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Stock No.:2357

ASUSTeK Computer Inc.

Annual General Shareholders Meeting for 2021

Meeting Handbook

June 10, 2021

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ASUSTeK Computer Inc.
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for
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ASUSTeK Computer Inc.

Agenda of the Annual General Shareholders Meeting for 2021

1. Time: 9:00 am on June 10, 2021 (Thursday)
2. Place: Grand Hall of MellowFields Co. Ltd. (No.127, Sec. 7, Jhongshan N. Rd., Taipei City)
3. Chairman' s Statement
4. Report Items
 - (1) Business report of 2020.
 - (2) Audit Committee's Review Report of 2020.
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 - Proposal 2: Amendment to the "Rules for Election of Directors." (Proposed by the Board of Directors)
7. Extemporal motions
8. Adjournment

REPORT ITEMS

1. Business report of 2020.

Business Report

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

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

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

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

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

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

Honored as the World's Best Laptop Brand and Ranked Among the World's Most Admired Companies

In the spirit of our brand promise — In Search of Incredible — our product innovation, user

recommendability, social responsibility, and sustainable practices have all continued to evolve, and have received international recognition and multiple prestigious awards. In 2020, ASUS was recognized as one of Fortune’s World’s Most Admired Companies, was honored as one of Taiwan’s most valuable international brands by Taiwan’s Ministry of Economic Affairs through Interbrand, and was ranked as among the Clarivate Top 100 Global Innovators™ 2021. These are clear signals that our innovation capabilities, brand value, and brand spirit are highly esteemed internationally. In terms of product and brand, ASUS won 26 Red Dot Design Awards, 15 Good Design Awards, and 27 Taiwan Excellence Awards in 2020, in addition to being recognized by the prestigious U.S.-based Laptop Mag as the world’s best laptop brand of 2020 — with full scores or the world’s highest scores in terms of product reviews, innovation, design, and value and selection.

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

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

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

Committed to Corporate Sustainability and Information Security

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

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

advanced our corporate commitment to information security and protection.

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

ASUS has unified into a team that trusts in radical truth and transparency and fosters collective wisdom. Through implementing our Golden Triangle Principle — Design Thinking, Market Position, and NPS — ASUS Group consolidated revenue for 2020 reached NT\$412.8 billion, which is 17% more than in 2019. Net profit after tax was NT\$28.4 billion, of which NT\$26.6 billion was net profit attributable to owners of the parent company, representing an increase of 119% from 2019. After-tax earnings per share (EPS) were NT\$35.76.

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

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

Chairman: Jonney Shih

CO-CEO: S.Y. Hsu

CO-CEO: Samson Hu

Chief Accountant: Winnie Liu

2. Audit Committee's review report of 2020.

Audit Committee's Review Report of ASUSTeK Computer Inc.

The Board of Directors has prepared the ASUSTeK Computer Inc. (“the Company”) 2020 Business Report, financial statements, and proposal for earnings distribution. The CPA firm of PwC was retained to audit the Company’s financial statements and has issued an audit report relating to financial statements. The above Business Report, financial statements, and earnings distribution proposal have been examined and determined to be correct and accurate by the Audit Committee of ASUSTeK Computer Inc. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

ASUSTek Computer Inc.

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

March 17, 2021

3. Report of Directors' Compensation and Employees' Compensation for 2020.

- (1). The profit of the company in 2020 was NT\$32,730,499,082(including"discontinued operations"). 0.3% of the profit will be allocated to Directors' compensation which is NT\$98,191,497. 5.7% of the profit will be allocated to the Employees' compensation which is NT\$1,865,638,448. The above-mentioned will be paid in cash and it is tallied with the estimation of expenses .
- (2). The distribution above is resolved by the Company's Remuneration Committee and the Board of Directors.

ADOPTION ITEMS

Proposal 1: (Proposed by the Board of Directors)

Proposal: To adopt 2020 Business Report and Financial Statements.

Description:

1. The Company's financial statements, consolidated financial statements and business reports were approved by the ASUS Board of Directors and audited by independent auditors, CPA Chien-Hung Chou and CPA Chun-Yao Lin of PwC Taiwan, who have concluded that the 2020 financial status and operating results have been presented fairly. For more information, please refer to the Meeting Agenda Handbook as Appendix 1 and Appendix 2.
2. The Business Report and financial statements have been reviewed by the Audit Committee of ASUSTek Computer Inc.

Resolution:

Proposal 2: (Proposed by the Board of Directors)

Proposal: To adopt the proposal for distribution of 2020 profits.

Description:

1. In 2020, the net income after tax was NT\$26,557,672,270, the distributable surplus is NT\$23,885,757,040. After take into consideration of the unappropriated earnings of prior years of NT\$83,489,916,989, the total distributable surplus is NT\$107,375,674,029. The proposed distribution of shareholder dividends is NT\$19,311,767,280, which is NT\$26 per share and will be paid in cash. (Please refer to the Company's 2020 Earnings Distribution Table.)
2. If the dividend ratio of the earnings distribution is changed and must be adjusted as a result of a change in the number of outstanding shares, it is proposed to have the Chairman authorized in the meeting of shareholders to arrange necessary adjustments.
3. Shareholder cash dividend that is less than NT\$1 should be rounded up to dollar; also, fractional shares will be purchased by persons arranged by the Chairman ,authorized by the meeting of shareholders.
4. Upon the approval of the annual meeting of shareholders, it is proposed that the Chairman be authorized to resolve the dividend record date and other relevant issues.

Resolution:

Earning Distribution Table of ASUSTeK Computer Inc.

2020

Unit: NT\$

Account	Amount	Note
Unappropriated earnings - beginning	83,489,916,989	
(+)2020 Net Income	26,557,672,270	
(-)Change in associates and joint ventures accounted for under equity method	(1)	
(-)Disposal of financial assets at fair value through other comprehensive	(17,942,225)	
(-)Appropriated 10% legal reserve	(2,653,973,004)	
Distributable earnings - current	107,375,674,029	
(-)Distributions :		
Shareholder bonus	19,311,767,280	NT\$26 per share
2020 Unappropriated earnings	4,573,989,760	
Unappropriated earnings - ending	88,063,906,749	

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

Chairman :

CO-CEO :

Chief Accountant :

DISCUSSION ITEMS

Proposal 1: (Proposed by the Board of Directors)

Proposal: Amendment to the “Articles of Incorporation.” Request for resolution approval.

Description:

In response to the company's practical operations and corporate governance planning, it is proposed to amend some of the provisions of Article 2 and Article 13 of the "Articles of Incorporation." (Please refer to Appendix 3 for the clause revision table.)

Resolution:

Proposal 2: (Proposed by the Board of Directors)

Proposal: Amendment to the “Rules for Election of Directors.” Request for resolution approval.

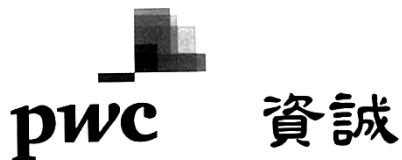
Description:

Proposed to amend the “Rules for Election of Directors” in the Articles of Incorporation according to the Taiwan Stock Exchange Co., Ltd. Announcement No. 1090009468, in order to comply with laws and the practical election process for directors. (Please refer to Appendix 4 for the clause revision table.)

Resolution:

EXTEMPORAL MOTIONS

APPENDICES



Independent Auditors' Report

To the Board of Directors and Shareholders of

ASUSTEK COMPUTER INC.:

Opinion

We have audited the accompanying consolidated balance sheets of ASUSTEK COMPUTER INC. and its subsidiaries (the “Group”) as of December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2020 and 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other independent auditors, as described in the Other matter section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2020 and 2019 in accordance with the Regulations Governing the Preparations of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China for the year ended December 31, 2020; we conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Financial Supervisory Commission Letter No. 1090360805 of February 25, 2020 and generally accepted auditing standards in the Republic of China for the year ended December 31, 2019. Our responsibilities under those standards are further described in the independent auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are



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independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of the other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

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

Evaluation of inventories

Description

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

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

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



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How our audit addressed the matter

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

1. Assessed the policy on allowance for inventory valuation loss based on our understanding of the Group's operations and industry.
2. Inspected the management's individually identified out-of-date inventory list and checked the related supporting documents.
3. Tested the basis of market value used in calculating the net realizable value of inventory and validated the accuracy of net realizable value calculation of selected samples.

Refund liabilities - sales returns and discounts

Description

Refer to Note 4(33) for the accounting policies on estimations for sales returns and discounts, Note 5 for the uncertainty of accounting estimations and assumptions for refund liabilities - sales returns and discounts, and Note 6(17) for the details of refund liabilities - sales returns and discounts. As of December 31, 2020, refund liabilities - sales returns and discounts amounted to \$24,436,364 thousand.

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

How our audit addressed the matter

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

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



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liabilities - sales returns and discounts have been properly recognized in the financial statements.

4. Selected samples and confirmed that the reversal amounts based on the reversal statements of refund liabilities - sales returns and discounts have been properly recognized in the financial statements and checked against the original vouchers.

Classification and presentation of discontinued operations

Description

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

The Group is determined to reshape its smartphone business strategy and adjust product positioning to focus on perfecting solutions for gamers and expert users under the resolution by the Board of Directors on December 13, 2018. The transformation plan has been in progress and the Group recognized valuation effects of assets and liabilities accordingly in the same year. Given the magnitude that the Group continuously disposed of discontinued operations as well as the significant impact of how the profit or loss of discontinued operations was classified and presented in the financial statements, we consider the classification and presentation of discontinued operations as one of the key audit matters.

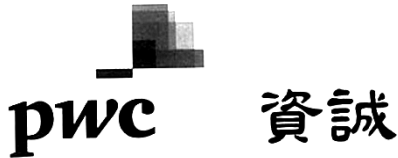
How our audit addressed the matter

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

1. Obtained management's detailed listings of valuation effects of assets and liabilities in discontinued operations and checked relevant supporting documentation.
2. Confirmed the financial statements are reasonably presented by reviewing and assessing how the management disclosed the discontinued operations.

Other matter – Reference to the audits of other independent auditors

We did not audit the financial statements of certain consolidated subsidiaries and investments accounted for under the equity method, which statements reflect total assets of \$9,600,499 thousand and \$11,405,539 thousand (including investments accounted for under the equity method amounting to \$4,194,107 thousand and \$4,185,826 thousand), constituting 2.42% and 3.24% of consolidated total assets as of December 31, 2020 and 2019, respectively, total operating revenues of \$3,769,646 thousand and \$2,121,798 thousand, constituting 0.91% and 0.60% of consolidated operating revenues for the years ended December 31, 2020 and 2019, respectively, and the share of profit and other comprehensive



income of associates and joint ventures accounted for under the equity method of \$59,173 thousand and \$89,052 thousand, constituting 0.17% and 0.32% of consolidated comprehensive income for the years ended December 31, 2020 and 2019, respectively. The financial statements of these investee companies were audited by other independent auditors whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements and information disclosed relative to these consolidated subsidiaries and investments accounted for under the equity method, is based solely on the reports of other independent auditors.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion with an Other matter section on the parent company only financial statements of ASUSTEK COMPUTER INC. as of and for the years ended December 31, 2020 and 2019.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements



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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.



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6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Chou, Chien-Hung

Lin, Chun-Yao

For and on behalf of PricewaterhouseCoopers, Taiwan

March 17, 2021

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

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

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

(Continued)

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

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

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

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

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

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

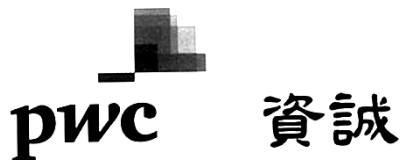
	Equity attributable to owners of the parent											
	Retained Earnings				Other Equity Interest							
	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains from financial assets measured at fair value through other comprehensive income	Gain (loss) on hedging instruments	Remeasurements of defined benefit plan	Total	Non-controlling interest	Total equity
For the year ended December 31, 2020												
Balance at January 1, 2020	\$7,427,603	\$6,297,000	\$35,407,050	\$693,928	\$95,102,416	(\$2,800,984)	\$35,155,750	(\$305,856)	\$116,867	\$176,860,040	\$6,426,752	\$183,286,792
Appropriations of 2019 earnings: (Note 6(20))	-	-	-	-	(1,213,855)	-	-	-	-	-	-	-
Legal reserve	-	-	1,213,855	-	(1,213,855)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(10,398,644)	-	-	-	-	(10,398,644)	-	(10,398,644)
Profit for the year	-	-	-	-	26,557,672	-	-	-	-	26,557,672	1,829,206	28,386,878
Other comprehensive income (loss) for the year	-	-	-	-	-	(3,646,202)	9,445,203	(503,550)	(19,164)	5,276,287	779,289	6,055,576
Change in associates and joint ventures accounted for under equity method	-	649,500	-	-	-	-	-	-	-	649,500	-	649,500
Recognition of changes in ownership interest in subsidiaries (Note 6(29))	-	2,837,603	-	-	-	-	-	-	-	2,837,603	3,787,640	6,625,243
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	54,148	54,148
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	(17,942)	-	-	-	-	(17,942)	-	(17,942)
Balance at December 31, 2020	\$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
For the year ended December 31, 2019												
Balance at January 1, 2019	\$7,427,603	\$6,299,430	\$34,983,546	\$693,941	\$94,556,481	(\$1,004,029)	\$18,234,029	\$280,896	\$106,896	\$161,365,001	\$6,326,923	\$167,691,924
Appropriations of 2018 earnings: (Note 6(20))	-	-	-	-	(423,504)	-	-	-	-	-	-	-
Legal reserve	-	-	423,504	-	(423,504)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(11,141,404)	-	-	-	-	(11,141,404)	-	(11,141,404)
Profit for the year	-	-	-	-	12,138,555	-	-	-	-	12,138,555	876,474	13,015,029
Other comprehensive income (loss) for the year	-	-	-	-	-	(1,796,955)	16,921,721	(586,752)	(9,971)	14,528,043	(9,500)	14,518,543
Change in associates and joint ventures accounted for under equity method	-	6,065	-	-	(843)	-	-	-	-	5,222	-	5,222
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(7,634)	-	-	-	-	-	-	-	(7,634)	-	(7,634)
Recognition of changes in ownership interest in subsidiaries	-	(861)	-	-	-	-	-	-	-	(861)	-	(861)
Reversal of special reserve	-	-	(13)	(13)	13	-	-	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	(767,145)	(767,145)
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	(26,882)	-	-	-	-	(26,882)	-	(26,882)
Balance at December 31, 2019	\$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

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

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

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

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



Independent Auditors' Report

To the Board of Directors and Shareholders of

ASUSTEK COMPUTER INC.

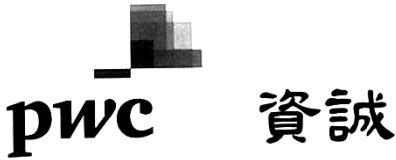
Opinion

We have audited the accompanying separate balance sheets of ASUSTEK COMPUTER INC. as of December 31, 2020 and 2019, and the related statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2020 and 2019, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other independent auditors, as described in the Other matter section of our report, the separate financial statements present fairly, in all material respects, the separate financial position of ASUSTEK COMPUTER INC. as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years ended December 31, 2020 and 2019, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China for the year ended December 31, 2020; we conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Financial Supervisory Commission Letter No. 1090360805 of February 25, 2020 and generally accepted auditing standards in the Republic of China for the year ended December 31, 2019. Our responsibilities under those standards are further described in the independent auditors' responsibilities for the audit of the separate financial statements section of our report. We are independent of ASUSTEK COMPUTER INC. in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of the other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key audit matters

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

Key audit matters for the separate financial statements in the current period are stated as follows:

Evaluation of inventories

Description

Refer to Note 4(13) for the accounting policies on the evaluation of inventories, Note 5 for the uncertainty of accounting estimations and assumptions for evaluation of inventories, and Note 6(7) for the details of allowance for inventory valuation.

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

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

How our audit addressed the matter

Our audit procedures performed in ASUSTEK COMPUTER INC. and its subsidiaries (recognized as investments accounted for under equity method) for the above matter are as follows:

1. Assessed the policy on allowance for inventory valuation loss based on our understanding of the operations and industry of ASUSTEK COMPUTER INC.
2. Inspected the management's individually identified out-of-date inventory list and checked the related supporting documents.



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3. Tested the basis of market value used in calculating the net realizable value of inventory and validated the accuracy of net realizable value calculation of selected samples.

Refund liabilities - sales returns and discounts

Description

The subsidiaries of ASUSTEK COMPUTER INC. periodically estimate sales returns and discounts based on each product line's actual sales returns and discounts, and consider if there are special factors which will affect the original estimations. Since the refund liabilities - sales returns and discounts is subject to judgment and the market of 3C products changes rapidly, management's use of historical experience to accrue future sales returns and discounts will cause uncertainty of accounting estimations and affect the balance of investments accounted for under equity method of ASUSTEK COMPUTER INC. Thus, refund liabilities - sales returns and discounts has been identified as one of the key audit matters.

How our audit addressed the matter

Our audit procedures performed in the subsidiaries of ASUSTEK COMPUTER INC. (recognized as investments accounted for under equity method) for refund liabilities - sales returns and discounts are as follows:

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



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Classification and presentation of discontinued operations

Description

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

ASUSTEK COMPUTER INC. is determined to reshape its smartphone business strategy and adjust product positioning to focus on perfecting solutions for gamers and expert users under the resolution by the Board of Directors on December 13, 2018. The transformation plan has been in progress and ASUSTEK COMPUTER INC. recognized valuation effects of assets and liabilities accordingly in the same year. Given the magnitude that ASUSTEK COMPUTER INC. continuously disposed of discontinued operations as well as the significant impact of how the profit or loss of discontinued operations was classified and presented in the financial statements, we consider the classification and presentation of discontinued operations as one of the key audit matters.

How our audit addressed the matter

Our audit procedures performed in ASUSTEK COMPUTER INC. and its subsidiaries (recognized as investments accounted for under equity method) for the above matter are as follows:

1. Obtained management's detailed listings of valuation effects of assets and liabilities in discontinued operations; and checked relevant supporting documentation.
2. Confirmed the financial statements are reasonably presented by reviewing and assessing how the management disclosed the discontinued operations.

Other matter – Reference to the audits of other independent auditors

We did not audit the financial statements of certain investments accounted for under the equity method. These investments accounted for under the equity method amounted to \$7,384,970 thousand and \$8,323,345 thousand, constituting 2.54% and 3.14% of total assets as of December 31, 2020 and 2019, respectively, and other comprehensive income (loss) of subsidiaries, associates, and joint ventures accounted for under equity method amounted to (\$717,511) thousand and (\$347,384) thousand, constituting (2.25%) and (1.30%) of total comprehensive income for the years ended December 31, 2020 and 2019, respectively. The financial statements of these investments accounted for under the equity method were audited by other independent auditors whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included in the separate financial statements and information disclosed relative to these investments, is based solely on the reports of other independent auditors.



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

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including Audit Committee, are responsible for overseeing the financial reporting process of ASUSTEK COMPUTER INC.

Independent auditors' responsibilities for the audit of the separate financial statements

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

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

1. Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of ASUSTEK COMPUTER INC.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of ASUSTEK COMPUTER INC. to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause ASUSTEK COMPUTER INC. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within ASUSTEK COMPUTER INC. to express an opinion on the separate financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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



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

Chou, Chien-Hung

Lin, Chun-Yao

For and on behalf of PricewaterhouseCoopers, Taiwan

March 17, 2021

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

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

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

(Continued)

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

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

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

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

ITEMS	NOTES	FOR THE YEARS ENDED DECEMBER 31,			
		2020		2019	
		AMOUNT	%	AMOUNT	%
Operating revenue	6(18) and 7	\$ 328,664,005	100	\$ 274,303,772	100
Operating costs	6(7)(9)(10)(12)(21)(22)(25) and 7	(299,827,531)	(91)	(252,686,275)	(92)
Gross profit		28,836,474	9	21,617,497	8
Unrealized loss (profit) from sales		633,604	-	(2,877,780)	(1)
Gross profit		29,470,078	9	18,739,717	7
Operating expenses	6(9)(10)(12)(21)(22)(25), 7 and 9				
Selling expenses		(3,301,025)	(1)	(2,713,127)	(1)
General and administrative expenses		(3,021,772)	(1)	(1,959,151)	(1)
Research and development expenses		(11,231,824)	(4)	(9,337,277)	(3)
Total operating expenses		(17,554,621)	(6)	(14,009,555)	(5)
Operating profit		11,915,457	3	4,730,162	2
Non-operating income and expenses					
Interest income	6(4)	25,351	-	35,639	-
Other income	6(19)	2,975,245	1	2,429,352	1
Other gains (losses)	6(2)(20)	2,295,493	1	1,847,030	1
Finance costs	6(10)	(472)	-	(2,221)	-
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(8)	10,741,437	3	8,293,388	3
Total non-operating income and expenses		16,037,054	5	12,603,188	5
Profit before income tax		27,952,511	8	17,333,350	7
Income tax expenses	6(23)	(3,978,860)	(1)	(2,999,695)	(1)
Profit from continuing operations for the year		23,973,651	7	14,333,655	6
Profit (loss) from discontinued operations for the year	6(11)	2,584,021	1	(2,195,100)	(1)
Profit for the year		\$ 26,557,672	8	\$ 12,138,555	5
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(17)	\$ 8,416,416	3	\$ 16,996,339	6
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	6(8)(17)	1,009,591	-	(84,589)	-
Components of other comprehensive income that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations	6(17)	(4,063,588)	(1)	(1,854,143)	(1)
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	6(8)(17)	(966,564)	-	(951,315)	-
Income tax relating to the components of other comprehensive income	6(17)(23)	880,432	-	421,751	-
Other comprehensive income (loss) for the year		\$ 5,276,287	2	\$ 14,528,043	5
Total comprehensive income for the year		\$ 31,833,959	10	\$ 26,666,598	10
Basic earnings per share	6(24)				
Profit from continuing operations		\$ 32.28		\$ 19.30	
Profit (loss) from discontinued operations		3.48		(2.96)	
Basic earnings per share		\$ 35.76		\$ 16.34	
Diluted earnings per share					
Profit from continuing operations	6(24)	\$ 31.91		\$ 19.19	
Profit (loss) from discontinued operations		3.44		(2.94)	
Diluted earnings per share		\$ 35.35		\$ 16.25	

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

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

	Retained Earnings				Other Equity Interest				Total equity	
	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
For the year ended December 31, 2020										
Balance at January 1, 2020	\$ 7,427,603	\$ 6,297,000	\$ 35,407,050	\$ 693,928	\$ 95,102,416	\$ 2,800,984	\$ 35,155,750	\$ 305,856	\$ 116,867	\$ 176,860,040
Appropriations of 2019 earnings (Note 6(16)) :										
Legal reserve	-	-	1,213,855	-	(1,213,855)	-	-	-	-	-
Cash dividends	-	-	-	-	(10,398,644)	-	-	-	-	(10,398,644)
Profit for the year	-	-	-	-	26,557,672	-	-	-	-	26,557,672
Other comprehensive income (loss) for the year	-	-	-	-	-	(3,646,202)	9,445,203	(503,550)	(19,164)	5,276,287
Change in associates and joint ventures accounted for under equity method	-	649,500	-	-	-	-	-	-	-	649,500
Recognition of changes in ownership interest in subsidiaries	-	-	-	-	-	-	-	-	-	2,837,603
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	(17,942)	-	-	-	-	(17,942)
Balance at December 31, 2020	\$ 7,427,603	\$ 9,784,103	\$ 36,620,905	\$ 693,928	\$ 110,029,647	\$ 6,447,186	\$ 44,600,953	\$ 809,406	\$ 136,031	\$ 201,764,516
For the year ended December 31, 2019										
Balance at January 1, 2019	\$ 7,427,603	\$ 6,299,430	\$ 34,983,546	\$ 693,941	\$ 94,556,481	\$ 1,004,029	\$ 18,234,029	\$ 280,896	\$ 106,896	\$ 161,365,001
Appropriations of 2018 earnings (Note 6(16)) :										
Legal reserve	-	-	423,504	-	(423,504)	-	-	-	-	-
Cash dividends	-	-	-	-	(11,141,404)	-	-	-	-	(11,141,404)
Profit for the year	-	-	-	-	12,138,555	-	-	-	-	12,138,555
Other comprehensive income (loss) for the year	-	-	-	-	-	(1,796,955)	16,921,721	(586,752)	(9,971)	14,528,043
Change in associates and joint ventures accounted for under equity method	-	6,065	-	-	(843)	-	-	-	-	5,222
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(7,634)	-	-	-	-	-	-	-	(7,634)
Recognition of changes in ownership interest in subsidiaries	-	(861)	-	-	-	-	-	-	-	(861)
Reversal of special reserve	-	-	-	(13)	13	-	-	-	-	-
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	(26,882)	-	-	-	-	(26,882)
Balance at December 31, 2019	\$ 7,427,603	\$ 6,297,000	\$ 35,407,050	\$ 693,928	\$ 95,102,416	\$ 2,800,984	\$ 35,155,750	\$ 305,856	\$ 116,867	\$ 176,860,040

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

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

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

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

Appendix 3

ASUSTEK COMPUTER INC.

The clause revision table of ARTICLES OF INCORPORATION

Article	After Revision	Before Revision
Article 2	<p>The business scope of the Company is as follows: 01.CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing (Omission) 28. CF01011 Medical Materials and Equipment Manufacturing 29.F108031 Wholesale of Drugs, Medical Goods 30.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>The business scope of the Company is as follows: 01.CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing (Omission) 28.CF01011 Medical Materials and Equipment Manufacturing 29.F108031 Wholesale of Drugs, Medical Goods 30.F208031 Retail sale of Medical Equipments 31.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>
Article 13	<p>The Company shall have <u>thirteen to fifteen directors</u>. Directors shall be elected by the shareholders' meeting from the director candidates nomination list. The term of office for Directors shall be three years and may be re-elected. The aforesaid Board of Directors must have at least three independent directors and no less than one five of the total numbers of the directors. The qualification, nomination and other compliance of independent directors shall comply with the relevant regulations prescribed by the securities supervisory authorities.</p>	<p>The Company shall have seven to thirteen directors. Directors shall be elected by the shareholders' meeting from the director candidates nomination list. The term of office for Directors shall be three years and may be re-elected. The aforesaid Board of Directors must have at least three independent directors and no less than one five of the total numbers of the directors. The qualification, nomination and other compliance of independent directors shall comply with the relevant regulations prescribed by the securities supervisory authorities.</p>
Article23	<p>The Articles of Incorporation was established on March 28, 1990. (Omission); the twenty-sixth amendment was made on June 8, 2016; and the twenty-fifth amendment was made on June 12, 2015; the twenty-seventh amendment was made on July 28, 2016; the twenty-eighth amendment was made on June 18, 2019; <u>the twenty-ninth amendment was made on June10, 2021.</u></p>	<p>The Articles of Incorporation was established on March 28, 1990. (Omission); the twenty-sixth amendment was made on June 8, 2016; and the twenty-fifth amendment was made on June 12, 2015; the twenty-seventh amendment was made on July 28, 2016; the twenty-eighth amendment was made on June 18, 2019.</p>

(Amendment)

ASUSTEK COMPUTER INC. ARTICLES OF INCORPORATION

CHAPTER 1: GENERAL PROVISIONS

Article 1

This Company is incorporated as a company limited by shares under the Company Act, with the name of 華碩電腦股份有限公司, and the English name of ASUSTEK COMPUTER INC.

Article 2

The business scope of the Company is as follows:

01. CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing
02. CC01110 Computers and Computing Peripheral Equipments Manufacturing
03. CE01030 Photographic and Optical Equipment Manufacturing
04. CC01060 Wired Communication Equipment and Apparatus Manufacturing
05. CC01080 Electronic Parts and Components Manufacturing
06. CC01070 Telecommunication Equipment and Apparatus Manufacturing
07. F113020 Wholesale of Household Appliance
08. F113050 Wholesale of Computing and Business Machinery Equipment
09. F113070 Wholesale of Telecom Instruments
10. F116010 Wholesale of Photographic Equipment
11. F118010 Wholesale of Computer Software
12. F119010 Wholesale of Electronic Materials
13. F213030 Retail sale of Computing and Business Machinery Equipment
14. F213060 Retail Sale of Telecom Instruments
15. F218010 Retail Sale of Computer Software
16. F219010 Retail Sale of Electronic Materials
17. F216010 Retail Sale of Photographic Equipment
18. F213010 Retail Sale of Household Appliance
19. I301010 Software Design Services
20. I301020 Data Processing Services
21. I301030 Digital Information Supply Services
22. E605010 Computing Equipments Installation Construction
23. CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
24. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
25. E701030 Restrained Telecom Radio Frequency Equipments and Materials Construction
26. I599990 Other Designing
27. F401010 International Trade
28. CF01011 Medical Materials and Equipment Manufacturing
29. F108031 Wholesale of Drugs, Medical Goods
30. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3

The Company has its head office in Taipei City, Taiwan, and the Company may establish branches at suitable locations in and out of this country.

Article 4

Any public announcement of this Company shall be made in accordance with the provisions as set forth in Article 28 of the Company Act.

Article 4-1

Due to necessity of the business operation, the Company may give guarantee and/or endorsements to others.

CHAPTER 2: SHARES

Article 5

The authorized capital of the Company is NTD 47.5 billion, divided into 4,750,000,000 shares, at a par value of NTD 10 per share. The Board of Directors is authorized to issue the shares in installments, among which, NTD 500 million divided into 50,000,000 shares at a par value of NTD 10 per share is reserved as employee stock option.

Article 5-1

Based on Company Act, the employees who are entitled to subscribe new shares 、 receive share subscription warrants 、 restricted stock and receive treasury stocks include the employees of parents or subsidiaries of the Company meeting certain specific requirements.

Article 6

The share certificates shall be in registered form, affixed with the signatures or personal seals of the director representing the company, and issued after the authentication in accordance with the laws. The issued shares of the Company may be exempted from printing any share certificate, but such issuance shall be duly recorded with the Taiwan Depository & Clearing Corporation.

Article 7

The transfer of shares shall be suspended during the sixty days period before the ordinary shareholders' meeting, thirty days period before the extraordinary shareholders' meeting, or five days period before the record dates for distribution of dividends, bonuses or other benefits of the Company.

CHAPTER 3: SHAREHOLDERS' MEETINGS

Article 8

The shareholder's meetings of the Company shall be of two types, namely: (1) ordinary shareholder's meeting and (2) extraordinary shareholder's meetings. An ordinary shareholder's meeting shall be convened annually within six months after the end of each fiscal year, while an extraordinary shareholder's meeting may be convened when necessary.

Unless as otherwise provided by the Company Act, the aforementioned shareholders' meetings shall be convened by the board of directors.

Article 9

Where a shareholder cannot attend the shareholders' meeting for any reason, he/she/it may delegate a proxy to attend the meeting by executing a power of attorney printed by the Company specifying therein the scope of authority.

Article 10

Except in circumstances set forth in Article 179 of the Company Act where there is no voting right for a share, each share shall be entitled to one vote.

Article 11

Unless otherwise provided in the Company Act, resolutions at a shareholders' meeting shall be

adopted by a majority of vote of the shareholders present, who represent more than one-half of the total number of shares issued.

CHAPTER 4: DIRECTORS AND AUDIT COMMITTEE

Article 12

The board meeting is composed of directors with the functions and responsibilities as follows:

- 1) To draft the organization rules and regulations of the Company;
- 2) To draft the business plan of the Company;
- 3) To propose the allocation of profit of the Company;
- 4) To propose the capital increase or decrease of the Company;
- 5) To approve the budget and produce the final accounts;
- 6) To decide the establishment or dissolution of branches;
- 7) To draft the rules for acquisition or disposition of fixed assets and for re-investment in other businesses; and
- 8) To perform the duties as provided in other applicable laws and regulations and empowered by the shareholders' meeting.

Article 13

The Company shall have thirteen to fifteen directors. Directors shall be elected by the shareholders' meeting from the director candidates nomination list. The term of office for Directors shall be three years and may be re-elected. The aforesaid Board of Directors must have at least three independent directors and no less than one five of the total numbers of the directors. The qualification, nomination and other compliance of independent directors shall comply with the relevant regulations prescribed by the securities supervisory authorities.

Article 13-1

According to Securities and Exchange Act, the Company shall establish an Audit Committee. The Audit Committee shall be composed of the entire number of Independent Directoes.

The authority of the Audit Committee and the other compliance issues shall be made according to the other relevant laws and regulations.

Article 14

The board of directors is composed of directors. The Chairman and the Vice Chairman shall be elected from among the directors by a majority vote at a board meeting where at least two-thirds (2/3) of the directors are present. Both the Chairman and Vice Chairman shall perform all business affairs of the Company in accordance of applicable laws and regulations, the Articles of Incorporation, and the resolutions adopted by the shareholders' meeting and board meeting.

Article 14-1

In calling a meeting of the board of directors, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each director no later than 7 days prior to the scheduled meeting date. However, in the case of emergency, the meeting may be convened at any time. The Company may send the notices to the board members and supervisors for the board meeting by e-mails or facsimiles instead of written notices.

Article 15

The Chairman shall preside at the shareholders' meeting and board meeting. In the event that the Chairman is on leave or unable to perform his/her duties for any reason, his/her proxy shall act in accordance with Article 208 of the Company Act.

Article 16

Unless otherwise provided for in the Company Act and the Articles of Incorporation, resolutions of the board of directors shall be adopted by a majority of the directors at the meeting attended by a majority of the directors. A director may appoint another director as his/her proxy with a power of attorney in writing each time stating the scope of authority, and such proxy may only act for one person.

Article 17

The Company shall pay remuneration to the directors of the Company for the performance of the duties of the Company regardless of profit or loss of the Company. The Board of Directors is authorized to determine the amount of such remuneration based upon the extent of his/her participation and contribution to the Company. Moreover, the remuneration of the directors and supervisors shall be determined in accordance with Article 20 of the Articles of Incorporation.

Article 17-1

The Company may insure liability insurance for the directors to indemnify the potential liabilities, according to the relevant laws, to be borne by the directors and supervisors when perform their duties during their term.

CHAPTER 5: MANAGERS

Article 18

The Company may have managers whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act, and the payment standards for the remuneration shall be handled in accordance with the Regulations Governing Human Resource Management of the Company.

CHAPTER 6: ACCOUNTING

Article 19

At the end of every fiscal year, the board of directors shall prepare the following statements and record of accounts, and then submit to the shareholders' meeting for recognition:

- 1) Business report
- 2) Financial statements
- 3) Proposal for distribution of profits or appropriation of losses

Article 20

The current year's profit, if any, should be used first to cover accumulated deficit, and then the remaining balance shall be distributed: no less than 1% as employees' compensation, and no more than 1% as directors' remuneration.

The recipients of employees' compensation, include the employees of parents or subsidiaries of the company meeting certain specific requirements.

Article 20-1

The current year's net income, if any, shall offset 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.

Article 20-2

The Company is facing a rapidly changing industrial environment, with the life cycle of the industry in the growth phase. In light of the long-term financial plan of the Company and the demand for cash by the shareholders, the Company should distribute cash dividends of not less than 10% of the total dividends declared.

CHAPTER 7: SUPPLEMENTARY PROVISIONS

Article 21

The re-investments made by the Company may exceed 40% of its paid-in capital; the board of directors is authorized to make any such re-investments.

Article 22

Any matters not covered herein shall be governed by the Company Act and applicable laws and regulations.

Article 23

The Articles of Incorporation was established on March 28, 1990. (Omission); the twenty-first on June 13, 2007 ; the twenty-second on June 11, 2008; the twenty-third amendment was made on April 22, 2010; the twenty-fourth amendment was made on June 17, 2013; the twenty-fifth amendment was made on June 12, 2015; the twenty-sixth amendment was made on June 8, 2016; and the twenty-fifth amendment was made on June 12, 2015; the twenty-seventh amendment was made on July 28, 2016; the twenty-eighth amendment was made on June 18, 2019; the twenty-ninth amendment was made on June10, 2021.

ASUSTEK COMPUTER INC.

Chairman: Jonney Shih

ASUSTEK COMPUTER INC.

The clause revision table of Rules for Election of Directors

Article	After Revision	Before Revision	Purpose
Revision Date	June 10,2021	July 28,2016	Revision Date
Article 2	<p>The Company's directors are elected in the shareholders' meeting by single-ballot voting method. The Company's directors shall be elected by a candidate nomination system and elected by the shareholders' meeting of the list of candidates.</p> <p>The identity of the voter can be replaced with the attendance card number on the ballot. For the election of the Company's directors and supervisors, each stock share represents the voting right equivalent to the number of persons to be elected. Stock shares can be collected to focusing on electing one person or more than one person.</p> <p>The election of independent directors and non-independent directors shall be held together, however, that the number of independent directors and non-independent directors elected shall be calculated separately.</p>	<p>The Company's directors are elected in the shareholders' meeting by single-ballot voting method. The Company's directors shall be elected by a candidate nomination system and elected by the shareholders' meeting of the list of candidates.</p> <p>The identity of the voter can be replaced with the <u>shareholder's account number or attendance card number</u> on the ballot. For the election of the Company's directors and supervisors, each stock share represents the voting right equivalent to the number of persons to be elected. Stock shares can be collected to focusing on electing one person or more than one person.</p> <p>The election of independent directors and non-independent directors shall be held together, however, that the number of independent directors and non-independent directors elected shall be calculated separately.</p>	For legal amendments and practical operations.
Article 4	<p><u>The board of directors or the person with the right to convene should prepare the same ballot</u> as the number of directors to be elected. Fill in the number of voting rights on the ballot and distributed <u>to shareholders attending the shareholders meeting.</u></p>	Ballot is prepared and distributed by the Company and it is coded in accordance with the shareholder's account number or attendance card number with the number of voting rights stated.	For legal amendments and practical operations.
Article 5	<p>The Chairman is to have election officials and tellers appointed at the beginning of the election for job performance. <u>The scrutineer must be a shareholder.</u></p>	The Chairman is to have election officials and tellers appointed at the beginning of the election for job performance.	Chinese text Errata and regulatory compliance.
Article 7	(Deleted)	Electors must fill out the name of the elected on the "elected" column of the ballot with the shareholder's account number or ID card number detailed.	For legal amendments to delete this article

Article	After Revision	Before Revision	Purpose
Article 8 Article 7	Ballot is invalid upon the occurrence of any of the following: 1.The ballot was not prepared by Board of Directors or the person with the right to convene. 2. Blank ballot is cast into the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. <u>The candidate whose name is entered in the ballot does not conform to the director candidate list.</u> 5. <u>Other words or marks are entered in addition to the number of voting rights allotted.</u>	Ballot is invalid upon the occurrence of any of the following: 1. Ballot is not used in accordance with the Rules Governing the Election of Directors and Supervisors. 2. Blank ballot is cast into the ballot box. 3. Handwriting is illegible and unrecognizable. 4. <u>The name of the elected is unrecognizable or is not in conformity with the register of shareholders.</u> 5. <u>The ballot contains other writing in addition to the name of the elected, shareholder's account number, and ID card number.</u> 6. <u>The name of the elected is same as other shareholders without the information of the shareholder's account number or ID card number for identification.</u>	1. For legal amendments and practical operations. 2.The order to adjustment.
Article 9 Article 8	Open the ballot and record the votes at the end of voting under the supervision of the election officials and announce the result immediately by the Chairman.	Open the ballot and record the votes at the end of voting under the supervision of the election officials and announce the result immediately by the Chairman.	1.Chinese text errata 2.The order to adjustment.
Article 10 Article 9	(Omission)	(Omission)	The order to adjustment.
Article 11 Article 10	(Omission)	(Omission)	The order to adjustment.

(Amendment)

ASUSTEK COMPUTER INC. Rules for Election of Directors

Revision Date: June 10,2021

Article 1 The Company's directors are elected in accordance with the Rules for Election of Directors.

Article 2 The Company's directors are elected in the shareholders' meeting by single-ballot voting method. The Company's directors shall be elected by a candidate nomination system and elected by the shareholders' meeting of the list of candidates.

The identity of the voter can be replaced with the attendance card number on the ballot. For the election of the Company's directors and supervisors, each stock share represents the voting right equivalent to the number of persons to be elected. Stock shares can be collected to focusing on electing one person or more than one person.

The election of independent directors and non-independent directors shall be held together, however, that the number of independent directors and non-independent directors elected shall be calculated separately.

Article 3 The Company's directors with higher voting rights received are elected sequentially in accordance with the number of seats defined in the Articles of Associations. If there are two candidates received same votes causing the total elected candidates exceeding the number of seats available, the two candidates who received same voting rights are to take a ballot for the seat; also, the Chairman is to take the ballot on behalf of the absentee.

Article 4 The board of directors or the person with the right to convene should prepare the same ballot as the number of directors to be elected. Fill in the number of voting rights on the ballot and distributed to shareholders attending the shareholders meeting.

Article 5 The Chairman is to have election officials and tellers appointed at the beginning of the election for job performance. The scrutineer must be a shareholder.

Article 6 The Company is to prepare the ballot box and it is examined by the election officials in public.

Article 7 Ballot is invalid upon the occurrence of any of the following:

1. The ballot was not prepared by Board of Directors or the person with the right to convene.
2. Blank ballot is cast into the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.

Article 8 Open the ballot and record the votes at the end of voting under the supervision of the election officials and announce the result immediately by the Chairman.

Article 9 The matters that are not provided in the Rules for Election of Directors will be processed in accordance with the Company Law and related regulations.

Article 10 These Rules and any revision thereof shall become effective after approval at the shareholders' meeting.

Appendix 5

Shareholders Meeting Rules of ASUSTeK Computer Inc.

Date of Amendment: March 22, 2007

Promulgated in accordance with the ruling of the Securities and Futures Commission, Ministry of Finance dated August 4, 1997 (Ref. No. (86)Tai-Tsai-Zheng-(3)-No.04109)

Article 1: Unless otherwise required by laws and regulations, the shareholders meeting of the Company shall be held in accordance with these Rules.

Article 2: When the attending shareholders or proxy attends the shareholders meeting, he/she shall sign on the attendance sheet or deliver an attendance card in place of signing, and conduct the attendance procedures.

The number of shares present shall be calculated based on the attendance sheet or the attendance cards delivered.

Article 3: The attendance and voting at the shareholders meeting shall be calculated based on the shares.

Article 4: The place of the shareholders meeting shall be at the office of the Company or at a location convenient to the shareholders and suitable for convening a shareholders meeting. The time of the meeting may not be earlier than 9 a.m or later than 3 p.m.

Article 5: When the shareholders meeting was convened by the Board of Directors, the shareholders' meeting shall be presided by the Chairman of the Board of Directors. If the Chairman is absent or is unable to exercise the duties for certain reasons, the vice-Chairman shall act on his/her behalf. If the vice-Chairman is absent or is unable to exercise the duties for certain reasons, the Chairman may designate the managing director to act on his/her behalf; if there is no managing director, one of the directors may be designated to act on his/her behalf. Where the Chairman does not designate a proxy, the managing director or directors may elect a person among themselves to act on behalf of the Chairman.

When the shareholders meeting was convened by other persons who have the convening right, the shareholders' meeting shall be presided by the convener.

Article 6: The Company may designate the attorneys, accountants or relevant personnel engaged to present in the shareholders meeting.

The staffs handling the shareholders meeting shall wear identification cards or arm-band.

Article 7: The Company shall sound record or video record the whole process of the shareholders meeting and shall preserve it for at least one year.

Article 8: Upon the starting time of the meeting, the chairman shall order the meeting to begin. However, where the shareholders present represent half or less than half of the total outstanding shares, the chairman may postpone the meeting for a total of two times. The postponed time may not in total exceed one hour. Where after two postponements, the shareholders present still do not meet the quorum but represent one-third or more of the total outstanding shares, a tentative resolution may be passed in accordance with Paragraph 1, Article 175 of the Company Act. If the shares present represent more than half of the total outstanding shares before the end of the meeting, the chairman may propose the tentative resolution to the shareholders meeting for voting in accordance with Article 174 of the Company Act.

Article 9: If the shareholders meeting is convened by the Board of Directors, its agenda shall be stipulated by the Board of Directors, and the meeting shall be held in accordance with the agenda and may not be changed without the resolution of the shareholders meeting.

When the shareholders meeting was convened by other persons who have the convening right, the above paragraph shall apply mutatis mutandis.

Before the closing of the discussions (including provisional motions) stipulated in the agenda under the above two paragraphs, the chairman may not announce the adjournment of the meeting without resolution.

After the adjournment of the meeting, the shareholders may not elect a chairman to continue the meeting at the original address or at another location.

Article 10: Before a shareholder makes a statement, he/she must complete a statement slip stating the subject of the statement, the shareholder number (or attendance card number) and shareholder name, and the chairman shall determine the order of his/her statement.

Where a shareholder present only completed a statement slip but did not make a statement, he/she will be deemed to not have made a statement. Where the statement made is inconsistent with that stated on the statement slip, the statement made will prevail.

When a shareholder present makes a statement, the other shareholders may not make a statement and interfere, unless consent is obtained from the chairman and the shareholder making the statement. The chairman shall restrain such interfering shareholder.

Article 11: For each proposal, a shareholder may not make more than two statements, unless consent is obtained from the chairman. Each statement may not exceed five minutes.

The chairman may restrain the shareholder from making the statement if he/she violates the above provisions or has exceeded the scope of the proposal.

Article 12: Where an institution is delegated to attend the shareholders meeting, it may only appoint one representative to attend.

Where the institution appoints two or more representatives to attend the shareholders meeting, only one person may make a statement for each proposal.

Article 13: After a shareholder makes a statement, the chairman may respond him/herself or designate a relevant person to respond.

Article 14: Where the chairman believes that the proposal discussed may be resolved, he/she may announce the ending of the discussion and propose that votes be made.

Article 15: The personnel supervising and calculating the votes for the proposals shall be designated by the chairman, but the supervising personnel shall be a shareholder. The result of the votes shall be announced on the spot and recorded.

Article 16: During the meeting, the chairman may announce recesses at his/her own discretion.

Article 17: Unless otherwise specified in the Company Act and the Articles of Incorporation, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present. When making a resolution, if shareholders present have no objections upon the inquiry of the chairman, it will be deemed as adopted and its effect shall be the same as resolution by voting.

Article 18: When a proposal has an amendment or a replacement, the chairman may combine it with the original proposal and determine the order of resolution. If one of the proposals is resolved, the other proposals will be deemed as rejected and there is no need to make another resolution.

Article 19: The chairman may instruct the security officer to assist in maintaining the order of the meeting. The security officer shall wear an arm-band with the word "Security" when assisting in the maintenance of the order of the meeting.

Appendix 6

Shareholdings of the Directors
of ASUSTeK Computer Inc.

1. The paid-in capital of the Company is NTD7,427,602,800 , with a total of 742,760,280 outstanding shares.
2. According to Article 26 of the Securities and Exchange Act, the minimum number of shares to be held by the entire directors is 23,768,328 shares.
3. As of the date for suspending the share transfer for this shareholders meeting, the shareholding of each individual and entire directors stipulated in the shareholders roster is as follows:

April 12, 2021

Title	Name	Election Date	Term	Shareholding	Percentage of Shareholding
Chairman	Jonney Shih	June 18, 2019	3 years	30,093,638	4.05%
Vice-Chairman	Ted Hsu	June 18, 2019	3 years	7,346,683	0.99%
Director	Jonathan Tsang	June 18, 2019	3 years	1,423,093	0.19%
Director	S.Y. Hsu	June 18, 2019	3 years	107,019	0.01%
Director	Samson Hu	June 18, 2019	3 years	100,592	0.01%
Director	Eric Chen	June 18, 2019	3 years	157,527	0.02%
Director	Joe Hsieh	June 18, 2019	3 years	0	0.00%
Director	Jackie Hsu	June 18, 2019	3 years	21,000	0.01%
Director	Jerry Shen	June 18, 2019	3 years	1,901,309	0.26%
Director	Tze-Kaing Yang	June 18, 2019	3 years	0	0.00%
Independent Director	Chung-Hou Tai	June 18, 2019	3 years	36,459	0.01%
Independent Director	Ming-Yu Lee	June 18, 2019	3 years	0	0.00%
Independent Director	Chun-An Sheu	June 18, 2019	3 years	0	0.00%
Total shareholding of entire directors				41,187,320	5.55%

Other Explanation Items

1. The acceptance of the shareholders' proposals for the shareholders meeting this year:
 - (a) According to Article 172-1 of the Company Act, shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a shareholders' general meeting. The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words, and more than one proposal or any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the shareholders' general meeting and shall take part in the discussion of such proposal.
 - (b) Directors nominated shall not exceed 7 candidates, and Supervisors nominated shall not exceed 3 candidates. The number of nominees shall not exceed the number of the directors and supervisors to be elected.
 - (c) The period for acceptance of shareholders' proposal: From April 6, 2021 to April 15, 2021, 9 a.m. to 5 pm; the information has been announced on the Market Observation Post System.
 - (d) The Company did not receive any shareholders' proposal during the aforesaid period.