

**ASUSTEK COMPUTER INC. AND SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Report Thereon**

**December 31, 2021 and 2020**

**(Stock code: 2357)**

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For the convenience of readers and for information purpose only, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

## Independent Auditors' Report

To the Board of Directors and Shareholders of

ASUSTEK COMPUTER INC.:

### Opinion

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

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

### Basis for opinion

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

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## **Key audit matters**

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

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

### **Evaluation of inventories**

#### Description

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

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

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

#### How our audit addressed the matter

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

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

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

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

#### Description

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

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

#### How our audit addressed the matter

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

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

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

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

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

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

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

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

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

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

### **Independent auditors' responsibilities for the audit of the consolidated financial statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



Chou, Chien-Hung



Lin, Chun-Yao

For and on behalf of PricewaterhouseCoopers, Taiwan

March 16, 2022

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

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

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

(Continued)

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

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

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

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

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

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

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

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

	Equity attributable to owners of the parent											
	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	Non-controlling interest	Total equity
<u>Year ended December 31, 2021</u>												
Balance at January 1, 2021	\$ 7,427,603	\$ 9,784,103	\$ 36,620,905	\$ 693,928	\$ 110,029,647	(\$ 6,447,186)	\$ 44,600,953	(\$ 809,406)	(\$ 136,031)	\$ 201,764,516	\$ 12,877,035	\$ 214,641,551
Appropriations of 2020 earnings (Note 6(21))												
Legal reserve	-	-	2,653,973	-	( 2,653,973)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	( 19,311,767)	-	-	-	-	( 19,311,767)	-	( 19,311,767)
Profit for the year	-	-	-	-	44,549,798	-	-	-	-	44,549,798	2,055,604	46,605,402
Other comprehensive income (loss) for the year	-	-	-	-	-	( 2,447,674)	6,460,791	1,246,189	13,557	5,272,863	282,757	5,555,620
Change in associates and joint ventures accounted for under equity method	-	55,381	-	-	-	-	-	-	-	55,381	-	55,381
Recognition of changes in ownership interest in subsidiaries	-	427	-	-	-	-	-	-	-	427	-	427
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	( 1,110,148)	( 1,110,148)
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	2,471,769	-	( 2,471,769)	-	-	-	-	-
Balance at December 31, 2021	<u>\$ 7,427,603</u>	<u>\$ 9,839,911</u>	<u>\$ 39,274,878</u>	<u>\$ 693,928</u>	<u>\$ 135,085,474</u>	<u>(\$ 8,894,860)</u>	<u>\$ 48,589,975</u>	<u>\$ 436,783</u>	<u>(\$ 122,474)</u>	<u>\$ 232,331,218</u>	<u>\$ 14,105,248</u>	<u>\$ 246,436,466</u>
<u>Year ended December 31, 2020</u>												
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	\$ 6,426,752	\$ 183,286,792
Appropriations of 2019 earnings (Note 6(21))												
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(30))	-	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	<u>\$ 7,427,603</u>	<u>\$ 9,784,103</u>	<u>\$ 36,620,905</u>	<u>\$ 693,928</u>	<u>\$ 110,029,647</u>	<u>(\$ 6,447,186)</u>	<u>\$ 44,600,953</u>	<u>(\$ 809,406)</u>	<u>(\$ 136,031)</u>	<u>\$ 201,764,516</u>	<u>\$ 12,877,035</u>	<u>\$ 214,641,551</u>

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

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

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

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

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

**1. HISTORY AND ORGANIZATION**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

##### (1) Compliance statement

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

##### (2) Basis of preparation

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

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

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

##### (3) Basis of consolidation

A. Basis for preparation of consolidated financial statements

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

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

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

B. Subsidiaries included in the consolidated financial statements:

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

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

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

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

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

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

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

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

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

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

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

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

#### (4) Foreign currency translation

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

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

A. Foreign currency transactions and balances

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

B. Translation of foreign operations

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

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

(5) Classification of current and non-current items

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

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

Otherwise they are classified as non-current assets.

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

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

Otherwise they are classified as non-current liabilities.

(6) Cash equivalents

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

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

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

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

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

- A. At initial recognition, the Group makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading. The debt instruments are measured at fair value through other comprehensive income if both of the following conditions are met:
  - (A) The objective of the Group's business model is achieved by both collecting contractual cash flows and selling financial assets; and
  - (B) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
  - (A) The changes in fair value of equity investments that are recognized in other comprehensive income are reclassified to retained earnings. When the equity instruments are derecognized the cumulative gain or loss previously recognized in other comprehensive income is not reclassified from equity to profit or loss. Dividends are recognized in revenue when the Group's right to receive payment is established, it is probable the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.
  - (B) The changes in fair value of debt instruments that were recognized in other comprehensive income. Before derecognition, impairment gains or losses, interest revenue and foreign exchange gains and losses are recognized in profit or loss. When the debt instruments are derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets measured at amortized costs

- A. Financial assets at amortized cost are those that meet all of the following criteria:

- (A) The objective of the Group's business model is achieved by collecting contractual cash flows.
- (B) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For financial assets at amortized cost and accounts receivable that have a significant financing component, at each end of the financial reporting period, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

- A. The contractual rights to receive cash flows from the financial asset has expired.
- B. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially almost all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has not retained control of financial asset.

(13) Leasing arrangements (lessor) – operating leases

Lease income from an operating lease net of any incentives given to the lessee is recognized in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials and other direct/indirect costs. It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(15) Investments accounted for under equity method

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20% or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in "capital surplus" in proportion to its ownership.
- D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares or buys treasury stocks (including the Group does not acquire or dispose shares proportionately), which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then "capital surplus" and "investments accounted for under equity method" shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.
- G. Upon loss of significant influence over an associate, the amounts previously recognized in other comprehensive income and as capital surplus in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it still retains significant influence over this associate, then the amounts previously recognized in other comprehensive income and as capital surplus in relation to the associate are reclassified to profit or loss proportionately.

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Except for land which is not depreciated, other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it should be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of the financial reporting period. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of buildings are 10~60 years, machinery and equipment are 1~10 years and miscellaneous equipment are 1~20 years.

(17) Leasing arrangements (lessee) - right-of-use assets/lease liabilities

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low value assets, lease payments are recognized in expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments

are fixed payment, less any lease incentives receivable. The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (A) The amount of the initial measurement of lease liability;
- (B) Any lease payments made at or before the commencement date; and
- (C) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference between remeasured lease liability in profit or loss.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 20~50 years.

(19) Intangible assets

- A. Goodwill and trademark arise in a business combination accounted for by applying the acquisition method.
- B. Other intangible assets, mainly computer software, are amortized on a straight-line basis over their estimated useful lives of 1~10 years.

(20) Impairment of non-financial assets

- A. The Group assesses at the end of the financial reporting period the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized at the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or decrease, the impairment loss shall be reversed to the extent of the loss previously recognized in profit or loss. However, the reversal should not exceed the carrying amount, net of depreciation or amortization had the impairment not been recognized.

- B. The recoverable amounts of goodwill and intangible assets with an indefinite useful life shall be evaluated periodically. An impairment loss is recognized at the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

(21) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds net of transaction costs and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(22) Notes and trade payables

- A. Trade payables are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and trade payables without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(23) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

(24) Derecognition of financial liabilities

The Group derecognizes a financial liability when the obligation specified in the contract is either discharged or cancelled or expires.

(25) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and reported in the net amount in the balance sheets when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(26) Non-hedging derivatives

Non-hedging derivatives are initially recognized at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognized in profit or loss.

(27) Hedge accounting

- A. At the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements.
- B. The Group designates the hedging relationship as cash flow hedge which is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction.
- C. Cash flow hedges
  - (A) The cash flow hedge reserve associated with the hedged item is adjusted to the lower of the following (in absolute amounts):
    - a. The cumulative gain or loss on the hedging instrument from inception of the hedge; and
    - b. The cumulative change in fair value of the hedged item from inception of the hedge.
  - (B) The effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income. The gain or loss on the hedging instrument relating to the ineffective portion is recognized in profit or loss.
  - (C) The amount that has been accumulated in the cash flow hedge reserve in accordance with (A) is accounted for as follows:
    - a. If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or liability.
    - b. For cash flow hedges other than those covered by a. above, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.
    - c. If that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.
  - (D) When the hedging instrument expires, or is sold, terminated, exercised or when the hedging relationship ceases to meet the qualifying criteria, if the forecast transaction is still expected to occur, the amount that has been accumulated in the cash flow hedge reserve shall remain in the cash flow hedge reserve until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

(28) Provisions for liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the financial reporting period, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized in interest expense. Future operating losses shall not be recognized as provisions for liabilities.

(29) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized in expenses in that period when the employees render service.

B. Pensions

(A) Defined contribution plans

For defined contribution plans, the contributions are recognized in pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(B) Defined benefit plans

- a. The liability recognized in the balance sheets in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the financial reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of government bonds or interest rates of return of high-quality investments that have terms to maturity approximating to the terms of the related pension liability.
- b. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as other equity.
- c. Prior service costs are recognized immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognizes expense when it

can no longer withdraw an offer of termination benefits or it recognizes related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after financial reporting date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized in expenses and as liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(30) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized in compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at the end of the financial reporting period. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

B. Restricted stocks:

(A) The issued subsidiary uses the date notifying employees the number of shares of employees' stock bonus as the grant date.

(B) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognized in compensation cost over the vesting period.

(C) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognizes the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.

(D) For restricted stocks where employees have to pay to acquire those stocks, if employees resign during the vesting period, they must return the stocks to the issued subsidiaries and the issued subsidiaries must refund their payments on the stocks, the issued subsidiary recognizes the payments from the employees who are expected to resign during the vesting period as liabilities at the grant date, and recognizes the payments from the employees who are expected to be eventually vested with the stocks in "capital surplus - others".

(31) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the financial reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.
- C. Deferred income tax is recognized, using the balance sheets liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the financial reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At the end of the financial reporting period, unrecognized and recognized deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheets when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheets when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit

will be available against which the unused tax credits can be utilized.

(32) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(33) Revenue recognition

Sales of goods

- A. The Group is engaged in the selling of 3C products. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- B. Revenue from the sale of 3C products is recognized based on the price specified in the contract, net of the estimated volume discounts and sales discounts. Historical experience is usually used to estimate the discounts and returns. A refund liability is recognized at expected sales discounts payable to customers in relation to sales made until the end of the reporting period. The sales are made mainly with a credit term of open account 30 to 180 days. As the time interval between the transfer of committed goods or services and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- C. The Group's obligation to provide a repair for faulty products under the standard warranty terms is recognized as a provision.
- D. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(34) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date

components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

- B. If the total of the fair values of the consideration of acquisition and any non-controlling interests in the acquiree as well as the acquisition-date fair value of any previous equity interest in the acquiree is higher than the fair value of the Group's share of the identifiable net assets acquired and liabilities assumed, the difference is recorded as goodwill, if the total of the fair values of the consideration of acquisition and any non-controlling interests in the acquiree as well as the acquisition-date fair value of any previous equity interest in the acquiree is higher than the fair value of the Group's share of the identifiable net assets acquired and liabilities assumed, the difference is recorded as profit.

(35) Operating segments

Operating segments are reported in a manner consistent with the internal management reports provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

5. **CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY**

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions at the end of the financial reporting period and estimates concerning future events. The resulting accounting estimates and assumptions might be different from the actual results, and will be continually evaluated and adjusted based on historical experience and other factors; and the related information is addressed below:

Critical accounting estimates and assumptions:

A. Revenue recognition

The Group estimates sales related refund liabilities for sales returns and discounts based on historical results and other known factors. Provisions for such liabilities are recorded as a deduction item to sales revenues when the sales are recognized. The Group reassesses the reasonableness of estimates of discounts and returns periodically.

As of December 31, 2021, the Group recognized \$32,142,958 as refund liabilities related to sales returns and discounts.

B. Evaluation of inventories

Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value at the end of the financial reporting period, and writes down the cost of inventories to the net realizable value. Such

an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be a difference against actual result.

As of December 31, 2021, the carrying amount of inventories was \$167,315,529.

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and petty cash	\$ 7,615	\$ 6,492
Checking accounts and demand deposits	28,483,055	29,119,590
Time deposits	39,251,983	27,603,227
Others	69,590	50,155
	<u>\$ 67,812,243</u>	<u>\$ 56,779,464</u>

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

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Financial assets mandatorily measured at fair value through profit or loss - current:		
Listed and OTC stocks	\$ 469,779	\$ 507,121
Unlisted and non-OTC stocks	5,664	6,144
Beneficiary certificates	3,653,306	19,456,752
Derivatives	122,215	9,686
	<u>\$ 4,250,964</u>	<u>\$ 19,979,703</u>
Financial assets mandatorily measured at fair value through profit or loss - non-current:		
Listed and OTC stocks	\$ 1,658	\$ 1,121
Unlisted and non-OTC stocks	55,765	57,621
Beneficiary certificates	2,817,693	42,988
Hybrid instruments	9,452	11,018
	<u>\$ 2,884,568</u>	<u>\$ 112,748</u>
Financial liabilities held for trading - current:		
Derivatives	\$ 232,687	\$ 938,214

A. The hybrid instrument is a hybrid contract consisting of unlisted and non-OTC stocks of V-NET AAEON and embedded options. The Group and stockholders of V-NET AAEON have the right to sell or buy stocks at original transaction price. Refer to Note 12(3) 7 for the fair value on December 31, 2021 and 2020.

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

	Years Ended	
	December 31, 2021	December 31, 2020
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Equity instruments	(\$ 35,974)	(\$ 36,006)
Beneficiary certificates	18,207	34,626
Derivatives	1,246,327	( 2,245,410)
Hybrid instruments	( 1,566)	90
	<u>\$ 1,226,994</u>	<u>(\$ 2,246,700)</u>

C. The Group entered into contracts relating to derivative financial assets and liabilities which were not accounted for under hedge accounting. The information is listed below:

	December 31, 2021			December 31, 2020		
	Contract amount (in thousands)	Maturity period		Contract amount (in thousands)	Maturity period	
Derivative financial assets:						
Forward exchange contracts						
-CAD/USD	CAD	49,200	2022/02	CAD	-	-
-NTD/USD	USD	190,000	2022/04	USD	-	-
-EUR/USD	EUR	235,000	2022/03	EUR	-	-
-PLN/USD	PLN	-	-	PLN	65,000	2021/02
-CNH/USD	CNH	302,561	2022/01	CNH	-	-
-RUB/USD	RUB	1,663,418	2022/01	RUB	1,106,165	2021/01
-JPY/USD	JPY	2,112,908	2022/01	JPY	-	-
Currency option contracts						
-CNH/USD	CNH	737,160	2022/03	CNH	-	-
-EUR/USD	EUR	44,000	2022/03	EUR	-	-
-RUB/USD	RUB	1,960,020	2022/02	RUB	-	-
Derivative financial liabilities:						
Forward exchange contracts						
-CAD/USD	CAD	-	-	CAD	151,500	2021/08
-NTD/USD	USD	658,000	2022/04	USD	750,000	2021/05
-EUR/USD	EUR	175,000	2022/03	EUR	280,000	2021/04
-GBP/USD	GBP	39,000	2022/02	GBP	51,000	2021/03
-CNH/USD	CNH	140,917	2022/01	CNH	-	-
-IDR/USD	IDR	1,279,955,000	2022/01	IDR	796,109,000	2021/01
-INR/USD	INR	10,218,217	2022/01	INR	7,229,928	2021/02
-SEK/USD	SEK	26,420	2022/02	SEK	64,000	2021/01
-PLN/USD	PLN	184,000	2022/02	PLN	65,000	2021/01
-CHF/USD	CHF	650	2022/01	CHF	2,100	2021/01
-AUD/USD	AUD	22,000	2022/02	AUD	26,000	2021/02
-THB/USD	THB	400,000	2022/01	THB	-	-
-JPY/USD	JPY	-	-	JPY	3,105,145	2021/01
-MXN/USD	MXN	50,000	2022/01	MXN	-	-

	December 31, 2021			December 31, 2020		
		Contract amount (in thousands)	Maturity period		Contract amount (in thousands)	Maturity period
Currency option contracts						
-CNH/USD	CNH	1,922,801	2022/03	CNH	1,649,436	2021/04
-EUR/USD	EUR	-	-	EUR	40,000	2021/02
-AUD/USD	AUD	36,000	2022/03	AUD	12,000	2021/01

(A) Forward exchange contracts

The Group entered into forward exchange contracts to sell various forward foreign currencies to hedge exchange rate risk of import and export proceeds. However, these forward exchange contracts are not accounted for under hedge accounting.

(B) Currency option contracts

The Group entered into currency option contracts to buy foreign currency put options and sell foreign currency call options or put options, which will be performed in the future according to the agreed price and conditions, leverage ratio and settlement date. The purpose of the Group's undertaking of the above transactions is to hedge exchange rate risk of import and export proceeds. However, these currency option contracts are not accounted for under hedge accounting. The Group has implemented risk control over currency options, and no significant operational risks have been assessed.

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

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

	December 31, 2021	December 31, 2020
Equity instruments - current:		
Listed and OTC stocks	\$ 299,495	\$ 305,839
Valuation adjustment	1,331,498	978,809
	<u>\$ 1,630,993</u>	<u>\$ 1,284,648</u>
Equity instruments - non-current:		
Listed and OTC stocks	\$ 26,918,812	\$ 27,274,828
Unlisted and non-OTC stocks	654,874	714,504
	<u>27,573,686</u>	<u>27,989,332</u>
Valuation adjustment	46,447,777	42,845,425
	<u>\$ 74,021,463</u>	<u>\$ 70,834,757</u>

A. The Group has elected to classify above investments that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$75,652,456 and \$72,119,405 on December 31, 2021 and 2020, respectively.

B. The Group sold ADVANTECH investment with a fair value of \$2,754,909 in September 2021,

and the difference on disposal amounting to \$2,400,905 was transferred from accumulated other comprehensive income to retained earnings.

- C. Amounts recognized in profit or loss in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years Ended	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Reclassified from other equity to retained earnings due to disposal	\$ 2,422,569	(\$ 17,942)
Dividends from investments recognized in profit or loss held at end of the year	\$ 2,859,054	\$ 2,860,030

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

(4) Financial assets at amortized cost

<u>Items</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current items:		
Time deposits with original maturity period of more than three months	\$ 125,500	\$ 151,500
Non-current items:		
Corporate bonds	\$ 8,322,845	\$ 4,224,004
Less: Accumulated impairment	( 92,926)	( 60,188)
	<u>\$ 8,229,919</u>	<u>\$ 4,163,816</u>

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

	Years Ended	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Interest income	\$ 134,336	\$ 16,716
Impairment loss	( 45,342)	( 62,447)
Gains on disposal of investments	5,712	-
	<u>\$ 94,706</u>	<u>(\$ 45,731)</u>

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

- C. As of December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group were \$8,355,419 and \$4,315,316, respectively.

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

(5) Hedging financial assets and liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Financial assets - current		
Cash flow hedges - Forward exchange contracts	\$ 494,819	\$ 14,234
Financial liabilities - current		
Cash flow hedges - Forward exchange contracts	( 58,036)	( 823,640)
	<u>\$ 436,783</u>	<u>(\$ 809,406)</u>

A. Hedge accounting is applied to reduce the effect of accounting inconsistency between the hedging instrument and the hedged item. The Group entered into forward exchange contracts to manage its foreign currency exposure in respect of forecasted sales transactions. When forecasted sales transactions occur, the carrying amount of the non-financial hedged items should be adjusted accordingly.

B. Transaction information associated with the Group adopting hedge accounting is as follows:

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	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 472,000	2022/06	EUR -	-
-PLN/USD	PLN 113,000	2022/03	PLN 91,000	2021/06
-GBP/USD	GBP 64,000	2022/03	GBP 3,000	2021/06
-JPY/USD	JPY 4,910,000	2022/03	JPY -	-
-RUB/USD	RUB 3,137,000	2022/03	RUB 1,704,000	2021/03
-SEK/USD	SEK 97,000	2022/03	SEK -	-
-AUD/USD	AUD 17,300	2022/03	AUD -	-
Hedging financial liabilities				
Forward exchange contracts				
-AUD/USD	AUD 28,200	2022/03	AUD 56,000	2021/03
-EUR/USD	EUR 121,000	2022/06	EUR 595,500	2021/06
-GBP/USD	GBP 50,000	2022/06	GBP 85,000	2021/06
-RUB/USD	RUB 658,000	2022/03	RUB 1,347,500	2021/03
-SEK/USD	SEK 68,000	2022/06	SEK 148,500	2021/06
-PLN/USD	PLN 125,000	2022/06	PLN 132,200	2021/06
-JPY/USD	JPY -	-	JPY 6,650,000	2021/03

The average exchange rate of hedging instruments used by the Group is based on the consideration of future exchange rate fluctuation of the hedged items.

C. Cash flow hedges

	<u>2021</u>	<u>2020</u>
<u>Other equity - hedge effectiveness</u>		
January 1	(\$ 809,406)	(\$ 305,856)
Gains (losses) on hedge instrument	<u>1,246,189</u>	<u>( 503,550)</u>
December 31	<u>\$ 436,783</u>	<u>(\$ 809,406)</u>
Other gains - hedge ineffectiveness	<u>\$ 4,060</u>	<u>\$ 11,870</u>

D. As the hedging instrument expires, the hedging relationship ceases to meet the qualifying criteria. If the forecast transaction is still expected to occur, the amount that has been accumulated in the gains (losses) on hedging instruments shall remain in other comprehensive income until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the gains (losses) on hedging instruments to other gains - hedge ineffectiveness.

(6) Notes and trade receivables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes receivable	\$ 4,245,632	\$ 4,344,878
Trade receivables	<u>90,479,625</u>	<u>72,978,913</u>
	94,725,257	77,323,791
Less: Loss allowance	<u>( 1,482,685)</u>	<u>( 1,221,457)</u>
	<u>\$ 93,242,572</u>	<u>\$ 76,102,334</u>

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Not past due	\$ 83,639,068	\$ 69,297,840
Less than 90 days past due	9,728,133	6,884,090
Between 91 and 180 days past due	363,934	112,141
More than 181 days past due	<u>994,122</u>	<u>1,029,720</u>
	<u>\$ 94,725,257</u>	<u>\$ 77,323,791</u>

B. As of December 31, 2021, December 31, 2020 and January 1, 2020, the balances of notes and trade receivables from contracts with customers amounted to \$94,725,257, \$77,323,791, and \$72,246,916, respectively.

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

D. As of December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were \$4,158,733 and \$4,257,331, respectively. The maximum exposure to credit risk in respect of the amount that best represents the Group's trade receivables

were \$89,083,799 and \$71,845,003, respectively.

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

(7) Offsetting financial assets and financial liabilities

A. The Group has assets (fair value of \$52,022,442 and \$28,862,320 as of December 31, 2021 and 2020, respectively) from and liabilities (fair value of \$63,802,497 and \$35,649,312 as of December 31, 2021 and 2020, respectively) to certain companies that meet the offsetting criteria in paragraph 42 of IAS 32, recognized as trade receivables and notes and trade payables at net amounts after the offsetting.

B. The recognition information of the Group due to net delivery agreement is expressed as follows:

	Trade receivables, notes and trade payables with offsetting right					
	Gross 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)	Not set off in the balance sheet: collateral (received) /provided
December 31, 2021	\$ 52,022,442	(\$ 63,802,497)	(\$ 50,782,866)	\$ 1,239,576	(\$ 13,019,631)	\$ -
December 31, 2020	28,862,320	( 35,649,312)	( 28,667,684)	194,636	( 6,981,628)	-

(8) Inventories

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 90,528,330	(\$ 7,566,347)	\$ 82,961,983
Work in process	3,442,159	( 188,270)	3,253,889
Finished goods	3,531,945	( 209,210)	3,322,735
Merchandise inventories	82,428,807	( 7,434,425)	74,994,382
Inventories in transit	2,782,540	-	2,782,540
	<u>\$ 182,713,781</u>	<u>(\$ 15,398,252)</u>	<u>\$ 167,315,529</u>

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 53,815,718	(\$ 5,571,672)	\$ 48,244,046
Work in process	2,956,668	( 176,525)	2,780,143
Finished goods	2,967,652	( 243,271)	2,724,381
Merchandise inventories	46,732,154	( 5,039,765)	41,692,389
Inventories in transit	1,868,794	-	1,868,794
	<u>\$ 108,340,986</u>	<u>(\$ 11,031,233)</u>	<u>\$ 97,309,753</u>

Except for cost of goods sold, the Group recognized in expenses and losses of inventories from continued and discontinued operations in the amounts of \$4,626,691 and (\$1,267,794), of which \$4,610,599 and (\$1,609,832) pertain to the decline (recovery) in value of inventories for the years ended December 31, 2021 and 2020, respectively. The realizable value of inventory elevated which was accounted for as reduction of cost of goods sold because some inventories with allowance for valuation loss had been sold during the year ended December 31, 2020.

(9) Investments accounted for under equity method

	December 31, 2021	December 31, 2020
Associates	<u>\$ 19,891,181</u>	<u>\$ 16,467,905</u>

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

	Years Ended	
	December 31, 2021	December 31, 2020
Profit (loss) for the year	\$ 2,255,878	\$ 647,293
Other comprehensive income (loss) for the year (net of income tax)	266,707	1,429,455
Total comprehensive income (loss) for the year	<u>\$ 2,522,585</u>	<u>\$ 2,076,748</u>

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

	December 31, 2021	December 31, 2020
Fair value of associates	<u>\$ 38,802,479</u>	<u>\$ 10,658,393</u>

C. The Group is the single largest shareholder of IBASE, NEXTS, EMC, UPI and LELTEKH with a 31.91%, 43.48%, 17.78%, 33.79% and 22.78% equity interest, respectively. Given that the degree of other shareholders involvement in prior stockholders' meeting and record of voting rights for major proposals, which indicates that the Group has no substantial ability to direct the relevant activities, the Group has no control, but only has significant influence, over the companies.

(10) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Miscellaneous equipment</u>	<u>Construction in progress and equipment under installation</u>	<u>Total</u>
January 1, 2021						
Cost	\$7,421,590	\$11,753,068	\$ 8,645,857	\$ 4,868,516	\$ 465,606	\$ 33,154,637
Accumulated depreciation and impairment	-	( 3,404,419)	( 5,175,267)	( 3,552,060)	-	( 12,131,746)
	<u>\$7,421,590</u>	<u>\$ 8,348,649</u>	<u>\$ 3,470,590</u>	<u>\$ 1,316,456</u>	<u>\$ 465,606</u>	<u>\$ 21,022,891</u>
January 1, 2021	\$7,421,590	\$ 8,348,649	\$ 3,470,590	\$ 1,316,456	\$ 465,606	\$ 21,022,891
Acquisitions	258,706	370,196	608,586	471,124	279,665	1,988,277
Disposals	-	-	( 311,109)	( 20,636)	-	( 331,745)
Depreciation	-	( 336,485)	( 1,685,869)	( 481,282)	-	( 2,503,636)
Impairment	-	-	( 545,010)	( 883)	-	( 545,893)
Reclassifications	-	( 3,084)	56,781	42,542	( 166,052)	( 69,813)
Net exchange differences	( 15,847)	( 80,313)	( 21,136)	( 17,926)	( 4,228)	( 139,450)
December 31, 2021	<u>\$7,664,449</u>	<u>\$ 8,298,963</u>	<u>\$ 1,572,833</u>	<u>\$ 1,309,395</u>	<u>\$ 574,991</u>	<u>\$ 19,420,631</u>
December 31, 2021						
Cost	\$7,664,449	\$12,006,580	\$ 8,072,577	\$ 5,020,723	\$ 574,991	\$ 33,339,320
Accumulated depreciation and impairment	-	( 3,707,617)	( 6,499,744)	( 3,711,328)	-	( 13,918,689)
	<u>\$7,664,449</u>	<u>\$ 8,298,963</u>	<u>\$ 1,572,833</u>	<u>\$ 1,309,395</u>	<u>\$ 574,991</u>	<u>\$ 19,420,631</u>
	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Miscellaneous equipment</u>	<u>Construction in progress and equipment under installation</u>	<u>Total</u>
January 1, 2020						
Cost	\$7,448,252	\$11,289,495	\$ 8,420,605	\$ 4,405,767	\$ 1,627,648	\$ 33,191,767
Accumulated depreciation and impairment	-	( 3,165,912)	( 4,386,384)	( 3,285,028)	-	( 10,837,324)
	<u>\$7,448,252</u>	<u>\$ 8,123,583</u>	<u>\$ 4,034,221</u>	<u>\$ 1,120,739</u>	<u>\$ 1,627,648</u>	<u>\$ 22,354,443</u>
January 1, 2020	\$7,448,252	\$ 8,123,583	\$ 4,034,221	\$ 1,120,739	\$ 1,627,648	\$ 22,354,443
Acquisitions	-	548,126	943,192	676,178	604,732	2,772,228
Disposals	-	-	( 5,049)	( 21,591)	-	( 26,640)
Depreciation	-	( 320,728)	( 1,498,337)	( 469,305)	-	( 2,288,370)
Impairment	-	-	( 7,389)	( 7,132)	-	( 14,521)
Reclassifications	-	33,181	( 31,430)	18,854	( 1,764,541)	( 1,743,936)
Effects due to changes in consolidated entities	-	-	-	66	-	66
Net exchange differences	( 26,662)	( 35,513)	35,382	( 1,353)	( 2,233)	( 30,379)
December 31, 2020	<u>\$7,421,590</u>	<u>\$ 8,348,649</u>	<u>\$ 3,470,590</u>	<u>\$ 1,316,456</u>	<u>\$ 465,606</u>	<u>\$ 21,022,891</u>
December 31, 2020						
Cost	\$7,421,590	\$11,753,068	\$ 8,645,857	\$ 4,868,516	\$ 465,606	\$ 33,154,637
Accumulated depreciation and impairment	-	( 3,404,419)	( 5,175,267)	( 3,552,060)	-	( 12,131,746)
	<u>\$7,421,590</u>	<u>\$ 8,348,649</u>	<u>\$ 3,470,590</u>	<u>\$ 1,316,456</u>	<u>\$ 465,606</u>	<u>\$ 21,022,891</u>

- A. After evaluating and comparing the carrying amount of property, plant and equipment and its recoverable amounts, the Group recognized impairment loss amounting to \$545,893 and \$14,521 for the years ended December 31, 2021 and 2020, respectively.
- B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(11) Leasing arrangements - lessee

- A. The Group leases various assets including buildings, transportation equipment, miscellaneous equipment, land use right, and so on. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Right-of-use-assets

	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Miscellaneous equipment</u>	<u>Land use right</u>	<u>Total</u>
January 1, 2021	\$ 917,667	\$ -	\$ 28,664	\$ 4,152	\$ 289,967	\$ 1,240,450
Acquisitions	629,553	454,333	6,479	1,073	9,206	1,100,644
Disposals	( 28,537)	-	-	( 1,353)	-	( 29,890)
Depreciation	( 474,066)	( 68,150)	( 15,716)	( 881)	( 10,637)	( 569,450)
Reclassifications	8,882	-	-	-	3,963	12,845
Net exchange differences	( 28,922)	-	( 1,463)	( 131)	( 2,279)	( 32,795)
December 31, 2021	<u>\$ 1,024,577</u>	<u>\$ 386,183</u>	<u>\$ 17,964</u>	<u>\$ 2,860</u>	<u>\$ 290,220</u>	<u>\$ 1,721,804</u>

	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Land use right</u>	<u>Total</u>
January 1, 2020	\$ 1,108,811	\$ 27,908	\$ 1,626	\$ 3,462	\$ 1,875,047	\$ 3,016,854
Acquisitions	337,261	16,598	2,380	-	-	356,239
Disposals	( 13,486)	( 1,207)	-	-	-	( 14,693)
Depreciation	( 509,083)	( 15,347)	( 730)	( 2,618)	( 52,195)	( 579,973)
Reclassifications	-	-	-	-	( 1,529,001)	( 1,529,001)
Net exchange differences	( 5,836)	712	32	-	( 3,884)	( 8,976)
December 31, 2020	<u>\$ 917,667</u>	<u>\$ 28,664</u>	<u>\$ 3,308</u>	<u>\$ 844</u>	<u>\$ 289,967</u>	<u>\$ 1,240,450</u>

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

	Years Ended	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 35,395	\$ 34,215
Expense on short-term lease contracts	212,790	191,142
Expense on leases of low-value assets	3,972	2,982
(Gain) loss on lease modification	( 318)	( 5,003)

D. For the years ended December 31, 2021 and 2020, the Group's total cash outflow for leases was \$812,395 and \$745,549, respectively.

(12) Intangible assets

	<u>Trademark</u>	<u>Computer software</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
January 1, 2021					
Cost	\$ 355,103	\$ 2,264,655	\$ 1,163,497	\$ 933,400	\$ 4,716,655
Accumulated amortization and impairment	-	( 1,895,880)	-	( 638,329)	( 2,534,209)
	<u>\$ 355,103</u>	<u>\$ 368,775</u>	<u>\$ 1,163,497</u>	<u>\$ 295,071</u>	<u>\$ 2,182,446</u>
January 1, 2021	\$ 355,103	\$ 368,775	\$ 1,163,497	\$ 295,071	\$ 2,182,446
Acquisitions	-	305,046	-	20,856	325,902
Disposals	-	( 143)	-	-	( 143)
Amortization and impairment	-	( 237,176)	( 31,599)	( 58,429)	( 327,204)
Reclassifications	-	11,267	-	-	11,267
Net exchange differences	-	( 696)	-	( 1,810)	( 2,506)
December 31, 2021	<u>\$ 355,103</u>	<u>\$ 447,073</u>	<u>\$ 1,131,898</u>	<u>\$ 255,688</u>	<u>\$ 2,189,762</u>
December 31, 2021					
Cost	\$ 355,103	\$ 2,500,695	\$ 1,163,497	\$ 941,480	\$ 4,960,775
Accumulated amortization and impairment	-	( 2,053,622)	( 31,599)	( 685,792)	( 2,771,013)
	<u>\$ 355,103</u>	<u>\$ 447,073</u>	<u>\$ 1,131,898</u>	<u>\$ 255,688</u>	<u>\$ 2,189,762</u>

	<u>Trademark</u>	<u>Computer software</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
January 1, 2020					
Cost	\$ 355,103	\$ 1,902,491	\$ 1,163,497	\$ 975,702	\$ 4,396,793
Accumulated amortization and impairment	-	( 1,605,034)	-	( 609,904)	( 2,214,938)
	<u>\$ 355,103</u>	<u>\$ 297,457</u>	<u>\$ 1,163,497</u>	<u>\$ 365,798</u>	<u>\$ 2,181,855</u>
January 1, 2020	\$ 355,103	\$ 297,457	\$ 1,163,497	\$ 365,798	\$ 2,181,855
Acquisitions	-	400,156	-	18,249	418,405
Amortization and impairment	-	( 303,356)	-	( 75,820)	( 379,176)
Reclassifications	-	( 25,038)	-	( 16,688)	( 41,726)
Effect due to changes in consolidated entities	-	-	-	10	10
Net exchange differences	-	( 444)	-	3,522	3,078
December 31, 2020	<u>\$ 355,103</u>	<u>\$ 368,775</u>	<u>\$ 1,163,497</u>	<u>\$ 295,071</u>	<u>\$ 2,182,446</u>
December 31, 2020					
Cost	\$ 355,103	\$ 2,264,655	\$ 1,163,497	\$ 933,400	\$ 4,716,655
Accumulated amortization and impairment	-	( 1,895,880)	-	( 638,329)	( 2,534,209)
	<u>\$ 355,103</u>	<u>\$ 368,775</u>	<u>\$ 1,163,497</u>	<u>\$ 295,071</u>	<u>\$ 2,182,446</u>

- A. The impairment assessment of goodwill relies on the managements' subjective judgement, including identifying cash-generating units and determining the recoverable amounts of related cash-generating units. The recoverable amount is based on the value-in-use, the industry standard and the fair value (the fair value is reference to stock price in active market) of cash generating units less disposal costs.
- B. The value-in-use calculations use cash flow projections based on financial budgets approved by the management covering a five-year period, and industry standard calculations are determined by reference to the business market value in consideration of the similar industries with the similar products, capital and operating revenues, etc. Management determined budgeted gross margin and growth rate based on past performance and the expectations of market development. The market valuation used is consistent with the similar industries. The discount rates used reflect specific risks relating to the relevant operating segments and the time value of currency in real market.
- C. The Group has no intangible assets pledged to others.

### (13) Discontinued operations

- A. The Group is determined to reshape its smartphone business strategy and adjust product positioning to focus on perfecting solutions for gamers and expert users under the resolution by the Board of Directors on December 13, 2018. The transformation plan has been in progress and the Group recognized valuation effects of assets and liabilities accordingly.

B. The cash flow information of the discontinued operations is as follows:

	Years Ended	
	December 31, 2021	December 31, 2020
Operating cash flows	\$ -	\$ 1,590,575
Investing cash flows	-	-
Financing cash flows (Note)	-	( 1,590,575)
Total cash flows	<u>\$ -</u>	<u>\$ -</u>

Note: The continuing operations obtained cash from the discontinued operations.

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

	Years Ended	
	December 31, 2021	December 31, 2020
Operating revenue	\$ -	\$ 4,412,608
Operating (costs)	-	( 1,826,943)
Operating (expenses)	-	253,027
Non-operating income	-	143,532
Profit before income tax from discontinued operations	-	2,982,224
Income tax (expenses)	-	( 398,203)
Total profit from discontinued operations	<u>\$ -</u>	<u>\$ 2,584,021</u>

(14) Short-term borrowings

Type of borrowings	December 31, 2021	Interest rate range	Collateral
<u>Bank borrowings</u>			
Guaranteed borrowings	\$ 17,000	1.55%	Bank deposits
Credit borrowings	9,379,555	0.90%~3.25%	-
	<u>\$ 9,396,555</u>		
<u>December 31, 2020</u>			
<u>Bank borrowings</u>			
Guaranteed borrowings	\$ 38,875	3.80%~5.00%	Property, plant and equipment
Credit borrowings	5,836,900	0.87%~1.33%	-
	<u>\$ 5,875,775</u>		

(15) Long-term borrowings

<u>Type of borrowing</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2021</u>
Long-term bank borrowings				
Guaranteed borrowings	Borrowing period is from May 28, 2021 to May 28, 2036; interest is repayable monthly	1.00%	Land and buildings	\$ 165,787
Less: Current portion				( 10,744)
				<u>\$ 155,043</u>

The Group has no long-term borrowings as of December 31, 2020.

(16) Pensions

A. Defined benefit pension plans

(A) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contribution for the deficit by next March.

(B) The amounts recognized in the balance sheets are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligations	(\$ 404,748)	(\$ 437,459)
Fair value of plan assets	<u>208,599</u>	<u>214,070</u>
Net defined benefit liability	<u>(\$ 196,149)</u>	<u>(\$ 223,389)</u>

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
January 1, 2021	(\$ 437,459)	\$ 214,070	(\$ 223,389)
Current service cost	( 10,401)	-	( 10,401)
Interest (expense) income	( 4,272)	1,085	( 3,187)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	2,697	2,697
Change in demographic assumptions	( 7,709)	-	( 7,709)
Change in financial assumptions	252	-	252
Experience adjustments	22,632	-	22,632
Pension fund contribution	-	7,354	7,354
Pension payment	22,860	( 16,607)	6,253
Exchange difference and others	9,349	-	9,349
December 31, 2021	<u>(\$ 404,748)</u>	<u>\$ 208,599</u>	<u>(\$ 196,149)</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
January 1, 2020	(\$ 389,680)	\$ 202,683	(\$ 186,997)
Current service cost	( 17,893)	-	( 17,893)
Interest (expense) income	( 4,699)	1,545	( 3,154)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	6,673	6,673
Change in demographic assumptions	266	-	266
Change in financial assumptions	( 12,720)	-	( 12,720)
Experience adjustments	( 19,775)	-	( 19,775)
Pension fund contribution	-	6,837	6,837
Pension payment	11,902	( 3,668)	8,234
Exchange difference and others	( 4,860)	-	( 4,860)
December 31, 2020	<u>(\$ 437,459)</u>	<u>\$ 214,070</u>	<u>(\$ 223,389)</u>

(D) The Bank of Taiwan was commissioned to manage the Fund of the Company's and its domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard

and Utilization of the Labor Retirement Fund” (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

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

	<u>Years Ended</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Discount rate	<u>0.70%~7.15%</u>	<u>0.40%~7.51%</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:

	<u>Discount rate</u>		<u>Future salary increases rate</u>	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
	<u>0.25%~1%</u>	<u>0.25%~1%</u>	<u>0.25%~1%</u>	<u>0.25%~1%</u>
December 31, 2021				
Effect on present value of defined benefit obligation	(\$ 24,916)	\$ 23,875	\$ 20,300	(\$ 20,831)
December 31, 2020				
Effect on present value of defined benefit obligation	(\$ 26,285)	\$ 28,930	\$ 24,199	(\$ 22,363)

The sensitivity analysis above was determined based on the change of one assumption while the other conditions remain unchanged. In practice, the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheets

are the same.

(F) Expected contribution to the defined benefit pension plans of the Group for the year ending December 31, 2022 is \$8,734.

(G) As of December 31, 2021, the weighted average duration of that retirement plan is 12~29.5 years.

B. Defined contribution pension plans

(A) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (New Plan) under the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(B) The Company's mainland subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China are based on a certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(C) The pension costs under the defined contribution pension plans of the Group were \$1,130,297 and \$911,333 for the years ended December 31, 2021 and 2020, respectively.

(17) Provisions for liabilities

	<u>Provisions for warranty</u>	<u>Provisions for legal claims and royalty</u>	<u>Total</u>
January 1, 2021	\$ 16,267,948	\$ 6,365,271	\$ 22,633,219
Recognition (reversal)	11,510,582	( 62,294)	11,448,288
Used	( 6,422,800)	( 4,053)	( 6,426,853)
Net exchange differences	( 365,167)	( 182,623)	( 547,790)
December 31, 2021	<u>\$ 20,990,563</u>	<u>\$ 6,116,301</u>	<u>\$ 27,106,864</u>

	<u>Provisions for warranty</u>	<u>Provisions for legal claims and royalty</u>	<u>Total</u>
January 1, 2020	\$ 14,902,060	\$ 6,850,932	\$ 21,752,992
Recognition (reversal)	8,459,508	( 73,185)	8,386,323
Used	( 6,493,990)	( 44,574)	( 6,538,564)
Net exchange differences	( 599,630)	( 367,902)	( 967,532)
December 31, 2020	<u>\$ 16,267,948</u>	<u>\$ 6,365,271</u>	<u>\$ 22,633,219</u>

Analysis of total provisions:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current	\$ 27,106,864	\$ 22,633,219

A. Provisions for warranty

The Group provides warranties on 3C products sold. Provision for warranty is estimated based on these products' historical warranty data. A provision is recognized as current when it is expected to be used in one year.

B. Provisions for legal claims and royalty

The Group recognizes provision for legal claims or royalty fees made by the patentees against the Group. After taking appropriate legal advice, the management evaluates the probable claimable fees accrued as provision for liabilities. The provision charge is recognized in profit or loss within operating costs and expenses.

(18) Refund liabilities

	<u>2021</u>	<u>2020</u>
January 1	\$ 24,436,364	\$ 20,829,445
Recognition (reversal)	46,500,896	41,084,968
Used	( 38,083,635)	( 36,377,687)
Net exchange differences	( 710,667)	( 1,100,362)
December 31	<u>\$ 32,142,958</u>	<u>\$ 24,436,364</u>

The Group recognizes refund liabilities on 3C products sold. Refund liabilities are estimated based on these products' historical data and other known factors. A provision is recognized as current when it is expected to be used in one year.

(19) Common shares

A. As of December 31, 2021, the Company's authorized capital was \$47,500,000, consisting of 4,750,000,000 shares of common stock (including 50,000,000 shares which were reserved for employee stock options), and the paid-in capital was \$7,427,603, with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

The number of the Company's ordinary shares outstanding at the beginning and ending for the years ended December 31, 2021 and 2020 are both 742,760,280 shares.

B. As of December 31, 2021, the Company issued Global Depositary Receipts (GDRs), of which 3,937,000 units of the GDRs are now listed on the Luxembourg Stock Exchange. Per unit of GDR represents 5 shares of the Company's common stock and total GDRs represent 19,685,000 shares of the Company's common stock. The terms of GDR are as follows:

(A) Voting rights

GDR holders may, pursuant to the Depositary Agreement and the relevant laws and

regulations of the R.O.C., exercise the voting rights pertaining to the underlying common shares represented by the GDRs.

(B) Dividends, stock warrants and other rights

GDR holders and common shareholders are all entitled to receive dividends. The Depositary may issue new GDRs in proportion to GDRs holding ratios or raise the number of shares of common stock represented by each unit of GDR or sell stock dividends on behalf of GDR holders and distribute proceeds to them in proportion to their GDRs holding ratios.

(20) Capital surplus

Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Share premium	\$ 4,227,966	\$ 4,227,966
Difference between consideration and carrying amount of subsidiaries acquired or disposed	885,390	885,390
Recognition of changes in ownership interest in subsidiaries	3,968,819	3,968,392
Changes in associates and joint ventures accounted for under equity method	757,736	702,355
	<u>\$ 9,839,911</u>	<u>\$ 9,784,103</u>

(21) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's profit after income tax, shall first be offset against prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. When such legal reserve amounts to the total authorized capital, the Company shall not be subject to this requirement. The Company may then appropriate or reverse a certain amount as special reserve according to the demand for the business or relevant regulations. After the distribution of earnings, the remaining earnings and prior years' undistributed earnings may be appropriated according to a resolution of the Board of Directors adopted in the shareholders' meeting.
- B. The dividend policies of the Company are as follows: Considering the rapid changing industrial environment the Company faces, long-term financial plan and the satisfaction of the demand for cash by the shareholders, the Company should distribute cash dividends of not less than 10% of the total dividends declared each year.

- C. Except for covering accumulated deficit, increasing capital or payment of cash in proportion to ownership percentage, the legal reserve shall not be used for any other purpose. The amount capitalized or the cash payment shall be limited to the portion of legal reserve which exceeds 25% of the paid-in capital.
- D. (A) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the end of the financial reporting period before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (B) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.
- E. As resolved by the shareholders on June 9, 2020, the shareholders resolved to distribute cash dividends amounting to \$10,398,644 (\$14 (in dollars) per share) for the appropriation of 2019 earnings. On July 30, 2021, the shareholders resolved to distribute cash dividends amounting to \$19,311,767 (\$26 (in dollars) per share) for the appropriation of 2020 earnings.
- F. The appropriation of 2021 earnings had been proposed by the Board of Directors on March 16, 2022. Details are summarized as follows:

	<u>Year Ended December 31, 2021</u>	
	<u>Amount</u>	<u>Dividends per share (in dollars)</u>
Cash dividends	\$ 31,195,932	\$ 42.00

As of March 16, 2022, the appropriations of 2021 earnings stated above has not been resolved by the shareholders.

(22) Other equity

	Gain (loss) on hedging instruments	Unrealized gain (loss) on valuation of financial assets at fair value through other comprehensive income	Financial statements translation differences of foreign operations	Remeasurement of defined benefit plans	Total
January 1, 2021	(\$ 809,406)	\$ 44,600,953	(\$ 6,447,186)	(\$ 136,031)	\$ 37,208,330
-The Company	-	3,640,857	( 1,984,644)	-	1,656,213
-Subsidiaries	1,246,189	167,955	( 339,844)	13,556	1,087,856
-Associates	-	180,210	( 123,186)	1	57,025
December 31, 2021	<u>\$ 436,783</u>	<u>\$ 48,589,975</u>	<u>(\$ 8,894,860)</u>	<u>(\$ 122,474)</u>	<u>\$ 40,009,424</u>

	Gain (loss) on hedging instruments	Unrealized gain on valuation of financial assets at fair value through other comprehensive income	Financial statements translation differences of foreign operations	Remeasurement of defined benefit plans	Total
January 1, 2020	(\$ 305,856)	\$ 35,155,750	(\$ 2,800,984)	(\$ 116,867)	\$ 31,932,043
-The Company	-	8,416,416	( 3,183,157)	-	5,233,259
-Subsidiaries	( 503,550)	214,750	( 306,366)	( 19,164)	( 614,330)
-Associates	-	814,037	( 156,679)	-	657,358
December 31, 2020	(\$ 809,406)	\$ 44,600,953	(\$ 6,447,186)	(\$ 136,031)	\$ 37,208,330

(23) Operating revenue

	Years Ended	
	December 31, 2021	December 31, 2020
Revenue from contracts with customers	\$ 535,238,735	\$ 417,193,047
Exclude (revenue) from contracts with customers from discontinued operations	-	( 4,412,608)
	<u>\$ 535,238,735</u>	<u>\$ 412,780,439</u>

A. Disaggregation of revenue from contracts with customers

The Group's revenue is derived from the transfer of goods and services over time and at a point in time in the following major product lines:

<u>Year Ended December 31, 2021</u>	<u>3C products</u>	<u>Others</u>	<u>Total</u>
Revenue from contracts with customers	<u>\$528,262,262</u>	<u>\$6,976,473</u>	<u>\$535,238,735</u>
Timing of revenue recognition			
Revenue recognized at a point in time	\$528,066,397	\$6,727,726	\$534,794,123
Revenue recognized over time	<u>195,865</u>	<u>248,747</u>	<u>444,612</u>
	<u>\$528,262,262</u>	<u>\$6,976,473</u>	<u>\$535,238,735</u>
 <u>Year Ended December 31, 2020</u>	 <u>3C products</u>	 <u>Others</u>	 <u>Total</u>
Revenue from contracts with customers	<u>\$408,590,828</u>	<u>\$4,189,611</u>	<u>\$412,780,439</u>
Timing of revenue recognition			
Revenue recognized at a point in time	\$408,457,673	\$4,099,594	\$412,557,267
Revenue recognized over time	<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>

Revenue from contracts with customers from discontinued operations for the years ended December 31, 2021 and 2020 amounted to \$0 and \$4,412,608, respectively, and are recognized at a point in time.

B. Contract liabilities

(A) The amounts of recognized contract liabilities related to the contract revenue from sales and warranty of the Group are \$3,506,973, \$1,125,325 and \$968,662 as of December 31, 2021, December 31, 2020 and January 1, 2020, respectively.

(B) The revenue recognized from the beginning balance of contract liabilities amounted to \$625,909 and \$516,293 for the years ended December 31, 2021 and 2020, respectively.

(24) Other income

	Years Ended	
	December 31, 2021	December 31, 2020
Rent income	\$ 152,884	\$ 143,740
Dividend income	2,880,703	2,879,397
	<u>\$ 3,033,587</u>	<u>\$ 3,023,137</u>

(25) Other gains (losses)

	Years Ended	
	December 31, 2021	December 31, 2020
Net currency exchange (losses) gains	\$ 2,751,675	\$ 5,259,113
Net gains (losses) on derivative financial instruments	1,244,761	( 2,245,320)
Net gains (losses) on non-derivative financial instruments	( 17,767)	( 1,380)
Impairment loss	( 627,788)	( 83,569)
Gains (losses) on disposal of investments	29,210	( 2,638)
Other net (losses) gains	736,610	1,236,427
	4,116,701	4,162,633
Exclude other (gains) losses from discontinued operations	-	( 143,531)
	<u>\$ 4,116,701</u>	<u>\$ 4,019,102</u>

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

	Years Ended					
	December 31, 2021			December 31, 2020		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses	\$3,921,487	\$28,842,158	\$32,763,645	\$3,531,148	\$23,961,469	\$27,492,617
Depreciation	1,833,931	1,239,155	3,073,086	1,661,383	1,206,960	2,868,343
Amortization	13,159	415,439	428,598	14,725	503,067	517,792

(27) Employee benefit expenses (including discontinued operations)

	Years Ended	
	December 31, 2021	December 31, 2020
Wages and salaries	\$ 29,086,542	\$ 24,333,301
Labor and health insurance	1,744,359	1,539,698
Pension (Note)	1,143,885	932,380
Other personnel expenses	788,859	687,238
	<u>\$ 32,763,645</u>	<u>\$ 27,492,617</u>

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

A. According to the Articles of Incorporation of the Company, the current year's profit shall be used first to cover accumulated deficit, if any, and then the remaining balance shall be distributed as follows: no less than 1% as employees' compensation, and no more than 1% as directors' remuneration.

B. For the years ended December 31, 2021 and 2020, employees' compensation was accrued at \$3,204,069 and \$1,865,638, respectively; directors' remuneration was accrued at \$168,635 and \$98,191, respectively. The aforementioned amounts were recognized in salary expense.

The employees' compensation and directors' remuneration were estimated and accrued based on no less than 1% and no more than 1% of profit of current year distributable for the year ended December 31, 2021.

The employees' compensation and directors' remuneration amounting to \$1,865,638 and \$98,191, respectively, for 2020 as resolved by the Board of Directors were in agreement with the amounts recognized in the 2020 financial statements. The employees' compensation and directors' remuneration were distributed in cash. Related information shall be inquired at the Market Observation Post System website.

(28) Income tax

A. Income tax expenses

(A) Components of income tax expense:

	Years Ended	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current income tax:		
Current income tax on profits for the year	\$ 13,346,056	\$ 5,392,070
Additional tax on unappropriated earnings	253,228	3,155
Difference between prior year's income tax estimation and assessed results	582,427	1,238,760
Total current income tax	<u>14,181,711</u>	<u>6,633,985</u>
Deferred income tax:		
Origination and reversal of temporary differences	( 1,698,383)	1,081,399
Total deferred income tax	<u>( 1,698,383)</u>	<u>1,081,399</u>
Income tax expenses (including discontinued operations)	12,483,328	7,715,384
Exclude income tax (expenses) from discontinued operations	-	( 398,203)
Income tax expense from continuing operations	<u>\$ 12,483,328</u>	<u>\$ 7,317,181</u>

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

	Years Ended	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Changes in fair value of financial assets at fair value through other comprehensive income	\$ 8,069	\$ 27,155
Currency translation differences	( 578,866)	( 877,776)
Remeasurements of defined benefit plans	<u>3,917</u>	<u>( 5,984)</u>
	<u>(\$ 566,880)</u>	<u>(\$ 856,605)</u>

B. Reconciliation between income tax expenses and accounting profit:

	Years Ended	
	December 31, 2021	December 31, 2020
Income tax calculated based on profit before tax and statutory tax rate	\$ 13,878,775	\$ 8,318,987
Tax exempt income by tax regulation	( 576,386)	( 647,791)
Effect of tax exemption on investment income	( 1,083,816)	( 479,829)
Effect of investment tax credit	( 54,753)	( 34,983)
Temporary differences not recognized as deferred tax assets	33,980	203,710
Effect of net operating loss carryforward	( 3,020)	( 6,040)
Difference between prior year's income tax estimation and assessed results	582,427	1,238,760
Additional income tax on unappropriated earnings	253,228	3,155
Change in assessment of realization of deferred tax assets	56,922	( 554,306)
Effect of tax rate changes on unrealized profit from sales	( 170,372)	( 87,369)
Effect of exchange rate changes	( 768,402)	( 571,708)
Taxable loss not recognized as deferred tax assets	436,666	295,393
Expenses (income) adjusted by tax regulation	( 53,447)	( 6,611)
Others	( 48,474)	44,016
Income tax expenses (including discontinued operations)	12,483,328	7,715,384
Exclude income tax (expenses) from discontinued operations	-	( 398,203)
Income tax expenses from continuing operations	<u>\$ 12,483,328</u>	<u>\$ 7,317,181</u>

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

	2021				December 31
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Effect of exchange rate changes	
Temporary differences:					
- Deferred income tax assets:					
Decline in value of inventories	\$ 1,788,503	\$ 990,466	\$ -	(\$ 22,031)	\$ 2,756,938
Unrealized profit from sales	1,018,953	1,299,689	-	( 2,934)	2,315,708
Unrealized purchase discounts	159,538	( 158,664)	-	( 874)	-
Unrealized sales discounts	2,524,328	1,340,281	-	( 69,895)	3,794,714
Unrealized provisions for warranty	1,718,206	796,311	-	( 38,405)	2,476,112
Other unrealized expenses	1,248,404	600,876	-	( 26,304)	1,822,976
Loss carryforwards	307,563	( 246,280)	-	( 1,563)	59,720
Currency translation differences of foreign operation	1,578,126	-	578,866	-	2,156,992
Others	924,910	( 37,038)	( 3,917)	( 23,214)	860,741
Subtotal	<u>11,268,531</u>	<u>4,585,641</u>	<u>574,949</u>	<u>( 185,220)</u>	<u>16,243,901</u>
- Deferred income tax liabilities:					
Investment income from foreign investees	( 14,112,947)	( 2,759,969)	-	-	( 16,872,916)
Currency translation differences of foreign operation	( 199)	-	-	-	( 199)
Unrealized gain on valuation of equity investments	( 49,561)	-	( 8,069)	-	( 57,630)
Others	( 294,062)	( 127,289)	-	3,995	( 417,356)
Subtotal	<u>( 14,456,769)</u>	<u>( 2,887,258)</u>	<u>( 8,069)</u>	<u>3,995</u>	<u>( 17,348,101)</u>
Total	<u>(\$ 3,188,238)</u>	<u>\$ 1,698,383</u>	<u>\$ 566,880</u>	<u>(\$181,225)</u>	<u>(\$ 1,104,200)</u>

	2020				
	<u>January 1</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>Effect of exchange rate changes</u>	<u>December 31</u>
Temporary differences:					
- Deferred income tax assets:					
Decline in value of inventories	\$ 2,115,019	(\$ 289,440)	\$ -	(\$ 37,076)	\$ 1,788,503
Unrealized profit from sales	1,215,709	( 201,030)	-	4,274	1,018,953
Unrealized purchase discounts	237,050	( 72,095)	-	( 5,417)	159,538
Unrealized sales discounts	1,919,951	687,949	-	( 83,572)	2,524,328
Unrealized provisions for warranty	1,329,485	428,354	-	( 39,633)	1,718,206
Other unrealized expenses	1,346,189	( 66,903)	-	( 30,882)	1,248,404
Loss carryforwards	443,610	( 121,976)	-	( 14,071)	307,563
Currency translation differences of foreign operation	700,350	-	877,776	-	1,578,126
Others	<u>866,717</u>	<u>109,256</u>	<u>5,984</u>	<u>( 57,047)</u>	<u>924,910</u>
Subtotal	<u>10,174,080</u>	<u>474,115</u>	<u>883,760</u>	<u>( 263,424)</u>	<u>11,268,531</u>
- Deferred income tax liabilities:					
Investment income from foreign investees	( 12,664,178)	( 1,448,769)	-	-	( 14,112,947)
Currency translation differences of foreign operation	( 199)	-	-	-	( 199)
Unrealized gain on valuation of equity investments	( 22,406)	-	( 27,155)	-	( 49,561)
Others	<u>( 189,261)</u>	<u>( 106,745)</u>	<u>-</u>	<u>1,944</u>	<u>( 294,062)</u>
Subtotal	<u>( 12,876,044)</u>	<u>( 1,555,514)</u>	<u>( 27,155)</u>	<u>1,944</u>	<u>( 14,456,769)</u>
Total	<u>(\$ 2,701,964)</u>	<u>(\$ 1,081,399)</u>	<u>\$ 856,605</u>	<u>(\$261,480)</u>	<u>(\$ 3,188,238)</u>

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

December 31, 2021					
Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred income tax assets	Year of expiration	
2012	\$ 30,283	\$ 30,283	\$ 30,283	2022	
2013	71,673	71,673	71,673	2023	
2014	80,900	80,900	80,900	2024	
2015	90,161	90,161	90,161	2025	
2016	136,341	85,176	85,097	2021-2026	
2017	1,716,449	1,176,475	682,360	2022-2027	
2018	1,886,962	1,884,229	1,567,268	2023-2028	
2019	1,168,897	1,115,498	189,927	2024-2029	
2020	1,336,309	1,281,161	987,305	2025-2030	
2021	2,160,410	2,160,410	2,031,205	2031	

December 31, 2020					
Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred income tax assets	Year of expiration	
2011	\$ 93,103	\$ 72,605	\$ 72,605	2021	
2012	31,309	31,309	31,309	2022	
2013	71,673	71,673	71,673	2023	
2014	80,900	80,900	80,900	2024	
2015	501,393	142,665	142,665	2025	
2016	136,746	127,026	126,373	2021-2026	
2017	1,710,923	1,170,949	682,360	2027	
2018	1,970,033	1,970,033	1,656,529	2023-2028	
2019	1,234,353	1,234,353	673,918	2022-2029	
2020	1,073,138	1,073,138	924,736	2025-2030	

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

	December 31, 2021	December 31, 2020
Deductible temporary differences	<u>\$ 611,290</u>	<u>\$ 195,492</u>

F. As of December 31, 2021 and 2020, all taxable temporary differences associated with investments in subsidiaries that were not recognized as deferred income tax liabilities are insignificant.

G. The Tax Authority has examined the Company's income tax returns through 2019. In addition, the Company has filed administrative remedies for the Company's 2018 income tax assessment.

(29) Earnings per share

	Years Ended	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Profit:		
Profit from continuing operations attributable to shareholders of the parent	\$ 44,549,798	\$ 23,973,651
Profit from discontinued operations attributable to shareholders of the parent	-	2,584,021
Profit attributable to shareholders of the parent	<u>\$ 44,549,798</u>	<u>\$ 26,557,672</u>
Number of shares (shares in thousands):		
Weighted average number of shares outstanding - basic	<u>742,760</u>	<u>742,760</u>
Basic earnings per share (in dollars):		
Profit from continuing operations attributable to shareholders of the parent	\$ 59.98	\$ 32.28
Profit from discontinued operations attributable to shareholders of the parent	-	3.48
Profit attributable to shareholders of the parent	<u>\$ 59.98</u>	<u>\$ 35.76</u>
	Years Ended	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Profit:		
Profit from continuing operations attributable to shareholders of the parent	\$ 44,549,798	\$ 23,973,651
Profit from discontinued operations attributable to shareholders of the parent	-	2,584,021
Profit attributable to shareholders of the parent	<u>\$ 44,549,798</u>	<u>\$ 26,557,672</u>
Number of shares (shares in thousands):		
Weighted average number of shares outstanding - basic	<u>742,760</u>	<u>742,760</u>
The effect of dilutive potential common shares - employees' compensation	<u>9,696</u>	<u>8,469</u>
Weighted average number of shares outstanding - diluted	<u>752,456</u>	<u>751,229</u>
Diluted earnings per share (in dollars):		
Profit from continuing operations attributable to shareholders of the parent	\$ 59.21	\$ 31.91
Profit from discontinued operations attributable to shareholders of the parent	-	3.44
Profit attributable to shareholders of the parent	<u>\$ 59.21</u>	<u>\$ 35.35</u>

(30) Transactions with non-controlling interest

In April 2020, ASMEDIA exchanged shares with WT, and increased capital by issuing new shares for the consideration of acquiring 22.39% equity of WT of \$6,624,000. Since the Group did not acquire new shares, the Group's ownership of the subsidiary decreased by 6.90%. The effect of the change in ownership interest in subsidiaries to capital surplus - recognition of ownership interest in subsidiaries is as follows:

	Year Ended December 31, 2020
The consideration for subsidiary's increased capital by issuing new shares	\$ 6,624,000
Less: Increase in carrying amount of non-controlling interest	( 3,787,640)
Capital surplus - recognition of changes in ownership interest in subsidiaries	<u>\$ 2,836,360</u>

(31) Changes in liabilities arising from financing activities

	January 1, 2021	Cash flow	Non-cash changes		December 31, 2021
			Foreign exchange changes	Others (Note)	
Short-term borrowings	\$ 5,875,775	\$ 3,565,288	(\$ 44,508)	\$ -	\$ 9,396,555
Long-term borrowings	-	165,787	-	-	165,787
Lease liabilities	946,153	( 560,238)	( 31,439)	1,097,766	1,452,242
	<u>\$ 6,821,928</u>	<u>\$ 3,170,837</u>	<u>(\$ 75,947)</u>	<u>\$ 1,097,766</u>	<u>\$ 11,014,584</u>

	January 1, 2020	Cash flow	Non-cash changes		December 31, 2020
			Foreign exchange changes	Others (Note)	
Short-term borrowings	\$ 5,600,728	\$ 285,489	(\$ 10,442)	\$ -	\$ 5,875,775
Lease liabilities	1,129,428	( 517,210)	( 4,686)	338,621	946,153
	<u>\$ 6,730,156</u>	<u>(\$ 231,721)</u>	<u>(\$ 15,128)</u>	<u>\$ 338,621</u>	<u>\$ 6,821,928</u>

Note: Others are leases modifications.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company's shares are widely held, so there is no ultimate parent or controlling party.

(2) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
ASUSTOR INC. (ASUSTOR)	Associate
EXCELLIANCE MOS CORP. (EMC)	Associate
IBASE TECHNOLOGY INC. (IBASE)	Associate
LITEMAX ELECTRONICS INC. (LITEMAX)	Associate

Names of related parties	Relationship with the Group
MAXTEK TECHNOLOGY CO., LTD. (MAXTEK)	Associate
TECHMOSA INTERNATIONAL INC. (TECHMOSA)	Associate
MORRIHAN INTERNATIONAL CORP. (MORRIHAN)	Associate
NUVISION TECHNOLOGY, INC. (NUVISION)	Associate
HONGTECH ELECTRONICS CO., LTD. (HONGTECH)	Associate
WT MICROELECTRONICS CO., LTD. (WT)	Associate
I-WAYLINK INC. (IWAYLINK)	Associate
WINMATE INC. (WINMATE)	Associate
PORTWELL INC. (PORTWELL)	Associate
IBASE GAMING INC. (IBASEGI)	Associate
DEEP01 LIMITED (DEEP)	Associate
GAIUS AUTOMOTIVE INC. (GAIUSAI)	Associate
LELTEK INC. (LELTEK)	Associate
AMERICAN PORTWELL TECHNOLOGY INC. (APT)	Associate
EUROPEAN PORTWELL TECHNOLOGY B.V. (EPT)	Associate
Others	Other related party

(3) Significant transactions and balances with related parties

A. Sales of goods

	Years Ended	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Sales of goods		
-Associates	\$ 959,385	\$ 410,719
-Others	<u>29,576</u>	<u>12,992</u>
	<u>\$ 988,961</u>	<u>\$ 423,711</u>

The collection periods of the Group to related parties are open account 30 to 90 days and month-end 60 days or negotiated by both parties.

B. Purchases of goods and expenses

	Years Ended	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Purchases of goods		
-Associates	\$ 2,898,837	\$ 1,347,316
-Others	108,243	90,137
Purchases of services and other expenditures		
-Associates	14,786	3,911
-Others	<u>40,601</u>	<u>27,981</u>
	<u>\$ 3,062,467</u>	<u>\$ 1,469,345</u>

The payment term of related parties to the Group are month-end 30 to 120 days, open account 45

to 90 days or 1 to 6 months.

C. Trade receivables and other receivables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Trade receivables		
-Associates	\$ 50,985	\$ 38,330
-Others	2,589	671
	<u>53,574</u>	<u>39,001</u>
Other receivables		
-Associates	264	739
-Others	2,720	-
	<u>2,984</u>	<u>739</u>
	<u>\$ 56,558</u>	<u>\$ 39,740</u>

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

D. Trade payables and other items of current liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Trade payables		
-Associates	\$ 931,610	\$ 524,734
-Others	35,470	21,350
	<u>967,080</u>	<u>546,084</u>
Other items of current liabilities		
-Associates	8,349	4
-Others	606	7,694
	<u>8,955</u>	<u>7,698</u>
	<u>\$ 976,035</u>	<u>\$ 553,782</u>

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

(4) Key management compensation

	<u>Years Ended</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Salaries and other short-term employee benefits	\$ 1,759,791	\$ 1,152,216
Post-employment benefits	7,310	6,882
	<u>\$ 1,767,101</u>	<u>\$ 1,159,098</u>

## 8. PLEDGED ASSETS

Pledged assets	Items	Book Value		Purpose
		December 31, 2021	December 31, 2020	
Other current assets and other non-current assets	Pledged restricted deposits and refundable deposits	\$ 587,368	\$ 673,277	Note
Property, plant and equipment	Land and buildings	470,670	200,010	Bank loans, financing and credit limits
		<u>\$ 1,058,038</u>	<u>\$ 873,287</u>	

Note: Pledged for customs duties, lodgment for security decided by court, letter of credit, foreign exchange forward transactions, account for social security, security deposit for office and warehouse, project deposit and bank loans, etc.

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

### (1) Contingencies

Lawsuits for infringement of intellectual property rights

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

### (2) Commitments

- A. The Company signed a long-term supply cooperation contract with the supplier, stipulating that a certain amount of purchase must be reached every year. The contract is valid from March 1, 2021 to December 31, 2024. In addition, prepayment of USD 75,000 thousand has been paid by the Company in accordance with the contract. As of December 31, 2021, the prepayment mentioned above amounting to \$1,848,649 is included under other non-current assets.

B. ASMEDIA signed a material-purchase and production capacity agreement with the supplier, stipulating that a certain amount of material-purchase and production capacity must be reached every month. If the stipulation is not met, a certain percentage of differences will be paid according to the agreement. The agreement is valid from July 16, 2021 to December 31, 2023. In addition, under the agreement, the prepayment that needs to be paid in the future amounts to \$846,880.

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

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

A. Because of the impact of Russia-Ukraine War, continuous compliance with the regulations of each country, and the complex challenges caused by supply chains, logistics, bank transactions and other factors, the shipment to Russian market by the Group has been at standstill as of March 16, 2022. In addition, there is no significant overdue for account receivables, and the related measures have been taken for receivable-collection positively.

B. HCVC disposed its 1.06% equity interest in UPI on January 20, 2022, with the transaction amounting to \$442,339 in total.

12. **OTHERS**

(1) **Capital management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the liability ratio. This ratio is calculated as total liabilities by total assets. Total liabilities calculated as "current liabilities plus non-current liabilities" are shown in the consolidated balance sheets.

During 2021, the Group's strategy was to maintain the liability ratio within reasonable security range, which was unchanged from 2020. The liability ratios are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Total liabilities	\$ 257,716,348	\$ 181,873,165
Total assets	\$ 504,152,814	\$ 396,514,716
Liability ratio	51.12%	45.87%

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 7,135,532	\$ 20,092,451
Financial assets at fair value through other comprehensive income		
Designation of equity instruments	75,652,456	72,119,405
Financial assets at amortized cost		
Cash and cash equivalents	67,812,243	56,779,464
Financial assets at amortized cost	8,355,419	4,315,316
Notes receivable	4,158,773	4,257,331
Trade receivables	89,083,799	71,845,003
Other receivables	4,641,494	496,974
Refundable deposits	762,588	961,375
Derivative financial assets for hedging	494,819	14,234
	<u>\$ 258,097,123</u>	<u>\$ 230,881,553</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ 232,687	\$ 938,214
Financial liabilities at amortized cost		
Short-term borrowings	9,396,555	5,875,775
Notes and trade payables	95,730,026	55,470,313
Other payables - accrued expenses	49,274,621	40,898,928
Long-term borrowings (including current portion)	165,787	-
Deposits received	336,049	328,463
Lease liabilities	1,452,242	946,153
Derivative financial liabilities for hedging	58,036	823,640
	<u>\$ 156,646,003</u>	<u>\$ 105,281,486</u>

B. Financial risk management policies

(A) The Group's operating activities expose the Group to a variety of financial risks, including market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. To minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts, currency option contracts and currency swap contracts are used to hedge certain exchange rate risk, and derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

- (B) The Group's key financial plans are all reviewed by the Board of Directors under the related principles and internal control system. When executing the financial plans, the Group's treasury departments will follow the financial operating procedures in accordance with the overall financial risk management and proper segregation of duties.
  - (C) Information about derivative financial instruments that are used to hedge financial risk are provided in Notes 6(2) and (5).
- C. Nature and degree of significant financial risks

(A) Market risk

Foreign exchange risk

- a. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD, EUR and CNY. Foreign exchange risk arises from future commercial transactions, recognized as assets and liabilities.
- b. The management has set up the policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group's treasury. Exchange rate risk is measured through a forecast of highly probable USD, EUR and CNY expenditures. Forward foreign exchange contracts are adopted to minimize the volatility of the exchange rate affecting recognition of revenue of forecast sale.
- c. The Group hedges foreign exchange rate by using forward exchange contracts and currency option contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).
- d. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.
- e. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency is NTD; other certain subsidiaries' functional currency is USD, EUR, CNY, etc.). Non-monetary items are assessed to have no significant impact on the Group. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2021						
	Foreign currency amount (in dollars)	Exchange rate	Book value (NTD)	Sensitivity Analysis		
				Extent of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 3,138,043,049	27.680	\$ 86,861,032	1%	\$ 868,610	\$ -
EUR:USD	446,187,126	31.320	13,974,545	1%	139,745	-
CNH:USD	3,322,395,560	4.343	14,429,137	1%	144,291	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	6,113,837,966	27.680	169,231,035	1%	1,692,310	-
EUR:USD	66,579,177	31.320	2,085,255	1%	20,853	-
CNH:USD	3,037,702,634	4.343	13,192,718	1%	131,927	-

December 31, 2020						
	Foreign currency amount (in dollars)	Exchange rate	Book value (NTD)	Sensitivity Analysis		
				Extent of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 2,321,935,612	28.480	\$ 66,128,726	1%	\$ 661,287	\$ -
EUR:USD	353,451,346	35.019	12,377,516	1%	123,775	-
CNH:USD	3,304,429,849	4.377	14,464,732	1%	144,647	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	4,002,562,600	28.480	113,992,983	1%	1,139,930	-
EUR:USD	57,997,419	35.019	2,031,012	1%	20,310	-
CNH:USD	2,442,318,122	4.377	10,690,945	1%	106,909	-

- f. Net currency exchange (losses) gains arising from foreign exchange variation on the monetary items from continuing operations and discontinued operations held by the Group for the years ended December 31, 2021 and 2020 amounted to \$2,751,675 and \$5,259,113, respectively.

#### Price risk

- a. The Group's equity instruments, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity instruments, the Group diversifies its portfolio. Diversification of the portfolio is done in

accordance with the limits set by the Group.

- b. The Group mainly invests in equity instruments comprised of shares and open-end funds issued by the domestic companies. The value of equity instruments are susceptible to market price risk arising from uncertainties about future performance of equity markets. Assuming a hypothetical increase of 1% in the price of the aforementioned financial assets at fair value through profit or loss while the other conditions remain unchanged could increase the Group's non-operating revenue for the years ended December 31, 2021 and 2020 by \$5,329 and \$5,720, respectively. A change of 1% in the price of the aforementioned financial assets at fair value through other comprehensive income could increase the Group's other comprehensive income for the years ended December 31, 2021 and 2020 by \$756,525 and \$721,194, respectively.

#### Cash flow and fair value interest rate risk

- a. The Group's main interest rate risk arises from long-term and short-term borrowings with variable rates which expose the Group to cash flow interest rate risk but is partially offset by cash and cash equivalents held at variable rates. During the years ended December 31, 2021 and 2020, the Group's borrowings at variable rates were denominated in USD and NTD.
- b. At December 31, 2021 and 2020, if interest rates on borrowings had been 1 basis point (0.01%) higher with all other variables held constant, non-operating expenses for the years ended December 31, 2021 and 2020 would have been \$682 and \$764 higher, respectively, mainly as a result of higher interest expense on floating rate borrowings.

#### **(B) Credit risk**

- a. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is contract cash flows of counterparties could not repay in full the accounts receivable based on the agreed terms and financial assets at amortized cost.
- b. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of "A" class above as evaluated by an independent party are accepted as counterparties. According to the Group's credit policy, each operating entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors, and the utilization of credit limits is regularly monitored.

- c. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- d. The Group adopts the assumption under IFRS 9, that is, for most operating entities, the default occurs when the contract payments are past due over 90 days. For some subsidiaries, based on the local trading conditions and historical experience, the default occurs when the contract payments are past due over 180 days.
- e. The Group classifies customer's accounts receivable in accordance with customer types. The Group applies the simplified approach using the provision matrix and loss rate method to estimate expected credit loss.
- f. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
  - (a) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
  - (b) The disappearance of an active market for that financial asset because of financial difficulties;
  - (c) Default or delinquency in interest or principal repayments;
  - (d) Adverse changes in national or regional economic conditions that are expected to cause a default.
  - (e) The internal or external credit rating of the instrument is "in default".
  - (f) The condition which met the breach of contract by the debtor or others was assessed case-by-case.
- g. The Group writes off the financial assets, which cannot reasonably be expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2021 and 2020, the Group has no written-off financial assets that are still under recourse procedures.
- h. (a) The expected loss rate for the excellent credit quality clients is 0.01% ~ 0.3%, and the total carrying amount of notes and trade receivables amounted to \$6,362,618 and \$7,078,183 and loss allowance amounted to \$485 and \$438 as of December 31, 2021 and 2020, respectively.
  - (b) The Group refers to the forecast ability of global economic indicators to adjust the loss rate which is based on historical and current information when assessing the future default possibility of notes receivable and trade receivables. The provision matrix as of December 31, 2021 and 2020 is as follows:

December 31, 2021	Not past due	Less than 30 days past due	Between 31 and 60 days past due	Between 61 and 90 days past due	Between 91 and 180 days past due	More than 181 days past due	Total
Total book value	\$ 77,350,149	\$ 7,606,891	\$ 1,546,435	\$ 502,586	\$ 363,934	\$ 992,644	\$ 88,362,639
Loss allowance	\$ 5,689	\$ 2,240	\$ 151,810	\$ 55,980	\$ 277,621	\$ 988,860	\$ 1,482,200
Expected loss rate	0.01%~1.62%	0.01%~22.72%	0.06%~27.45%	0.21%~58.99%	1.54%~100%	10%~100%	

  

December 31, 2020	Not past due	Less than 30 days past due	Between 31 and 60 days past due	Between 61 and 90 days past due	Between 91 and 180 days past due	More than 181 days past due	Total
Total book value	\$ 62,285,220	\$ 5,551,649	\$ 1,006,673	\$ 260,249	\$ 112,097	\$ 1,029,720	\$ 70,245,608
Loss allowance	\$ 10,873	\$ 783	\$ 93,023	\$ 17,013	\$ 69,735	\$ 1,029,592	\$ 1,221,019
Expected loss rate	0.01%~4.68%	0.01%~22.72%	0.15%~44.83%	0.49%~69.79%	2.92%~100%	10%~100%	

- i. Movements in relation to the Group applying the simplified approach to provide loss allowance for notes and trade receivables are as follows:

	2021	2020
January 1	\$ 1,221,457	\$ 1,320,002
Recognition (reversal)	319,660	( 43,057)
Write-offs	( 29,846)	( 17,233)
Reclassifications	-	( 223)
Net exchange differences	( 28,586)	( 38,032)
December 31	\$ 1,482,685	\$ 1,221,457

For provisioned loss for the years ended December 31, 2021 and 2020, the net impairment loss (reversal of benefits) arising from customer's contract was \$319,660 and (\$43,057), respectively.

- j. The Group's analysis on credit quality and expected credit loss of debt instruments investment

The objective of the Group's investment policy is to achieve a return under the requirements of principal preservation and liquidity supports. The policy requires to set upper limits of exposure to credit risk of each debt instruments' issuer. The Group assesses whether there has been a significant increase in credit risk in the debt instrument investment since initial recognition according to financial market conditions, the changes in external credit ratings and material information of the debt instruments' issuers.

The Group regularly monitors, reviews and adjusts the limits according to market conditions and the credit standing of the counterparties.

The Group assesses the 12 month expected credit loss and lifetime expected credit loss based on the probability of default and default loss provided by external credit rating agencies. The current credit risk assessment mechanism of the Group is as follows:

Credit rating	Definition	Basis for recognizing expected credit loss
Stage 1	Financial assets with no significant increase in credit risk since initial recognition or low credit risk on balance sheet date	12 months expected credit loss
Stage 2	Financial assets with significant increase in credit risk since initial recognition	Lifetime expected credit loss

- k. Movements in loss allowance for investments in debt instruments carried at amortized cost of the Group are as follows:

	2021		2020	
	12 months expected credit loss	Lifetime expected credit loss	12 months expected credit loss	Lifetime expected credit loss
January 1	\$ 60,188	\$ -	\$ -	\$ -
Recognition	45,342	-	62,447	-
(reversal)				
Disposal	( 10,504)	-	-	-
Net exchange differences	( 2,100)	-	( 2,259)	-
December 31	<u>\$ 92,926</u>	<u>\$ -</u>	<u>\$ 60,188</u>	<u>\$ -</u>

- l. For investments in financial assets at amortized cost and debt instruments at fair value through profit or loss of the Group, the credit rating levels are as follows:

	December 31, 2021		
	12 months expected credit loss	Lifetime expected credit loss	Total
Financial assets at amortized cost			
Time deposits	\$ 125,500	\$ -	\$ 125,500
Corporate bonds			
Internal rating - Stage 1	8,322,845	-	8,322,845
Total book value	8,448,345	-	8,448,345
Loss allowance	( 92,926)	-	( 92,926)
	<u>\$ 8,355,419</u>	<u>\$ -</u>	<u>\$ 8,355,419</u>

	December 31, 2020		
	12 months expected credit loss	Lifetime expected credit loss	Total
Financial assets at amortized cost			
Time deposits	\$ 151,500	\$ -	\$ 151,500
Corporate bonds			
Internal rating - Stage 1	4,224,004	-	4,224,004
Total book value	4,375,504	-	4,375,504
Loss allowance	( 60,188)	-	( 60,188)
	<u>\$ 4,315,316</u>	<u>\$ -</u>	<u>\$ 4,315,316</u>

The Group's financial assets at amortized cost are time deposits with an original due date of more than three months and various corporate bonds, and there is no significant abnormality in credit risk assessment.

(C) Liquidity risk

- a. Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group treasury. The Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's cash flow plans and compliance with internal balance sheet ratio targets.
- b. The Group treasury invests surplus cash in demand deposits, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. As of December 31, 2021 and 2020, the Group held financial assets at fair value through profit or loss of \$4,128,749 and \$19,970,017, respectively, that are expected to readily generate cash inflows for managing liquidity risk.
- c. The table below analyses the Group's non-derivative financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the financial reporting period to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	December 31, 2021				Total
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	
<u>Non-derivative</u>					
<u>financial liabilities:</u>					
Short-term borrowings	\$ 9,396,555	\$ -	\$ -	\$ -	\$ 9,396,555
Notes and trade payables	95,730,026	-	-	-	95,730,026
Other payables	49,274,621	-	-	-	49,274,621
- accrued expenses					
Lease liabilities	528,252	385,668	232,747	382,335	1,529,002
Long-term borrowings (including current portion)	10,744	10,852	10,958	133,233	165,787
Other financial liabilities	1,385,033	-	2,060	-	1,387,093
<u>Derivative financial liabilities:</u>					
Forward exchange contracts	265,871	-	-	-	265,871
Currency option contracts	24,852	-	-	-	24,852
	December 31, 2020				
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
<u>Non-derivative</u>					
<u>financial liabilities:</u>					
Short-term borrowings	\$ 5,875,775	\$ -	\$ -	\$ -	\$ 5,875,775
Notes and trade payables	55,470,313	-	-	-	55,470,313
Other payables	40,898,928	-	-	-	40,898,928
- accrued expenses					
Lease liabilities	432,617	265,227	165,908	158,540	1,022,292
Other financial liabilities	1,294,357	3,530	-	2,252	1,300,139
<u>Derivative financial liabilities:</u>					
Forward exchange contracts	1,472,626	-	-	-	1,472,626
Currency option contracts	289,228	-	-	-	289,228

d. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis to be significantly earlier, nor expect the actual cash flow amount to be significantly different.

### (3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.



C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(A) The related information about the nature of the assets and liabilities is as follows:

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 471,437	\$ 4,575	\$ 56,854	\$ 532,866
Beneficiary certificates	6,434,715	36,284	-	6,470,999
Forward exchange contracts	-	114,158	-	114,158
Currency option contracts	-	8,057	-	8,057
Hybrid instruments	-	-	9,452	9,452
Derivative financial assets for hedging	-	494,819	-	494,819
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>75,361,815</u>	<u>216,511</u>	<u>74,130</u>	<u>75,652,456</u>
	<u>\$ 82,267,967</u>	<u>\$ 874,404</u>	<u>\$ 140,436</u>	<u>\$ 83,282,807</u>
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 207,835	\$ -	\$ 207,835
Currency option contracts	-	24,852	-	24,852
Derivative financial liabilities for hedging	-	58,036	-	58,036
	<u>\$ -</u>	<u>\$ 290,723</u>	<u>\$ -</u>	<u>\$ 290,723</u>

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 508,242	\$ 5,055	\$ 58,710	\$ 572,007
Beneficiary certificates	19,456,752	42,988	-	19,499,740
Forward exchange contracts	-	9,686	-	9,686
Hybrid instruments	-	-	11,018	11,018
Derivative financial assets for hedging	-	14,234	-	14,234
Financial assets at fair value through other comprehensive income				
Equity instruments	<u>71,619,389</u>	<u>232,627</u>	<u>267,389</u>	<u>72,119,405</u>
	<u>\$ 91,584,383</u>	<u>\$ 304,590</u>	<u>\$ 337,117</u>	<u>\$ 92,226,090</u>
<b>Liabilities:</b>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 648,986	\$ -	\$ 648,986
Currency option contracts	-	289,228	-	289,228
Derivative financial liabilities for hedging	-	823,640	-	823,640
	<u>\$ -</u>	<u>\$ 1,761,854</u>	<u>\$ -</u>	<u>\$ 1,761,854</u>

(B) The methods and assumptions the Group used to measure fair value are as follows:

- a. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed and OTC stocks</u>	<u>Open-end fund</u>
Market quoted price	Closing price	Net asset value

- b. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the financial reporting date.
- c. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments.

Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions.

- d. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- e. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheets. The pricing and inputs information used during valuation are carefully assessed and adjusted based on current market conditions.
- D. For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.
- E. The movement of financial and non-financial instruments measured at fair value by Level 3 is as follows:

	2021		
	Equity instruments	Debt instruments	Total
January 1	\$ 337,117	\$ -	\$ 337,117
Acquisitions	30,000	-	30,000
Recognition in profit (loss) (Note 1)	( 3,422)	-	( 3,422)
Recognition in other comprehensive income (loss) (Note 2)	( 115,165)	-	( 115,165)
Reclassifications	( 108,094)	-	( 108,094)
December 31	<u>\$ 140,436</u>	<u>\$ -</u>	<u>\$ 140,436</u>
	2020		
	Equity instruments	Debt instruments	Total
January 1	\$ 67,627	\$ 120,000	\$ 187,627
Acquisitions	129,765	-	129,765
Recognition in profit (loss) (Note 1)	4,482	-	4,482
Recognition in other comprehensive income (loss) (Note 2)	15,243	-	15,243
Reclassifications	120,000	( 120,000)	-
December 31	<u>\$ 337,117</u>	<u>\$ -</u>	<u>\$ 337,117</u>

Note 1 : Recorded as other gains (losses).

Note 2 : Recorded as unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income.

F. The investment segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the source of information is independent, reliable and in line with other resources and any other necessary adjustments to the fair value.

The investment segment cooperatively set up valuation policies, valuation processes and rules for measuring fair value of financial instruments that ensure compliance with the related requirements in IFRS.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Equity instruments:					
Unlisted and non-OTC stocks	\$ 37,495	Net asset value	Not applicable	Not applicable	The higher the net asset value, the higher the fair value
Unlisted and non-OTC stocks	93,489	Discounted cash flow method	Note 1	Not applicable	Note 2
Hybrid instruments:					
Unlisted and non-OTC stocks	45,343	Discounted cash flow method	Note 1	Not applicable	Note 2
Embedded option	( 35,891)	Option pricing model	Stock price volatility	Not applicable	The higher the stock price volatility, the higher the fair value

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Equity instruments:					
Unlisted and non-OTC stocks	\$ 39,350	Net asset value	Not applicable	Not applicable	The higher the net asset value, the higher the fair value
Unlisted and non-OTC stocks	286,749	Discounted cash flow method	Note 1	Not applicable	Note 2
Hybrid instruments:					
Unlisted and non-OTC stocks	56,084	Discounted cash flow method	Note 1	Not applicable	Note 2
Embedded option	( 45,066)	Option pricing model	Stock price volatility	Not applicable	The higher the stock price volatility, the higher the fair value

Note 1: Long-term revenue growth rate, weighted average cost of capital, long-term operating profit before income tax, discount for lack of marketability and discounts for minority interest.

Note 2: The higher the discount for lack of marketability is, the lower the fair value is; the higher the weighted average cost of capital and discount for minority interest are, the lower the fair value is; the higher the long-term revenue growth rate and long-term operating profit before income tax are, the higher the fair value is.

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in a different outcome.

### 13. **SUPPLEMENTARY DISCLOSURES**

#### (1) **Significant transactions information**

- A. Financing provided: Please refer to table 1.
- B. Endorsements and guarantees provided: None.
- C. Marketable securities held at the end of period (excluding investments in subsidiaries, associates and joint ventures): Please refer to table 2.
- D. Marketable securities acquired and disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital: Please refer to table 3.
- E. Acquisition of real estate properties at costs of at least \$300 million or 20% of the paid-in capital: None.
- F. Disposal of real estate properties at prices of at least \$300 million or 20% of the paid-in capital:

None.

G. Total purchases from or sales to related parties of at least \$100 million or 20% of the paid-in capital: Please refer to table 4.

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

I. Trading in derivative instruments undertaken during the reporting period: Please refer to 6(2), (5).

J. Intercompany relationships and significant intercompany transactions: Please refer to table 6.

(2) Information on investees

Names, locations, and related information of investees over which the Company exercises significant influence (excluding information on investments in mainland China): Please refer to table 7.

(3) Information on investments in China

A. Information on investments in mainland China: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in China: Please refer to table 6.

(4) Major shareholders information

Major shareholders information: None.

14. **OPERATING SEGMENT INFORMATION**

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information in this period.

(2) Measurement basis

The Group uses the revenue and operating profit as the measurement for operating segment profit and the basis of performance assessment. The accounting policies of the operating segments and the accounting policies described in Note 4 of the consolidated financial statements are the same.

(3) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Year Ended December 31, 2021		
	3C Brand	Others	Total
Revenues from external customers	\$ 498,341,376	\$ 36,897,359	\$ 535,238,735
Revenues from other segments	\$ 2,059,375	\$ 5,281,521	- (Note 2)
Segment income from continuing operations	\$ 48,215,200	\$ 1,093,125	\$ 49,308,325
Total assets held by continuing operations (Note 3)	\$ -	\$ -	\$ -

	Year Ended December 31, 2020		
	3C Brand	Others	Total
Revenues from external customers (Note 1)	\$ 381,107,037	\$ 36,086,010	\$ 417,193,047
Revenues from other segments (Note 1)	\$ 1,327,538	\$ 5,359,599	- (Note 2)
Segment income from continuing operations	\$ 22,488,679	\$ 2,461,717	\$ 24,950,396
Total assets held by continuing operations (Note 3)	\$ -	\$ -	\$ -

Note 1: Including discontinued operations.

Note 2: The intra-segment revenues have been eliminated to \$0.

Note 3: Because the Group's segment assets are not provided to the chief operating decision-marker, such items are not required to be disclosed.

(4) Reconciliation for segment income

- A. The intra-segment transactions are based on fair value. The revenues from external customers reported to the chief operating decision-maker are measured in a manner consistent with the consolidated statements of comprehensive income.
- B. The reconciliation of the reportable continuing operation's profit (others are the same as consolidated statements of comprehensive income) is as follows:

	Years Ended	
	December 31, 2021	December 31, 2020
Reportable continuing operation's profit before adjustment	\$ 49,308,325	\$ 24,950,396
Unallocated (loss) profit	17,277	6,667
Reportable continuing operation's profit	\$ 49,325,602	\$ 24,957,063

(5) Geographical information

Geographical information for the years ended December 31, 2021 and 2020 is as follows:

	Years Ended			
	December 31, 2021		December 31, 2020	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 58,115,720	\$ 24,216,555	\$ 50,112,061	\$ 21,511,485
China	93,558,202	6,994,363	64,871,106	8,482,871
Singapore	213,335,297	64,897	158,379,349	59,097
USA	101,713,640	1,248,163	83,838,466	1,289,416
Europe	25,368,477	359,969	23,465,450	348,954
Others	43,147,399	530,177	36,526,615	429,012
	<u>535,238,735</u>	<u>\$ 33,414,124</u>	<u>417,193,047</u>	<u>\$ 32,120,835</u>
Exclude (revenue) from contracts with customers from discontinued operations	-		( 4,412,608)	
Total	<u>\$535,238,735</u>		<u>\$412,780,439</u>	

The above non-current assets exclude financing instruments, deferred income tax assets and certain other non-current assets.

(6) Major customer information

No single customer accounts for more than 10% of the consolidated operating revenue for the years ended December 31, 2021 and 2020.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
FINANCING PROVIDED  
YEAR ENDED DECEMBER 31, 2021

Table 1 (Amounts in thousands of New Taiwan dollars and foreign currencies)

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period		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
					Ending Balance								Item	Value			
1	ASUS	ASKEY	Other receivables	Yes	1,000,000	1,000,000	-	1.00	b	-	Need for operations	-	-	-	34,849,683	46,466,244	
2	ASTP	ASGL	Other non-current assets	Yes	24,912,000 (USD 900,000)	24,912,000 (USD 900,000)	24,912,000 (USD 900,000)	0.23575 - 0.99706	b	-	Need for operations	-	-	-	38,241,435 (USD 1,381,555)	38,241,435 (USD 1,381,555)	
3	ASTP	QCS	Other non-current assets	Yes	481,097 (SEK 156,709)	481,097 (SEK 156,709)	52,322 (SEK 17,043)	0.5	b	-	Need for operations	-	-	-	38,241,435 (USD 1,381,555)	38,241,435 (USD 1,381,555)	

Note 1 : Nature for Financing : a. Business transaction calls for a loan arrangement.  
b. The need for short-term financing.

Note 2 : Limit of total financing amount : a. According to Procedures for Lending of ASUS, limit of total financing amount shall not exceed 20% of the net worth of ASUS as of the period.  
b. According to Procedures for Lending of ASTP, limit of total financing amount to the subsidiaries whose voting shares are 100% owned, directly or indirectly, by publicly traded parent company - ASUS, which are not located in Taiwan, shall not exceed 100% of the net worth of ASTP as of the period.

Limit financing amount for individual counterparty : a. According to Procedures for Lending of ASUS, limit of financing amount for individual counterparty shall not exceed 15% of the net worth of ASUS as of the period.  
b. According to Procedures for Lending of ASTP, limit of financing amount to the subsidiaries whose voting shares are 100% owned, directly or indirectly, by publicly traded parent company - ASUS, which are not located in Taiwan, for individual counterparty shall not exceed 100% of the net worth of ASTP as of the period.

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

DECEMBER 31, 2021

Table 2 (Amounts in thousands of New Taiwan dollars)

Held Company Name	Marketable Securities		Relationship with the Company (Note 1)	Financial Statement Account (Note 2)	December 31, 2021				Note
	Type	Name			Shares/Units	Carrying Value	Percentage (%)	Fair Value	
ASUS	Stock	SPORTON	-	a	353,213	76,647	0.36	76,647	
ASUS	Stock	GLOBALWAFERS	-	c	1,626,626	1,444,444	0.37	1,444,444	
ASUS	Stock	JMC	-	c	830,000	46,895	1.00	46,895	
ASUS	Stock	ENE	b	c	444,365	26,218	1.00	26,218	
ASUS	Stock	ALCOR MICRO	-	c	905,879	54,715	1.00	54,715	
ASUS	Stock	AZUREWAVE	-	c	934,745	25,378	0.62	25,378	
ASUS	Stock	LEDLINK	-	c	718,607	22,708	1.53	22,708	
ASUS	Fund	TNP	-	b	100	8,906	2.05	8,906	
ASUS	Fund	TNP LIGHT	-	b	184	19,233	3.67	19,233	
ASUS	Stock	EMPASS	-	d	1,162,359	36,350	15.86	36,350	
ASUS	Stock	ADVANTECH	-	d	103,177,983	40,910,070	13.33	40,910,070	
ASUS	Stock	PEGA	-	d	448,506,484	30,991,798	16.80	30,991,798	
ASUS	Stock	NANOLUX	-	d	536	66,044	10.84	66,044	
ASUS	Stock	APTOS	-	d	312,600	-	0.35	-	
ASUS	Stock	94BOT	-	d	100,000	-	4.80	-	
ASUS	Stock	A-WEI TECH	-	d	301,876	1,352	1.83	1,352	
ASUS	Stock	AISTORM	-	d	178,784	14,613	0.69	14,613	
ASUS	Stock	EOSTEK	-	d	1,600,000	13,464	14.94	13,464	
ASUS	Stock	AMTRUST	b	d	7,500,000	83,553	7.81	83,553	
ASMEDIA	Fund	FUH HWA RMB MONEY MARKET	-	a	531,862	28,643	-	28,643	
ASMEDIA	Fund	MEGA DIAMOND MONEY MARKET	-	a	23,739,799	300,964	-	300,964	
ASMEDIA	Fund	CAPITAL MONEY MARKET	-	a	17,226,216	280,737	-	280,737	
ASMEDIA	Stock	AUGENTIX	-	d	1,600,000	27,136	11.59	27,136	
ASMEDIA	Stock	ICATCH TECHNOLOGY	-	d	5,500,000	476,630	7.38	476,630	
ASMEDIA	Stock	WT PREFERRED STOCK	a	d	8,000,000	391,600	-	391,600	
ASKEY	Stock	CIPHERMAX	-	b	9,234	-	0.00	-	
ASKEY	Stock	RETI	-	b	80,700	-	3.32	-	
MIC	Stock	BROADCOM	-	b	90	1,658	0.00	1,658	
MIC	Stock	ZARLINK SEMI-CONDUCTOR	-	b	44,775	-	0.04	-	
DIC	Stock	FORTE MEDIA	-	b	200,000	-	0.30	-	
HVCV	Fund	YUANTA WAN TAI MONEY MARKET	-	a	558,765	8,538	-	8,538	
HVCV	Fund	TAISHIN 1699 MONEY MARKET	-	a	2,722,282	37,237	-	37,237	
HVCV	Fund	YUANTA DE BAO MONEY MARKET	-	a	348,419	4,226	-	4,226	
HVCV	Stock	LEDLINK	-	c	336,546	10,635	0.67	10,635	
HVCV	Stock	APAQ TECHNOLOGY	b	d	10,668,012	647,548	11.99	647,548	
HVCV	Stock	A-WEI TECH	-	d	301,876	1,352	1.83	1,352	
HMI	Fund	TAISHIN 1699 MONEY MARKET	-	a	2,496,303	34,146	-	34,146	
HMI	Stock	APAQ TECHNOLOGY	-	d	3,210,015	194,848	3.61	194,848	
HMI	Stock	A-WEI TECH	-	d	174,417	781	1.06	781	
AAEON	Stock	ADVANTECH	-	a	802	318	0.00	318	
AAEON	Fund	MEGA DIAMOND MONEY MARKET	-	a	2,091,070	26,510	-	26,510	
AAEON	Stock	MACHVISION TECHNOLOGY	b	a	1,180,198	329,275	2.64	329,275	
AAEON	Stock	ATECH OEM TECHNOLOGY	b	a	234	3	0.00	3	
AAEON	Stock	INSYNERGER TECHNOLOGY	-	b	1,710,000	19,359	19.29	19,359	
AAEON	Stock	UNITTECH ELECTRONICS	-	a	549,657	12,285	0.73	12,285	
AAEON	Stock	LILEE SYSTEMS PREFERRED STOCK	-	a	468,750	-	-	-	
AAEON	Stock	ALLIED BIOTECH	b	a	300,000	4,575	0.31	4,575	
AAEON	Stock	TELEION WIRELESS PREFERRED STOCK	-	a	149,700	-	-	-	
AAEON	Stock	V-NET AAEON	-	b	29	9,452	14.50	9,452	
AAEONI	Stock	ATECH OEM TECHNOLOGY	b	a	3,456,000	41,126	5.82	41,126	
AAEONI	Stock	SUNENGINE	b	a	156,903	1,089	2.75	1,089	
ONYX	Stock	MELTEN CONNECTED HEALTHCARE	-	d	4,193,548	2,381	6.61	2,381	
ONYX	Stock	MACHVISION TECHNOLOGY	b	a	18,716	5,222	0.04	5,222	
ONYX	Stock	INNO FUND III	-	b	3,000,000	36,406	13.04	36,406	
ONYX	Stock	TOP UNION ELECTRONICS	-	a	169,658	4,903	0.17	4,903	
ONYX	Stock	PROTECLIFE INTERNATIONAL BIOMEDICAL	-	d	2,500,000	30,000	6.30	30,000	
ASGL	Fund	JIH SUN MONEY MARKET	-	a	816,699	12,240	-	12,240	
ASGL	Fund	USD TERM LIQUIDITY (USD185A3)	-	a	952,519	2,778,557	-	2,778,557	
ASGL	Fund	USD TERM LIQUIDITY (USD370A)	-	b	959,903	2,781,409	-	2,781,409	
ASGL	Bond	AAC TECHNOLOGIES HOLDINGS	-	e	1,900,000	53,215	-	53,268	
ASGL	Bond	ABBVIE	-	e	1,750,000	52,345	-	51,372	
ASGL	Bond	ADANI TRANSMISSION	-	e	1,850,000	52,675	-	53,791	
ASGL	Bond	AERCAP IRELAND CAPITAL DAC/ AERCAP GLOBAL AVIATION TRUST	-	e	3,550,000	107,198	-	106,790	
ASGL	Bond	AFRICA FINANCE	-	e	3,690,000	107,425	-	107,950	
ASGL	Bond	AIB GROUP	-	e	1,800,000	52,505	-	52,475	
ASGL	Bond	AIR LEASE	-	e	3,900,000	108,329	-	106,227	
ASGL	Bond	AIRCASTLE	-	e	3,580,000	107,413	-	106,199	
ASGL	Bond	ALCON FINANCE	-	e	1,500,000	44,241	-	42,934	
ASGL	Bond	ALLY FINANCIAL	-	e	1,670,000	51,992	-	52,185	
ASGL	Bond	APT PIPELINE	-	e	1,640,000	48,918	-	48,562	
ASGL	Bond	ARCELORMITTAL	-	e	1,900,000	57,154	-	57,596	
ASGL	Bond	ARDAGH PACKAGING FINANCE / ARDAGH MP HOLDINGS USA	-	e	1,140,000	32,056	-	32,581	
ASGL	Bond	AUSTRALIA AND NEW ZEALAND BANKING GROUP	-	e	3,460,000	106,656	-	104,890	
ASGL	Bond	AVIATION CAPITAL GROUP	-	e	3,920,000	108,413	-	105,888	
ASGL	Bond	AVOLON HOLDINGS FUNDING	-	e	3,450,000	107,018	-	105,584	
ASGL	Bond	BANCO BTG PACTUAL OF CAYMAN ISLANDS	-	e	2,420,000	64,410	-	65,745	
ASGL	Bond	BANCO LATINOAMERICANO DE COMERCIO EXTERIOR	-	e	3,820,000	107,923	-	105,870	
ASGL	Bond	BANCO SANTANDER	-	e	3,400,000	106,466	-	104,778	
ASGL	Bond	BANK OF AMERICA	-	e	3,430,000	106,333	-	104,580	
ASGL	Bond	BANK OF NOVA SCOTIA	-	e	1,670,000	51,835	-	50,801	

Held Company Name	Marketable Securities		Relationship with the Company (Note 1)	Financial Statement Account (Note 2)	December 31, 2021				Note
	Type	Name			Shares/Units	Carrying Value	Percentage (%)	Fair Value	
ASGL	Bond	BARCLAYS	-	e	3,410,000	104,529	-	105,326	
ASGL	Bond	BAYER US FINANCE II	-	e	3,530,000	107,755	-	105,731	
ASGL	Bond	BERRY GLOBAL	-	e	3,740,000	107,565	-	107,086	
ASGL	Bond	BHARAT PETROLEUM	-	e	1,840,000	52,431	-	53,120	
ASGL	Bond	BHARTI AIRTEL	-	e	2,110,000	61,194	-	62,219	
ASGL	Bond	BNP PARIBAS	-	e	3,520,000	107,738	-	106,010	
ASGL	Bond	BOC AVIATION	-	e	3,860,000	108,592	-	107,712	
ASGL	Bond	BPCE	-	e	3,420,000	106,542	-	104,472	
ASGL	Bond	CHENIERE CORPUS CHRISTI HOLDINGS	-	e	1,690,000	51,227	-	51,863	
ASGL	Bond	CHOUZHOU INTERNATIONAL INVESTMENT	-	e	3,820,000	106,884	-	107,748	
ASGL	Bond	CIFI HOLDINGS GROUP	-	e	1,150,000	31,313	-	30,718	
ASGL	Bond	CIT BANK, N.A.	-	e	1,880,000	53,063	-	53,600	
ASGL	Bond	CITIGROUP	-	e	1,680,000	51,976	-	51,307	
ASGL	Bond	CNH INDUSTRIAL CAPITAL	-	e	1,940,000	53,738	-	53,749	
ASGL	Bond	COLORADO INTERSTATE GAS / COLORADO INTERSTATE ISSUING	-	e	1,940,000	58,476	-	58,445	
ASGL	Bond	COMMONWEALTH BANK OF AUSTRALIA	-	e	1,700,000	51,855	-	51,642	
ASGL	Bond	CONAGRA BRANDS	-	e	1,680,000	51,835	-	51,151	
ASGL	Bond	COOPERATIVE RABOBANK U.A.	-	e	3,570,000	108,137	-	106,478	
ASGL	Bond	COX COMMUNICATION	-	e	1,750,000	52,615	-	51,438	
ASGL	Bond	CREDIT SUISSE GROUP	-	e	3,440,000	107,297	-	104,961	
ASGL	Bond	CROWN AMERICAS / CROWN AMERICAS CAPITAL V	-	e	2,240,000	62,708	-	66,188	
ASGL	Bond	CVS HEALTH	-	e	1,780,000	52,708	-	52,055	
ASGL	Bond	DELL INTERNATIONAL / EMC	-	e	3,310,000	105,326	-	104,753	
ASGL	Bond	DEUTSCHE BANK	-	e	2,520,000	74,193	-	74,599	
ASGL	Bond	DISCOVER BANK	-	e	1,760,000	52,393	-	51,559	
ASGL	Bond	GENTING NY / GENNY CAP	-	e	3,940,000	108,902	-	108,015	
ASGL	Bond	GLENCORE FUNDING	-	e	1,960,000	54,077	-	53,720	
ASGL	Bond	GLOBAL PAYMENTS	-	e	1,660,000	51,761	-	51,036	
ASGL	Bond	GLP	-	e	3,710,000	106,152	-	106,935	
ASGL	Bond	GOLDMAN SACHS GROUP	-	e	1,720,000	52,651	-	51,942	
ASGL	Bond	HCA	-	e	1,650,000	51,462	-	51,386	
ASGL	Bond	HEWLETT PACKARD	-	e	2,130,000	59,084	-	58,917	
ASGL	Bond	HIKMA FINANCE USA	-	e	3,780,000	107,973	-	107,368	
ASGL	Bond	HYATT HOTELS	-	e	3,600,000	106,894	-	108,387	
ASGL	Bond	ICICI BANK OF DUBAI	-	e	1,830,000	52,831	-	53,943	
ASGL	Bond	INTERNATIONAL GAME TECHNOLOGY	-	e	1,200,000	33,590	-	34,215	
ASGL	Bond	IQVIA	-	e	2,330,000	64,055	-	66,187	
ASGL	Bond	JERSEY CENTRAL POWER & LIGHT	-	e	1,800,000	54,477	-	54,056	
ASGL	Bond	KEYBANK NATIONAL ASSOCIATION OF CLEVELAND, OHIO	-	e	1,700,000	51,258	-	50,163	
ASGL	Bond	KOHL'S	-	e	2,100,000	61,545	-	62,244	
ASGL	Bond	LENNAR	-	e	3,390,000	105,968	-	105,247	
ASGL	Bond	LEVIATHAN BOND	-	e	2,230,000	63,616	-	65,394	
ASGL	Bond	LLOYDS BANKING GROUP	-	e	3,460,000	104,765	-	105,006	
ASGL	Bond	LUNDIN ENERGY FINANCE BV	-	e	3,910,000	107,846	-	107,531	
ASGL	Bond	LYB INTERNATIONAL FINANCE III	-	e	1,000,000	27,160	-	26,707	
ASGL	Bond	MACQUARIE BANK	-	e	3,490,000	106,180	-	105,389	
ASGL	Bond	MARATHON PETROLEUM	-	e	1,760,000	52,674	-	53,167	
ASGL	Bond	MEG ENERGY	-	e	2,350,000	66,200	-	66,208	
ASGL	Bond	MEITUAN	-	e	1,490,000	39,741	-	39,795	
ASGL	Bond	MEXICO CITY AIRPORT TRUST	-	e	3,600,000	106,883	-	105,502	
ASGL	Bond	MGM GROWTH PROPERTIE SOPERATING PARTNERSHIP / MGP FINANCE	-	e	1,150,000	31,656	-	33,901	
ASGL	Bond	MICROCHIP TECHNOLOGY	-	e	1,000,000	28,648	-	28,750	
ASGL	Bond	MTSUBISHI UFI FINANCIAL GROUP	-	e	1,760,000	52,291	-	50,687	
ASGL	Bond	MIZUHO FINANCIAL GROUP	-	e	1,882,000	56,916	-	55,734	
ASGL	Bond	NATIONWIDE BUILDING SOCIETY	-	e	3,510,000	107,009	-	104,364	
ASGL	Bond	NORTHRIVER MIDSTREAM FINANCE	-	e	2,330,000	64,251	-	67,126	
ASGL	Bond	NXP / NXP FUNDING	-	e	1,630,000	51,955	-	50,999	
ASGL	Bond	OCCIDENTAL PETROLEUM	-	e	2,400,000	58,425	-	68,245	
ASGL	Bond	ONEOK	-	e	3,340,000	104,635	-	106,066	
ASGL	Bond	ONGC VIDESEH VANKORNEFT	-	e	3,700,000	105,857	-	107,327	
ASGL	Bond	OVINTIV EXPLORATION	-	e	1,240,000	33,224	-	38,035	
ASGL	Bond	PACIFIC GAS AND ELECTRIC	-	e	3,830,000	106,853	-	107,793	
ASGL	Bond	PHILLIPS 66 PARTNERS	-	e	3,580,000	107,068	-	105,486	
ASGL	Bond	PRIME SECURITY SERVICES BORROWER / PRIME FINANCE	-	e	2,190,000	63,631	-	65,085	
ASGL	Bond	PT BANK MANDIRI (PERSERO)	-	e	1,740,000	51,509	-	52,595	
ASGL	Bond	PULTEGROUP	-	e	1,570,000	49,782	-	49,412	
ASGL	Bond	ROYALTY PHARMA	-	e	1,960,000	53,706	-	53,133	
ASGL	Bond	SABINE PASS LIQUEFACTION	-	e	1,640,000	51,482	-	52,107	
ASGL	Bond	SANTANDER UK GROUP HOLDINGS	-	e	3,460,000	105,329	-	104,503	
ASGL	Bond	SHIMAO GROUP HOLDINGS	-	e	3,770,000	107,016	-	65,119	
ASGL	Bond	SHINHAN BANK	-	e	3,540,000	106,566	-	104,740	
ASGL	Bond	SHINHAN FINANCIAL GROUP	-	e	1,950,000	54,070	-	53,222	
ASGL	Bond	SK HYNIX	-	e	660,000	17,998	-	17,875	
ASGL	Bond	SOEITE GENERALE	-	e	3,520,000	105,111	-	104,605	
ASGL	Bond	SOFTBANK GROUP	-	e	1,140,000	30,705	-	30,929	
ASGL	Bond	SOLVAY FINANCE AMERICA	-	e	1,680,000	51,491	-	50,695	
ASGL	Bond	SOUTHWESTERN ENERGY	-	e	2,240,000	66,181	-	68,141	
ASGL	Bond	STANDARD CHARTERED	-	e	3,530,000	106,936	-	105,142	
ASGL	Bond	SUMITOMO MITSUI FINANCIAL GROUP	-	e	1,760,000	52,077	-	50,607	
ASGL	Bond	SYNCHRONY FINANCIAL	-	e	3,540,000	104,181	-	104,115	
ASGL	Bond	SYNGENTA FINANCE	-	e	3,550,000	107,594	-	105,563	
ASGL	Bond	TECHNIPFMC	-	e	2,210,000	63,807	-	65,501	
ASGL	Bond	TENGIZCHEVROIL FINANCE INTERNATIONAL	-	e	3,800,000	106,846	-	105,568	
ASGL	Bond	T-MOBILE USA	-	e	1,930,000	53,427	-	52,798	
ASGL	Bond	TRINITY ACQUISITION	-	e	1,680,000	52,267	-	50,896	
ASGL	Bond	TURKCELL ILETISIM HIZMETLERI	-	e	1,200,000	31,673	-	32,718	
ASGL	Bond	UBS GROUP	-	e	1,660,000	51,542	-	50,127	
ASGL	Bond	UTAH ACQUISITION SUB	-	e	3,260,000	98,525	-	97,342	
ASGL	Bond	VANKE REAL ESTATE (HONG KONG)	-	e	1,710,000	48,937	-	47,900	
ASGL	Bond	VMWARE	-	e	1,690,000	51,073	-	50,960	
ASGL	Bond	WESTERN MIDSTREAM OPERATING	-	e	2,300,000	63,193	-	67,844	
ASGL	Bond	WOODSIDE FINANCE	-	e	2,020,000	58,647	-	59,514	
ASGL	Bond	XP US EQUITY	-	e	1,620,000	41,474	-	43,182	
AIL	Fund	PRODIGY STRATEGY INVESTMENT XIV	-	a	3,530	133,349	-	133,349	
AIL	Stock	EONEX	-	d	31,733	-	2.70	-	
AIL	Stock	ISTAGING	-	d	988,889	13,615	2.15	13,615	
AIL	Stock	PTSN	-	d	260,977,800	118,328	4.91	118,328	
AIL	Fund	ASIA PACIFIC GENESIS C	-	b	-	8,145	9.00	8,145	
UEI	Fund	CAPITAL MONEY MARKET	-	a	500,661	8,159	-	8,159	

Note 1 : a. Associate. b. Other related parties.

Note 2 : a. Financial assets at fair value through profit or loss - current ; b. Financial assets at fair value through profit or loss - non-current ; c. Financial assets at fair value through other comprehensive income - current ; d. Financial assets at fair value through other comprehensive income - non-current ; e. Financial assets measured at amortized costs - non-current.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION  
OR 20% OF THE PAID-IN CAPITAL  
YEAR ENDED DECEMBER 31, 2021

Table 3 (Amounts in thousands of New Taiwan dollars)

Company Name	Marketable Securities			Counter-party	Nature of Relationship	Beginning Balance		Acquisition			Disposal				Ending Balance		
	Type	Name	Financial Statement Account (Note 1)			Shares/Units	Amount	Shares/Units	Amount	(Note 2)	Shares/Units	Amount	Carrying Value	(Note 2)	Gain/Loss on Disposal	Shares/Units	Amount
ASUS	Fund	UNION MONEY MARKET	a	-	-	229,708,763	3,057,355	926,872,737	12,350,963	a	1,156,581,500	15,413,658	15,401,832	a	11,826	-	-
													6,486	b			
ASUS	Fund	YUANTA WAN TAI MONEY MARKET	a	-	-	241,402,253	3,682,640	215,230,958	3,285,000	a	456,633,211	6,968,648	6,965,318	a	3,330	-	-
													2,322	b			
ASUS	Fund	UPAMC JAMES BOND MONEY MARKET	a	-	-	133,714,369	2,251,857	83,041,839	1,400,000	a	216,756,208	3,653,033	3,650,000	a	3,033	-	-
													1,857	b			
ASUS	Fund	SINOPAC TWD MONEY MARKET	a	-	-	107,829,740	1,512,161	340,568,324	4,780,237	a	448,398,064	6,294,520	6,289,085	a	5,435	-	-
													3,313	b			
ASUS	Fund	TAISHIN TA CHONG MONEY MARKET	a	-	-	96,539,338	1,382,482	135,286,995	1,940,000	a	231,826,333	3,324,255	3,320,000	a	4,255	-	-
													2,482	b			
ASUS	Fund	TAISHIN 1699 MONEY MARKET	a	-	-	219,593,451	2,996,550	357,788,065	4,890,000	a	577,381,516	7,891,122	7,880,370	a	10,752	-	-
													6,180	b			
ASUS	Fund	NOMURA TAIWAN MONEY MARKET	a	-	-	48,707,812	800,946	97,415,623	1,603,223	a	146,123,435	2,405,172	2,403,274	a	1,898	-	-
													895	b			
ASUS	Fund	YUANTA DE LI MONEY MARKET	a	-	-	72,749,890	1,195,928	71,692,616	1,180,000	a	144,442,506	2,377,337	2,374,000	a	3,337	-	-
													1,928	b			
ASUS	Fund	JIH SUN MONEY MARKET	a	-	-	60,296,929	901,439	52,734,870	790,000	a	113,031,799	1,693,034	1,690,000	a	3,034	-	-
													1,439	b			
ASUS	Fund	YUANTA DE BAO MONEY MARKET	a	-	-	-	-	219,452,779	2,660,000	a	219,452,779	2,660,369	2,660,000	a	369	-	-
ASUTC	Fund	NOMURA TAIWAN MONEY MARKET	a	-	-	60,031,084	987,145	120,062,169	1,976,686	a	180,093,253	2,965,760	2,947,686	a	18,074	-	-
													16,145	b			
ASGL	Fund	USD TERM LIQUIDITY (USD185A3)	a	-	-	-	-	952,519	2,800,900	a	-	-	33,025	c	-	952,519	2,778,557
													10,682	b			
ASGL	Fund	USD TERM LIQUIDITY (USD370A)	b	-	-	-	-	959,903	2,800,900	a	-	-	33,059	c	-	959,903	2,781,409
													13,568	b			
ASUS	Stock	PORTWELL	e	POSIFLEX	-	-	-	29,493,170	1,500,000	a	-	-	18,940	e	-	29,493,170	1,563,796
													80,830	d			
													1,906	f			
ASUS	Stock	ADVANTECH	d	-	-	110,677,983	38,737,294	-	-	b	7,500,000	2,754,909	354,004	a	2,400,905	103,177,983	40,910,070
															(Note 3)		
ASTP	Capital	APVN	e	-	-	-	1,099	-	413,816	a	-	-	-		-	-	420,158
									1,576	d							
									3,667	c							

Note 1 : a. Financial assets at fair value through profit or loss - current.

b. Financial assets at fair value through profit or loss - non-current.

c. Financial assets at fair value through other comprehensive income - current.

d. Financial assets at fair value through other comprehensive income - non-current.

e. Investments accounted for under equity method.

Note 2 : a. Acquired or capital increase/ disposed or capital reduction/liquidation in this period.

b. Revaluation.

c. Recognized in effect of exchange rate changes.

d. Recognized in investment gain or loss under equity investment.

e. Recognized in other comprehensive income (loss) under equity investment.

f. Recognized in capital surplus under equity investment.

Note 3 : The difference of disposal is the accumulated other comprehensive income transferred to retained earnings.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
YEAR ENDED DECEMBER 31, 2021

Table 4 (Amounts in thousands of New Taiwan dollars)

Company Name	Related Party	Nature of Relationship (Note 1)	Transaction Details			Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchases/(Sales)	Amount	Percentage of Total Purchases/(Sales) amount (%)	Payment Terms	Unit Price	Payment Terms	Ending Balance	
ASUS	ASUTC	b	(Sales)	( 23,143,705)	( 5.06)	OA 90	-	-	2,459,425	1.95
ASUS	ASGL	b	(Sales)	( 422,707,167)	( 92.43)	OA 180	-	-	63,819,459	50.49
ASUS	AAEON	b	(Sales)	( 1,120,200)	( 0.24)	Month-end 30 days	-	-	121,793	0.10
ASUS	UEI	b	(Sales)	( 628,529)	( 0.14)	OA 30	-	-	13,292	0.01
ASUS	ASKEY	b	Purchases	292,446	0.04	Month-end 60 days	-	-	( 56,793)	( 0.04)
ASUS	ASMEDIA	b	Purchases	453,647	0.07	Month-end 30 days	-	-	( 37,626)	( 0.03)
ASUS	WT	c	Purchases	2,051,524	0.32	Month-end 60 days	-	-	( 822,249)	( 0.59)
ASGL	ACCQ	b	(Sales)	( 10,752,861)	( 2.30)	OA 180	-	-	713,636	0.58
ASGL	ACI	b	(Sales)	( 99,558,218)	( 21.26)	OA 180	-	-	38,909,032	31.51
ASGL	ACSH	b	(Sales)	( 79,602,953)	( 17.00)	OA 180	-	-	25,492,444	20.64
ASGL	ACJP	b	(Sales)	( 8,083,226)	( 1.73)	OA 120	-	-	1,923,681	1.56
ASGL	ASIN	b	(Sales)	( 13,836,078)	( 2.96)	OA 180	-	-	6,231,928	5.05
ASGL	ACMH	b	(Sales)	( 4,068,857)	( 0.87)	OA 180	-	-	1,187,709	0.96
ASGL	ACNL	b	(Sales)	( 23,661,986)	( 5.05)	OA 180	-	-	6,174,868	5.00
ASGL	ACJK	b	(Sales)	( 13,473,050)	( 2.88)	OA 180	-	-	5,688,996	4.61
ASGL	ACBT	b	(Sales)	( 442,178)	( 0.09)	OA 180	-	-	176,263	0.14
ASGL	ACG	b	(Sales)	( 757,949)	( 0.16)	OA 90	-	-	180,960	0.15
ASGL	ACH	b	(Sales)	( 103,043)	( 0.02)	OA 90	-	-	29,802	0.02
ASMEDIA	WT	c	(Sales)	( 928,142)	( 15.45)	Month-end 30 days	-	-	40,010	7.48
ASKEY	ASKEYI	b	(Sales)	( 5,936,568)	( 25.29)	Month-end 90 days	-	-	1,526,359	20.60
ASKEY	SILIGENCE	b	(Sales)	( 317,411)	( 1.35)	Month-end 90 days	-	-	16,833	0.23
ASKEY	ASKEYJS	b	(Sales)	( 3,967,604)	NA (Note 2)	Month-end 90 days	-	-	681,639	9.20
ASKEY	ASKEYJS	b	Purchases	12,887,228	52.28	Month-end 90 days	Based on cost of finished goods plus related expenditure of related party	-	( 3,830,294)	( 56.60)
ASKEY	WT	c	Purchases	321,500	1.30	Month-end 120 days	-	-	( 29,250)	( 0.43)
ASKEYJS	WT	c	Purchases	172,163	1.60	Month-end 120 days	-	-	( 49,836)	( 1.75)
ASKEYJS	TECHMOSA	c	Purchases	151,798	1.41	Month-end 120 days	-	-	-	-
AAEON	AAEONEI	b	(Sales)	( 983,439)	( 22.20)	Month-end 60 days	-	-	220,205	21.49
AAEON	AAEONEU	b	(Sales)	( 707,740)	( 15.97)	Month-end 60 days	-	-	221,870	21.66
AAEON	AAEONSZ	b	(Sales)	( 311,994)	( 7.04)	Month-end 60 days	-	-	53,464	5.22
AAEON	ONYXHU	b	(Sales)	( 122,769)	( 2.77)	Month-end 60 days	-	-	25,449	2.48
ONYX	ONYXHU	b	(Sales)	( 277,974)	( 29.72)	Month-end 90 days	-	-	99,253	45.38

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

Note 2 : Purchasing raw materials is for subsidiary and the related sales revenue are eliminated in the financial reports.

## ASUSTEK COMPUTER INC. AND SUBSIDIARIES

## RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

DECEMBER 31, 2021

Table 5 (Amounts in thousands of New Taiwan dollars)

Company Name	Related Party	Nature of Relationship (Note)	Ending Balance	Turnover (Times)	Overdue		Amounts Received in Subsequent Period	Loss allowance
					Amount	Action Taken		
ASUS	ASUTC	b	2,459,425	9.47	-	-	2,322,396	-
ASUS	ASGL	b	63,819,459	12.41	-	-	63,795,796	-
ASUS	AAEON	b	121,793	13.71	-	-	90,463	-
ASGL	ACCQ	b	713,636	6.40	-	-	486,478	-
ASGL	ACI	b	38,909,032	2.99	-	-	14,501,692	-
ASGL	ACSH	b	25,492,444	3.76	-	-	10,880,409	-
ASGL	ACJP	b	1,923,681	3.52	-	-	1,552,702	-
ASGL	ASIN	b	6,231,928	2.61	-	-	2,295,164	-
ASGL	ACMH	b	1,187,709	3.73	-	-	658,555	-
ASGL	ACNL	b	6,174,868	4.56	-	-	4,010,316	-
ASGL	ACJK	b	5,688,996	2.95	-	-	2,792,219	-
ASGL	ACBT	b	176,263	4.12	-	-	74,499	-
ASGL	ACG	b	180,960	5.70	-	-	178,700	-
ASGL	ACIN	b	147,291	0.35	-	-	22,204	-
ASGL	ASTH	b	117,424	0.05	-	-	20,183	4,715
ASKEY	ASKEYI	b	1,526,359	3.71	-	-	55,584	-
ASKEY	ASKEYJS	b	681,639	4.32	-	-	359,838	-
AAEON	AAEONEU	b	221,870	4.73	-	-	68,217	-
AAEON	AAEONEI	b	220,205	7.17	-	-	217,321	-
ASKEYJS	ASKEY	b	3,830,294	3.20	-	-	470,560	-

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
(ONLY TRANSACTIONS AMOUNTING TO AT LEAST NT\$100 MILLION ARE DISCLOSED)  
YEAR ENDED DECEMBER 31, 2021

Table 6-1

(Amounts in thousands of New Taiwan dollars)

No. (Note 1)	Company Name	Related Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Account	Amount	Percentage of Consolidated Net Revenue or Total Assets (%)	
0	ASUS	ASUTC	a	Sales	23,143,705	OA 90	4.32
0	ASUS	ASGL	a	Sales	422,707,167	OA 180	78.98
0	ASUS	AAEON	a	Sales	1,120,200	Month-end 30 days	0.21
0	ASUS	UEI	a	Sales	628,529	OA 30	0.12
1	ASMEDIA	ASUS	b	Sales	453,647	Month-end 30 days	0.08
2	ASGL	ACCQ	c	Sales	10,752,861	OA 180	2.01
2	ASGL	ACI	c	Sales	99,558,218	OA 180	18.60
2	ASGL	ACSH	c	Sales	79,602,953	OA 180	14.87
2	ASGL	ACJP	c	Sales	8,083,226	OA 120	1.51
2	ASGL	ASIN	c	Sales	13,836,078	OA 180	2.59
2	ASGL	ACMH	c	Sales	4,068,857	OA 180	0.76
2	ASGL	ACNL	c	Sales	23,661,986	OA 180	4.42
2	ASGL	ACJK	c	Sales	13,473,050	OA 180	2.52
2	ASGL	ACBT	c	Sales	442,178	OA 180	0.08
2	ASGL	ACG	c	Sales	757,949	OA 90	0.14
2	ASGL	ACH	c	Sales	103,043	OA 90	0.02
3	ASKEY	ASUS	b	Sales	292,446	Month-end 60 days	0.05
3	ASKEY	SILIGENCE	c	Sales	317,411	Month-end 90 days	0.06
3	ASKEY	ASKEYI	c	Sales	5,936,568	Month-end 90 days	1.11
3	ASKEY	ASKEYJS	c	Sales	3,967,604	Month-end 90 days	0.74
4	ASKEYJS	ASKEY	c	Sales	12,887,228	Month-end 90 days	2.41
5	AAEON	AAEONEI	c	Sales	983,439	Month-end 60 days	0.18
5	AAEON	AAEONSZ	c	Sales	311,994	Month-end 60 days	0.06
5	AAEON	AAEONEU	c	Sales	707,740	Month-end 60 days	0.13
5	AAEON	ONYXHU	c	Sales	122,769	Month-end 60 days	0.02
6	ONYX	ONYXHU	c	Sales	277,974	Month-end 90 days	0.05
7	ACH	ASGL	c	Service revenue	385,199	Pay on delivery	0.07
8	ACAE	ASGL	c	Service revenue	158,999	Pay on delivery	0.03
9	ACI	ASGL	c	Service revenue	560,415	Pay on delivery	0.10
10	ACCZS	ASGL	c	Service revenue	459,026	Pay on delivery	0.09
11	ACF	ASGL	c	Service revenue	435,023	Pay on delivery	0.08
12	ACG	ASGL	c	Service revenue	389,954	Pay on delivery	0.07
13	ACHK	ASGL	c	Service revenue	152,805	Pay on delivery	0.03
14	ACIN	ASGL	c	Service revenue	140,826	Pay on delivery	0.03
15	ACKR	ASGL	c	Service revenue	114,098	Pay on delivery	0.02
16	ACPL	ASGL	c	Service revenue	126,927	Pay on delivery	0.02
17	ACUK	ASGL	c	Service revenue	230,501	Pay on delivery	0.04
18	ACVN	ASGL	c	Service revenue	136,284	Pay on delivery	0.03
19	ACCQ	ASGL	c	Service revenue	1,301,399	Pay on delivery	0.24
20	ACSH	ASGL	c	Service revenue	174,890	Pay on delivery	0.03
21	ACSZ	ASGL	c	Service revenue	2,366,810	Pay on delivery	0.44
22	ACAU	ASGL	c	Service revenue	207,684	Pay on delivery	0.04
23	ACN	ASGL	c	Service revenue	316,725	Pay on delivery	0.06
24	ACIT	ACNL	c	Service revenue	231,179	Pay on delivery	0.04
25	ACIB	ACNL	c	Service revenue	187,724	Pay on delivery	0.04
26	ACS	ASGL	c	Service revenue	187,933	Pay on delivery	0.04

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
(ONLY TRANSACTIONS AMOUNTING TO AT LEAST NT\$100 MILLION ARE DISCLOSED)  
DECEMBER 31, 2021

Table 6-2

(Amounts in thousands of New Taiwan dollars)

No. (Note 1)	Company Name	Related Party	Nature of Relationship (Note 2)	Intercompany Transactions			Percentage of Consolidated Net Revenue or Total Assets (%)
				Financial Statements Account	Amount	Terms	
0	ASUS	ASUTC	a	Trade receivables	2,459,425	OA 90	0.49
0	ASUS	ASGL	a	Trade receivables	63,819,459	OA 180	12.66
0	ASUS	AAEON	a	Trade receivables	121,793	Month-end 30 days	0.02
2	ASGL	ACCQ	c	Trade receivables	713,636	OA 180	0.14
2	ASGL	ACI	c	Trade receivables	38,909,032	OA 180	7.72
2	ASGL	ACSH	c	Trade receivables	25,492,444	OA 180	5.06
2	ASGL	ACJP	c	Trade receivables	1,923,681	OA 120	0.38
2	ASGL	ASIN	c	Trade receivables	6,231,928	OA 180	1.24
2	ASGL	ACMH	c	Trade receivables	1,187,709	OA 180	0.24
2	ASGL	ACNL	c	Trade receivables	6,174,868	OA 180	1.22
2	ASGL	ACJK	c	Trade receivables	5,688,996	OA 180	1.13
2	ASGL	ACBT	c	Trade receivables	176,263	OA 180	0.03
2	ASGL	ACG	c	Trade receivables	180,960	OA 90	0.04
2	ASGL	ACIN	c	Trade receivables	147,291	OA 150	0.03
2	ASGL	ASTH	c	Trade receivables	117,424	OA 150	0.02
3	ASKEY	ASKEYI	c	Trade receivables	1,526,359	Month-end 90 days	0.30
3	ASKEY	ASKEYJS	c	Trade receivables	681,639	Month-end 90 days	0.14
4	ASKEYJS	ASKEY	c	Trade receivables	3,830,294	Month-end 90 days	0.76
5	AAEON	AAEONEI	c	Trade receivables	220,205	Month-end 60 days	0.04
5	AAEON	AAEONEU	c	Trade receivables	221,870	Month-end 60 days	0.04
7	ACH	ASGL	c	Trade receivables	121,812	Pay on delivery	0.02
10	ACCZS	ASGL	c	Trade receivables	100,890	Pay on delivery	0.02
11	ACF	ASGL	c	Other receivables	121,112	Pay on delivery	0.02
12	ACG	ASGL	c	Trade receivables	120,800	Pay on delivery	0.02
19	ACCQ	ASGL	c	Other receivables	301,169	Pay on delivery	0.06
21	ACSZ	ASGL	c	Trade receivables	774,524	Pay on delivery	0.15
22	ACAU	ASGL	c	Other receivables	146,530	Pay on delivery	0.03

Note 1 : ASUS and its subsidiaries are coded as follows:

- a. ASUS is coded 0.
- b. The subsidiaries are coded consecutively beginning from 1 in the order presented in the table above.

Note 2 : Transactions are categorized as follows:

- a. The parent company to subsidiary.
- b. Subsidiary to parent company.
- c. Subsidiary to subsidiary.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
 NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE  
 (EXCLUDING INFORMATION ON INVESTMENTS IN MAINLAND CHINA)

YEAR ENDED DECEMBER 31, 2021

Table 7 (Amounts in thousands of New Taiwan dollars)

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2021			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership (%)	Carrying Value			
ASUS	ACI	U.S.A	Selling of 3C products in North America	13,320	13,320	50,000	100.00	-	1,650,091	1,650,091	Note 2 and 3
ASUS	ASUTC	Taiwan	Selling of 3C products in Taiwan	204,244	204,244	19,000,000	100.00	216,326	520,353	520,353	Note 1 and 2
ASUS	ACH	Netherlands	Repairing of 3C products	155,336	37,821	10,800,000	100.00	325,071	12,595	12,595	Note 2
ASUS	AIL	Cayman Islands	Investing in 3C and computer peripheral business	3,281,057	3,281,057	89,730,042	100.00	34,654,377	2,597,679	2,597,679	Note 1 and 2
ASUS	DEEP	Taiwan	Researching, developing and selling of AI medical related software	45,030	45,030	674,908	21.96	40,362	( 13,509)	( 2,966)	Note 2
ASUS	ASGL	Singapore	Selling of 3C products	838,070	838,070	28,000,000	100.00	49,928,352	17,629,540	16,450,878	Note 2
ASUS	ASKEY	Taiwan	Designing, manufacturing, repairing and selling of communication products and computer peripheral spare parts	5,021,108	5,021,108	480,000,000	100.00	731,690	( 1,732,472)	( 1,717,840)	Note 2
ASUS	HCVC	Taiwan	Investing in computer peripherals business	1,100,000	1,100,000	114,500,000	100.00	3,077,622	376,646	376,646	Note 2
ASUS	HMI	Taiwan	Investing in computer peripherals business	680,000	680,000	68,000,000	100.00	1,657,921	186,378	186,378	Note 2
ASUS	QCI	Singapore	Servicing of information technology	25,290	25,290	830,001	100.00	43,242	32,640	32,640	Note 2
ASUS	ASUSCLOUD	Taiwan	Selling and consulting of internet service	596,678	596,678	23,645,558	94.58	24,103	( 76,009)	( 71,891)	Note 2
ASUS	UEI	Taiwan	Manufacturing and selling of automotive electronics and computer peripherals	66,354	66,354	21,300,000	100.00	245,770	152,242	152,242	Note 2
ASUS	GAIUS	Cayman Islands	Investing in electric motor tricycle industry	310,400	310,400	16,386,481	35.00	218,354	( 136,758)	( 47,865)	Note 2
ASUS	TWS	Taiwan	Servicing of AI computing	299,000	-	29,900,000	100.00	152,242	( 146,758)	( 146,758)	Note 2
ASUS	PORTWELL	Taiwan	Manufacturing and selling of computers and computer peripherals and servicing information software	1,500,000	-	29,493,170	30.00	1,563,796	363,604	80,830	Note 2
ASUS	NEXTS	Cayman Islands	Investing in cloud computing service business	94,324	94,324	8,560,974	43.48	97,740	39,337	17,103	Note 2
ASUS	LELTEKH	Cayman Islands	Researching, developing, selling of handheld ultrasound solutions	136,054	-	8,418,740	22.78	140,710	( 7,232)	( 1,647)	Note 2
ASUS and HCVC	ACJK	Indonesia	Selling of 3C products in Indonesia	259,576	259,576	8,500	100.00	6,501	( 179,590)	( 179,590)	Note 2
ASUS and HCVC	IMOTION	Taiwan	Investing in AI and IPC peripherals business	270,000	270,000	27,000,000	30.00	60,514	4,126	1,052	Note 2
ASUS and HCVC	ACBT	Indonesia	Selling of 3C products in Indonesia	1,126,979	1,126,979	4,211,100	100.00	100,919	( 55,323)	( 55,323)	Note 2
ASUS and HCVC	SWI	Taiwan	Researching, developing, selling and consulting of information system software	72,146	72,146	5,469,750	51.00	75,877	1,771	903	Note 2
ASUS and HCVC	IUT	Taiwan	Researching, developing, manufacturing and selling of ink-jet print heads and ink-jet digital image output technology	177,743	177,743	11,323,682	69.25	124,278	8,127	5,628	Note 2
ASUS · HCVC and HMI	ASMEDIA	Taiwan	Designing, researching, developing and manufacturing of high-speed analog circuit	342,673	342,673	31,775,315	45.99	7,445,626	3,193,148	1,130,522	Note 2
ASUS · HCVC and HMI	EMC	Taiwan	Designing, manufacturing and selling of computer peripheral spare parts	81,060	81,060	6,359,548	17.78	292,629	627,912	39,737	Note 2
ASUS · HCVC and HMI	AAEON	Taiwan	Manufacturing and selling of industrial computers and computer peripherals	3,357,568	3,357,568	60,474,000	40.69	5,001,342	468,244	128,751	Note 2
ASUS · HCVC and HMI	JPX	Taiwan	Designing and selling of computer peripheral spare parts	20,000	20,000	2,000,000	15.38	5,970	( 23,609)	( 1,923)	Note 2
ASUS and HCVC	UPI	Taiwan	Designing, researching, developing and selling of integrated circuits	452,526	486,532	23,889,905	33.79	2,110,845	1,113,190	317,057	Note 2
ASUS · HMI and AAEON	ONYX	Taiwan	Designing, manufacturing and selling of medical computers	146,376	146,376	17,188,300	56.80	567,147	131,481	7,361	Note 2 and 4
HMI	JOGEEK	Taiwan	Selling and repairing of information software and electronic information materials	30,000	30,000	3,000,000	100.00	24,828	( 2,395)	-	Note 2
ASKEY	ASKEYI	U.S.A	Selling and servicing of communication products	307,607	307,607	10,000,000	100.00	22,827	42,198	-	Note 2
ASKEY	DIC	British Virgin Islands	Investing in communication business	271,695	271,695	8,160,172	100.00	74,095	59	-	Note 2
ASKEY	MIC	British Virgin Islands	Investing in communication business	3,752,306	3,752,306	114,942,014	100.00	3,015,925	56,376	-	Note 2
ASKEY	ECOLAND	Taiwan	Planning and design integration of ecology, architecture and energy	21,840	21,840	780,000	33.91	-	( 6,081)	-	Note 2 and 3
ASKEY	ASKEYDT	Taiwan	Selling and servicing of communication products	30,000	30,000	3,000,000	100.00	30,100	35	-	Note 2
ASKEY	WONDA	Taiwan	Manufacturing and designing of wired and wireless communication, electronic parts products, etc.	65,344	65,344	9,242,232	100.00	48,927	20,334	-	Note 2
ASKEY	ASKEYUK	U.K.	Selling and servicing of communication products	37,740	37,740	1,000,000	100.00	32,173	( 5,236)	-	Note 2
ASKEY and MIC	ASKEYBR	Brazil	Selling and servicing of communication products	28,667	26,883	3,700,000	100.00	5,567	158	-	Note 2
DIC	ASKEYVN	Vietnam	Manufacturing and selling of communication products	158,732	163,319	2,883,359	100.00	70,436	-	-	Note 2

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2021			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership (%)	Carrying Value			
DIC	WISE	Hong Kong	Investing in communication business	37,410	38,491	1,600,000	100.00	12,193	148	-	Note 2
MIC	MAGICOM	Cayman Islands	Investing in communication business	2,519,710	2,592,534	91,030,000	100.00	3,205,821	21,486	-	Note 2
MIC	ASKEYCG	Germany	Selling and servicing of communication products	3,622	3,727	100,000	100.00	1,911	(1,182)	-	Note 2
MIC	ASKEYTH	Thailand	Selling and servicing of communication products	1,735	1,786	20,000	100.00	1,093	1,629	-	Note 2
MIC	ASKEYJP	Japan	Selling and servicing of communication products	1,301	1,339	500,000	100.00	-	1,641	-	Note 2 and 3
ASKEY and WISE	SILIGENCE	France	Selling and servicing of communication products	174,071	175,149	4,623,090	95.95	72,096	914	-	Note 2
AAEON	AAEONEI	U.S.A	Selling of industrial computers and computer peripherals	135,632	139,552	490,000	100.00	221,656	25,783	-	Note 2
AAEON	AAEONTCL	British Virgin Islands	Investing in industrial computers and interface cards business	243,780	250,826	8,807,097	100.00	240,950	27,032	-	Note 2
AAEON	AAEONEU	Netherlands	Selling of industrial computers and computer peripherals	3,132	3,502	-	100.00	31,446	5,245	-	Note 2
AAEON	AAEONI	Taiwan	Investing in industrial computers and computer peripherals business	150,000	150,000	15,000,000	100.00	119,379	(5,175)	-	Note 2
AAEON	LITEMAX	Taiwan	Selling of computer peripherals	70,218	70,218	5,015,050	11.99	103,896	112,149	-	Note 2
AAEON	IBASE	Taiwan	Manufacturing and selling of industrial motherboard	3,498,501	3,498,501	52,921,856	31.91	3,257,009	312,547	-	Note 2
AAEON	AAEONSG	Singapore	Selling of industrial computers and computer peripherals	11,936	12,577	465,840	100.00	53,253	6,990	-	Note 2
AAEONEU	AAEONG	Germany	Selling of industrial computers and computer peripherals	940	1,051	-	100.00	19,044	811	-	Note 2
ONYX	ONYXHU	U.S.A	Selling of medical computers and peripherals	55,360	56,960	200,000	100.00	94,100	(631)	-	Note 2
ONYX	ONYXHE	Netherlands	Marketing support and repairing of medical computers and peripherals	3,132	3,502	100,000	100.00	11,672	4,215	-	Note 2
ONYX	IHELPER	Taiwan	Researching, developing and selling of medical robots	16,560	16,560	1,656,000	46.00	7,557	(1,930)	-	Note 2
ONYX	WINMATE	Taiwan	Bidding and distribution of liquid crystal display application equipment and modules	552,783	538,199	10,041,000	13.85	561,275	364,706	-	Note 2
ASUSCLOUD	ASUSCLOUDSG	Singapore	Investing in internet service business	24,853	24,853	-	100.00	1,762	(861)	-	Note 2
ASUSCLOUD	ASUSCLOUDLB	Luxembourg	Providing maintenance and operating service for information hardware	18,065	18,065	-	100.00	2,949	160	-	Note 2
ASUSCLOUD	ASUSLC	Taiwan	Selling of internet information service	5,000	5,000	500,000	50.00	-	(2,703)	-	Note 2 and 3
ASMEDIA	WT	Taiwan	Agent sales of semiconductor and electronic components	6,624,000	6,624,000	171,000,000	21.44	11,391,413	7,923,257	-	Note 2
AIL	CHANNEL	British Virgin Islands	Investing in 3C business	831,313	855,340	30,033,000	100.00	35,913,547	2,594,502	-	Note 2
CHANNEL	ASTP	Singapore	Investing in 3C business	830,469	854,471	44,419,424	100.00	38,241,435	180,308	-	Note 2
CHANNEL and ASTP	ACEG	Egypt	Providing support for 3C products in Egypt	-	-	-	100.00	1,152	20	-	Note 2
CHANNEL and ASTP	ACAE	United Arab Emirates	Providing support and repair for 3C products in Middle East	81,463	3,928	107	100.00	98,734	(318)	-	Note 2
CHANNEL and ASTP	ASID	Indonesia	Repairing of 3C products in Asia-pacific and America	41,520	42,720	1,500,000	100.00	41,286	4,083	-	Note 2
CHANNEL - ASTP and ACNL	ACTH	Thailand	Providing support for 3C products in Thailand	13,076	13,454	20,000	100.00	24,813	3,999	-	Note 2
CHANNEL - ASTP and ACNL	ASTH	Thailand	Repairing of 3C products in Thailand	5,248	5,400	60,000	100.00	7,427	2,620	-	Note 2
ASTP	ACG	Germany	Selling and providing support for 3C products in Germany	2,622	2,698	-	100.00	168,192	12,751	-	Note 2
ASTP	ACF	France	Providing support for 3C products in France	1,380	1,420	5,300	100.00	61,979	6,726	-	Note 2
ASTP	ACUK	U.K.	Providing support for 3C products in United Kingdom	2,498	2,570	50,000	100.00	64,656	8,759	-	Note 2
ASTP	ACHK	Hong Kong	Providing support and repair for 3C products in Hong Kong	1,781	1,833	500,000	100.00	14,032	296	-	Note 2
ASTP	ACKR	South Korea	Providing support and repair for 3C products in South Korea	9,576	9,852	158,433	100.00	48,173	4,457	-	Note 2
ASTP	ACIN	India	Providing support and repair for 3C products in India	228,843	235,457	20,134,400	100.00	316,798	26,861	-	Note 2
ASTP	ACNL	Netherlands	Selling of 3C products	16,115	16,580	375,000	100.00	1,693,671	182,490	-	Note 2
ASTP	ACVN	Vietnam	Providing support and repair for 3C products in Vietnam	2,214	2,278	-	100.00	29,921	4,914	-	Note 2
ASTP	ACIB	Spain	Providing support for 3C products in Spain	17	17	3,000	100.00	48,649	5,887	-	Note 2
ASTP	ACJP	Japan	Selling of 3C products in Japan	67,750	69,708	20,500	100.00	384,910	66,119	-	Note 2
ASTP	ASAU	Australia	Repairing of 3C products in Australia	26,719	27,492	950,000	100.00	65,868	11,521	-	Note 2
ASTP	ACAU	Australia	Providing support for 3C products in Australia	9,987	10,276	350,000	100.00	57,204	3,753	-	Note 2
ASTP	ACIL	Israel	Providing support for 3C products in Israel	360	370	50,000	100.00	10,631	5,899	-	Note 2
ASTP	ACCO	Colombia	Providing support for 3C products in Colombia	830	854	74,489	100.00	4,090	1,400	-	Note 2
ASTP	ACZA	South Africa	Providing support and repair for 3C products in Africa	2	2	1,000	100.00	7,313	1,471	-	Note 2
ASTP	ACMY	Malaysia	Providing support and repair for 3C products in Malaysia	3,235	3,328	500,000	100.00	20,829	1,980	-	Note 2
ASTP	ACCL	Chile	Providing support for 3C products in Chile	48	49	1,000	100.00	3,540	1,570	-	Note 2

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2021			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership (%)	Carrying Value			
				ASTP	ASPH	Philippines	Providing support and repair for 3C products in Philippines	5,545			
ASTP	APVN	Vietnam	Leasing and trading real estate	415,200	1,424	-	100.00	420,158	1,576	-	Note 2
ASTP and ACNL	A25	Russia	Selling of 3C products in Russia	4	4	-	100.00	5,037	9,465	-	Note 2
ASTP and ACNL	ACPE	Peru	Providing support for 3C products in Peru	35,030	36,073	4,195,740	100.00	29,868	649	-	Note 2
ASTP and ACNL	ACMH	Mexico	Selling of 3C products in Mexico	105,396	108,241	51,250	100.00	264,364	249,002	-	Note 2
ASTP and ACNL	ACBZ	Brazil	Selling of 3C products in Brazil	5,456,036	5,613,750	549,469,000	100.00	3,048,331	527,004	-	Note 2
ASTP and ACNL	ASIN	India	Selling of 3C products in India	187,601	193,023	33,500,000	100.00	568,773	260,029	-	Note 2
ACNL	ACHU	Hungary	Providing support for 3C products in Hungary	1,566	1,751	-	100.00	10,821	1,616	-	Note 2
ACNL	ACPT	Portugal	Providing support for 3C products in Portugal	940	1,051	30,000	100.00	14,507	1,896	-	Note 2
ACNL	ACCH	Switzerland	Providing support for 3C products in Switzerland	7,157	8,003	3,400	100.00	19,842	2,747	-	Note 2
ACNL	ACN	Sweden	Providing support for 3C products in North Europe	998	1,116	3,000	100.00	50,567	11,595	-	Note 2
ACNL	ACTR	Turkey	Providing support and repair for 3C products in Turkey	127,382	15,411	2,046	100.00	164,532	56,438	-	Note 2
ACNL	ASTR	Turkey	Repairing of 3C products in Turkey	319	357	3,000	100.00	6,285	3,799	-	Note 2
ACNL	ACPL	Poland	Providing support for 3C products in Poland	45,592	50,976	1,000	100.00	55,001	4,868	-	Note 2
ACNL	ACIT	Italy	Providing support for 3C products in Italy	1,503	1,681	-	100.00	220	4,034	-	Note 2
ACNL	ACCZ	Czech Republic	Providing support for 3C products in Czech Republic	245	274	-	100.00	22,267	2,782	-	Note 2
ACNL	ACCZS	Czech Republic	Repairing of 3C products in Europe	6,560	7,335	-	100.00	127,672	14,808	-	Note 2
ACNL	QCS	Sweden	Servicing of information technology	146	163	500	100.00	-	6,887	-	Note 2 and 3
ACNL	ACUKR	Ukraine	Providing support for 3C products in Ukraine	9,196	-	-	100.00	10,805	1,085	-	Note 2

Note 1 : Original investment amount excludes other interest oriented from shareholders' stock trust which distributes to employees.

Note 2 : According to regulation, only disclose the share of profits/losses of investee recognized by ASUS.

Note 3 : Credit balance of investments accounted for under equity method is transferred to other liabilities - non-current.

Note 4 : Percentage of ownership represents controlling shareholding ratio but not the comprehensive shareholding ratio.

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Table 8 (Amounts in thousands of New Taiwan dollars and foreign currencies)

Investee Company	Main Businesses	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Beginning Balance of Accumulated Outflow of Investment from Taiwan	Investment Flows		Ending Balance Accumulated Outflow of Investment from Taiwan	Net Income (Loss) of the Investee Company	Percentage of Ownership (%)	Investment Income (Loss) Recognized in Current Period (Note 2 a and b)	Carrying Amount as of December 31, 2021 (Note 2 a and b)	Ending Balance of Accumulated Inward Remittance of Earnings	Note (Note 1 b)
					Outflow	Inflow							
ACSH	Selling of 3C products in China	1,331,408	b	1,331,408	-	-	1,331,408	455,541	100.00	455,541	-	-	ASTP Invested (Note 3)
ACS	Repairing of 3C products	55,360	b	55,360	-	-	55,360	4,702	100.00	4,702	79,301	-	ASTP Invested
ACSZ	Researching and developing of 3C products	1,356,320	b	1,356,320	-	-	1,356,320	177,435	100.00	177,435	3,309,795	-	ASTP Invested
ACCQ	Selling of 3C products in China	1,909,920	b	1,909,920	-	-	1,909,920	473,757	100.00	473,757	6,509,563	-	ASTP Invested
ACISZ	Leasing real estate	716,886	c	-	-	-	-	4,744	100.00	4,744	711,126	-	-
ASKEYSH	Researching, developing and selling of communication products	83,040	b	83,040	-	-	83,040	( 1,783)	100.00	( 1,783)	-	-	MIC Invested (Note 3)
ASKEYJS	Manufacturing and selling of communication products	2,491,200	b	2,491,200	-	-	2,491,200	21,738	100.00	21,738	3,065,403	-	MAGICOM Invested
AAEONSZ	Manufacturing and selling of industrial computers and interface cards	240,547	b	240,547	-	-	240,547	27,177	100.00	27,177	249,690	-	AAEONTCL Invested
ONYXSH	Selling of medical computers and peripherals	60,896	a	55,360	5,536	-	60,896	( 2,588)	100.00	( 2,588)	7,508	-	-
EMES	Selling and consulting of information system software	8,304	a	8,304	-	-	8,304	5,311	100.00	5,311	22,470	-	-
JSCD	Participating and promoting of professional eSports	673,900	a	673,900	-	-	673,900	( 97,435)	100.00	( 97,435)	311,035	-	-
EOSTEK SHENZHEN	Smart TV and projector platform service	193,760	c	49,603	-	-	49,603	-	14.94	-	-	-	-

Company Name	Ending Balance of Accumulated Investment in Mainland China	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
ASUS	5,832,243 USD 210,702	6,009,395 USD 217,102	147,861,880
ASKEY	2,931,926 USD 105,922	2,931,926 USD 105,922	(Note 4)
AAEON	240,547 USD 8,690	240,547 USD 8,690	5,034,317
SWI	8,304 USD 300	9,411 USD 340	89,267
ONYX	60,896 USD 2,200	60,896 USD 2,200	620,860

Note 1 : The methods for engaging in investment in Mainland China include the following:

- a. Direct investment in Mainland China.
- b. Indirectly investment in Mainland China through companies registered in a third region (Please specify the name of the company in third region).
- c. 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:

- a. The financial report was audited by an international accounting firm in cooperation with an R.O.C. accounting firm.
- b. 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.