loss) from discontinued operations		3.44		(2.94)	
Diluted earnings per share		\$ 35.35		\$ 16.25	

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

ASUSTEK COMPUTER INC.
SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(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
For the 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
For the year ended December 31, 2019										
Balance at January 1, 2019	\$ 7,427,603	\$ 6,299,430	\$ 34,983,546	\$ 693,941	\$ 94,556,481	\$ 1,004,029	\$ 18,234,029	\$ 280,896	\$ 106,896	\$ 161,365,001
Appropriations of 2018 earnings (Note 6(16)) :										
Legal reserve	-	-	423,504	-	(423,504)	-	-	-	-	-
Cash dividends	-	-	-	-	(11,141,404)	-	-	-	-	(11,141,404)
Profit for the year	-	-	-	-	12,138,555	-	-	-	-	12,138,555
Other comprehensive income (loss) for the year	-	-	-	-	-	(1,796,955)	16,921,721	(586,752)	(9,971)	14,528,043
Change in associates and joint ventures accounted for under equity method	-	6,065	-	-	(843)	-	-	-	-	5,222
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(7,634)	-	-	-	-	-	-	-	(7,634)
Recognition of changes in ownership interest in subsidiaries	-	(861)	-	-	-	-	-	-	-	(861)
Reversal of special reserve	-	-	-	(13)	13	-	-	-	-	-
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	(26,882)	-	-	-	-	(26,882)
Balance at December 31, 2019	\$ 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

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

ASUSTEK COMPUTER INC.
SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	FOR THE YEARS ENDED DECEMBER 31,	
	2020	2019
<u>Cash flows from operating activities</u>		
Profit before income tax from continuing operations for the year	\$ 27,952,511	\$ 17,333,350
Profit (loss) before income tax from discontinued operations for the year	2,814,158	(2,379,336)
Profit before income tax from continuing and discontinued operations for the year	30,766,669	14,954,014
Income and expenses that results in non-cash flows		
Depreciation (including investment property and right-of-use assets)	431,424	444,815
Amortization	221,414	116,287
Expected credit impairment losses (gains)	38,333	(179,543)
Net losses (gains) on financial assets or liability at fair value through profit or loss	384,077	13,082
Share of (profit) loss of subsidiaries, associates and joint ventures accounted for under equity method	(12,324,255)	(6,907,772)
Interest income	(25,351)	(35,639)
Dividend income	(2,847,955)	(2,302,852)
Unrealized (profit) loss from sales	(826,374)	2,563,990
Others	39,398	6,769
Changes in assets/liabilities relating to operating activities		
Financial assets at fair value through profit or loss	(13,738,464)	(1,006,881)
Trade receivables	(1,044,655)	4,559,630
Trade receivables - related parties	25,490,973	(2,781,849)
Inventories	(18,093,386)	7,697,244
Prepayments	(11,338)	171,132
Other current assets	(14,474)	74,370
Financial liabilities at fair value through profit or loss	(557,788)	(176,437)
Contract liabilities - current	(68,437)	(83,293)
Notes and trade payables	(2,213,083)	(1,784,232)
Other payables - accrued expenses	1,804,522	(1,445,521)
Provisions for liabilities	9,780	(431,313)
Other current liabilities	36,121	(16,059)
Receipt of interest	25,350	36,296
Payment of interest	(472)	(2,221)
Payment of income tax	(428,322)	(999,284)
Net cash flows provided by (used in) operating activities	7,053,707	12,484,733
<u>Cash flows from investing activities</u>		
Acquisition of financial assets at fair value through other comprehensive income	(129,765)	-
Acquisition of investments accounted for under equity method	(953,934)	(678,641)
Proceeds from disposal of investments accounted for under equity method	-	561,755
Acquisition of property, plant and equipment	(765,586)	(3,154,582)
Acquisition of intangible assets	(323,917)	(75,911)
Changes in other non-current assets	(26,012)	(62,584)
Dividends received	4,366,030	3,663,140
Others	(3,296)	530
Net cash flows provided by (used in) investing activities	2,163,520	253,707
<u>Cash flows from financing activities</u>		
Payment of cash dividends	(10,398,644)	(11,141,404)
Redemption of lease liabilities	(23,992)	(166,492)
Others	(12,333)	12,774
Net cash flows provided by (used in) financing activities	(10,434,969)	(11,295,122)
(Decrease) increase in cash and cash equivalents	(1,217,742)	1,443,318
Cash and cash equivalents at beginning of year	3,756,606	2,313,288
Cash and cash equivalents at end of year	\$ 2,538,864	\$ 3,756,606

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

ASUSTEK COMPUTER INC.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(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, tablet PCs, 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 17, 2021.

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 endorsed by the FSC effective from 2020 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1 and IAS 8, "Disclosure initiative-definition of material"	January 1, 2020
Amendments to IFRS 3, "Definition of a business"	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, "Interest rate benchmark reform"	January 1, 2020
Amendment to IFRS 16, "Covid-19-related rent concessions"	June 1, 2020 (Note)

Note: Earlier application from January 1, 2020 is allowed by 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 International Financial Reporting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

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

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) International Financial Reporting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

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 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 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 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.

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 debt instruments measured at fair value through other comprehensive income and 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. Provisions are not recognized for future operating losses.

(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 operates 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:

Critical accounting estimates and assumptions – 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, 2020, the carrying amount of inventories was \$48,916,360.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	2020/12/31	2019/12/31
Cash on hand and petty cash	\$ 495	\$ 245
Checking accounts and demand deposits	828,369	3,756,361
Time deposits	1,710,000	-
	<u>\$ 2,538,864</u>	<u>\$ 3,756,606</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>2020/12/31</u>	<u>2019/12/31</u>
Financial assets mandatorily measured at fair value through profit or loss - current:		
Listed and OTC stocks	\$ 90,154	\$ 71,652
Beneficiary certificates	<u>17,781,358</u>	<u>3,741,183</u>
	<u>\$ 17,871,512</u>	<u>\$ 3,812,835</u>
Financial assets mandatorily measured at fair value through profit or loss - non-current:		
Beneficiary certificates	<u>\$ 37,322</u>	<u>\$ 51,126</u>
Financial liabilities held for trading - current:		
Derivatives	<u>\$ 234,197</u>	<u>\$ 101,499</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>For the years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 18,502	\$ 24,052
Beneficiary certificates	25,776	1,613
Derivatives	(428,355)	(38,747)
	<u>(\$ 384,077)</u>	<u>(\$ 13,082)</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:

	<u>2020/12/31</u>		<u>2019/12/31</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>
Derivative financial liabilities:				
Forward exchange contracts				
-NTD/USD	USD 750,000	2021/05	USD 360,000	2020/03
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

	2020/12/31	2019/12/31
Equity instruments - current:		
Listed and OTC stocks	\$ 291,088	\$ 296,187
Valuation adjustment	984,221	464,749
	<u>\$ 1,275,309</u>	<u>\$ 760,936</u>
Equity instruments - non-current:		
Listed and OTC stocks	\$ 26,460,851	\$ 26,460,851
Unlisted and non-OTC stocks	324,495	219,730
	26,785,346	26,680,581
Valuation adjustment	42,482,870	34,585,926
	<u>\$ 69,268,216</u>	<u>\$ 61,266,507</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 \$70,543,525 and \$62,027,443 as of December 31, 2020 and 2019, respectively.
- B. 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:

	For the years ended December 31,	
	2020	2019
Reclassified from other equity to retained earnings due to disposal	(\$ 3,400)	\$ -
Dividends from investments recognized in profit or loss held at end of the year	\$ 2,845,937	\$ 2,300,767

- C. The Company has no financial assets at fair value through other comprehensive income pledged to others.

(4) Financial assets at amortized cost

Items	2020/12/31	2019/12/31
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:

	For the years ended December 31,	
	2020	2019
Interest income	\$ 23	\$ -

- B. The Company has no financial assets at amortized cost pledged to others.

- C. As of December 31, 2020 and 2019, 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 \$30,000 and \$0, respectively.

D. Information about credit risk of financial assets at amortized cost is provided in Note 12(2).

(5) Trade receivables

	2020/12/31	2019/12/31
Trade receivables (including related parties)	\$ 36,112,759	\$ 60,559,415
Less: Loss allowance	(52,207)	(14,212)
	<u>\$ 36,060,552</u>	<u>\$ 60,545,203</u>

A. The aging analysis of trade receivable is as follows:

	2020/12/31	2019/12/31
Not past due	\$ 35,674,152	\$ 60,375,503
Less than 90 days past due	421,546	172,720
Between 91 and 180 days past due	13,925	6,635
More than 181 days past due	3,136	4,557
	<u>\$ 36,112,759</u>	<u>\$ 60,559,415</u>

B. As of December 31, 2020, December 31, 2019 and January 1, 2019, the balances of receivables from contracts with customers amounted to \$36,112,759, \$60,559,415, and \$62,337,196, respectively.

C. The Company does not hold financial assets as security for trade receivables.

D. As of December 31, 2020 and 2019, 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 \$36,060,552 and \$60,545,203, respectively.

E. Information about credit risk of trade receivable is provided in Note 12(2).

(6) Offsetting financial assets and financial liabilities

A. The Company has assets (fair value of \$28,862,320 and \$21,943,010 as of December 31, 2020 and 2019, respectively) and liabilities (fair value of \$35,649,312 and \$29,904,514 as of December 31, 2020 and 2019, 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
2020/12/31	\$ 28,862,320	(\$ 35,649,312)	(\$ 28,667,684)	\$ 194,636	(\$ 6,981,628)	\$ -
2019/12/31	21,943,010	(29,904,514)	(21,943,010)	-	(7,961,504)	-

(7) Inventories

2020/12/31			
	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>
2019/12/31			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 30,298,173	(\$ 4,481,716)	\$ 25,816,457
Work in process	1,885,075	(130,287)	1,754,788
Finished goods	885,650	(45,802)	839,848
Merchandise inventories	2,215,470	(349,838)	1,865,632
Inventories in transit	546,249	-	546,249
	<u>\$ 35,830,617</u>	<u>(\$ 5,007,643)</u>	<u>\$ 30,822,974</u>

Except for cost of goods sold, the inventories recognized as operating costs from continuing and discontinued operations amounted to (\$157,634) and (\$3,456,999), of which (\$165,299) and (\$3,494,222) pertain to the decline (recovery) in value of inventories for the years ended December 31, 2020 and 2019, 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, 2020 and 2019.

(8) Investments accounted for under equity method

2020/12/31				2019/12/31	
	Book Value	Ownership (%)		Book Value	Ownership (%)
Subsidiaries:					
ASGL	\$ 37,988,234	100.00	\$	31,187,993	100.00
AIL	35,421,031	100.00		36,802,918	100.00
ASMEDIA	4,977,424	35.43		1,051,622	40.74
AAEON	3,621,585	29.47		3,628,900	29.47
HCVC	2,842,091	100.00		1,898,784	100.00
ASKEY	2,467,792	100.00		3,006,308	100.00
HMI	1,570,213	100.00		1,136,722	100.00
Others	1,611,650			1,478,942	
	<u>90,500,020</u>			<u>80,192,189</u>	
Associates:					
Others	2,003,256			1,874,895	
	<u>\$ 92,503,276</u>			<u>\$ 82,067,084</u>	

A. Subsidiaries

Information about the Company's subsidiaries is provided in Note 4(3) of the 2020 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:

	For the years ended December 31,	
	2020	2019
Profit (loss) for the year	\$ 18,884	(\$ 28,337)
Other comprehensive income (loss) for the year (net of income tax)	194	1,810
Total comprehensive income (loss) for the year	\$ 19,078	(\$ 26,527)

The Company is the single largest shareholder of NEXTS and UPI with a 43.48% and 28.53% 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.

(9) Property, plant and equipment

	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)	(851,728)	(453,445)	-	(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)	(128,036)	(113,615)	-	(406,209)
Reclassifications	-	-	14,071	-	(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)	(959,477)	(536,645)	-	(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>

	Land	Buildings	Machinery and equipment	Miscellaneous equipment	Construction in progress and equipment under installation	Total
January 1, 2019						
Cost	\$4,891,103	\$2,312,098	\$ 994,762	\$ 616,036	\$ 2,111,985	\$10,925,984
Accumulated depreciation and impairment	- (715,417)	(740,825)	(428,662)	-	(1,884,904)	
	<u>\$4,891,103</u>	<u>\$1,596,681</u>	<u>\$ 253,937</u>	<u>\$ 187,374</u>	<u>\$ 2,111,985</u>	<u>\$ 9,041,080</u>
January 1, 2019	\$4,891,103	\$1,596,681	\$ 253,937	\$ 187,374	\$ 2,111,985	\$ 9,041,080
Acquisitions	1,014,089	1,743,003	163,286	139,542	27,795	3,087,715
Disposals	-	- (16)	-	-	- (16)	
Depreciation	- (50,247)	(125,763)	(100,767)	-	(276,777)	
Reclassifications	-	2,109,501	1,950	-	(2,111,985)	(534)
December 31, 2019	<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>
December 31, 2019						
Cost	\$5,905,192	\$6,164,602	\$ 1,145,122	\$ 679,594	\$ 27,795	\$13,922,305
Accumulated depreciation and impairment	- (765,664)	(851,728)	(453,445)	-	(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>

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 6 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, 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>

	Buildings	Other equipment	Total
January 1, 2019			
Adjustment under IFRS 16	\$ 180,827	\$ 6,080	\$ 186,907
Acquisitions	5,205	-	5,205
Depreciation	(164,034)	(2,618)	(166,652)
December 31, 2019	<u>\$ 21,998</u>	<u>\$ 3,462</u>	<u>\$ 25,460</u>

C. The information on income and expense accounts relating to lease contracts is as follows:

	For the years ended December 31,	
	2020	2019
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 95	\$ 1,160
Expense on short-term lease contracts	11,521	30,943

D. For the years ended December 31, 2020 and 2019, the Company's total cash outflow for leases were \$35,608 and \$198,595, 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:

	For the years ended December 31,	
	2020	2019
Operating cash flows	\$ 288,728	(\$ 4,778,723)
Investing cash flows	-	-
Financing cash flows (Note)	(288,728)	4,778,723
Total cash flows	\$ -	\$ -

Note: The continuing operations provided (obtained) financing support to (from) discontinued operations.

C. Analysis of the results of discontinued operations is as follows:

	For the years ended December 31,	
	2020	2019
Operating revenue	\$ 1,305,087	\$ 9,956,487
Operating (costs)	(403,257)	(10,313,742)
Unrealized loss from sales	192,770	313,790
Operating (expenses)	115,672	(832,106)
Other gains (losses)	21,068	(118,149)
Share of profit (loss) of associates and joint ventures accounted for under equity method	1,582,818	(1,385,616)
Profit (loss) before income tax from discontinued operations	2,814,158	(2,379,336)
Income tax (expense) benefit	(230,137)	184,236
Total profit (loss) from discontinued operations	\$ 2,584,021	(\$ 2,195,100)

(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 \$1,089 and \$847 for the years ended December 31, 2020 and 2019, respectively.
- (C) Expected contribution to the defined benefit pension plan of the Company for the year ending December 31, 2021 is \$1,175.
- 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 \$315,298 and \$293,456 for the years ended December 31, 2020 and 2019, respectively.

(13) Provisions for liabilities

	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>

	Provisions for warranty	Provisions for legal claims and royalty	Total
January 1, 2019	\$ 154,444	\$ 3,385,481	\$ 3,539,925
Recognition (reversal)	85,457	(391,132)	(305,675)
Used	(39,349)	-	(39,349)
Net exchange differences	-	(86,289)	(86,289)
December 31, 2019	<u>\$ 200,552</u>	<u>\$ 2,908,060</u>	<u>\$ 3,108,612</u>

Analysis of total provisions:

	2020/12/31	2019/12/31
Current	<u>\$ 3,118,392</u>	<u>\$ 3,108,612</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, 2020, 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, 2020 and 2019 are both 742,760,280 shares.

- B. As of December 31, 2020, the Company issued Global Depositary Receipts (GDRs), of which \$4,681,000 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 \$23,404,000 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.

	2020/12/31	2019/12/31
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	3,968,392	1,130,789
Changes in associates and joint ventures accounted for under equity method	702,355	52,855
	<u>\$ 9,784,103</u>	<u>\$ 6,297,000</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 Company is facing a rapidly changing industrial environment, with the life cycle of the industry in the growth phase. In line with the long-term financial plan of the Company and the demand for cash by the shareholders, the Company should distribute cash dividends of not less than 10% of the total dividends declared.

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 18, 2019, the Company distributed cash dividends to owners amounting to \$11,141,404 (\$15 (in dollars) per share) for the appropriation of 2018 earnings. 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.
- F. The appropriations of 2020 earnings had been proposed by the Board of Directors on March 17, 2021. Details are summarized as follows:

	For the year ended December 31, 2020	
	Dividends per share	
	Amount	(in dollars)
Cash dividends	\$ 19,311,767	\$ 26.00

As of March 17, 2021, the appropriations of 2020 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, 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>

	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 operation	Remeasurement of defined benefit plan	Total
January 1, 2019	\$ 280,896	\$ 18,234,029	(\$ 1,004,029)	(\$ 106,896)	\$ 17,404,000
-The Company	-	16,996,339	(1,432,392)	-	15,563,947
-Subsidiaries	(586,752)	(75,491)	(363,563)	(9,773)	(1,035,579)
-Associates	-	873	(1,000)	(198)	(325)
December 31, 2019	<u>(\$ 305,856)</u>	<u>\$ 35,155,750</u>	<u>(\$ 2,800,984)</u>	<u>(\$ 116,867)</u>	<u>\$ 31,932,043</u>

(18) Operating revenue

	For the years ended December 31,	
	2020	2019
Revenue from contracts with customers	\$ 329,969,092	\$ 284,260,259
Exclude (revenue) from contracts with customers from discontinued operations	(1,305,087)	(9,956,487)
	<u>\$ 328,664,005</u>	<u>\$ 274,303,772</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:

For the year ended December 31, 2020	3C products	Others	Total
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>
For the year ended December 31, 2019	3C products	Others	Total
Revenue from contracts with customers	<u>\$ 270,303,117</u>	<u>\$ 4,000,655</u>	<u>\$ 274,303,772</u>
Timing of revenue recognition			
Revenue recognized at a point in time	<u>\$ 270,303,117</u>	<u>\$ 4,000,655</u>	<u>\$ 274,303,772</u>

Revenue from contracts with customers from discontinued operations for the years ended December 31, 2020 and 2019 amounted to \$1,305,087 and \$9,956,487, 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 \$93,387, \$161,824 and \$245,117 as of December 31, 2020, December 31, 2019 and January 1, 2019, respectively.

(B) The revenue recognized from the beginning balance of contract liability amounted to \$76,076 and \$75,938 for the years ended December 31, 2020 and 2019, respectively.

(19) Other income

	For the years ended December 31,	
	2020	2019
Rent income	\$ 127,290	\$ 126,500
Dividend income	2,847,955	2,302,852
	<u>\$ 2,975,245</u>	<u>\$ 2,429,352</u>

(20) Other gains (losses)

	For the years ended December 31,	
	2020	2019
Net gains (losses) on non-derivative financial instruments	\$ 44,278	\$ 25,665
Net gains (losses) on derivative financial instruments	(428,355)	(38,747)
Net currency exchange gains (losses)	2,566,572	1,263,677
Other net gains (losses)	134,066	478,286
	2,316,561	1,728,881
Exclude other (gains) losses from discontinued operations	(21,068)	118,149
	<u>\$ 2,295,493</u>	<u>\$ 1,847,030</u>

(21) Costs and expenses by nature (including discontinued operations)

	For the years ended December 31,					
	2020			2019		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses	\$ 526,078	\$10,810,347	\$11,336,425	\$ 460,586	\$9,819,432	\$10,280,018
Depreciation	51,147	378,891	430,038	39,577	403,852	443,429
Amortization	-	221,414	221,414	9	116,278	116,287

(22) Employee benefit expenses (including discontinued operations)

	For the years ended December 31,	
	2020	2019
Wages and salaries	\$ 10,171,718	\$ 9,242,393
Labor and health insurance	565,826	530,740
Pension (Note)	316,387	294,303
Directors' remuneration	101,191	50,725
Other personnel expenses	181,303	161,857
	<u>\$ 11,336,425</u>	<u>\$ 10,280,018</u>

Note: Includes the pension expense under the defined contribution plan and defined benefit plan.

A. The Company's average headcount were 6,095 and 5,788 employees for the years ended December 31, 2020 and 2019, respectively. There were 8 and 8 non-employee directors for the years ended December 31, 2020 and 2019, respectively.

B. (A) The Company's average employee benefit expense amounted to \$1,846 and \$1,770 for the years ended December 31, 2020 and 2019, respectively.

(B) The Company's average wages and salaries amounted to \$1,671 and \$1,599 for the years ended December 31, 2020 and 2019, respectively.

(C) Average wages and salaries increased by 4.5%.

- (D) The Company has established an audit committee in lieu of a supervisor and there is not applicable to disclosure the information of supervisors' remuneration.
- (E) The Company's salaries and wages policy:
- a. The overall salaries and wages level is based on external competitiveness and internal fairness that can effectively attract and retain talents.
 - b. Link performance and employee salaries and wages by the performance management system to provide employee development motivation and give the company a positive boost.
 - c. 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.
 - d. 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, 2020 and 2019, employees' compensation was accrued at \$1,865,638 and \$906,786, respectively; directors' remuneration was accrued at \$98,191 and \$47,725, 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, 2020.
- The employees' compensation and directors' remuneration amounting to \$906,786 and \$47,725, respectively, for 2019 as resolved by the Board of Directors were in agreement with the amounts recognized in the 2019 financial statements. The employees' compensation and directors' remuneration were distributed in cash. Related information is available at the Market Observation Post System website.

(23) Income tax

A. Income tax expenses

(A) Components of income tax expenses:

	For the years ended December 31,	
	2020	2019
Current income tax:		
Current income tax on profits for the year	\$ 2,633,617	\$ 663,050
Difference between prior year's income tax estimation and assessed results	(379,919)	(84,908)
Total current income tax	<u>2,253,698</u>	<u>578,142</u>
Deferred income tax:		
Origination and reversal of temporary differences	<u>1,955,299</u>	<u>2,237,317</u>
Total deferred income tax	<u>1,955,299</u>	<u>2,237,317</u>
Income tax expenses (including discontinued operations)	4,208,997	2,815,459
Exclude income tax (expenses) benefit from discontinued operations	(230,137)	184,236
Income tax expenses from continuing operations	<u>\$ 3,978,860</u>	<u>\$ 2,999,695</u>

(B) The income tax relating to components of other comprehensive income is as follows:

	For the years ended December 31,	
	2020	2019
Currency translation differences	(\$ 880,432)	(\$ 421,751)

B. Reconciliation between income tax expenses and accounting profit:

	For the years ended December 31,	
	2020	2019
Income tax calculated based on profit before tax and statutory tax rate	\$ 6,153,334	\$ 2,990,803
Tax exempt income by tax regulation	(571,739)	(464,092)
Effect of tax exemption on investment income	(354,037)	(78,210)
Difference between prior year's income tax estimation and assessed results	(379,919)	(84,908)
Effect of tax rate changes on unrealized profit from sales	(87,369)	162,404
Effect of exchange rate changes	(571,708)	293,862
Expenses (income) adjusted by tax regulation	424	(2,272)
Others	<u>20,011</u>	<u>(2,128)</u>
Income tax expenses (including discontinued operations)	4,208,997	2,815,459
Exclude income tax (expenses) benefit from discontinued operations	(230,137)	184,236
Income tax expenses from continuing operations	<u>\$ 3,978,860</u>	<u>\$ 2,999,695</u>

C. Amounts of deferred income tax assets or liabilities as a result of temporary differences are as follows:

		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)	
		2019			
				Recognized in other	
		January 1	Recognized in profit or loss	comprehensive income	December 31
Temporary differences:					
- Deferred income tax assets:					
Unrealized profit from sales	\$ 379,486	\$ 505,388	\$ -	\$ 884,874	
Unrealized purchase discounts	123,331	(8,597)	-	114,734	
Decline in value of inventories	1,700,373	(698,844)	-	1,001,529	
Unrealized expenses and provisions for royalty	1,099,854	(271,158)	-	828,696	
Currency translation differences of foreign operations	193,177	-	421,751	614,928	
Others	51,496	(295)	-	51,201	
Subtotal	3,547,717	(473,506)	421,751	3,495,962	
- Deferred income tax liabilities:					
Investment income from foreign investees	(10,934,728)	(1,702,450)	-	(12,637,178)	
Unrealized exchange gains	(57,512)	(61,361)	-	(118,873)	
Subtotal	(10,992,240)	(1,763,811)	-	(12,756,051)	
Total	(\$7,444,523)	(\$ 2,237,317)	\$ 421,751	(\$ 9,260,089)	

D. The Tax Authority has examined the Company's income tax returns through 2018.

(24) Earnings per share

	For the years ended December 31,	
	2020	2019
Profit:		
Profit from continuing operations	\$ 23,973,651	\$ 14,333,655
Profit (loss) from discontinued operations	2,584,021	(2,195,100)
Profit for the year	<u>\$ 26,557,672</u>	<u>\$ 12,138,555</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	\$ 32.28	\$ 19.30
Profit (loss) from discontinued operations	3.48	(2.96)
Profit for the year	<u>\$ 35.76</u>	<u>\$ 16.34</u>
	For the years ended December 31,	
	2020	2019
Profit:		
Profit from continuing operations	\$ 23,973,651	\$ 14,333,655
Profit (loss) from discontinued operations	2,584,021	(2,195,100)
Profit for the year	<u>\$ 26,557,672</u>	<u>\$ 12,138,555</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	8,469	4,195
Weighted average number of shares outstanding - diluted	<u>751,229</u>	<u>746,955</u>
Diluted earnings per share (in dollars):		
Profit from continuing operations	\$ 31.91	\$ 19.19
Profit (loss) from discontinued operations	3.44	(2.94)
Profit for the year	<u>\$ 35.35</u>	<u>\$ 16.25</u>

(25) Changes in liabilities arising from financing activities

	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>

	January 1, 2019	Cash flow	Non-cash changes Others (Note)	December 31, 2019
Lease liabilities	\$ 186,907	(\$ 166,492)	\$ 5,205	\$ 25,620

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
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
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
Others	Other related parties

(3) Significant transactions and balances with related parties

A. Sales of goods (including discontinued operations)

	For the years ended December 31,	
	2020	2019
Sales of goods		
-ASGL	\$ 305,480,767	\$ 256,202,959
-Other subsidiaries	18,107,946	19,380,357
-Associates	747	65,351
-Others	-	206
	<u>\$ 323,589,460</u>	<u>\$ 275,648,873</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

	For the years ended December 31,	
	2020	2019
Purchases of goods		
-Subsidiaries	\$ 987,844	\$ 1,327,015
-Associates	1,067,861	16,879
-Others	86,368	47,822
	<u>2,142,073</u>	<u>1,391,716</u>
Purchases of services and other expenditures		
-Subsidiaries	70,451	43,116
-Associates	-	149
-Others	22,484	19,394
	<u>92,935</u>	<u>62,659</u>
	<u>\$ 2,235,008</u>	<u>\$ 1,454,375</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

	2020/12/31	2019/12/31
Trade receivables		
-ASGL	\$ 27,036,848	\$ 51,625,428
-Other subsidiaries	2,592,052	3,493,625
-Associates	42	862
	<u>29,628,942</u>	<u>55,119,915</u>
Other receivables		
-Associates	139	-
	<u>\$ 29,629,081</u>	<u>\$ 55,119,915</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

	2020/12/31	2019/12/31
Notes and trade payables		
-Subsidiaries	\$ 149,679	\$ 282,505
-Associates	432,102	2,412
-Others	20,656	15,510
	<u>602,437</u>	<u>300,427</u>
Other items of current liabilities		
-Subsidiaries	123,888	66,364
-Associates	-	3,873
-Others	7,484	3,309
	<u>131,372</u>	<u>73,546</u>
	<u>\$ 733,809</u>	<u>\$ 373,973</u>

The trade payables arise mainly from purchase transactions and bear no interest.

(4) Key management compensation

	For the years ended December 31,	
	2020	2019
Salaries and other short-term employee benefits	\$ 850,665	\$ 613,520
Post-employment benefits	5,586	5,391
	<u>\$ 856,251</u>	<u>\$ 618,911</u>

8. **PLEDGED ASSETS**

Pledged assets	Item	Book Value		Purpose
		2020/12/31	2019/12/31	
Other non-current assets	Pledged restricted deposits	\$ 185,014	\$ 184,923	Pledged for decided by court, customs 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 the user interface, audio signal encoding and decoding system, audio stream, UMTS communication function products, MP3 function for desktop computer and notebook, product with remote upgrade code function, cellphone and tablet supporting touchscreen scrolling in accordance with user touch control, display and projector products, computer, tablet and cellphone with touchscreen against the Company. These lawsuits or investigations are currently under investigation in a California court, in a Texas court, in a German court and in a Netherlands court.

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 ZenFone trademarks, AP and Router products supporting MU-MIMO, notebook, LED for cellphone products, products supporting HDCP 2.0 version and above, router products, microprocessor with Intel's 14nm process Tri-Gate technology, products that support Google Voice Assist or Microsoft Cortana Voice Assist, PCI Bridge driver, Bluetooth module, I²C and SM Bus protocol, hard disk drive, motion sensor with mother board, notebook, desktop computer, server, tablet, and cellphone products, wireless network communication products that support IEEE 802.11ac communication standard, after-sales service, monitor product that feature local dimming or black frame insertion, notebook and tablet with embedded camera module, OLED for cellphone products, router with WiFi function, wireless repeater products, wireless AP products, display, notebook products with touchscreen, cellphone, tablet and single board computer products, cellphone and tablet products with MPEG2-TS transportation stream function against the Company. These lawsuits or investigations are currently under investigation, in a Texas court, in a California court, in a Delaware court, in an Alabama court, at the United States International Trade Commission, in an Arkansas court, in a German court, in a Japan court, in an India court, in a Brazil court, at the Italian Competition Authority, in a China court and in a Malaysia court. The Company cannot presently determine the ultimate outcome and effect of these lawsuits.

(2) Commitments

None.

10. **SIGNIFICANT DISASTER LOSS:** None.

11. **SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL REPORTING PERIOD:**

The Company invested \$1.5 billion to acquire 30% equity interest in Portwell, Inc. (Portwell) on February 26, 2021 based on a resolution adopted by the Board of Directors on February 4, 2021. To strengthen the partnership between the two parties, the Company planned to acquire another 15% equity interest in Portwell further one year later positively, based on Portwell's 100% stock value worth \$5.5 billion.

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 2020, the Company's strategy was to maintain the liability ratio within reasonable security range, which was unchanged from 2019. The liability ratios are as follows:

	2020/12/31	2019/12/31
Total liabilities	\$ 89,230,821	\$ 88,173,656
Total assets	\$ 290,995,337	\$ 265,033,696
Liability ratio	30.66%	33.27%

(2) Financial instruments

A. Financial instruments by category

	2020/12/31	2019/12/31
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 17,908,834	\$ 3,863,961
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	70,543,525	62,027,443
Financial assets at amortized cost		
Cash and cash equivalents	2,538,864	3,756,606
Financial assets at amortized cost	30,000	-
Trade receivables	36,060,552	60,545,203
Other receivables	848	6,823
Refundable deposits	205,093	287,879
	<u>\$ 127,287,716</u>	<u>\$ 130,487,915</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ 234,197	\$ 101,499
Financial liabilities at amortized cost		
Notes and trade payables	48,802,218	51,015,301
Other payables - accrued expenses	18,992,001	17,644,938
Deposits received	52,722	65,055
Lease liabilities	3,595	25,620
	<u>\$ 68,084,733</u>	<u>\$ 68,852,413</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:

2020/12/31						
(Foreign currency: functional currency)				Sensitivity Analysis		
	Foreign currency amount	Exchange	Book value	Extent	Effect on	Effect on other
	(in dollars)	rate	(NTD)	of	profit	comprehensive
				variation	or loss	income
<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	-
2019/12/31						
(Foreign currency: functional currency)				Sensitivity Analysis		
	Foreign currency amount	Exchange	Book value	Extent	Effect on	Effect on other
	(in dollars)	rate	(NTD)	of	profit	comprehensive
				variation	or loss	income
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 1,969,229,278	29.980	\$59,037,494	1%	\$ 590,375	\$ -
<u>Non-Monetary items</u>						
USD:NTD	2,264,604,009	29.980	67,892,828	-	-	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	2,111,720,278	29.980	63,309,374	1%	633,094	-

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, 2020 and 2019 amounted to \$2,566,572 and \$1,263,677, respectively.

Price risk

- 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.
- 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, 2020 and 2019 by \$902 and \$717, 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, 2020 and 2019 by \$705,435 and \$620,274, 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 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, 2020 and 2019, 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 \$29,628,942, \$0, \$55,119,915, \$0 as of December 31, 2020 and 2019, 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, 2020 and 2019 is as follows:

2020/12/31	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%	

2019/12/31	Not past due	Less than 90 days past due	More than 91 days past due	Total
Total book value	\$ 5,298,600	\$ 129,708	\$ 11,192	\$ 5,439,500
Loss allowance	\$ 6,358	\$ 2,219	\$ 5,635	\$ 14,212
Expected loss rate	0.12%	1.71%~34.62%	50.00%~100%	

h. Movement in relation to the Company applying the simplified approach to provide loss allowance for trade receivables is as follows:

	2020	2019
January 1	\$ 14,212	\$ 193,755
Recognition (reversal)	38,333 (	179,543)
Write-offs	(338)	-
December 31	\$ 52,207	\$ 14,212

For provisioned loss for the years ended December 31, 2020 and 2019, the net impairment loss (reversal) arising from customer's contract was \$38,333 and (\$179,543), respectively.

i. For investments in financial assets at amortized cost of the Company, the credit rating levels is as follows:

	2020/12/31	
	12 months	Lifetime
Financial assets at amortized cost	\$ 30,000	\$ -

The Company has no financial assets at amortized cost as of December 31, 2019.

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, 2020 and 2019, the Company held financial assets at fair value through profit or loss of \$17,871,512 and \$3,812,835, 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.

	2020/12/31				
	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

	2019/12/31				
	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	\$51,015,301	\$ -	\$ -	\$ -	\$51,015,301
Other payables	17,644,938	-	-	-	17,644,938
- accrued expenses					
Lease liabilities	23,464	2,080	174	-	25,718
<u>Derivative financial liabilities:</u>					
Forward exchange contracts	101,499	-	-	-	101,499

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:

2020/12/31				
	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
	<u>\$ -</u>	<u>\$ 234,197</u>	<u>\$ -</u>	<u>\$ 234,197</u>
2019/12/31				
	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	\$ 71,652	\$ -	\$ -	\$ 71,652
Beneficiary certificates	3,741,183	51,126	-	3,792,309
Financial assets at fair value through other comprehensive income				
Equity securities	61,828,699	198,744	-	62,027,443
	<u>\$65,641,534</u>	<u>\$ 249,870</u>	<u>\$ -</u>	<u>\$65,891,404</u>
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 101,499	\$ -	\$ 101,499
	<u>\$ -</u>	<u>\$ 101,499</u>	<u>\$ -</u>	<u>\$ 101,499</u>

(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, 2020 and 2019, there was no transfer between Level 1 and Level 2.
- E. The movement of Level 3 is as follows:

	Equity instruments	
	2020	2019
January 1	\$ -	\$ -
Acquisitions	129,765	-
Recognition in other comprehensive income (loss) (Note)	10,091	-
December 31	<u>\$ 139,856</u>	<u>\$ -</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, 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: Please refer to table 4.
- 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 5.
- H. Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital: Please refer to table 6.

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 7.

(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 8.

(3) Information on investments in mainland China

A. Information on investment in mainland China: Please refer to table 9.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in China: Please refer to table 7.

(4) Major shareholders information

Major shareholders information: None.

14. **OPERATING SEGMENT INFORMATION**

Not applicable.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2020

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	ASTP	ASGL	Other non-current assets	Yes	25,632,000 (USD 900,000)	25,632,000 (USD 900,000)	25,632,000 (USD 900,000)	0.99706 ~ 1.61331	2	-	Need for operations	-	-	-	39,155,711 (USD 1,374,849)	39,155,711 (USD 1,374,849)	
2	ASTP	QCS	Other non-current assets	Yes	545,348 (SEK 156,709)	545,348 (SEK 156,709)	63,336 (SEK 18,200)	0.5	2	-	Need for operations	-	-	-	39,155,711 (USD 1,374,849)	39,155,711 (USD 1,374,849)	
3	ASGL	ACBT	Other receivables	Yes	432,518 (IDR 213,906,215)	- (USD -)	- (USD -)	-	1	432,518	-	-	-	-	41,827,133 (USD 1,468,649)	41,827,133 (USD 1,468,649)	
4	ONYX	ONYXSH	Other receivables	Yes	3,925 (USD 138)	- (USD -)	- (USD -)	5.756	2	-	Need for operations	-	-	-	104,294	417,174	

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 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.
b. According to Procedures for Lending of ASGL, 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 ASGL as of the period.
c. According to Procedures for Lending of ONYX, limit of total financing amount shall not exceed 40% ONYX's the net worth of the latest audited or reviewed report.

Limit financing amount for individual counterparty : a. 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.
b. According to Procedures for Lending of ASGL, 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 ASGL as of the period.
c. According to Procedures for Lending of ONYX, limit of financing amount for individual counter-party shall not exceed 10% of the net worth of ONYX as of the period.
Where funds are loaned for business dealings, limit of financing amount for individual counter-party shall not exceed business dealings amount of latest year.
Business dealings amount here means sales amount or purchase amount of lender and borrower, which is higher.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
MARKETABLE SECURITIES HELD
(EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)

DECEMBER 31, 2020

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, 2020				Note
								Shares/Units	Carrying Value	(%)	Fair Value	
ASUS	Fund	YUANTA WAN TAI MONEY MARKET	-	a	241,402,253	3,682,640	-	3,682,640				
ASUS	Fund	NOMURA TAIWAN MONEY MARKET	-	a	48,707,812	800,946	-	800,946				
ASUS	Fund	UPAMC JAMES BOND MONEY MARKET	-	a	133,714,369	2,251,857	-	2,251,857				
ASUS	Fund	SINOPAC TWD MONEY MARKET	-	a	107,829,740	1,512,161	-	1,512,161				
ASUS	Fund	TAISHIN 1699 MONEY MARKET	-	a	219,593,451	2,996,550	-	2,996,550				
ASUS	Fund	YUANTA DE LI MONEY MARKET	-	a	72,749,890	1,195,928	-	1,195,928				
ASUS	Fund	TAISHIN TA CHONG MONEY MARKET	-	a	96,539,338	1,382,482	-	1,382,482				
ASUS	Fund	UNION MONEY MARKET	-	a	229,708,763	3,057,355	-	3,057,355				
ASUS	Fund	JIH SUN MONEY MARKET	-	a	60,296,929	901,439	-	901,439				
ASUS	Stock	SPORTON	-	a	336,394	90,154	0.36	90,154				
ASUS	Stock	GLOBALWAFERS	-	c	1,626,626	1,151,651	0.37	1,151,651				
ASUS	Stock	JMC	-	c	830,000	45,401	1.00	45,401				
ASUS	Stock	ENE	a	c	917,247	12,842	1.22	12,842				
ASUS	Stock	ALCOR MICRO	-	c	905,879	19,114	1.28	19,114				
ASUS	Stock	AZUREWAVE	-	c	934,745	26,360	0.62	26,360				
ASUS	Stock	LEDLINK	-	c	718,607	19,941	1.53	19,941				
ASUS	Fund	TNP	-	b	100	13,482	2.05	13,482				
ASUS	Fund	TNP LIGHT	-	b	175	23,840	3.67	23,840				
ASUS	Stock	EMPASS	-	d	1,056,690	55,476	15.97	55,476				
ASUS	Stock	ADVANTECH	-	d	110,677,983	38,737,294	14.34	38,737,294				
ASUS	Stock	PEGA	-	d	448,506,484	30,184,486	16.84	30,184,486				
ASUS	Stock	NANOLUX	-	d	536	72,059	10.84	72,059				
ASUS	Stock	APTOS	-	d	312,600	41	0.35	41				
ASUS	Stock	94BOT	-	d	100,000	-	4.80	-				
ASUS	Stock	A-WEI TECH	-	d	301,876	897	1.83	897				
ASUS	Stock	LELTEK	-	d	6,688,636	96,986	18.98	96,986				
ASUS	Stock	AIStorm	-	d	178,784	42,870	0.07	42,870				
ASUS	Stock	EOSTEK	-	d	1,600,000	5,833	14.94	5,833				
ASUS	Stock	AMTRUST	a	d	7,500,000	72,274	7.81	72,274				
ASUTC	Fund	NOMURA TAIWAN MONEY MARKET	-	a	60,031,084	987,145	-	987,145				
ASMEDIA	Fund	FUH HWA RMB MONEY MARKET	-	a	531,862	28,433	-	28,433				
ASMEDIA	Fund	MEGA DIAMOND MONEY MARKET	-	a	7,940,513	100,447	-	100,447				
ASMEDIA	Fund	CAPITAL MONEY MARKET	-	a	4,937,240	80,306	-	80,306				
ASMEDIA	Stock	AUGENTIX	-	d	1,600,000	125,152	14.70	125,152				
ASMEDIA	Stock	ICATCH TECHNOLOGY	-	d	5,500,000	124,960	7.50	124,960				
ASMEDIA	Stock	WT PREFERENCE STOCK	c	d	8,000,000	388,400	-	388,400				
ASKEY	Stock	CIPHERMAX	-	b	9,234	-	0.00	-				
ASKEY	Stock	RETI	-	b	80,700	-	3.32	-				
MIC	Stock	BROADCOM	-	b	90	1,121	0.00	1,121				
MIC	Stock	ZARLINK SEMI-CONDUCTOR	-	b	44,775	-	0.04	-				
HCVC	Fund	YUANTA WAN TAI MONEY MARKET	-	a	558,765	8,524	-	8,524				
HCVC	Fund	TAISHIN TA CHONG MONEY MARKET	-	a	4,853,463	69,504	-	69,504				
HCVC	Fund	YUANTA DE BAO MONEY MARKET	-	a	348,419	4,219	-	4,219				
HCVC	Fund	TAISHIN 1699 MONEY MARKET	-	a	5,272,147	71,943	-	71,943				
HCVC	Stock	LEDLINK	-	c	336,546	9,339	0.67	9,339				
HCVC	Stock	APAQ TECHNOLOGY	a	d	10,668,012	597,409	12.63	597,409				
HCVC	Stock	A-WEI TECH	-	d	301,876	897	1.83	897				
HMI	Fund	TAISHIN 1699 MONEY MARKET	-	a	3,189,558	43,525	-	43,525				
HMI	Fund	TAISHIN TA CHONG MONEY MARKET	-	a	3,535,536	50,630	-	50,630				
HMI	Stock	APAQ TECHNOLOGY	-	d	3,210,015	179,761	3.80	179,761				
HMI	Stock	A-WEI TECH	-	d	174,417	518	1.06	518				
AAEON	Stock	ADVANTECH	-	a	802	281	0.00	281				
AAEON	Fund	MEGA DIAMOND MONEY MARKET	-	a	2,091,070	26,452	-	26,452				
AAEON	Stock	MACHVISION TECHNOLOGY	b	a	1,180,198	347,568	2.64	347,568				
AAEON	Stock	ATECH OEM TECHNOLOGY	b	a	234	3	0.00	3				
AAEON	Stock	INSYNERGER TECHNOLOGY	-	b	1,710,000	19,360	19.29	19,360				
AAEON	Stock	UNITECH ELECTRONICS	-	a	549,600	11,102	1.17	11,102				
AAEON	Stock	LILEE SYSTEMS PREFERENCE STOCK	-	a	468,750	-	-	-				
AAEON	Stock	YAN CHUNG TECHNOLOGY	-	a	266,600	-	7.27	-				
AAEON	Stock	ALLIED BIOTECH	b	a	300,000	5,055	0.32	5,055				
AAEON	Stock	TELEION WIRELESS PREFERENCE STOCK	-	a	149,700	-	-	-				
AAEON	Stock	V-NET AAEON	-	b	29	11,018	14.50	11,018				
AAEONI	Fund	HSBC GLOBAL INCOME BOND	-	a	555,078	7,394	-	7,394				
AAEONI	Stock	ATECH OEM TECHNOLOGY	b	a	3,456,000	44,410	5.82	44,410				
AAEONI	Stock	MUTTO OPTRONICS	-	a	310,000	8,091	0.68	8,091				
AAEONI	Stock	SUNENGINE	b	a	156,903	1,089	2.75	1,089				
ONYX	Stock	MELTEN CONNECTED HEALTHCARE	-	d	4,193,548	2,381	6.47	2,381				
ONYX	Stock	MACHVISION TECHNOLOGY	b	a	18,716	5,512	0.04	5,512				
ONYX	Stock	INNO FUND III	-	b	3,000,000	38,261	13.04	38,261				
ASGL	Fund	JIH SUN MONEY MARKET	-	a	615,972	9,209	-	9,209				
ASGL	Fund	YUANTA DE BAO MONEY MARKET	-	a	2,647,183	32,057	-	32,057				
ASGL	Bond	AAC TECHNOLOGIES HOLDINGS	-	e	1,900,000	55,025	-	55,288				
ASGL	Bond	ABBVIE	-	e	1,750,000	54,704	-	55,217				
ASGL	Bond	ADANI TRANSMISSION	-	e	1,850,000	54,476	-	56,952				
ASGL	Bond	AIB GROUP	-	e	1,800,000	54,709	-	56,050				
ASGL	Bond	ALCON FINANCE	-	e	1,500,000	46,044	-	46,756				
ASGL	Bond	ALLY FINANCIAL	-	e	1,670,000	55,087	-	56,477				
ASGL	Bond	APT PIPELINE	-	e	1,640,000	51,349	-	51,523				
ASGL	Bond	ARDAGH PACKAGING FINANCE /ARDAGH MP HOLDINGS USA	-	e	1,140,000	33,466	-	34,253				
ASGL	Bond	ASHTAD CAPITAL	-	e	2,020,000	59,811	-	60,909				
ASGL	Bond	BHARTI AIRTEL	-	e	1,810,000	54,454	-	56,042				
ASGL	Bond	BOC AVIATION	-	e	1,800,000	53,625	-	54,289				
ASGL	Bond	CENTENE	-	e	280,000	8,283	-	8,423				
ASGL	Bond	CHENIERE CORPUS CHRISTI HOLDINGS	-	e	1,690,000	53,948	-	56,014				
ASGL	Bond	CIFI HOLDINGS GROUP	-	e	1,150,000	32,042	-	35,290				

Held Company Name	Marketable Securities		Relationship with the Company (Note 1)	Financial Statement Account (Note 2)	December 31, 2020				Note
	Type	Name			Shares/Units	Carrying Value	(%)	Fair Value	
ASGL	Bond	CIT BANK, N.A.	-	e	1,880,000	54,787	-	56,086	
ASGL	Bond	CNH INDUSTRIAL CAPITAL	-	e	1,940,000	55,239	-	57,862	
ASGL	Bond	COLORADO INTERSTATE GAS / COLORADO INTERSTATE ISSUING	-	e	1,940,000	61,102	-	62,782	
ASGL	Bond	CONAGRA BRANDS	-	e	1,680,000	54,629	-	56,360	
ASGL	Bond	COX COMMUNICATION	-	e	1,750,000	54,956	-	56,002	
ASGL	Bond	CVS HEALTH	-	e	1,780,000	54,909	-	56,094	
ASGL	Bond	DELL INTERNATIONAL / EMC	-	e	1,840,000	61,605	-	63,929	
ASGL	Bond	DISCOVER BANK	-	e	1,760,000	54,639	-	56,059	
ASGL	Bond	ENDEAVOR ENERGY RESOURCES / EER FINANCE	-	e	1,160,000	32,550	-	33,901	
ASGL	Bond	GLENCORE FUNDING	-	e	1,960,000	55,561	-	57,428	
ASGL	Bond	GLOBAL PAYMENTS	-	e	1,660,000	54,503	-	56,104	
ASGL	Bond	HCA	-	e	1,650,000	54,126	-	55,615	
ASGL	Bond	HEWLETT PACKARD ENTERPRISE	-	e	2,130,000	60,750	-	62,826	
ASGL	Bond	JAMES HARDIE INTERNATIONAL FINANCE DESIGNATED ACTIVITY	-	e	1,160,000	33,096	-	33,605	
ASGL	Bond	LENNAR	-	e	1,000,000	32,010	-	33,749	
ASGL	Bond	LEVIATHAN BOND	-	e	1,140,000	32,588	-	35,795	
ASGL	Bond	LYB INTERNATIONAL FINANCE III	-	e	1,000,000	28,227	-	28,979	
ASGL	Bond	MARATHON PETROLEUM	-	e	1,760,000	55,286	-	57,421	
ASGL	Bond	MGM GROWTH PROPERTIE SOPERATING PARTNERSHIP / MGP FINANCE	-	e	1,150,000	32,353	-	35,077	
ASGL	Bond	MICROCHIP TECHNOLOGY	-	e	1,000,000	29,525	-	30,130	
ASGL	Bond	MINERVA LUXEMBOURG	-	e	1,140,000	32,648	-	34,091	
ASGL	Bond	MPLX	-	e	1,860,000	54,359	-	54,363	
ASGL	Bond	NORTHTRIVER MIDSTREAM FINANCE	-	e	1,210,000	33,430	-	35,591	
ASGL	Bond	NXP / NXP FUNDING	-	e	1,630,000	55,015	-	55,928	
ASGL	Bond	OCCIDENTAL PETROLEUM	-	e	1,490,000	32,975	-	40,411	
ASGL	Bond	ONEOK	-	e	1,880,000	60,690	-	64,166	
ASGL	Bond	OVINTIV EXPLORATION	-	e	1,240,000	33,881	-	37,898	
ASGL	Bond	PACIFIC GAS AND ELECTRIC	-	e	1,920,000	54,959	-	57,860	
ASGL	Bond	PARKLAND CORPORATION OF CANADA	-	e	1,140,000	32,956	-	34,091	
ASGL	Bond	ROYALTY PHARMA	-	e	1,960,000	55,042	-	56,755	
ASGL	Bond	SABINE PASS LIQUEFACTION	-	e	1,640,000	54,178	-	56,474	
ASGL	Bond	SHIMAO GROUP HOLDINGS	-	e	1,750,000	53,571	-	54,676	
ASGL	Bond	SOLVAY FINANCE AMERICA	-	e	1,680,000	54,175	-	54,705	
ASGL	Bond	SYNCHRONY FINANCIAL	-	e	1,790,000	53,967	-	56,583	
ASGL	Bond	THE BANK OF EAST ASIA	-	e	1,920,000	54,175	-	55,496	
ASGL	Bond	T-MOBILE USA	-	e	1,930,000	54,908	-	56,278	
ASGL	Bond	TRINITY ACQUISITION	-	e	1,680,000	55,076	-	55,745	
ASGL	Bond	TURKCELL ILETISIM HIZMETLERI	-	e	1,200,000	32,180	-	36,484	
ASGL	Bond	UTAH ACQUISITION SUB	-	e	1,710,000	54,156	-	55,720	
ASGL	Bond	VIRGIN MEDIA SECURED FINANCE	-	e	1,140,000	32,302	-	33,725	
ASGL	Bond	VMWARE	-	e	1,690,000	53,700	-	55,085	
ASGL	Bond	WESTERN MIDSTREAM OPERATING	-	e	1,270,000	33,295	-	36,893	
ASGL	Bond	WOODSIDE FINANCE	-	e	2,020,000	60,854	-	62,579	
ASGL	Bond	AFRICA FINANCE	-	e	1,820,000	55,701	-	56,908	
ASGL	Bond	AUSTRALIA AND NEW ZEALAND BANKING GROUP	-	e	1,690,000	54,301	-	55,364	
ASGL	Bond	BANK OF AMERICA	-	e	1,680,000	54,994	-	55,767	
ASGL	Bond	BANK OF NOVA SCOTIA	-	e	1,670,000	54,702	-	55,454	
ASGL	Bond	BARCLAYS	-	e	1,890,000	59,804	-	62,586	
ASGL	Bond	BHARAT PETROLEUM	-	e	1,840,000	54,262	-	54,957	
ASGL	Bond	CITIGROUP	-	e	1,680,000	54,695	-	56,071	
ASGL	Bond	COMMONWEALTH BANK OF AUSTRALIA	-	e	1,700,000	54,509	-	55,856	
ASGL	Bond	COOPERATIEVE RABOBANK U.A.	-	e	1,730,000	54,754	-	55,683	
ASGL	Bond	CREDIT SUISSE GROUP	-	e	1,670,000	55,162	-	55,956	
ASGL	Bond	GLP	-	e	1,870,000	54,520	-	55,941	
ASGL	Bond	GOLDMAN SACHS GROUP	-	e	1,720,000	54,928	-	56,177	
ASGL	Bond	ICICI BANK OF DUBAI	-	e	1,830,000	54,753	-	56,811	
ASGL	Bond	KEYBANK NATIONAL ASSOCIATION OF CLEVELAND, OHIO	-	e	1,700,000	53,645	-	54,360	
ASGL	Bond	LLOYDS BANKING GROUP	-	e	1,940,000	60,987	-	63,547	
ASGL	Bond	MACQUARIE BANK	-	e	1,900,000	60,181	-	61,402	
ASGL	Bond	MITSUBISHI UFJ FINANCIAL GROUP	-	e	1,760,000	54,538	-	55,145	
ASGL	Bond	MIZUHO FINANCIAL GROUP	-	e	1,477,000	46,686	-	47,109	
ASGL	Bond	ONGC VIDESH VANKORNEFT	-	e	1,860,000	54,241	-	57,409	
ASGL	Bond	PT BANK MANDIRI (PERSERO) TBK	-	e	1,740,000	53,850	-	55,467	
ASGL	Bond	SEMICONDUCTOR MANUFACTURING INTERNATIONAL	-	e	1,970,000	55,008	-	55,297	
ASGL	Bond	SHINHAN BANK	-	e	1,760,000	55,073	-	55,826	
ASGL	Bond	SHINHAN FINANCIAL GROUP	-	e	1,950,000	55,634	-	56,317	
ASGL	Bond	STANDARD CHARTERED	-	e	1,750,000	55,373	-	56,363	
ASGL	Bond	SUMITOMO MITSUI FINANCIAL GROUP	-	e	1,760,000	54,285	-	54,732	
ASGL	Bond	UBS GROUP	-	e	1,660,000	54,302	-	54,653	
ASGL	Bond	VANKE REAL ESTATE (HONG KONG)	-	e	710,000	20,972	-	21,172	
AIL	Fund	PRODIGY STRATEGY INVESTMENT XIV	-	a	3,530	137,202	-	137,202	
AIL	Stock	EONEX	-	d	31,733	-	2.70	-	
AIL	Stock	ISTAGING	-	d	988,889	24,632	2.15	24,632	
AIL	Stock	PTSN	-	d	260,977,800	122,431	4.91	122,431	
AIL	Fund	ASIA PACIFIC GENESIS C	-	b	-	5,666	9.00	5,666	
UEI	Fund	CAPITAL MONEY MARKET	-	a	1,131,483	18,404	-	18,404	

Note 1 : a. Other related parties - Held company is the legal entity as director of investee company. b. Other related parties - Director of held company is the director of investee company. c. Associate.

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
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 3 (Amounts in thousands of New Taiwan dollars)

Company Name	Marketable Securities		Financial Statement Account (Note 1)	Counter-party	Nature of Relationship (Note 2)	Beginning Balance		Acquisition			Disposal					Ending Balance	
	Type	Name				Shares/Units	Amount	Shares/Units	Amount	(Note 3)	Shares/Units	Amount	Carrying Value	(Note 3)	Gain/Loss on Disposal	Shares/Units	Amount
ASUS	Fund	SINOPAC TWD MONEY MARKET	a	-	-	71,083,476	993,335	200,128,753	2,800,000	a	163,382,489	2,286,000	2,284,152	a	1,848	107,829,740	1,512,161
								-	2,978	b							
ASUS	Fund	UNION MONEY MARKET	a	-	-	79,175,992	1,049,407	297,470,779	3,950,000	a	146,938,008	1,950,000	1,948,137	a	1,863	229,708,763	3,057,355
								-	6,085	b							
ASUS	Fund	YUANTA WAN TAI MONEY MARKET	a	-	-	32,894,521	500,082	662,159,875	10,085,000	a	453,652,143	6,907,320	6,904,682	a	2,638	241,402,253	3,682,640
								-	2,240	b							
ASUS	Fund	UPAMC JAMES BOND MONEY MARKET	a	-	-	71,423,578	1,198,359	547,340,580	9,200,000	a	485,049,789	8,150,786	8,148,034	a	2,752	133,714,369	2,251,857
								-	1,532	b							
ASUS	Fund	TAISHIN TA CHONG MONEY MARKET	a	-	-	-	-	128,072,700	1,830,000	a	31,333,362	450,053	450,000	a	53	96,539,338	1,382,482
								-	2,482	b							
ASUS	Fund	TAISHIN 1699 MONEY MARKET	a	-	-	-	-	346,533,202	4,718,000	a	126,939,751	1,728,235	1,727,630	a	605	219,593,451	2,996,550
								-	6,180	b							
ASUS	Fund	NOMURA TAIWAN MONEY MARKET	a	-	-	-	-	129,711,080	2,130,000	a	81,003,268	1,330,219	1,329,949	a	270	48,707,812	800,946
								-	895	b							
ASUS	Fund	YUANTA DE LI MONEY MARKET	a	-	-	-	-	72,749,890	1,194,000	a	-	-	-	-	-	72,749,890	1,195,928
								-	1,928	b							
ASUS	Fund	YUANTA DE BAO MONEY MARKET	a	-	-	-	-	249,801,133	3,020,000	a	249,801,133	3,020,606	3,020,000	a	606	-	-
ASUS	Fund	JIH SUN MONEY MARKET	a	-	-	-	-	60,296,929	900,000	a	-	-	-	-	-	60,296,929	901,439
								-	1,439	b							
ASUS and HCVC	Stock	ACBT	c	-	a	1,100,000	-	3,111,100	825,658	a	-	-	295,344	c	-	4,211,100	171,044
								-	17,677	h			429,792	g			
									50,245	d			-				
									2,600	i			-				
ASMEDIA	Stock	WT	c	-	b	-	-	171,000,000	6,624,000	a	-	-	337,579	d	-	171,000,000	9,946,611
								-	593,007	c			15,544	h			
								-	2,703,787	e							
								-	378,940	f							
ASMEDIA	Stock	WT PREFERENCE STOCK	d	-	b	-	-	8,000,000	400,000	a	-	-	11,600	b	-	8,000,000	388,400

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. Subsidiary ; b. Associate.

Note 3 : a. Acquired or capital increase/ disposed or capital reduction/liquidation in this period.

b. Current-revaluation.

c. Recognized investment gain or loss under equity investment.

d. Recognized effect of exchange rate changes and recognized financial statements translation differences of foreign operations under equity investment.

e. Recognized change in ownership under equity investment.

f. Bargain purchase gain.

g. Credit balance of investments accounted for under equity method transferred to other liabilities - non-current.

h. Unrealized profit from sales.

i. Recognized effect of remeasurements of defined benefit plan under equity investment.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

ACQUISITION OF REAL ESTATE PROPERTIES AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 4

(Amounts in thousands of New Taiwan dollars)

Company Name	Type of Property	Transaction Date	Transaction Amount	Status of Payment	Counterparty	Nature of Relationship	Where Counterparty is a Related Party, Details of Prior Transaction				Price Reference	Purpose of Acquisition	Other Commitments
							Former Holder of Property	Former Holder	Transfer Date	Amount			
ASUS	Buildings	2020/5/29	358,451	T/T based on construction progress and acceptance	Chung-Lin General Contractors, Ltd.	-	NA	NA	NA	NA	Tendering, price comparison and price negotiation	Office use	-

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
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 5

(Amounts in thousands of New Taiwan dollars)

Company Name	Related Party	Nature of Relationship (Note 1)	Transaction Details				Abnormal Transaction		Notes/Trade Receivables or Payables		Note
			Purchases/ (Sales)	Amount	% to Total Purchases/ (Sales) amount	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total Notes/Trade Receivables or Payables	
ASUS	ASUTC	b	(Sales)	(17,004,080)	(5.15)	OA 90	-	-	2,428,939	6.74	
ASUS	ASGL	b	(Sales)	(305,480,767)	(92.58)	OA 180	-	-	27,036,848	74.98	
ASUS	AAEON	b	(Sales)	(1,029,746)	(0.31)	Month-end 30 days	-	-	96,074	0.27	
ASUS	ASKEY	b	Purchases	643,344	0.22	Month-end 60 days	-	-	(140,609)	0.29	
ASUS	ASMEDIA	b	Purchases	344,056	0.12	Month-end 30 days	-	-	(9,070)	0.02	
ASUS	WT	c	Purchases	1,042,432	0.35	Month-end 60 days	-	-	(424,925)	0.87	
ASGL	ACCQ	b	(Sales)	(9,885,316)	(2.91)	OA 180	-	-	2,680,296	2.98	
ASGL	ACI	b	(Sales)	(76,327,758)	(22.45)	OA 180	-	-	27,691,413	30.77	
ASGL	ACSH	b	(Sales)	(45,447,294)	(13.37)	OA 180	-	-	16,864,939	18.74	
ASGL	ACJP	b	(Sales)	(10,510,976)	(3.09)	OA 120	-	-	2,693,709	2.99	
ASGL	ASIN	b	(Sales)	(7,685,755)	(2.26)	OA 180	-	-	4,360,660	4.85	
ASGL	ACMH	b	(Sales)	(2,911,143)	(0.86)	OA 180	-	-	997,495	1.11	
ASGL	ACNL	b	(Sales)	(20,298,062)	(5.97)	OA 180	-	-	4,200,488	4.67	
ASGL	ACJK	b	(Sales)	(8,003,518)	(2.35)	OA 180	-	-	3,438,825	3.82	
ASGL	ACBT	b	(Sales)	(234,399)	(0.07)	OA 180	-	-	57,705	0.06	
ASGL	ACG	b	(Sales)	(303,356)	(0.09)	OA 90	-	-	84,040	0.09	
ASMEDIA	WT	c	(Sales)	(408,036)	5.84	Month-end 60 days	-	-	37,430	8.99	
ASKEY	LP	b	(Sales)	(3,999,686)	NA (Note 2)	Month-end 90 days	-	-	37,617	0.51	
ASKEY	ASKEYI	b	(Sales)	(5,096,932)	22.44	Month-end 90 days	-	-	1,674,576	22.61	
ASKEY	SILIGENCE	b	(Sales)	(368,334)	1.62	Month-end 90 days	-	-	17,267	0.23	
ASKEY	ASKEYJS	b	(Sales)	(1,190,761)	NA (Note 2)	Month-end 90 days	-	-	1,156,687	15.62	
ASKEY	ASKEYJS	b	Purchases	14,661,463	61.87	Month-end 90 days	Based on cost of finished goods plus related expenditure of related party	-	(4,230,509)	67.31	
LP	ASKEYJS	b	(Sales)	(3,961,498)	99.32	Month-end 90 days	Based on cost of finished goods plus related expenditure of related party	-	-	-	
AAEON	AAEONEU	b	(Sales)	(481,741)	(11.79)	Month-end 60 days	-	-	77,693	18.66	
AAEON	AAEONEI	b	(Sales)	(878,974)	(21.51)	Month-end 60 days	-	-	54,026	12.98	
AAEON	AAEONSZ	b	(Sales)	(322,389)	(7.89)	Month-end 60 days	-	-	42,132	10.12	
AAEON	ONYXHU	b	(Sales)	(190,570)	(4.66)	Month-end 60 days	-	-	31,634	7.60	
ONYX	ONYXHU	b	(Sales)	(286,739)	(29.67)	Month-end 90 days	-	-	52,484	47.79	

Note 1 : a. Parent company ; b. Subsidiary ; c. Associate ; d. Other.

Note 2 : Purchasing raw material 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, 2020

Table 6 (Amounts in thousands of New Taiwan dollars)

Company Name	Related Party	Nature of Relationship (Note)	Ending Balance	Turnover	Overdue		Amounts Received in Subsequent Period	Loss allowance
					Amount	Action Taken		
ASUS	ASUTC	b	2,428,939	6.10 times	-	-	1,637,453	-
ASUS	ASGL	b	27,036,848	7.77 times	-	-	21,241,536	-
ASGL	ACCQ	b	2,680,296	2.20 times	-	-	2,041,931	-
ASGL	ACI	b	27,691,413	3.08 times	-	-	16,367,793	-
ASGL	ACSH	b	16,864,939	2.47 times	-	-	9,019,926	-
ASGL	ACJP	b	2,693,709	5.52 times	-	-	2,126,102	-
ASGL	ASIN	b	4,360,660	2.01 times	-	-	2,330,662	-
ASGL	ACMH	b	997,495	2.89 times	-	-	494,231	-
ASGL	ACNL	b	4,200,488	5.17 times	-	-	2,719,345	-
ASGL	ACJK	b	3,438,825	2.00 times	-	-	1,744,329	-
ASKEY	ASUS	a	140,609	2.25 times	-	-	63,092	-
ASKEY	ASKEYI	b	1,674,576	3.37 times	-	-	252,622	-
ASKEY	ASKEYJS	b	1,156,687	2.06 times	-	-	3,714	-
ASKEYJS	ASKEY	b	4,230,509	3.37 times	-	-	370,240	-

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)
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 7-1

(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	17,004,080	OA 90	4.08%
0	ASUS	ASGL	a	Sales	305,480,767	OA 180	73.22%
0	ASUS	AAEON	a	Sales	1,029,746	Month-end 30 days	0.25%
1	ASMEDIA	ASUS	b	Sales	344,056	Month-end 30 days	0.08%
2	ASGL	ACCQ	c	Sales	9,885,316	OA 180	2.37%
2	ASGL	ACI	c	Sales	76,327,758	OA 180	18.30%
2	ASGL	ACSH	c	Sales	45,447,294	OA 180	10.89%
2	ASGL	ACJP	c	Sales	10,510,976	OA 120	2.52%
2	ASGL	ASIN	c	Sales	7,685,755	OA 180	1.84%
2	ASGL	ACMH	c	Sales	2,911,143	OA 180	0.70%
2	ASGL	ACNL	c	Sales	20,298,062	OA 180	4.87%
2	ASGL	ACJK	c	Sales	8,003,518	OA 180	1.92%
2	ASGL	ACBT	c	Sales	234,399	OA 180	0.06%
2	ASGL	ACG	c	Sales	303,356	OA 90	0.07%
3	ASKEY	ASUS	b	Sales	643,344	Month-end 60 days	0.15%
3	ASKEY	LP	c	Sales	3,999,686	Month-end 90 days	0.96%
3	ASKEY	ASKEYI	c	Sales	5,096,932	Month-end 90 days	1.22%
3	ASKEY	SILIGENCE	c	Sales	368,334	Month-end 90 days	0.09%
3	ASKEY	ASKEYJS	c	Sales	1,190,761	Month-end 90 days	0.29%
4	LP	ASKEYJS	c	Sales	3,961,498	Month-end 90 days	0.95%
5	ASKEYJS	ASKEY	c	Sales	14,661,463	Month-end 90 days	3.51%
6	AAEON	AAEONEI	c	Sales	878,974	Month-end 60 days	0.21%
6	AAEON	AAEONSZ	c	Sales	322,389	Month-end 60 days	0.08%
6	AAEON	AAEONEU	c	Sales	481,741	Month-end 60 days	0.12%
6	AAEON	ONYXHU	c	Sales	190,570	Month-end 60 days	0.05%
7	ONYX	ONYXHU	c	Sales	286,739	Month-end 90 days	0.07%
8	ACH	ASGL	c	Service revenue	433,915	Pay on delivery	0.10%
9	ACAE	ASGL	c	Service revenue	143,602	Pay on delivery	0.03%
10	ACI	ASGL	c	Service revenue	318,215	Pay on delivery	0.08%
11	ACCZS	ASGL	c	Service revenue	439,110	Pay on delivery	0.11%
12	ACF	ASGL	c	Service revenue	406,726	Pay on delivery	0.10%
13	ACG	ASGL	c	Service revenue	370,156	Pay on delivery	0.09%
14	ACHK	ASGL	c	Service revenue	147,174	Pay on delivery	0.04%
15	ACIN	ASGL	c	Service revenue	145,035	Pay on delivery	0.03%
16	ACKR	ASGL	c	Service revenue	119,192	Pay on delivery	0.03%
17	ACPL	ASGL	c	Service revenue	116,470	Pay on delivery	0.03%
18	ACTH	ASGL	c	Service revenue	103,641	Pay on delivery	0.02%
19	ACUK	ASGL	c	Service revenue	213,192	Pay on delivery	0.05%
20	ACVN	ASGL	c	Service revenue	130,218	Pay on delivery	0.03%
21	ACCQ	ASGL	c	Service revenue	1,120,842	Pay on delivery	0.27%
22	ACSH	ASGL	c	Service revenue	138,563	Pay on delivery	0.03%
23	ACSZ	ASGL	c	Service revenue	1,654,959	Pay on delivery	0.40%
24	ACAU	ASGL	c	Service revenue	161,591	Pay on delivery	0.04%
25	ACN	ASGL	c	Service revenue	292,068	Pay on delivery	0.07%
26	ACIT	ACNL	c	Service revenue	255,275	Pay on delivery	0.06%
27	ACIB	ACNL	c	Service revenue	180,727	Pay on delivery	0.04%
28	ACS	ASGL	c	Service revenue	168,886	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, 2020

Table 7-2 (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	2,428,939	OA 90	0.61%
0	ASUS	ASGL	a	Trade receivables	27,036,848	OA 180	6.82%
2	ASGL	ACCQ	c	Trade receivables	2,680,296	OA 180	0.68%
2	ASGL	ACI	c	Trade receivables	27,691,413	OA 180	6.98%
2	ASGL	ACSH	c	Trade receivables	16,864,939	OA 180	4.25%
2	ASGL	ACJP	c	Trade receivables	2,693,709	OA 120	0.68%
2	ASGL	ASIN	c	Trade receivables	4,360,660	OA 180	1.10%
2	ASGL	ACMH	c	Trade receivables	997,495	OA 180	0.25%
2	ASGL	ACNL	c	Trade receivables	4,200,488	OA 180	1.06%
2	ASGL	ACJK	c	Trade receivables	3,438,825	OA 180	0.87%
3	ASKEY	ASUS	b	Trade receivables	140,609	Month-end 60 days	0.04%
3	ASKEY	ASKEYI	c	Trade receivables	1,674,576	Month-end 90 days	0.42%
3	ASKEY	ASKEYJS	c	Trade receivables	1,156,687	Month-end 90 days	0.29%
5	ASKEYJS	ASKEY	c	Trade receivables	4,230,509	Month-end 90 days	1.07%
8	ACH	ASGL	c	Trade receivables	109,596	Pay on delivery	0.03%
23	ACSZ	ASGL	c	Trade receivables	335,002	Pay on delivery	0.08%
21	ACCQ	ASGL	c	Other receivables	307,340	Pay on delivery	0.08%

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)
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 8

(Amounts in thousands of New Taiwan dollars)

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		Balance as of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2020	December 31, 2019	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	-	771,553	771,553	Note 2 and 3
ASUS	ASUTC	Taiwan	Selling of 3C products in Taiwan	204,244	204,244	19,000,000	100.00	-	235,104	235,104	Note 1、2 and 3
ASUS	ACH	Netherlands	Repairing of 3C products	37,821	37,821	3,000,000	100.00	227,245	12,751	12,751	Note 2
ASUS	AIL	Cayman Islands	Investing in 3C and computer peripheral business	3,281,057	3,281,057	89,730,042	100.00	35,421,031	425,410	425,410	Note 1 and 2
ASUS	DEEP	Taiwan	Researching, developing and selling of AI medical related software	45,030	-	674,908	21.96	43,328	(8,637)	(1,702)	Note 2
ASUS	ASGL	Singapore	Selling of 3C products	838,070	838,070	28,000,000	100.00	37,988,234	11,113,895	10,135,909	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	2,467,792	(555,198)	(554,316)	Note 2
ASUS	HCVC	Taiwan	Investing in computer peripherals business	1,100,000	1,100,000	114,500,000	100.00	2,842,091	272,960	272,960	Note 2
ASUS	HMI	Taiwan	Investing in computer peripherals business	680,000	680,000	68,000,000	100.00	1,570,213	149,970	149,970	Note 2
ASUS	QCI	Singapore	Servicing of information technology	25,290	25,290	830,001	100.00	11,303	6,135	6,135	Note 2
ASUS	ASUSCLOUD	Taiwan	Selling and consulting of internet service	596,678	596,678	23,645,558	94.58	96,359	(24,472)	(23,146)	Note 2
ASUS	UEI	Taiwan	Manufacturing and selling of automotive electronics and computer peripherals	66,354	66,354	21,300,000	100.00	93,528	25,200	25,200	Note 2
ASUS	GAUIS	Cayman Islands	Investing in electric motor tricycle industry	310,400	310,400	16,386,481	35.00	266,219	(110,179)	(38,563)	Note 2
ASUS	NEXTS	Cayman Islands	Investing in cloud computing service business	94,324	94,324	8,560,974	43.48	80,516	20,204	8,784	Note 2
ASUS and HCVC	ACJK	Indonesia	Selling of 3C products in Indonesia	259,576	244,480	8,500	100.00	357,232	94,917	94,917	Note 2
ASUS and HCVC	IMOTION	Taiwan	Investing in AI and IPC peripherals business	270,000	180,000	27,000,000	30.00	90,754	(374,002)	(95,370)	Note 2
ASUS and HCVC	ACBT	Indonesia	Selling of 3C products in Indonesia	1,126,979	301,321	4,211,100	100.00	171,044	(295,344)	(295,344)	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	75,036	(6,924)	(3,531)	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	124,312	8,143	5,639	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	46.03	6,466,654	2,927,912	1,063,415	Note 2
ASUS、HCVC and HMI	EMC	Taiwan	Designing, manufacturing and selling of computer peripheral spare parts	81,060	81,060	6,359,548	17.94	220,149	326,434	20,795	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	40.73	5,006,857	365,591	98,543	Note 2
ASUS、HCVC and HMI	JPX	Taiwan	Designing and selling of computer peripheral spare parts	20,000	20,000	2,000,000	20.00	3,449	(12,503)	(1,300)	Note 2
ASUS and HCVC	UPI	Taiwan	Designing, researching, developing and selling of integrated circuits	486,532	486,532	24,790,905	35.12	1,793,371	437,580	126,239	Note 2
ASUS、HMI and AAEON	ONYX	Taiwan	Designing, manufacturing and selling of medical computers	146,376	146,376	15,625,728	56.80	580,675	163,146	9,133	Note 2 and 4
HMI	JOTECH	Taiwan	Selling and repairing of information software and electronic information materials	30,000	30,000	3,000,000	100.00	27,223	(2,318)	-	Note 2
ASKEY	ASKEYI	U.S.A	Selling and servicing of communication products	307,607	307,607	10,000,000	100.00	-	(34,194)	-	Note 2 and 3
ASKEY	DIC	British Virgin Islands	Investing in communication business	271,695	271,695	8,160,172	100.00	78,252	1,837	-	Note 2
ASKEY	MIC	British Virgin Islands	Investing in communication business	3,752,306	3,752,306	114,942,014	100.00	3,019,289	(270,068)	-	Note 2
ASKEY	ECOLAND	Taiwan	Planning and design integration of ecology, architecture and energy	21,840	21,840	780,000	33.91	6,331	361	-	Note 2
ASKEY	ASKEYDT	Taiwan	Selling and servicing of communication products	30,000	30,000	3,000,000	100.00	30,065	68	-	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	60,192	2,825	-	Note 2
ASKEY	ASKEYUK	U.K.	Selling and servicing of communication products	37,740	-	1,000,000	100.00	38,900	-	-	Note 2
ASKEY、MIC and OB	ASKEYBR	Brazil	Selling and servicing of communication products	26,883	28,299	3,200,000	100.00	3,309	289	-	Note 2
DIC	ASKEYVN	Vietnam	Manufacturing and selling of communication products	163,319	171,921	2,883,359	100.00	72,670	1	-	Note 2
DIC	WISE	Hong Kong	Investing in communication business	38,491	40,518	1,600,000	100.00	13,474	1,812	-	Note 2
MIC	MAGICOM	Cayman Islands	Investing in communication business	2,592,534	2,729,079	91,030,000	100.00	3,103,384	(270,460)	-	Note 2

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		Balance as of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2020	December 31, 2019	Shares	Percentage of Ownership(%)	Carrying Value			
MIC	LP	Mauritius	Selling of communication products and peripherals	1,425,424	1,500,499	50,050,000	100.00	-	301	-	Note 2 and 3
MIC	UNI	Mauritius	Selling of communication products and peripherals	1,424	1,499	50,000	100.00	18,385	(96)	-	Note 2
MIC	ASKEYCG	Germany	Selling and servicing of communication products	3,727	3,923	100,000	100.00	3,384	11	-	Note 2
MIC	ASKEYTH	Thailand	Selling and servicing of communication products	1,786	1,880	20,000	100.00	-	5,419	-	Note 2 and 3
MIC	ASKEYJP	Japan	Selling and servicing of communication products	1,339	1,409	500,000	100.00	-	(2,917)	-	Note 2 and 3
ASKEY and WISE	SILIGENCE	France	Selling and servicing of communication products	175,149	177,170	4,623,090	95.95	79,684	11,190	-	Note 2
AAEON	AAEONEI	U.S.A	Selling of industrial computers and computer peripherals	139,552	146,902	490,000	100.00	208,801	34,556	-	Note 2
AAEON	AAEONTCL	British Virgin Islands	Investing in industrial computers and interface cards business	250,826	264,037	8,807,097	100.00	217,064	3,064	-	Note 2
AAEON	AAEONEU	Netherlands	Selling of industrial computers and computer peripherals	3,502	3,359	-	100.00	32,617	(12,522)	-	Note 2
AAEON	AAEONI	Taiwan	Investing in industrial computers and computer peripherals business	150,000	150,000	15,000,000	100.00	124,554	13,666	-	Note 2
AAEON	LITEMAX	Taiwan	Selling of computer peripherals	70,218	70,218	5,015,050	12.00	101,813	70,391	-	Note 2
AAEON	IBASE	Taiwan	Manufacturing and selling of industrial motherboard	3,498,501	3,498,501	52,921,856	30.79	3,331,594	60,386	-	Note 2
AAEON	AAEONSG	Singapore	Selling of industrial computers and computer peripherals	12,577	12,998	465,840	100.00	49,158	11,670	-	Note 2
AAEONEU	AAEONG	Germany	Selling of industrial computers and computer peripherals	1,051	1,008	-	100.00	20,436	1,927	-	Note 2
ONYX	ONYXHU	U.S.A	Selling of medical computers and peripherals	56,960	59,960	200,000	100.00	95,464	17,497	-	Note 2
ONYX	ONYXHE	Netherlands	Marketing support and repairing of medical computers and peripherals	3,502	3,359	100,000	100.00	14,803	2,443	-	Note 2
ONYX	IHELPER	Taiwan	Researching, developing and selling of medical robots	16,560	16,560	1,656,000	46.00	8,445	(4,015)	-	Note 2
ONYX	WINMATE	Taiwan	Bidding and distribution of liquid crystal display application equipment and modules	538,199	510,248	9,845,000	13.60	537,102	256,062	-	Note 2
ASUSCLOUD	ASUSCLOUDSG	Singapore	Investing in internet service business	24,853	24,853	-	100.00	2,680	(1,673)	-	Note 2
ASUSCLOUD	ASUSCLOUDLB	Luxembourg	Providing maintenance and operating service for information hardware	18,065	18,065	-	100.00	3,119	(121)	-	Note 2
ASUSCLOUD	ASUSLC	Taiwan	Selling of internet information service	5,000	5,000	500,000	50.00	543	(757)	-	Note 2
ASMEDIA	WT	Taiwan	Agent sales of semiconductor and electronic components	6,624,000	-	171,000,000	21.70	9,946,611	-	-	Note 2
AIL	CHANNEL	British Virgin Islands	Investing in 3C business	855,340	900,389	30,033,000	100.00	34,623,643	417,466	-	Note 2
CHANNEL	ASTP	Singapore	Investing in 3C business	854,471	899,475	44,419,424	100.00	39,155,711	293,193	-	Note 2
CHANNEL	ACEG	Egypt	Providing support for 3C products in Egypt	-	-	-	100.00	1,166	(567)	-	Note 2
CHANNEL and ASTP	ACAE	United Arab Emirates	Providing support and repair for 3C products in Middle East	3,928	4,134	5	100.00	22,810	209	-	Note 2
CHANNEL and ASTP	ASID	Indonesia	Repairing of 3C products in Asia-Pacific and America	42,720	44,970	1,500,000	100.00	38,804	2,555	-	Note 2
CHANNEL 、ASTP and ACNL	ACTH	Thailand	Providing support for 3C products in Thailand	13,454	14,163	20,000	100.00	24,135	3,217	-	Note 2
CHANNEL 、ASTP and ACNL	ASTH	Thailand	Repairing of 3C products in Thailand	5,400	5,684	60,000	100.00	5,705	(147)	-	Note 2
ASTP	ACG	Germany	Selling and providing support for 3C products in Germany	2,698	2,840	-	100.00	174,590	13,469	-	Note 2
ASTP	ACF	France	Providing support for 3C products in France	1,420	1,495	5,300	100.00	62,195	9,262	-	Note 2
ASTP	ACUK	U.K.	Providing support for 3C products in United Kingdom	2,570	2,705	50,000	100.00	58,467	8,225	-	Note 2
ASTP	ACHK	Hong Kong	Providing support and repair for 3C products in Hong Kong	1,833	1,929	500,000	100.00	14,226	3,156	-	Note 2
ASTP	ACKR	South Korea	Providing support and repair for 3C products in South Korea	9,852	10,371	158,433	100.00	49,424	5,625	-	Note 2
ASTP	ACIN	India	Providing support and repair for 3C products in India	235,457	247,859	20,134,400	100.00	305,535	14,710	-	Note 2
ASTP	ACNL	Netherlands	Selling of 3C products	16,580	17,454	375,000	100.00	1,700,966	201,209	-	Note 2
ASTP	ACVN	Vietnam	Repairing of 3C products in Vietnam	2,278	2,398	-	100.00	25,202	5,666	-	Note 2
ASTP	ACIB	Spain	Providing support for 3C products in Spain	17	18	3,000	100.00	48,177	5,879	-	Note 2
ASTP	ACJP	Japan	Selling of 3C products in Japan	69,708	73,380	20,500	100.00	369,892	71,491	-	Note 2
ASTP	ASAU	Australia	Repairing of 3C products in Australia	27,492	28,940	950,000	100.00	59,936	19,483	-	Note 2
ASTP	ACAU	Australia	Providing support for 3C products in Australia	10,276	10,817	350,000	100.00	58,601	3,977	-	Note 2
ASTP	ACIL	Israel	Providing support for 3C products in Israel	370	390	50,000	100.00	4,940	4,922	-	Note 2
ASTP	ACCO	Colombia	Providing support for 3C products in Colombia	854	899	74,489	100.00	3,386	1,488	-	Note 2
ASTP	ACZA	South Africa	Providing support and repair for 3C products in Africa	2	2	1,000	100.00	6,659	1,682	-	Note 2
ASTP	ACMY	Malaysia	Providing support and repair for 3C products in Malaysia	3,328	3,504	500,000	100.00	20,109	(11)	-	Note 2
ASTP	ACCL	Chile	Providing support for 3C products in Chile	49	51	1,000	100.00	2,588	1,184	-	Note 2
ASTP	ASPH	Philippines	Providing support and repair for 3C products in Philippines	5,706	6,006	1,059,995	100.00	6,772	781	-	Note 2

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		Balance as of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2020	December 31, 2019	Shares	Percentage of Ownership(%)	Carrying Value			
ASTP	APVN	Vietnam	Servicing of management consulting	1,424	-	50,000	100.00	1,099	(335)	-	Note 2
ASTP and ACNL	A25	Russia	Selling of 3C products in Russia	4	-	-	100.00	-	(5,065)	-	Note 2 and 3
ASTP and ACNL	ACPE	Peru	Providing support for 3C products in Peru	36,073	37,936	4,195,740	100.00	33,051	67	-	Note 2
ASTP and ACNL	ACMH	Mexico	Selling of 3C products in Mexico	108,241	113,843	51,120	100.00	15,512	56,757	-	Note 2
ASTP and ACNL	ACBZ	Brazil	Selling of 3C products in Brazil	5,613,750	5,909,388	549,469,000	100.00	2,844,878	64,574	-	Note 2
ASTP and ACNL	ASIN	India	Selling of 3C products in India	193,023	203,189	33,500,000	100.00	329,994	249,226	-	Note 2
ASTP and ACMH	ACMX	Mexico	Providing support for 3C products in Mexico	289	305	132	100.00	8,149	1,201	-	Note 2
ACNL	ACHU	Hungary	Providing support and repair for 3C products in Hungary	1,751	1,679	-	100.00	10,519	1,701	-	Note 2
ACNL	ACPT	Portugal	Providing support for 3C products in Portugal	1,051	1,008	30,000	100.00	14,218	1,927	-	Note 2
ACNL	ACCH	Switzerland	Providing support for 3C products in Switzerland	8,003	7,676	3,400	100.00	30,024	2,793	-	Note 2
ACNL	ACN	Sweden	Providing support for 3C products in North Europe	1,116	1,070	3,000	100.00	79,776	11,828	-	Note 2
ACNL	ACTR	Turkey	Providing support and repair for 3C products in Turkey	15,411	14,782	2,046	100.00	29,581	(6,353)	-	Note 2
ACNL	ASTR	Turkey	Repairing of 3C products in Turkey	357	342	3,000	100.00	5,233	2,175	-	Note 2
ACNL	ACPL	Poland	Providing support for 3C products in Poland	50,976	48,896	1,000	100.00	56,767	4,086	-	Note 2
ACNL	ACIT	Italy	Providing support for 3C products in Italy	1,681	1,612	-	100.00	-	3,176	-	Note 2 and 3
ACNL	ACCZ	Czech Republic	Providing support for 3C products in Czech Republic	274	263	-	100.00	20,744	3,081	-	Note 2
ACNL	ACCZS	Czech Republic	Repairing of 3C products in Europe	7,335	7,035	-	100.00	120,119	15,795	-	Note 2
ACNL	QCS	Sweden	Servicing of information technology	163	157	500	100.00	-	(55,761)	-	Note 2 and 3

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
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 9

(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 b and c)	Carrying Amount as of December 31, 2020 (Note 2 b and c)	Ending Balance of Accumulated Inward Remittance of Earnings	Note (Note 1 b)
					Outflow	Inflow							
ACSH	Selling of 3C products in China	1,369,888	b	1,369,888	-	-	1,369,888	216,354	100.00	216,354	-	-	ASTP Invested (Note 3)
ACS	Repairing of 3C products	56,960	b	56,960	-	-	56,960	4,534	100.00	4,534	75,188	-	ASTP Invested
ACSZ	Researching and developing of 3C products	1,395,520	b	1,395,520	-	-	1,395,520	139,963	100.00	139,963	3,157,094	-	ASTP Invested
ACCQ	Selling of 3C products in China	1,965,120	b	1,965,120	-	-	1,965,120	622,106	100.00	622,106	6,083,417	-	ASTP Invested
ACISZ	Leasing real estate	737,605	c	-	-	-	-	(5,506)	100.00	(5,506)	711,972	-	-
ASKEYSH	Researching, developing and selling of communication products	85,440	b	85,440	-	-	85,440	(3,010)	100.00	(3,010)	-	-	MIC Invested (Note 3)
ASKEYJS	Manufacturing and selling of communication products	2,563,200	b	2,563,200	-	-	2,563,200	(270,349)	100.00	(270,349)	3,067,751	-	MAGICOM Invested
AAEONSZ	Manufacturing and selling of industrial computers and interface cards	247,499	b	247,499	-	-	247,499	3,272	100.00	3,272	223,628	-	AAEONTCL Invested
ONYXSH	Selling of medical computers and peripherals	56,960	a	56,960	-	-	56,960	(3,029)	100.00	(3,029)	4,622	-	-
EMES	Selling and consulting of information system software	8,544	a	8,544	-	-	8,544	6,708	100.00	6,708	17,282	-	-
JSCD	Participating and promoting of professional eSports	673,900	a	673,900	-	-	673,900	(124,930)	100.00	(124,930)	411,740	-	-
EOSTEK SHENZHEN	Smart TV and projector platform service	199,360	c	51,036	-	-	51,036	-	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	6,000,805 USD 210,702	6,183,077 USD 217,102	128,784,931
ASKEY	3,016,664 USD 105,922	3,016,664 USD 105,922	(Note 4)
AAEON	247,499 USD 8,690	247,499 USD 8,690	5,023,472
SWI	8,544 USD 300	9,683 USD 340	88,278
ONYX	56,960 USD 2,000	56,960 USD 2,000	631,709

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.
- The financial statements were audited by independent auditors of the parent company in Taiwan.
- 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





IN SEARCH OF INCREDIBLE

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