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# 20 ANNUAL 22 REPORT

華碩電腦股份有限公司 111 年度年報

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— — CONTENTS — —

	Page
<b>I. Letter to shareholders .....</b>	<b>1</b>
<b>II. Introduction of the Company .....</b>	<b>4</b>
1. Date of Incorporation .....	4
2. Company History .....	4
<b>III. Corporate governance report .....</b>	<b>30</b>
1. Organization of company .....	30
2. Directors, President, Vice President, Assistant V.P., and Department Heads.....	32
3. Corporate governance .....	53
4. CPAs fees .....	108
5. CPA’s information .....	108
6. The chairman, president, and financial or accounting manager of the Company who had worked for the independent auditor or the related party in the most recent years .....	108
7. Information on Net Change in Shareholding and Net Change in Shares Pledged by Directors, Supervisors, Department Heads, and Shareholders of 10% shareholding or more .....	108
8. The relation of the top ten shareholders as the definition of Finance Standard Article 6 ....	110
9. Investment from Directors, Supervisors, Managers, and directly or indirectly controlled businesses .....	111
<b>IV. Stock subscription .....</b>	<b>116</b>
1. Capital and shares .....	116
2. Corporate bonds .....	122
3. Preferred stock .....	122
4. Issuance of global depository receipts .....	122
5. Employee stock option certificates .....	125
6. Limit on Employee New Bonus Share .....	125
7. Merger and acquisitions or stock shares transferred with new stock shares issued.....	125
8. Fund implementation plan .....	125
<b>V. Overview of business operation.....</b>	<b>126</b>
1. Principal activities .....	126
2. Market analysis and the condition of sale and production .....	131
3. Status of employees .....	136
4. Expenditure on environmental protection .....	137
5. Employee / employer relations .....	137

6. Management of Cybersecurity .....	148
7. Major agreements .....	152
<b>VI. Financial information .....</b>	<b>153</b>
1. Five-year Condensed balance sheet and comprehensive income statement .....	153
2. Five-year Financial analysis .....	157
3. Audit Committee's Review Report of 2020. ....	162
4. Consolidated Financial statements with Independent Auditors' Review Report .....	162
5. Parent Company Only Financial Statements with Independent Auditors' Report .....	162
6. Impact of financial difficulties of the Company and related party on the Company's financial position .....	162
<b>VII. Review of financial position, financial performance and risk management .....</b>	<b>163</b>
1. Financial Analysis .....	163
2. Business Performance Analysis .....	165
3. Cash flows Analysis .....	168
4. Impact of major capital expenditure on finance and business .....	169
5. Policies, reasons for gain or loss and action plan in regard to investment plans in current year and the next year.....	169
6. Risk management .....	169
7. Other important matters .....	173
<b>VIII. Special disclosures .....</b>	<b>174</b>
1. Related party .....	174
2. Subscription of marketable securities privately in the most recent years .....	174
3. The stock shares of the Company held or disposed by the subsidiaries in the most recent years .....	174
4. Supplementary disclosures .....	174
5. Occurrence of events defined in Securities Transaction Law Article 36.2.2 that has great impact on shareholder's equity or security price in the most recent years and up to the date of the report printed .....	162

# I. Letter to Shareholders

Dear Shareholders:

Thank you for your long-term support for ASUS.

In 2022, the overall economic and industry environment was subject to drastic changes, including geopolitical conflicts, aggressive adjustments in monetary policy driven by high inflation, and significant reversals in market demand. All of these factors posed multiple challenges to both our internal and external operations, as well as serving as a litmus test of our resilience and ongoing corporate transformation. When we look back on the fluctuations in our operations in 2022, we acknowledge that we still have limitations in terms of resources and capacity, and that there are areas of strategy-setting and operational response management where we can improve when faced with turmoil in the global economy and drop in demand. However, industry adversity is also an opportunity for us to truly embrace reality and evolve.

Corporate culture is the foundation of every great company. In order for ASUS to truly transform and evolve, we must establish a solid cultural foundation, embrace reality, and adhere to the principles of radical truth and transparency. More importantly, we must be extremely open-minded to help our team embrace reality so that we can benefit from idea meritocracy and foster collective wisdom. Only when we fully internalize the core essence of our corporate culture can we truly transform its principles into the day to day behaviors of our team. These behaviors can then be integrated into our operations to bring out our greatest strength and wisdom – transforming ASUS into a stronger and more resilient organization.

The following is a summary of our business operations results for 2022 and the outlook for 2023.

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

In 2022, ASUS continued to be recognized with numerous international awards for product innovation, Net Promoter Score (NPS), corporate social responsibility, and environmental sustainability, once again validating the company's In Search of Incredible brand spirit. ASUS was ranked by Interbrand as Taiwan's Most Valuable International Brand for the ninth time in a survey commissioned by Taiwan Ministry of Economic Affairs. ASUS was also recognized as one of Fortune's World's Most Admired Companies for the eighth time, ranking at the forefront of the industry in categories such as Innovation, Social Responsibility, and Product Service Quality. Additionally, ASUS received nine Red Dot Brand and Communication Design Awards, 39 Red Dot Design Awards, 32 iF Product Design Awards, 17 Good Design Awards, 18 Taiwan Excellence Awards, and 20 CES Innovation Awards.

## **User-centric design thinking and innovation in products and smart applications**

Through our user-centric approach to design, we continued to introduce a wide range of innovations in 2022, such as the award-winning Zenbook 17 Fold OLED foldable laptop – named one of TIME Magazine's Best Inventions of 2022. In addition, ASUS launched the ROG Flow X13 – the world's first 13" ultra-compact convertible gaming laptop, the ROG Zephyrus Duo 16 gaming laptop with dual 4K screens, the Z790 motherboard with AEMP II memory overclocking technology, the ROG Strix GeForce RTX 4080 graphics card with top-tier cooling technology, the carbon-neutral ASUS ExpertBook B9 OLED laptop, and the ROG Phone 6 gaming smartphone. There was also the ASUS ProArt Display OLED

PA32DC – the first professional display with automatic color correction – and the high-performance ASUS ExpertCenter WS760T workstation.

Following the principles of our design thinking philosophy, we also launched a number of innovative smart applications integrating hardware, software, and AI technologies. These applications include AI motherboards with four smart applications: overclocking, cooling, networking, and built-in audio. Additionally, we launched ASUS Dial for creator laptops and the ROG AniMe Matrix™ dynamically programmed LED display for gaming products. In the field of smart manufacturing, we introduced an AI-driven defect inspection system. In the field of digital health, we introduced our Smart Healthcare Cyber-Physical System (CPS), the next-generation xHIS medical information system, ASUS VivoWatch 5 AERO – the world's first fingertip pulse index measurement health device – and the FDA-approved EndoAim endoscopic artificial intelligence assistance system.

### **A “Focus on Fundamentals and Results” in our sustainability strategy and the launch of the first carbon-neutral laptop**

To advance a sustainability strategy that embraces our “Focus on Fundamentals and Results” principle, ASUS utilizes digitized data and scientific management practices in order to optimize sustainability in everything we do, focusing on the four major areas of Climate Action, Circular Economy, Responsible Manufacturing, and Value Creation.

We have deeply integrated our sustainability strategy into our business competitiveness and products. For example, our ExpertBook B9 business laptop has acquired the ISO 14067 carbon footprint certification and the PAS 2060 carbon neutrality certification. This sustainable laptop integrates a circular economy approach into its product design to maximize its carbon reduction and achieves carbon neutrality with nature-based carbon credits – an important milestone for the development of low-carbon ASUS products.

In recent years, our sustainability management performance has been further validated by a number of international awards, including the Asia Sustainability Report Award and the ISS ESG Corporate Rating – Best in Class. We have also been included in the Morgan Stanley Sustainability Index, the London Financial Times Emerging Markets Sustainability Index, and the Taiwan Sustainability Index. With regard to information security risk control, ASUS has obtained the ISO 27001 information security certification and established new information security standards, regularly sharing knowledge with information security agencies and industry partners. We also continue to strengthen product security testing, promote security engineering, and actively strengthen and enhance the resilience of our digital operations.

### **Embracing reality and strengthening our corporate culture and operational resilience in the face of industry headwinds in 2023**

In 2022, the ASUS team set highly ambitious growth targets, but also faced a rapid reversal in the industry and revised demand, which caused operational pressures to increase greatly. As a result, in 2022, ASUS had consolidated revenue of NT\$537.2 billion, up 0.4% from 2021. Net income after tax was NT\$16.8 billion, of which the net income attributable to the owners of the parent company was NT\$14.7 billion, down 67% from 2021. After-tax earnings per share (EPS) were NT\$19.78. In terms of branded operations, ASUS had NT\$493.5 billion in branded consolidated revenue (unaudited), down 1% from 2021, and branded operating income was NT\$10.1 billion (unaudited), down 79% from 2021. Compared to the overall PC market, which had an annual decline of more than 17% in shipments in 2022, ASUS saw improvements in market share, brand share, operating capacity, and scale of growth relative to other brands, but at the same time, bore greater profit fluctuations and operational adjustment pressures.

We foresee that the global economy will be even more unpredictable and still full of variables and challenges in 2023. In response to this industry adversity and upheaval, we will strengthen the foundations of ASUS corporate culture to unite and leverage our collective wisdom, considering both growth opportunities and risks, and balancing long-term value with short-term performance. In the first half of 2023, there will continue to be significant turbulence in the industry. The team aims to build a stronger corporate culture and organization as well as implement strategies from different perspectives and scenarios, then repeatedly verify and refine the team's ability to embrace reality and benefit from idea meritocracy with the goal of achieving annual growth in revenue and profitability in the second half of 2023.

Sincerely,

A handwritten signature in cursive script, appearing to read "James Shih".

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ASUS Chairman

## II. Introduction of the Company

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

### II. Development history



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



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



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



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



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



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



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



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



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



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



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

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



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



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



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



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



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



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



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

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



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

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



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

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



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



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



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



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

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



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

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



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

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



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

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



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

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

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



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



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

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



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

April 2019	The ASUS ProArt™ series introduced the first professional display supporting Dolby Vision PA32UCX/PQ22UC in the world.
April 2019	The ROG Zephyrus S e-sports notebook won the T3 award.
May 2019	In the eastern Europe market as a whole, ASUS continues to be the champion of market share, where we received the award of “Best laptop brand 2018” from the largest local IT media “Connect Magazine” in Romania. In terms of gaming laptops, our ROG Zephyrus GX501 won the “2018 Best gaming product award.”
May 2019	Official launch of ASUS ZenBook S13 (UX392) in Taiwan with the world’s highest screen-to-body ratio of 97%.
May 2019	In the TWCCcon jointly held by ASUS, Quanta, and Taiwan Mobile, the trial run of Taiwan AI supercomputer that set new record of world ranking was announced.
May 2019	Mr. Jonney Shih, the ASUS Chairman announced the new generation of ASUS ZenFone 6 smartphone, the first product with notch-less design that combined with the innovative flip-up camera.
May 2019	At COMPUTEX 2020, ASUS won a total of 17 awards, including 6 Best Choice Awards and 11 COMPUTEX d&i Awards. Product launch of 30th-Anniversary special edition: Smartphone- ASUS ZenFone 6 Edition 30, laptop computer- ASUS ZenBook Edition 30, motherboard- ASUS PRIME X299 Edition 30 and conceptual motherboard- ASUS PRIME Utopia.
June 2019	The world’s first Wi-Fi 6 Mesh network system- ASUS AiMesh AX6100 tri-band Wi-Fi system launched in Taiwan.
June 2019	Alliance between ROG (Republic of Gamers) and Tencent Game to build ROG Phone 2 for joint-improvement of gaming experience on mobile phones.
June 2019	ASUS was selected by the “LAPTOP Magazine” as 2nd in “Best global laptop brand of the year” and 1st in “Innovation.”
June 2019	ASUS launched a full series of ASUS ZenBook laptops in Brazil, including the first ZenBook laptop- ZenBook 14 (UX433) Made in Brazil.
July 2019	ROG became the official hardware sponsor for ESPN EXP series competition.
July 2019	ROG Phone II was launched and became the world’s first gaming mobile phone equipped with the latest Qualcomm® Snapdragon™855+ high-frequency computing platform.
July 2019	Alliance between ASUS Cloud and Certis Group from Singapore for development of intelligent security application and cooperation in global promotion.
August 2019	ASUS received the CHR (Corporate Health Responsibility) Award 2019.
August 2019	The world’s largest and fastest 4K UHD FreeSync 2 HDR gaming monitor- ROG Strix XG438Q launched in Taiwan.
August 2019	ASUS, Quanta, and Taiwan Mobile cooperated again to acquire the “AI big data mainframe computer establishment” for the National Center for High-Performance Computing.
August 2019	In IFA Berlin 2019, ASUS introduced the diversified digital solution exclusively customized for business professionals, health/ fitness training lovers and gamers, where the ASUS ProArt creator series were promoted to the strategic position of subsidiary brand.
September 2019	Limited edition of ROG’s demountable gaming laptop Mothership (knows as aircraft carrier in gaming) launched in Taiwan.
September 2019	ASUS signed a Memorandum of cooperation with the NCSIST (National Chung-Shan Institute of Science & Technology) for joint-development in cloud computing and AI applications.
September 2019	ASUS 1P & 2P servers made 246 world records in the standard test under SPEC (Standard Performance Evaluation Corporation).
September 2019	Mr. Jonney Shih, the ASUS Chairman led team members to New Delhi for the grand announcement of our latest gaming mobile phone “ROG Phone II” and its exclusive all-around expansion kit.
September 2019	The ASUS “RS500A-E10-12U” server proudly ranked 1st under numerous AMD platform tests.
September 2019	ASUS obtained 4 Good Design awards in Japan.
October 2019	Official commercial operation of Taiwan’s first national AI cloud computing platform- “TWCC AI Cloud” constructed by the National Center for High-Performance Computing together with ASUS, Quanta and Taiwan Mobile for investing in top-tier server, cloud and AI technology application.

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



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

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

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



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

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



January 2022	ASUS and Taipei Veterans General Hospital sign a memorandum of understanding for smart medical care to jointly develop AI medical services and build a smart hospital.
January 2022	ASUS collaborates with Taipei Municipal Guandu Hospital to construct a cloud medical information system.
January 2022	ASUS breaks its own record to win 20 innovation awards at CES® 2022 in the United States.
January 2022	ASUS Smart Healthcare is recognized by the National Biotechnology and Medical Care Quality Award for its handheld ultrasonic medical solutions and AI endoscopic lesion detection system, winning the Symbol of National Quality.
February 2022	ASUS is selected as one of the World's Most Admired Companies in <i>Fortune</i> magazine for the seventh time.
March 2022	ASUS laptop computers continue to be the leader in terms of market share in 2021, and have been the champion in sales in Taiwan for 19 consecutive years.
March 2022	ASUS collaborates with National Health Research Institutes and NVIDIA® to build Taiwan's first AI supercomputer dedicated to biomedical applications, accelerating the development of AI applications in Taiwan's biomedical industry.
April 2022	ASUS wins 39 prizes in various categories in the Red Dot Design Award of Germany, again setting its own record in the number of awards won.
April 2022	ASUS received 39 Red Dot Design Awards, setting a new record.
May 2022	ASUS won 32 iF Design Awards.
May 2022	ASUS gaming laptops dominated the Taiwan market for 25 consecutive seasons.
May 2022	Republic of Gamers launched a collaborative product line with "Evangelion."

June 2022	ASUS desktop have been the market leader for 12 years in Taiwan.
June 2022	ASUS was awarded the 2022 Asia Pacific Climate Leader Award.
July 2022	ASUS donated 30 portable ultrasound solutions to 13 hospitals to support frontline medical workers in the fight against the pandemic.
July 2022	ASUS received the award for recognizing its commitment to providing a quality and healthy workplace.
July 2022	The ECG APP (ASUS HealthConnect) received the TFDA certification.
July 2022	The world's first ASUS commercial service center opened in Kaohsiung, Taiwan.
July 2022	ASUS signed a memorandum of understanding with Singapore's Tan Tock Seng Hospital to accelerate the clinical application of intelligent healthcare AI.
July 2022	The ASUS Zenfone 9, a 5G flagship smartphone, was launched.
July 2022	In August 2022, the ROG Phone 6, officially went on sale.
August 2022	Taiwan Web Cloud launched the 5G AI Ready Platform Co-creation Lab.
August 2022	ROG made an appearance at the Gamescom in Cologne, Germany, and unveiled several player-selected devices.
August 2022	ASUS won 9 Red Dot Brand and Communication Design Awards.
August 2022	The ASUS Zenbook 17 Fold OLED foldable laptop made its debut at IFA 2022.
September 2022	In September 2022, ASUS donated 70 Chromebooks to the Jen Ho Junior High School in Taoyuan to help bridge the digital divide in society.
September 2022	The ROG Phone 6D was released, featuring the MediaTek Dimensity 9000+ chipset.
October 2022	ASUS established the NFT trading platform for Web3.0.
October 2022	In October 2022, ASUS/ROG won 17 Good Design Awards.
October 2022	ASUS was named one of Forbes' Global Best Employers, recognized for creating a happy workplace.
October 2022	Five global superstars, including English Premier League's top scorer Son Heung-min, NBA's Karl Anthony Towns, world-famous DJ Alan Walker, world champion skateboarder Nyjah Huston, and British actor Asa Butterfield, endorsed the Republic of Gamers.
October 2022	ASUS donated 15 portable ultrasound solutions to improve medical care in rural areas.
October 2022	ASUS built its first smart factory, introducing AI to advance Industry 4.0.
November 2022	ASUS Zenfone 9 became the top Android flagship in the market.
November 2022	Since the fourth quarter of 2008 to the second quarter of 2022, ASUS LCD screens have continuously dominated the market in Taiwan for 55 consecutive quarters.
November 2022	ASUS was recognized by the Ministry of Education's Sports Administration for creating a healthy and happy workplace for the third time.
November 2022	Taiwan Web Cloud received a 130 million investment from National Taiwan University, Mega International Commercial Bank, and E.Sun Bank to jointly create an AIHPC ecosystem.
November 2022	ASUS Zenbook 17 Fold OLED won TIME's Best Invention of the Year 2022.
November 2022	ASUS ranked as Taiwan's most valuable international brand for the ninth time with a brand value of 2.163 billion US dollars in 2022.
November 2022	ASUS won 18 Taiwan Excellence Awards, including gold and silver awards for its foldable laptops and gaming phones
November 2022	ASUS and National Taiwan University Hospital collaborated on AI medical voice recording.
November 2022	ASUS was awarded the Gold Award for "CHR Health Enterprise"
December 2022	ASUS won the Golden Pin Design Award's "Best Design of the Year" with its Zenbook 17 Fold OLED laptop in December, 2022.
December 2022	ASUS signed a memorandum of cooperation with Roche Pharmaceuticals to promote precision medicine.
December 2022	ASUS released the world's first fingertip pulse index health bracelet, the "ASUS VivoWatch 5 AERO".
December 2022	ASUS partnered with Freedom Systems to upgrade and promote DaaS commercial services





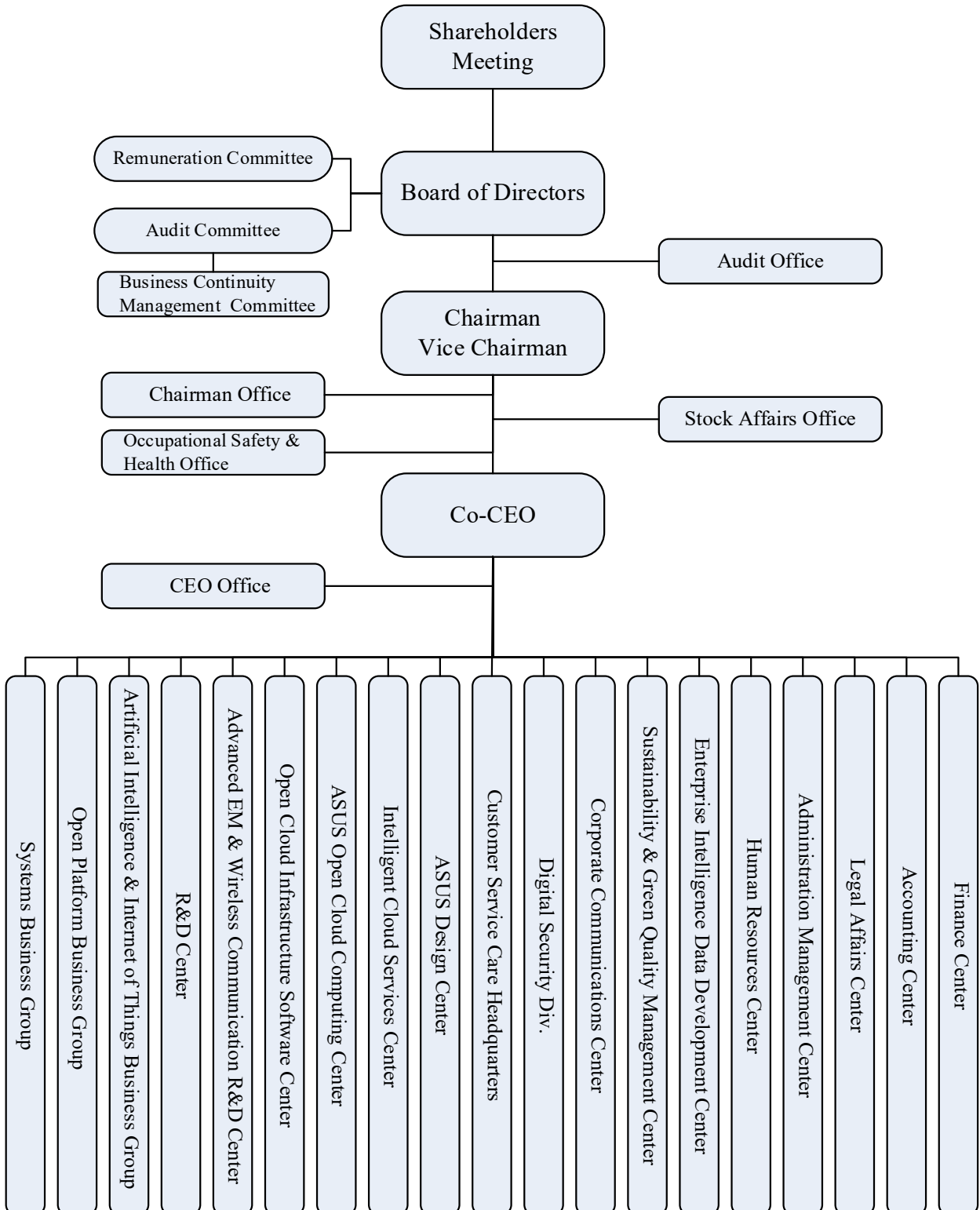
January 2023	ASUS PureGo Oxygenated Water Sterilizer was launched onto the market.
January 2023	ASUS and Republic of Gamers won seven CES 2023 Innovation Awards in three categories.
February 2023	ASUS ranked for the eighth time on Fortune's list of the World's Most Admired Companies.
March 2023	ASUS Healthcare earned the Symbol of National Quality.
March 2023	ASUS broke records again with 44 wins at the 2023 Red Dot Product Design Awards.

### III. Corporate governance report

#### I. Corporate Organization

##### (I) Organization Chart

Effective date: 2022.12.31



## (II) Department Function Description

### CEO

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

### Audit Office

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

### Stock Affairs Office

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

### Labor Safety & Health Office

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

### Systems Business Group

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

### Open Platform Business Group

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

### Artificial Intelligence & Internet of Things Business Group

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

### R&D Center, Advanced EM & Wireless Communication R&D Center, Open Cloud Infrastructure Software Center, Intelligent Cloud Services Center, ASUS Open Cloud Computing Center and ASUS Design Center

Develop the common R&D technology need by business units.

### Sustainability & Green Quality Management Center

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

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

### Customer Service Care Headquarters

Provide customers with comprehensive service and total solutions.

### Digital Security Div

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

### Corporate Communications Center

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

### Enterprise Intelligence Data Development Center

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

### Human Resources Center

Responsible for the planning and implementation of global human resource management to attract, motivate, retain and develop outstanding talents, and enhance organizational effectiveness.

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

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

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

### 1. Directors

Title	Nationality/ Country of Origin	Name	Gender & Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Base Date: April 11, 2023				Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			
							Shares	%	Current Shareholding	Spouse & Minor Shareholding		Shareholding by Nominee Arrangement			Title	Name	Relation	
										Shares	%	Shares						%
Chairman	R.O.C.	Jonney Shih	Male 61-70	2022.06	3	1994.05	30,093,638	4.05	30,093,638	4.05	0	0	0	0	Director	Jonathan Tsang,	2nd consanguinity	
Vice Chairman	R.O.C.	Ted Hsu	Male 61-70	2022.06	3	1993.06	7,346,683	0.99	1,950,924	0.26	0	0	0	0	None	None	None	
Director	R.O.C.	Jonathan Tsang	Male 71-80	2022.06	3	1999.04	1,423,093	0.19	0	0	0	0	0	Chairman	Jonney Shih	2nd consanguinity		
Director	R.O.C.	S. Y. Hsu	Male 51-60	2022.06	3	2011.06	107,019	0.01	8,233	0.00	0	0	0	None	None	None	None	
Director	R.O.C.	Samson Hu	Male 51-60	2022.06	3	2012.06	100,592	0.01	0	0	0	0	0	None	None	None	None	
Director	R.O.C.	Eric Chen	Male 51-60	2022.06	3	2008.06	157,527	0.02	12,275	0.00	0	0	0	None	None	None	None	
Director	R.O.C.	Joe Hsieh	Male 51-60	2022.06	3	2011.06	0	0.00	805	0.00	0	0	0	None	None	None	None	
Director	R.O.C.	Jackie Hsu	Male 51-60	2022.06	3	2016.07	21,000	0.01	21,000	0.01	0	0	0	None	None	None	None	
Director	R.O.C.	Tze-Kaing Yang	Male 61-70	2022.06	3	2016.07	0	0.00	0	0.00	0	0	0	None	None	None	None	
Director	R.O.C.	Sandy Wei	Female 61-70	2022.06	3	2022.06	3,057,446	0.41	1,557,446	0.21	18,962	0.00	0	0	None	None	None	

Title	Nationality/ Country of Origin	Name	Gender & Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Base Date: April 11, 2023				Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship				
							Shares	%	Current Shareholding	Spouse & Minor Shareholding		Shareholding by Nominee Arrangement			Title	Name	Relation		
										Shares	%	Shares						%	Shares
Independent Director	R.O.C.	Chung-Hou Tai	Male 71-80	2022.06	3	2016.07	36,459	0.01	36,459	0.01	0	0	0	0	M.S. in Management Sciences, Tamkang University Co-founder of Acer	Note 10	None	None	None
Independent Director	R.O.C.	Ming-Yu Lee	Male 61-70	2022.06	3	2016.07	0	0.00	0	0.00	0	0	0	0	M.S. in Accounting, National Chengchi University Accountant of ROC	Note 11	None	None	None
Independent Director	R.O.C.	Chun-An Sheu	Male 71-80	2022.06	3	2016.07	0	0.00	0	0.00	0	0	0	0	MBA, Rider University (USA) National Tax Administration of Southern Taiwan Province, Ministry of Finance	Note 12	None	None	None
Independent Director	R.O.C.	Andy Guo	Male 61-70	2022.06	3	2022.06	0	0.00	0	0.00	0	0	0	0	Ph.D in Massachusetts Institute of Technology Professor, Department of Business Administration, National Taiwan University	None	None	None	None
Independent Director	R.O.C.	Audrey Tseng	Female 61-70	2022.06	3	2022.06	0	0.00	0	0.00	0	0	0	0	EMBA, National Taiwan University / Fudan University M.S. in Accounting, National Chengchi University Accounting, National Chengchi University	Note 13	None	None	None

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

Note 2: Chairman of eBizprise Inc.

Director of the following companies: Pegatron Corporation, ASMEDIA TECHNOLOGY INC., EUSOL Biotech Co., Ltd., iMotion Group Inc., Medus Technology Inc., Huasyn Biomedical Co., Ltd., A2+ BIOTECH CONSULTING CO., LTD., HONG WEI INVESTMENT CO., LTD., Koo Foundation Sun Yat-Sen Cancer Center and Taipei Tzu Chi Hospital.

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

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

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

Note 5: Chairman of JOTECH LTD.

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

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

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

Licensing Inc., ASUS METAVERSE INC and ASUS MAAS CORPORATION.

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

Note 8: Director of the following companies: Huiyang Private Equity Fund Co., Ltd, CHIEN KUO CONSTRUCTION CO., LTD., Airiti Inc., Pegatron Corporation and TTY BIOPHARM COMPANY LIMITED.

Chairman of Yangtze Associates.

Note 9: Chairman of MEDUS TECHNOLOGY INC.; Supervisor of ASUS TECHNOLOGY INCORPORATION; Director of GREEN & GOOD LIFE CO., LTD.

Note 10: Director of the following companies: Fullerton, WAFER WORKS CORPORATION, Chief Telecom Inc., Lumens Digital Optics Inc., GTTW, 21ViaNet Group, Inc., WAFER WORKS. and DIGITIMES.

Chairman of InveStar Corporation.

Note 11: Independent Director of KINSUS INTERCONNECT TECHNOLOGY CORP.

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

Note 13: Director of the following companies: AP Biosciences, HanchorBio Inc., BONRAYBIO CO., LTD., BRIM Biotechnology, Inc., T-E Pharma Holding (Cayman) and HanchorBio Inc.(Cayman).  
Independent Director of the following companies: Coretronic Corp., BIONIME CORPORATION, Delta Electronics and Onward Therapeutics SA.( Non-Public Offering Company).

Note 14: Since the tenure of the Vice Chairman Ted Hsu had been suspended 8 years from the 2008 to 2016, the average tenure of the Board of Directors is 10.87 years.

Note 15: The shareholdings stated in the table exclude trust shareholdings that are with the "rights to use" reserved.

Note 16: Chairman and General Manager or equivalent positions of the Company not served by the same individual, nor are they spouses or first-degree kinship to each other.

Note 17: (\*) Standards for the English transliteration of company's name or individual's name.

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

Title	Name	Date	Sponsor	Course Title	Hours
Chairman	Jonney Shih	Jul 20, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Sustainability and Governance from a Risk Perspective -- Corporate Governance to ESG	3
		Nov 10, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	How enterprises can effectively maintain brand value from the perspective of trademark cases	3
Vice Chairman	Ted Hsu	Jul 20, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Sustainability and Governance from a Risk Perspective -- Corporate Governance to ESG	3
		Sep 22, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	How to avoid breach of trust and unusual transactions in directors' decision-making	3
		Nov 10, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Protection of business secrets and prevention of insider trading	3
		Nov 10, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	How enterprises can effectively maintain brand value from the perspective of trademark cases	3

Title	Name	Date	Sponsor	Course Title	Hours
Director	Jonathan Tsang	Jul 20, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Sustainability and Governance from a Risk Perspective -- Corporate Governance to ESG	3
		Nov 10, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	How enterprises can effectively maintain brand value from the perspective of trademark cases	3
Director	S.Y. Hsu	Jul 20, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Sustainability and Governance from a Risk Perspective -- Corporate Governance to ESG	3
		Nov 10, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	How enterprises can effectively maintain brand value from the perspective of trademark cases	3
Director	Samson Hu	Jul 20, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Sustainability and Governance from a Risk Perspective -- Corporate Governance to ESG	3
		Nov 10, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	How enterprises can effectively maintain brand value from the perspective of trademark cases	3
Director	Eric Chen	Jul 20, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Sustainability and Governance from a Risk Perspective -- Corporate Governance to ESG	3
		Nov 10, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	How enterprises can effectively maintain brand value from the perspective of trademark cases	3
Director	Joe Hsieh	Jul 20, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Sustainability and Governance from a Risk Perspective -- Corporate Governance to ESG	3
		Nov 10, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	How enterprises can effectively maintain brand value from the perspective of trademark cases	3
Director	Jackie Hsu	Jul 20, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Sustainability and Governance from a Risk Perspective -- Corporate Governance to ESG	3
		Nov 10, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	How enterprises can effectively maintain brand value from the perspective of trademark cases	3
Director	Tze-Kaing Yang	Sep 22, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	How to avoid breach of trust and unusual transactions in directors' decision-making	3
		Nov 10, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Protection of business secrets and prevention of insider trading	3

Title	Name	Date	Sponsor	Course Title	Hours
Director	Sandy Wei	Jul 20, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Sustainability and Governance from a Risk Perspective -- Corporate Governance to ESG	3
		Oct 19, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	18th (2022) Corporate Governance Summit Forum - Enhancing the Functions of Directors and Implementing Sustainable Governance	3
		Nov 11, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Sustainability and Governance from a Risk Perspective -- Corporate Governance to ESG	3
Independent Director	Chung-Hou Tai	Jul 20, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	How enterprises can effectively maintain brand value from the perspective of trademark cases	3
		Nov 10, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	How enterprises can effectively maintain brand value from the perspective of trademark cases	3
Independent Director	Ming-Yu Lee	Apr 25, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Net-zero emissions, carbon neutrality and corporate compliance	3
		Jul 20, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Sustainability and Governance from a Risk Perspective -- Corporate Governance to ESG	3
		Nov 10, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	How enterprises can effectively maintain brand value from the perspective of trademark cases	3
Independent Director	Chun-An Sheu	Jul 20, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Sustainability and Governance from a Risk Perspective -- Corporate Governance to ESG	3
		Nov 10, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	How enterprises can effectively maintain brand value from the perspective of trademark cases	3
Independent Director	Andy Guo	Jul 20, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Sustainability and Governance from a Risk Perspective -- Corporate Governance to ESG	3
		Nov 10, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	How enterprises can effectively maintain brand value from the perspective of trademark cases	3
		Nov 15, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Analysis of managerial control change and prevention strategies	3
		Nov 22, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Corporate social responsibility - On governance from the perspective of human rights policy	3



Title	Name	Date	Sponsor	Course Title	Hours
Independent Director	Audrey Tseng	Feb 24, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Trends of recent developments and revision of international taxation and domestic taxation	3
		Mar 23, 2022	SECURITIES and FUTURES INSTITUTE	Corporate governance and securities regulations	3
		Jul 20, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Sustainability and Governance from a Risk Perspective -- Corporate Governance to ESG	3
		Jul 28, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Net-zero emissions, carbon neutrality and corporate compliance	3
		Nov 10, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	How enterprises can effectively maintain brand value from the perspective of trademark cases	3

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

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

Criteria Name	Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Total number of positions serving as Independent Director for the other Public Companies
	customer service, committed to bringing attentive services to consumers around the world. In recent years, he has also strengthened the Company's efforts in environmental, social and governance (ESG) related fields, such as joining RE100. He possesses the necessary experience in industrial operations, technological research and development and corporate business.		
Eric Chen	Since joining ASUS in 1994, he has accumulated extensive professional knowledge in brand development, marketing, global sales, new market planning and operations. He has successfully incorporated user and customer insights into the feedback loop which has helped ASUS become a global technology leader. He possess the necessary experience in industrial operations, marketing management and corporate business.	The employee of ASUS	0
Joe Hsieh	Since joining ASUS in 1991, he has led the motherboard team to develop multiple product lines and actively developed new products such as the Republic of Gamers high-end series and AiO PCs, successfully taking ASUS to a global leadership position. He is now committed to providing integrated and innovative solutions for the new digital generation, integrating innovative services in the field of cloud computing, IoT and AI to the core of big data to develop remote medical care devices, medical voice assistance systems, healthcare wearable devices, elderly care and other smart Solutions. He possess the necessary experience in industrial operations, marketing management and corporate business.	The employee of ASUS	0
Jackie Hsu	Since joining 1996, he has led the continuous innovation of open platforms and AIoT business groups. During his tenure in major markets such as the United States and China, he applied his deep market insights and the ASUS 'User-Centered' business philosophy to create many dazzling achievements for the brand. He possess the necessary experience in industrial operations, marketing management and corporate business.	The employee of ASUS	0
Tze-Kaing Yang	He holds a doctoral degree from the Department of Business Administration of National Chengchi University. He had served as the president of China Development Industrial Bank, a policy advisor of the Executive Yuan, executive secretary of the National Development Fund of Taiwan, Political Deputy Minister of the Ministry of Finance, acting chairman of the Bank of Taiwan and other key roles, specializing in the fields of finance and economics. He has taught at National Chengchi University and National Chiao Tung University. He possesses the necessary experience in industrial operations, finance and corporate business.	Not an employee of the Company or any of its subsidiaries	0
Sandy Wei	Joined ASUS since its early days in business, and had served as the chief accountant and CFO, and promoted ASUS's plan in going public; also, had served as the head of sustainability of the Company, planning the blueprint for the Company's sustainable operation; the current CEO of ASUS Foundation, continuing the Company's focus on issues of corporate social responsibility. Possess the necessary experience in industry management, financial accounting and corporate business.	The employee of ASUS	0

Criteria Name	Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Total number of positions serving as Independent Director for the other Public Companies
Chung-HouTai	He is an independent director of ASUS, concurrently serves as the convener of the audit committee and a member of the remuneration committee. He was also a co-founder of Acer Computer and served as the chairman of Chief Telecom and Richtek Technology and is now the chairman of InveStar Capital and DigiTimes. He has won the Feng-Zhang Lu Memorial Medal, 1988 National Ten Outstanding Young Persons, Excellent Businessman Medal and other awards. He possesses the necessary experience in industrial operations, technological research and development and corporate business.	Meets the independence criteria specified in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies two years before being elected and during the term of office.	0
Ming-Yu Lee	He is an independent director of ASUS, concurrently serving as the convener of the remuneration committee and a member of the audit committee. He has a CPA license in Taiwan. He has worked in Ernst & Young Taiwan and has served as an associate professor of the Accounting Department at National Chengchi University and a member of the Standards Committee of the Internal Audit Association. He has taught at National Chengchi University, specializing in financial statement auditing and validation and tax planning. He possess the professional knowledge in auditing, accounting, taxation, etc. and the experience required by the Company's business operation.	Meets the independence criteria specified in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies two years before being elected and during the term of office.	1
Chun-An Sheu	He is an independent director of ASUS, con-currently serving as a member of the remuneration committee and the audit committee. He has served as the director of National Taxation Bureau of the Southern Area under the Ministry of Finance, deputy director-general of the Taxation Administration under the Ministry of Finance and the director-general of the National Taxation Bureau of Taipei, and has extension experience in taxation. He has taught at Soochow University and Hungkuo Delin University of Technology, specializing in the tax law of the Republic of China. He possess the professional knowledge in accounting, taxation, etc. and the experience required by the Company's business operation.	Meets the independence criteria specified in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies two years before being elected and during the term of office.	2
Andy Guo	An independent director of the Company, concurrently serving as a member of the Audit Committee. Had worked in the Research and Development Center of National Semiconductor Corporation of the United States. Currently a professor in the Department of Business Administration at National Taiwan University, specializing in strategic planning, corporation transformation, talent development programs and new business development. He possesses the necessary experience in industrial operations, finance and corporate business.	Meets the independence criteria specified in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies two years before being elected and during the term of office.	0
Audrey Tseng	An independent director of the Company, concurrently serving as a member of the Audit Committee. Had worked as the deputy director of PwC Taiwan and the general manager of PwC Greater	Meets the independence criteria specified in the	3

Criteria Name	Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Total number of positions serving as Independent Director for the other Public Companies
	China. Specializes in counseling company organizational structure, managerial control planning, equity planning, corporate governance, transnational management practices, operations management, tax management, and audit and attestation services. Possess the professional knowledge in auditing, accounting, taxation, etc. and the experience required for the Company's business operation and governance.	Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies two years before being elected and during the term of office.	

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

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

#### 4. Board diversity and independence

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

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

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

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

In terms of the achievement of diversity, the board currently has a total of 15 members, all of whom have professional knowledge and skills. The directors have skills covering management of industry, technology research and development, marketing management, finance, accounting and taxation and the details are as follows: The Board of directors as a whole has been equipped with various capacities required for duty execution. The Company also pays attention to the independence and gender equality of the composition of the board of directors. The Company added the number of seats of independent directors and the number of female directors at the re-election of directors at the 2022 shareholder meeting. There are currently 5 independent directors, accounting for 1/3 of the board, and there are two seats of female directors, further achieving the short-term specific objective of the diversity of board members. Currently, 86.66% (13 seats) of the board members are male directors and 13.34% (2 seats) are female directors. The Company shall continue to increase the number of independent directors and female directors for the long-term goal of diversity of board members.

Diversification Item Name	Gender	Concurrent positions as employees of the Company or subsidiaries	Service term of independent directors	Professional knowledge and skills				
				Industry Operating	Technology R&D	Marketing Management	Finance	Accounting Taxation
Jonney Shih	Male	V		V	V			
Ted Hsu	Male	V		V	V			
Jonathan Tsang	Male	V		V		V		
S.Y. Hsu	Male	V		V	V			
Samson Hu	Male	V		V	V			
Eric Chen	Male	V		V		V		
Joe Hsieh	Male	V		V		V		
Jackie Hsu	Male	V		V		V		
Tze-Kaing Yang	Male			V			V	
Sandy Wei	Female	V					V	V
Chung-Hou Tai	Male		7 years	V	V			
Ming-Yu Lee	Male		7 years					V
Chun-An Sheu	Male		7 years					V
Andy Guo	Male		1 years	V		V		
Audrey Tseng	Female		1 years	V				V

(2) Independence of the board

- a. The Company's board of directors has 15 members, of which 5 are independent directors, or 33.33%.
- b. 40% of directors concurrently serve as employees of the Company, 20% of them serve as employees of subsidiaries and 40% of them do not have employee status.
- c. Therefore, there is no violation of the provisions of Paragraph 3 and 4 of Article 26-3 of the Securities and Exchange Act.

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

## (II) Information of the management

Title	Nationality / Country of Origin	Gender	Name	Date Elected	Base Date: April 11, 2023						Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee				Title	Name	Relation
					Shares	%	Shares	%	Shares	%					
Chief Branding Officer	R.O.C.	Male	Jonney Shih	Apr 30, 1994	30,093,638	4.05	0	0	0	0	Reference to Director Information	None	None	None	
Chief Strategy Officer	R.O.C.	Male	Ted Hsu	May 1, 2016	7,346,683	0.99	1,950,924	0.26	0	0	Reference to Director Information	None	None	None	
CO-Chief Executive Officer	R.O.C.	Male	S.Y. Hsu	Mar 10, 2008	107,019	0.01	8,233	0.00	0	0	Reference to Director Information	None	None	None	
CO-Chief Executive Officer	R.O.C.	Male	Samson Hu	Sep 10, 2008	100,592	0.01	0	0	0	0	Reference to Director Information	None	None	None	
Chief Operating Officer	R.O.C.	Male	Joe Hsieh	Mar 10, 2008	0	0.00	805	0.00	0	0	Reference to Director Information	None	None	None	
Corporate Vice President	R.O.C.	Male	Henry Yeh	Sep 10, 2008	48,781	0.01	245	0.00	0	0	Note 1	None	None	None	
Corporate Vice President	R.O.C.	Male	Alex Sun (Note 2)	Jul 1, 2010	12,786	0.00	1,000	0.00	0	0	Note 2	None	None	None	
Corporate Vice President	R.O.C.	Male	Taiyi Huang	Oct 15, 2018	0	0.00	0	0.00	0	0	None	None	None	None	
Corporate Vice President	R.O.C.	Male	Albert Chang	Nov 1, 2019	12,000	0.00	0	0.00	0	0	None 3	None	None	None	
Corporate Vice President	R.O.C.	Male	Tenlong Deng	Nov 1, 2019	182	0.00	0	0.00	0	0	None	None	None	None	

Title	Nationality / Country of Origin	Gender	Name	Date Elected	Base Date: April 11, 2023				Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			
					Shareholding		Spouse & Minor Shareholding				Shares	Relation	Title	Name
					Shares	%	Shares	%						
Corporate Vice President	R.O.C.	Male	Chih-Peng, Wu	Nov 1, 2019	76,306	0.01	0	0.00	0	0	None	None	None	
Corporate Vice President	R.O.C.	Male	Kent Chien	Nov 1, 2019	745	0.00	0	0.00	0	0	None	None	None	
Corporate Vice President	R.O.C.	Male	Vincent Chiou	Nov 1, 2019	126	0.00	0	0.00	0	0	None	None	None	
Corporate Vice President	R.O.C.	Male	Benson Lin	Mar 3, 2021	45,039	0.01	0	0.00	0	0	None	None	None	
Corporate Vice President	R.O.C.	Male	Rex Lee	Mar 3, 2021	1,308	0.00	477	0.00	0	0	None	None	None	
Chief Financial Officer	R.O.C.	Male	Nick Wu	Aug 11, 2015	457	0.00	161	0.00	0	0	None	None	None	
Comptroller	R.O.C.	Female	Winnie Liu	Aug 11, 2015	649	0.00	0	0	0	0	None	None	None	
Corporate Governance Officer	R.O.C.	Female	Francy Jeng	Nov 11, 2020	38,000	0.01	0	0	0	0	None	None	None	

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

Note 2: (1) Discharged after being transferred to ASUS TECHNOLOGY LICENSING on April 13, 2022.

(2) Director of ASUS TECHNOLOGY LICENSING.

Note 3: Director of PORTWELL INC, PORTWELL INC, UPI Semiconductor Corp., DEEP01 LIMITED and LELTEK.

The Chairman of SHINEWAVE INTERNATIONAL INC.

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

Note 5: Chairman of UNIMAX ELECTRONICS INC. and SHINYOPTICS CORP.

Director of ASUS METAVERSE INC.; Executive director of QC Serve AB.

Note 6: Director of TAIWAN WEB SERVICE CORP.

Note 7: Supervisor of the following companies: Hua-Min Investment Co., Ltd., Hua-Cheng Venture Capital Corp., LELTEK, TAIWAN WEB SERVICE CORP. and UNIMAX ELECTRONICS INC.



Director of UPI Semiconductor Corp., and ASUS PROPERTIES (VIETNAM) LTD.  
 Note 8: Supervisor of ASUS TECHNOLOGY LICENSING, ASUS METAVERSE INC. and SHINYOPTICS CORP.  
 Director of Askey Technology (Jiangsu) Limited.

Note 9: Supervisor of Medus Technology Inc.

Note 10: The shareholdings stated in the table exclude trust shareholdings that are with the “rights to use” reserved.

Note 11: The Company did not have stock option issued up to the date of the annual report issued; therefore, the Company’s management did not have stock option shares.

Note 12: Chairman and General Manager or equivalent positions of the Company not served by the same individual, nor are they spouses or first-degree kinship to each other.

### Education and training of the management

Title	Name	Training Date		Sponsor	Course Title	Hour
		Start	End			
Chief Financial Officer	Nick Wu	Jul 20, 2022	Jul 20, 2022	ACCOUNTING RESEARCH AND DEVELOPMENT FUNDATION	Sustainability and Governance from a Risk Perspective -- Corporate Governance to ESG	3
		Nov 10, 2022	Nov 10, 2022	ACCOUNTING RESEARCH AND DEVELOPMENT FUNDATION	How enterprises can effectively maintain brand value from the perspective of trademark cases	3
Comptroller	Winnie Liu	Feb 21, 2022	Feb 21, 2022	ACCOUNTING RESEARCH AND DEVELOPMENT FUNDATION	Regulatory compliance of corporate sustainability and ESG - Renewable energy and investing in green energy	6
		Feb 24, 2022	Feb 24, 2022	ACCOUNTING RESEARCH AND DEVELOPMENT FUNDATION	Latest "Profit-seeking enterprise income tax" law developments and corporate response strategies	3
		Mar 25, 2022	Mar 25, 2022	ACCOUNTING RESEARCH AND DEVELOPMENT FUNDATION	Tax issues and tax governance practices of non-operating investment income of Taiwanese businesses	3
		Mar 10, 2022	Mar 10, 2022	Taiwan Stock Exchange/QIC (QIC)/Georgeson	Online seminar of "Discussion on Supervision of Independent Directors and the 2022 Shareholder Meeting"	1
Corporate Governance Officer	Francy Jeng	Jul 20, 2022	Jul 20, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Sustainability and Governance from a Risk Perspective -- Corporate Governance to ESG	3
		Oct 19, 2022	Oct 19, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	18th (2022) Corporate Governance Summit Forum - Enhancing the Functions of Directors and Implementing Sustainable Governance	3
		Oct 21, 2022	Oct 21, 2022	SECURITIES and FUTURES INSTITUTE	2022 Prevention of Insider Trading Conference	3
		Nov 10, 2022	Nov 10, 2022	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	How enterprises can effectively maintain brand value from the perspective of trademark cases	3

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

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

**1. Remuneration of Directors**

Title	Name	Director's Remuneration				Remuneration of part-time employees				Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Remuneration to Employee (G)				Ratio of Total Remuneration (A+B+C+D+E+F+G) to Net Income (%)		Remuneration Paid to Supervisors from an Invested Company Other than the Company's Subsidiary							
		Base Remuneration (A)		Severance Pay (B) (Note 1)		Remuneration to Directors (C)		Allowances (D)		Salary, Bonuses, and Allowances (E)		Severance Pay (F) (Note 2)		Remuneration to Employee (G)		Ratio of Total Remuneration (A+B+C+D+E+F+G) to Net Income (%)									
		ASUS	Companies in the financial statements	ASUS	Companies in the financial statements	ASUS	Companies in the financial statements	ASUS	Companies in the financial statements	ASUS	Companies in the financial statements	ASUS	Companies in the financial statements	Cash amount	Stock amount	Cash amount	Stock amount		ASUS	Companies in the financial statements					
Chairman	Jonney Shih																								
Vice Chairman	Ted Hsu																								
Director	Jonathan Tsang																								
Director	S.Y. Hsu																								
Director	Samson Hu																								
Director	Eric Chen	0	0	0	0	47,563 thousand	47,563 thousand	0	0	107,937 thousand	160,627 thousand	540 thousand	864 thousand	19,782 thousand	31,838 thousand	0	0	175,822 thousand	240,892 thousand	1.2%	1.64%	10,527 thousand			
Director	Joe Hsieh																								
Director	Jackie Hsu																								
Director	Jerry Shen																								
Director	Tze-Kaing Yang																								
Director	Sandy Wei																								
Independent Director	Chung-Hou Tai																								
Independent Director	Ming-Yu Lee																								
Independent Director	Chun-An Sheu	3,000 thousand	3,000 thousand	0	0	10,500 thousand	10,500 thousand	0	0	0	0	0	0	0	0	0	0	13,500 thousand	13,500 thousand	0.09%	0.09%	None			
Independent Director	Andy Guo																								
Independent Director	Audrey Tseng																								

Note: Director Jerry Shen discharged when his term of office expired on June 8, 2022. Director Sand Wei, Independent directors Andy Guo and Audrey Tseng were newly appointed on June 8, 2022.

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

### **Remuneration Bracket**

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

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

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

## 2. Remuneration of President and Vice President

Title	Name	Salary (A)		Severance Pay (B) (Note 1)		Bonuses and Allowances (C)		Remuneration to Employee (D)			Ratio of total remuneration (A+B+C+D) to net income (%)		Remuneration Paid to Supervisors from an Invested Company Other than the Company's Subsidiary
		The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Cash amount	Stock amount	The Company	Companies in the financial statements	
Chief Branding Officer	Jonney Shih												
Chief Strategy Officer	Ted Hsu												
CO-Chief Executive Officer	S.Y. Hsu												
CO-Chief Executive Officer	Samson Hu												
Chief Operating Officer	Joe Hsieh												
Corporate V.P.	Henry Yeh												
Corporate V.P.	Alex Sun (Note)												
Corporate V.P.	Taiyi Huang	57,832 thousand	57,832 thousand	1,431 thousand	1,431 thousand	136,081 thousand	136,081 thousand	34,429 thousand	0	229,773 thousand	229,773 thousand	1.56%	None
Corporate V.P.	Albert Chang												
Corporate V.P.	Tenlong Deng												
Corporate V.P.	Chih-Peng Wu												
Corporate V.P.	Kent Chien												
Corporate V.P.	Vincent Chiou												
Corporate V.P.	Benson Lin												
Corporate V.P.	Rex Lee												

Note: Alex Sun, Global vice president, transferred to ASUS TECHNOLOGY LICENSING on April 13, 2022 and then discharged.

### Remuneration Bracket

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

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

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

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

	Title	Name	Stock Amount	Cash Amount (Estimated amount)	Total	Ratio of Total Amount to Net Income (%)
Managers	Chief Branding Officer	Jonney Shih				
	Chief Strategy Officer	Ted Hsu				
	CO-Chief Executive Officer	S.Y. Hsu				
	CO-Chief Executive Officer	Samson Hu				
	Chief Operating Officer	Joe Hsieh				
	Corporate V.P.	Henry Yeh				
	Corporate V.P.	Alex Sun (Note)				
	Corporate V.P.	Taiyi Huang				
	Corporate V.P.	Albert Chang				
				0	39,366 thousand	39,366 thousand

	Title	Name	Stock Amount	Cash Amount (Estimated amount)	Total	Ratio of Total Amount to Net Income (%)
	Corporate V.P.	Tenlong Deng				
	Corporate V.P.	Chih-Peng Wu				
	Corporate V.P.	Kent Chien				
	Corporate V.P.	Vincent Chiou				
	Corporate V.P.	Benson Lin				
	Corporate V.P.	Rex Lee				
	Chief Financial Officer	Nick Wu				
	Comptroller	Winnie Liu				
	Corporate Governance Officer	Francy Jan				

Note: Alex Sun, Global vice president, transferred to ASUS TECHNOLOGY LICENSING on April 13, 2022 and then discharged.

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

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

Year (Note)	Total remuneration	Ratio of the net profit after tax
2022	290,835 thousand	1.98%
2021	831,470 thousand	1.87%

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

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

(1) Pay to directors: Subject to the provisions of Article 17 of the Articles of Incorporation, "The Company provides pays to directors for performing their duties for business of the Company, whether the Company is operating at a profit or at a loss. Directors' pay is authorized at board meetings based on their level of participation in and contribution to the Company's operation." If the Company is profitable for the year, according to Article 20 of the Company's Articles of Incorporation, "The Company's annual profit shall be retained in advance to make up for the previous accumulated loss, and no more than 1% of the balance shall be allocated as the bonuses to directors." The actual percentage of 2022 allocation was 0.3%.

(2) Remuneration to managerial officers is subject to the provisions of Article 18 of the Articles of Incorporation, "The Company has managerial officers whose appointment, dismissal and remuneration shall in accordance with Article 29 of the Company Act, and the pay standard shall be subject to the Company's rules on personnel management measures." If the Company is profitable for the year, according to Article 20 of the Company's Articles of Incorporation, "The Company's annual profit shall be retained in advance to make up for the previous accumulated loss, and no less than 1% of the balance shall be allocated as the employee remuneration." The actual percentage of 2022 allocation was 5.7%. Managerial officers' salary and remuneration include monthly salary and allowances, bonuses for three national festivals and holidays, annual performance bonus, and other rewards based on the profitability of the year. The evaluation criteria for each manager's remuneration include the standard of salary and benefits paid by industry peers, the Company's business performance for the year, the profit contribution of each business group, and the target achievement rate.

(3) Procedures for determining remuneration

The Company conducts regular performance appraisal of the board and each functional committee every year in accordance with the Board Performance Appraisal Measures. The results are reported at the board meeting as reference for review and improvement, and used as the basis for nomination or salary and remuneration of directors. Directors' remuneration is determined based on the directors' participation in the Company's operations and the results of their performance evaluation. Managerial officers' salary is determined based on the job responsibilities, position level and professional capabilities specified in the Company's remuneration rules, and with reference to the salary standard among industry peers. Managerial officers' bonuses follow the Company's rules on bonus payment, and are assessed and reviewed according to the Company's overall operating performance, the management performance, profit contribution and goal achievements of each segment and personal performance. The abovementioned results are compiled to calculate a reasonable remuneration for each managerial officer. The Company's human resources center then submits the remuneration proposal to the Remuneration Committee for deliberation and then to the board for approval.

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

The review of the pay standard and systems related to the remuneration policy is based on the Company's overall business performance, future risks and development trends of the industry, and corporate sustainable management, as well as the goal achievement rate and contribution, which can improve the overall organizational effectiveness of the board and the Company. We refer to the salary standard among industry peers to ensure that the salary for the Company's management team is competitive, so as to retain outstanding management talents.

The performance goals of our managerial officers are tied to risk control to ensure that possible risks within the scope of duties can be managed and prevented. Key decisions at the management level are made only after weighing various risk factors, and the performance of related risk control is reflected in the profitability, which establishes a relationship.

Our Remuneration Committee also regularly reviews and assesses the remuneration practices of directors and managerial officers, and proposes related recommendations to the board for deliberation in order to maintain the balance between operating performance and risk management.



### III. Corporate governance Implementation

#### (I) Board of Directors

In 2022, the 12th Board of Directors convened 3 times and the 13th Board of Directors convened 4 times, with a total of 7 meetings. (A). The following is the attendance of the directors:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Note
Chairman	Jonney Shih	7	0	100%	Re-elected
Vice Chairman	Ted Hsu	7	0	100%	Re-elected
Director	Jonathan Tsang	7	0	100%	Re-elected
Director	S.Y. Hsu	7	0	100%	Re-elected
Director	Samson Hu	7	0	100%	Re-elected
Director	Eric Chen	7	0	100%	Re-elected
Director	Joe Hsieh	6	0	85.71%	Re-elected
Director	Jackie Hsu	7	0	100%	Re-elected
Director	Jerry Shen	0	0	0%	Discharge in the 12 <sup>th</sup> term
Director	Tze-Kaing Yang	7	0	100%	Re-elected
Director	Sandy Wei	4	0	100%	Newly appointed in the 13 <sup>th</sup> term
Independent Director	Chung-Hou Tai	7	0	100%	Re-elected
Independent Director	Ming-Yu Lee	7	0	100%	Re-elected
Independent Director	Chun-An Sheu	7	0	100%	Re-elected
Independent Director	Andy Guo	4	0	100%	Newly appointed in the 13 <sup>th</sup> term
Independent Director	Audrey Tseng	4	0	100%	Newly appointed in the 13 <sup>th</sup> term

Other mentionable items:

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

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

Board of Directors Meeting Date	Resolution	Opinions of independent directors	Company's treatment of the pinions.	Resolution results
The 20th time of the 12 <sup>th</sup> term Mar 16, 2022	1. Assessment of Q4 2021 major accounts reclassified as lending of funds. 2. The proposal on the amendments	None	N/A	The matter is approved by all the attendees

Board of Directors Meeting Date	Resolution	Opinions of independent directors	Company's treatment of the pinions.	Resolution results
	to the "Procedures for Acquisition or Disposal of Assets".			
The 21 <sup>th</sup> time of the 12 <sup>th</sup> term May 11, 2022	Assessment of Q1 2022 major accounts reclassified as lending of funds.	None	N/A	The matter is approved by all the attendees
The 3 <sup>rd</sup> time of the 13 <sup>th</sup> term Aug 11, 2022	1. Assessment of Q2 2022 major accounts reclassified as lending of funds. 2. The Company's and some subsidiaries' certification of finance and income Tax fee of 2022.	None	N/A	The matter is approved by all the attendees
The 4 <sup>th</sup> time of the 13 <sup>rd</sup> term Nov 10, 2022	1. Assessment of Q3 2022 major accounts reclassified as lending of funds. 2. Capital loan and extension from ASTP (ASUS subsidiary) to ASGL. 3. Increase in the total amount of pledge of customs and trade taxes to Keelung Customs Office. 4. Amendment to the "Internal Control System" and the "Internal Audit System".	None	N/A	The matter is approved by all the attendees

(2) In addition to the previous provisions, other resolutions of the Board meeting against which independent directors make objections or reserve opinions or submit written statements: None.

2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting shall be specified: None.
3. Evaluation of the functions of the board of directors in the current year and last year: The Company's board of directors operates in accordance with the Company's "Rules of Procedure for Board Meetings" and related laws. The corporate governance officer, the executive financial officers and chief auditors will also attend a directors' meeting and produce relevant reports to directors for reference. Meanwhile, in order to upgrade the board members' competency, the Company will invite external trainers to give lessons and arrange advanced studies for the board members.

4. The Attendance of the independent directors at board of directors' meetings in 2022:

(V: Attendance in Person; \*: By Proxy; X: Absent / Leave)

Name	First Jan 25, 2022	Second Mar 16, 2022	Third May 11, 2022	Fourth Jun 8, 2022	Fifth Jul 20, 2022	Sixth Aug 11, 2022	Seventh Nov 10, 2022
Chung-Hou Tai	V	V	V	V	V	V	V
Ming-Yu Lee	V	V	V	V	V	V	V
Chun-An Sheu	V	V	V	V	V	V	V
Andy Guo	Not yet take office			V	V	V	V
Audrey Tseng	Not yet take office			V	V	V	V

5. Implementation of the Board's evaluation

The Company has conducted the 2022 performance appraisal of the Company's board of directors and functional committees according to the "Self-Evaluation of the Board of Directors." The results of evaluation execution are explained as follows:

(1) Self-evaluation

- a. Implementation basis: The Company's "Performance Evaluation Measures for the Board of Directors" is implemented regularly every year.
- b. Evaluation scope: including performance evaluation of the overall board of directors, individual board members, Audit Committee, and Remuneration Committee.
- c. Evaluation period: from January 1, 2022 to December 31, 2022.
- d. Evaluation procedure:
  - The board members complete the online self-evaluation questionnaire at the end of the year.
  - Scoring criteria: strongly agree (5), agree (4), neutral (3), disagree (2), strongly disagree (1).

e. Evaluation results:

The overall operation of the board of directors is complete and meets the requirements of corporate governance, and the evaluation results of various indicators are positive about the board members.

The overall operation of all functional committees is complete and meets the requirements of corporate governance.

All committees have exercised due diligence and can effectively enhance the functions of the board of directors.

**Overall board of directors**

Evaluation aspect	Number of indicators	Average score
1. Degree of participation in company operations	11	4.94

**Board members**

Evaluation aspect	Number of indicators	Average score
1. Grasp of company goals and tasks	3	4.82

Evaluation aspect	Number of indicators	Average score
2. Board decision-making quality	10	4.91
3. Board composition and structure	7	4.90
4. Election and continuing study of directors	5	4.85
5. Internal control	7	4.94
Total average	40	4.92

Evaluation aspect	Number of indicators	Average score
2. Awareness of directors' responsibility	4	4.93
3. Degree of participation in company operations	7	4.91
4. Internal relationship management and communication	3	4.93
5. Professionalism and continuing study of directors	3	4.93
6. Internal control	3	4.93
Total average	23	4.91

#### Audit Committee

Evaluation aspect	Number of indicators	Average score
1. Degree of participation in company operations	4	4.95
2. Awareness of the functional committee's responsibility	5	4.96
3. Improvement of the functional committee's decision-making quality	7	4.97
4. Composition and member selection of the functional committee	3	5.00
5. Internal control	3	4.93
Total average	22	4.96

#### Remuneration Committee

Evaluation aspect	Number of indicators	Average score
1. Degree of participation in company operations	4	4.83
2. Awareness of the functional committee's responsibility	5	4.80
3. Improvement of the functional committee's decision-making quality	7	4.95
4. Composition and member selection of the functional committee	3	5.00
5. Internal control	Not applicable	Not applicable
Total average	3	4.89

#### (2) External evaluation

The Company has appointed an external professional organization, the Taiwan Corporate Governance Association, to conduct a performance evaluation of the Company's board of directors. The Association and its executive experts have no business dealings with the Company and are independent. They use questionnaires and video interviews to evaluate the performance of the board of directors in eight aspects.

- a. Scope of evaluation and inspection: The operation of the board of directors, Audit Committee and Remuneration Committee.
- b. The evaluation and inspection period: from September 1, 2021 to August 31, 2022.
- c. Evaluation procedure: The Association appointed an evaluation team to review the operation of the board of directors and functional committees through open questionnaires, data review, public information and on-site visits (videoconferencing) from September 2022 to October 2022.
  - Evaluation content: including the eight aspects of board composition, guidance, authorization, supervision, communication, internal control and risk management, self-discipline and others (board meetings, support systems, etc.), as well as overall observation.
  - Interviewees: including the Chairman of the Board, the Chairman of the Audit Committee, the Chairman of the Remuneration Committee, the Co-Executive Directors, the Chief Auditor and the Corporate Governance Director.
- d. Summary of the "General Evaluation" of the evaluation report
  - The Company's Chairman has an open leadership style and enables all board members to fully express their opinions. The Chairman fully respects and adopts the opinions and suggestions put forward by board members, and fully demonstrates the Company's corporate culture of emphasizing brainstorming. The five independent directors actively take up their responsibilities, interact frequently and communicate well with the management team, and provide sufficient consultation and guidance during and after board meetings.
  - The Audit Committee communicates smoothly with the internal audit unit and certified CPAs. It fulfills its supervision responsibility and timely provides helpful, professional advice. The Company adheres to an attentive attitude and proactive responses, enabling the effective functioning of guidance and supervision.
  - The Remuneration Committee and the board of directors regularly review the policies, systems and standards for the performance evaluation and remuneration of directors and managers, link them to company performance, personal performance and future risks, and have performed their functions well.
  - The Company has expanded its "Corporate Risk Management Platform" to the "Business Continuity Management Committee" to identify potential risks in the future, establish a good protection mechanism, and regularly report on risk management operations, in order to facilitate the board members' control of the Company's overall risk and mastery of the strategic direction.
- e. Summary of the "Recommendations" of the evaluation report
  - It is recommended that the Company upgrade the "Business Continuity Management (BCM) Committee" under the Audit Committee to a functional committee under the board of directors to respond to the Company's next stage of development, and assist the board in performing its responsibilities.
  - It is recommended that the Company establish a clear "Performance System for New Directors", and consider preparing a "Director's Job Handbook" to assist new directors in familiarizing themselves with the Company's business and director's responsibilities as soon as possible.

- It is recommended that the Company establish written procedures for the procedures of timely notification of sudden material information to independent and external directors, in order to ensure that all board members have a full grasp of the Company's important conditions and to enable directors to better perform their duties.

f. The Company's enhancement measures

- The "Business Continuity Management (BCM) Committee" has been adjusted to be a functional committee under the board of directors to assist the board in performing its responsibilities. Relevant organizational rules will be submitted to the board of directors for approval according to law.
- The "Director's Job Handbook" will be prepared to provide information to new directors and assist future directors in familiarizing themselves with the Company's business and director's responsibilities as soon as possible.
- For sudden material information, independent directors and external directors are currently notified through multiple communication channels (such as phone calls, communication groups, email and meetings), and relevant reporting mechanisms (procedures, timeliness) will be further studied to ensure that all board members are fully informed of the Company's important conditions and perform their duties accordingly.
- It is proposed to discuss issues such as annual operational objectives and strategic priorities in the Q1 board meeting every year to assist the board in fulfilling its responsibilities.

(3) The performance evaluation results of the Company's board of directors for 2022 and implementation status have been submitted to the Company's board meeting on January 10, 2023.

(II) Audit Committee Meeting Status:

The 2022 Audit Committee convened 4 meetings (A). The following is the attendance of the Independent Director:

Title	Identity	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Notes
Convener	Independent Director	Chung-Hou Tai	4	0	100%	June 8, 2022 Re-elected
Member	Independent Director	Ming-Yu Lee	4	0	100%	June 8, 2022 Re-elected
Member	Independent Director	Chun-An Sheu	4	0	100%	June 8, 2022 Re-elected
Member	Independent Director	Andy Guo	2	0	100%	June 8, 2022 Newly appointed
Member	Independent Director	Audrey Tseng	2	0	100%	June 8, 2022 Newly appointed

Other mentionable items:

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

- (1) Fair presentation of the financial statements.

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

## II. Operation of the Committee in 2022:

Audit Committee (Session/Meeting Date)	Contents of motion	Securities and Exchange Act, Article 14-5	Independent directors' opinion	Resolution results
The 11 <sup>th</sup> time of the 2 <sup>ed</sup> term Mar 16, 2022	Audit report of the Company		None	
	Assessment of CPA's independence for 2021.		None	
	Assessment of Q4 2021 major accounts reclassified as lending of funds.	V	None	
	The acquisition of right-of-use "assets of smart factory in Shulin".	V	None	
	Ratification of the annual business report and financial statement for 2021.	V	None	
	Profit distribution of 2021.		None	
	The proposal on the amendments to the "Procedures for Acquisition or Disposal of Assets".	V	None	
	Presentation of the "Annual Internal Control System Statement for 2021."	V	None	
The 12 <sup>th</sup> time of the 2 <sup>ed</sup> term May 11, 2022	Audit report of the Company		None	The matter is approved by all the attendees
	Assessment Q1 2022 major accounts reclassified as lending of funds	V	None	
	2022Q1 consolidated financial statements	V	None	
The 1 <sup>st</sup> time of the 3 <sup>rd</sup> term August 11, 2022	CPA's report on Q2 2022 financials		None	The matter is approved by all the attendees
	Audit report of the Company		None	
	Assessment of Q2 2022 major accounts reclassified as lending of funds.	V	None	
	2022Q2 consolidated financial statements	V	None	
	The Company's and some subsidiaries' certification of finance and income Tax fee of 2022.	V	None	
The 2 <sup>nd</sup> time of the 3 <sup>rd</sup> term November 10, 2022	CPA's report on Q3 2022 financials		None	The matter is approved by all the attendees
	Audit report of the Company		None	
	Assessment of Q3 2022 major accounts reclassified as lending of funds.	V	None	
	2022Q3 consolidated financial statements	V	None	
	Capital loan and extension from ASTP (ASUS	V	None	

	subsidiary) to ASGL.			
	Increase in the total amount of pledge of customs and trade taxes to Keelung Customs Office.	V	None	
	Amendment to the "Internal Control System" and the "Internal Audit System".	V	None	
	2022 Annual Audit Plan.	V	None	

Note: The resolutions that have not been approved by the Audit Committee but have been approved by more than two-thirds of all directors: None.

III. The recusals of independent directors due to conflicts of interests: None.

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

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

Summary of communications between independent directors and internal audit supervisors in 2022:

Date	Nature	Communication focus	Communicate results
Mar 16, 2022	Audit Committee	2021 Report on Q4 audit tasks and improvement tracking status	No comment
		2021 Resultant report on overall self-assessment of internal control and implementation at operation level	No comment
May 11, 2022	Audit Committee	2022 Report on Q1 audit tasks and improvement tracking status	No comment
August 11, 2022	Audit Committee	2022 Report on Q2 audit tasks and improvement tracking status	No comment
November 10, 2022	Audit Committee	2022 Report on Q3 audit tasks and improvement tracking status	No comment
		The 2023 Audit plan and work focus was submitted with description on risk assessment results.	No comment



- ii. Communication matters and methods between accountant and independent director:
- a. The accounts have explained the audit (review) of financial statements and the key audit matters of financial reports of the year at the audit committee meeting and discussed with independent directors, and the results of communication were positive.
  - b. In addition to communication at the audit committee meeting and other meeting, accounts and independent directors may engage in thorough communication through phone calls, video, letters and messages if there are any doubts about the reports.

Summary of communications between independent directors and accountants in 2022:

Date	Nature	Communication focus	Communicate results
Mar 16, 2022	Audit Committee	The subject and nature were set as 2021 Review on compiled and individual finance report	No comment
Mar 16, 2022	Meeting-Independent Director, Accountant	The subject and nature were set as 2021 Review on compiled and individual finance report	No comment
May 11, 2022	Audit Committee	The subject and nature were set as 2022Q1 Review on compiled and individual finance report	No comment
May 11, 2022	Meeting-Independent Director, Accountant	The subject and nature were set as 2022Q1 Review on compiled and individual finance report	No comment
Aug 11, 2022	Audit Committee	The subject and nature were set as 2022Q2 Review on compiled and individual finance report	No comment
Aug 11, 2022	Meeting-Independent Director, Accountant	The subject and nature were set as 2022Q2 Review on compiled and individual finance report	No comment
Nov 10, 2022	Audit Committee	The subject and nature were set as 2022Q3 Review on compiled and individual finance report	No comment
Nov 10, 2022	Meeting-Independent Director, Accountant	The subject and nature were set as 2022Q3 Review on compiled and individual finance report	No comment

(III) Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” Taiwan Corporate Governance Implementation as Required by Taiwan Financial Supervisory Commission

Assessment Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
2. Shareholding structure & shareholders’ rights (1) Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
(2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
(3) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	V		Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
(4) Does the Company establish internal rules against insiders trading with undisclosed information?	V		Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
3. Composition and Responsibilities of the Board of Directors (1) Has the Board of Directors established a diversity policy,	V		Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Assessment Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Y	N	
<p>set goals, and implemented them accordingly?</p> <p>(2) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?</p> <p>(3) Does the Company establish a standard to measure the performance of the Board, and implement it annually and provided the results to the board as the reference for directors’ remuneration and nomination and renewal?</p> <p>(4) Does the company regularly assess the independence and suitability of CPAs with reference to Audit Quality Indicators (AQIs)?</p> <p>(5)</p>	<p>V</p> <p>V</p> <p>V</p> <p>V</p>	<p>N</p>	<p>TWSE/TPEx Listed Companies”</p> <p>diversity policy for the Company’s board members and the specific management objectives to be implemented in accordance with the policy. For the implementation status, please refer to the board diversity and independence section of the annual report.</p> <p>(2) On January 10, 2023, the board of directors approved the establishment of the Business Continuity Management Committee; it is a functional committee directly under the board, and responsible for supervising the Company’s risk management and analyzing and discussing relevant issues, and regularly reports to the board.</p> <p>(3) The Board Performance Appraisal Measures have been approved by the board and it is stipulated that the board shall conduct performance appraisal of the board as a whole, board members and functional committees. The Company has completed the abovementioned performance appraisal in December 2022 and reported the results at the board meeting on January 10, 2023. For the appraisal process and content, please refer to the section on the operation of the board in the annual report.</p> <p>(4) In 2022, the Company evaluates independence and competence of the certified public accountant according to the “Independence statement” issued by the accounting institute of such an accountant. Should the result of evaluation indicate compliance with the independence standard of the Company that such an individual is qualified to act as certified public accountant for the Company, the results of relevant evaluation will be submitted to the audit committee and board of directors’ meetings for review and approval. See Note 1 for the criteria of independence evaluation. Starting in 2023, the Company will refer to the Bulletin #10 of the Code of Ethics for Professional Accountants and the audit quality indicators (AQIs) to assess the independence and suitability of appointed CPAs. Please refer to Note 2 for the results of relevant assessment.</p>

Assessment Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	
4. Does the Company allocate competent and suitable number of administrators, as well as appointing administration managers in charge of relevant affairs to company administration (including but not limited to providing data required for director execution, assisting directors to comply with legal regulations, legally conducting relevant affairs on board of directors and shareholders meetings, as well as producing minutes for such meetings)?	V		<p>The Company’s Shareholder Services Office is responsible for corporate governance-related tasks. On November 11, 2020, the board resolved to appoint the director of Shareholder Services Office Francy Jeng as the head of corporate governance. Director Jeng has served as the head of the Company’s shareholder service department and corporate governance unit for more than three years, meeting the requirements for being the head of corporate governance.</p> <p><b>The main authority should include the following:</b></p> <ul style="list-style-type: none"> <li>● Relevant matters on directors’ meetings, audit committee meeting, remuneration committee meeting and shareholders’ meeting were conducted as per legal requirements.</li> <li>● Assistance offered for director inauguration and advanced study.</li> <li>● Assistance offered to provide data required for director execution.</li> <li>● Assistance offered to directors for adhering with relevant legal regulations.</li> <li>● Other matters stipulated in accordance with the Company’s article of incorporation or contracts.</li> </ul> <p><b>2022 corporate governance tasks performance key points</b></p> <p>1. Relevant matters on holding six board meetings, four Audit Committee meetings, four Remuneration Committee meetings and the 2022 annual general meeting as per regulatory requirements.</p> <p>(1) Handle issues related to convening and preparing for meetings and arranging agenda in accordance with the law, assist in reviewing and compiling proposal information, provide meeting members with sufficient meeting information in a timely and appropriate manner, assist in carrying out meeting procedures and taking meeting minutes, and follow up on implementation of resolutions.</p> <p>(2) Handle matters such as the announcement of resolutions from meetings or the release of material information in accordance with the law, and confirm the legality and correctness of the material information in accordance with relevant procedures.</p>

Assessment Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Y	N	
			<p>2. Assist newly appointed directors in taking office and implementing rules relevant to laws, and provide the information required for them to perform duties.</p> <p>3. Assist in arranging continuing education sessions for directors. All re-elected directors have completed at least six hours of training courses, and newly-elected directors have completed at least 12 hours of training courses for the year.</p> <p>4. Assist directors in carrying out their duties and arrange meetings between independent directors, CPAs, head of internal audit and various business heads to communicate and exchange information, and assist in the communication and exchange of information between directors and various business heads.</p> <p>5. Assist directors to comply with regulations, and remind directors of the rights and obligations and provide them with information on development of relevant laws and regulations.</p> <p>6. Help the Company implement the relevant rules of corporate governance and review the achievement of various indicators of the corporate governance evaluation, and report the status of corporate governance operations and related evaluation results to the board.</p> <p>7. Assist in the external evaluation of the board performance, entrust the external specialized organization, Taiwan Corporate Governance Association, to complete the evaluation, and report the results at the board meeting.</p> <p>8. Help the Company’s legal affairs unit assess the “Director and Supervisor Liability Insurance” policies that meet the needs of the Company and directors to protect the Company.</p> <p>For the status of continuing education of the Company’s head of corporate governance: Please refer to the annual report - “Status of Managers’ Education and Training.”</p>

Assessment Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	
5. Does the Company setup communication channels between the investors (including but not limited to the shareholders, employees and suppliers), establish the Investor Relation area on the Company’s website and respond to the issues of corporate social responsibilities concerned by the investors?	V		The Company has setup the investor communication channel on the CSR website, established the Investor Relation area on the official website and appropriately responded to the issues in the CSR report and regularly reported them to the board of directors. Already reported at the board meeting held on July 20, 2022.
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company assigns KGI Securities registrar to handle the stock affairs and AGM affairs.
7. Information Disclosure			Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
(1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance	V		(1) The Company has established a website of investor relations <a href="http://www.asus.com/tw/Investor/">http://www.asus.com/tw/Investor/</a> for regular disclosure of relevant information on financial business and company administration.
(2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesperson system, webcasting investor conferences)?	V		(2) The Company establishes specialist in charge of information collection and disclosure with implementation of spokesperson system as the external communication. The corporate conference process will be also displayed at the Company website.
(3) Does the Company publish and declare its annual financial report within two months after the end of the accounting year, as well as publish and declare financial report of Q1, Q2, Q3 and monthly operation status prior to specified deadlines?	V		(3) The Company publishes financial report and monthly operation status according to regulations under Article 36 of the Exchange Act.  The company has a large number of subsidiaries and affiliates, and is unable to announce and file the annual financial reports within two months after the end of the fiscal year.
8. Is there any other important information to facilitate a better understanding of the Company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk	V		(1) For information regarding employees’ rights and care for employees, please refer to the section on “Labor-Employer Relation” of this annual report. (2) The Company has built up the Investor Relations area on its official website. (3) The Company has established related information of the liability

Assessment Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	
management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?			<p>insurance for all directors and supervisors in the Company’s Article of Incorporation. The insurance amount, coverage, rate and other important information will be reported to the Board on a regular basis.</p> <p>(4) To improve the supervision and management function of the Board of the Directors, the Company follows the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” promulgated by competent authority and develops the “Board of the Directors Meeting Standards” with arrangement of advanced study for the directors to pursue advanced study from time to time. (Please refer to “Education and Training of Directors” in this annual report)</p> <p>(5) The Company establishes maintenance office and consumer hotlines worldwide to protect the rights of the consumers. The Company also signs contract with clients to provide relevant products and services.</p> <p>(6) The Company follows the laws and regulation with emphasis on labor-employer relation, providing employment opportunity, creating own branding, expanding export, and fulfilling social responsibilities.</p> <p>(7) In the succession planning program, the successor not only must have the outstanding capabilities in the technology industry, but also acknowledge the Company’s operation philosophy and implement it. Their personality traits must include “humbleness, honesty, hard-working, cleverness, and courage,” or the five virtues of ASUS, while being trustworthy, innovative, and trusted by clients.</p> <p>In order to introduce new management concepts, the Company allows the open discussions before making decisions, and selects the most correct decision. The reshaping of the company culture and management philosophy has been activated, by referring the innovative management concepts of international companies, and taking “leverage the collective wisdom, select the best creativity” as the core. The Company also continues to train the young generation of the management team, as a talent succession plan for the future management team.</p>

Assessment Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	
9. The Company shall describe the improvements with reference to the corporate governance evaluation results issued by the CG Center of Taiwan Stock Exchange Corporation, and shall make available the prioritized enhanced measures for the matters that have not been improved.		<p>The training programs for senior management successors are divided as vision leadership, operating decision-making, strategy execution, driving innovation, and talent inheritance. Through the above-mentioned “five forces for executive leadership,” to train their professional management capabilities and integrated application, for developing their capability in decision-making and judgement.</p> <p>(8) Other company: The governance matters are gradually implemented, taking consideration of the current situation of the Company and regulations.</p>	
	V	ASUS particularly disclosed the information on our website to meet the corporate governance requirements. The Company will make improvement progressively according to the plan to be made for the matters that have not been improved.	Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Note 1: Assessment criteria of accountant’s independence

Assessment	2022 Assessment result (Y/N)		Independence (Y/N)
	2022 Assessment result (Y/N)	Independence (Y/N)	
1. The designated accountant does not have direct or indirect financial interest relationship with the Company.	Y	Y	Y
2. The designated accountant does not have a financing or guarantee relationship with the Company or any director or supervisor of the Company.	Y	Y	Y
3. The designated accountant does not take into account the possible loss of the client to affect his/her auditing task.	Y	Y	Y
4. The designated accountant does not have close business relationship or potential employment relationship with the Company.	Y	Y	Y
5. The designated accountant does not have contingent fees related to his/her auditing task.	Y	Y	Y
6. The designated accountant does / did not currently/ in the recent two years	Y	Y	Y



Assessment	2022 Assessment result (Y/N)	Independence (Y/N)
serve as a director, supervisor, or manager of the Company or play a role having significant influence on the audit case.		
7. The non-audit service that the firm of the designated accountant offered to the Company does not have direct influence on any important items of the audit case.	Y	Y
8. The designated accountant does not promote or act as an intermediate for the shares or other securities issued by the Company.	Y	Y
9. The designated accountant does not serve as the advocate of the Company nor as the representative of the Company to mediate the dispute between the Company and any third party.	Y	Y
10. The designated accountant does not have kinship with any director, supervisor, or manager of the Company or the person having significant influence on the audit service.	Y	Y
11. No former partner of the designated accountant serves as a director, supervisor, or manager of the Company or in a position having significant influence on the audit case within one year after relieved of his/her office.	Y	Y
12. The designated accountant did not receive any gift or present of great value from the Company or any director, supervisor, or manager of the Company.	Y	Y
13. The designated accountant did not accept any inappropriate selection of accounting policies or inappropriate disclosure.	Y	Y

Note 2: 2023 assessment of the independence and suitability of CPAs.

1. Independence assessment

Issues to be Assessed	Assessment Results (Y/N)
(1) CPAs have no shareholding relationship with the Company.	Y
(2) CPAs have no direct or significant indirect financial interest relationship with the Company.	Y
(3) CPAs have no financing or guarantee activities with the Company or the Company's directors.	Y

Issues to be Assessed	Assessment Results (Y/N)
(4) CPAs have no behaviors that take into account the loss of appointment which may affect the audit work.	Y
(5) CPAs do not have contingent fees related to the Company's audit case.	Y
(6) CPAs have no close business relationship or a potential employment relationship with the Company.	Y
(7) CPAs and members of the audit service team are not currently serving or have not served in the last two years as the Company's directors, managers, or the positions that significantly influence the audit.	Y
(8) CPAs have not provided non-assurance services that may directly affect the audit work.	Y
(9) CPAs have not mediated the trading of stocks or other securities issued by the Company.	Y
(10) CPAs have not acted as a counsel of the Company or represented the Company in coordinating matters relating to conflicts with a third party.	Y
(11) CPAs have no family relationship with the Company's directors, managerial officers or personnel who have significant influence on the audit.	Y
(12) CPAs from the joint CPA firm, within one year after the retirement, have not served as directors, supervisors, managerial officers or positions that have a significant impact on the audit.	Y
(13) Members of the audit service team have not accepted valuable gifts or gratuity from the Company or its directors, supervisors and managerial officers.	Y
(14) Members of the audit service team have not accepted or felt any improper request from the Company's management team regarding the selection of accounting policies or the disclosure of financial statements.	Y
(15) Members of the audit service team have not accepted or felt the Company's management demanding the reduction of audit work that should be performed on the grounds of reducing the audit fees.	Y
(16) CPAs have no litigation relationship with the Company.	Y

## 2. Suitability assessment

Issues to be Assessed	Assessment Results	Suitable
1. CPAs have experience in auditing multinational corporations and related industries.	Yes	Yes
2. Whether CPAs continue to receive professional training.	Yes	Yes
3. In the most recent fiscal year, the Company has not been subject to any litigation or rectification by the competent authority due to the financial report.	Yes	Yes
4. CPAs have not been disciplined by the CPA Discipline Committee and had the confirmed issues publicly announced by the Committee, or have not been punished for matters specified in Paragraph 3, Article 37 of the Securities and Exchange Act.	Yes (Note)	Yes

Note: After reviewing the 2021 audit quality indicators (AQIs) information provided by PwC Taiwan, the list of accountants penalized according to the Certified Public Accountant Act the last five years issued by the Securities and Futures Bureau on 2022.11.21 and the list of accountants penalized according to Article 37 of the Securities and Exchange Act issued on 2020.11.13, it is confirmed that CPA Chien-Hung Chou and CPA Shu-Chiung Chang have not been involved in matters subject to punishment by the CPA Discipline Committee and had the confirmed issues publicly announced by the Committee.

3. The assessment determined that CPA Chien-Hung Chou and CPA Shu-Chiung Chang of PwC Taiwan both met the standards of independence and suitability, and the continuing appointment for 2023 was approved by the resolution of the Audit Committee and the board on March 10, 2023.

(IV) Remuneration Committee Meeting Status:

1. Formation and Responsibilities of ASUS Remuneration Committee :

(1) Formation of Committee :

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

(2) Responsibilities of Committee :

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

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

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

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

2. The Members of ASUS Remuneration Committee:

Title	Criteria Name	Professional Qualification and Experience	Number of Other Taiwanese Public Companies Concurrently Serving as a Remuneration Committee Member
Independent Director	Ming-Yu Li	Refer to pages 38 - Disclosure of Directors' Professional Qualifications Information	1
Independent Director	Chung-Ho Tai		1
Independent Director	Chun-An Sheu		2

3. Operations of ASUS Remuneration Committee:

- (1) The members of the Remuneration Committee of the Company: 3 people.
- (2) Period of the 4<sup>th</sup> term: June 18, 2019 to June 17, 2022.  
Period of the 5<sup>th</sup> term: June 8, 2022 to June 7, 2025.
- (3) The Salary and Remuneration Committee convened 4 meetings in 2022 (A).

The qualification of the members and their attendance are as below:

Title	Identify	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Notes
Convener	Independent Director	Ming-Yu Li	4	0	100%	
Member	Independent Director	Kenneth Tai	4	0	100%	
Member	Independent Director	Chun-An Shen	4	0	100%	
Other mentionable items: 1. The board of directors decline to adopt, or will modify, a recommendation of the Remuneration Committee: None 2. Any member's objection to or reservations about motion resolved by the Remuneration Committee: None 3. The treatment to the Remuneration Committee by the Company: No special opinion expressed by any members in the year.						

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

Date	Discussion	Resolution results
Jan 25, 2022 The 8 <sup>th</sup> time of the 4 <sup>th</sup> term	Distribution of 2021 year-end bonuses and performance bonuses for managers.	The matter is approved by all the attendees
Mar 16, 2022 The 9 <sup>th</sup> time of the 4 <sup>th</sup> term	Approved the motion for allocation of remuneration to directors and employee bonus from earnings of 2021.	The matter is approved by all the attendees
Jul 25, 2022 The 1 <sup>st</sup> time of the 5 <sup>th</sup> term	1. Passage of the proposal for remuneration distribution to directors for 2021. 2. Approved the Company's manager salary adjustment in 2022. 3. Approved the Company's motion for allocation of mid-year bonus to managers in 2022.	The matter is approved by all the attendees
Aug 11, 2022 The 2 <sup>nd</sup> time of the 5 <sup>th</sup> term	Amendment to the Company's manager salary adjustment in 2022.	The matter is approved by all the attendees
Jan 20, 2023 The 3 <sup>rd</sup> time of the 5 <sup>th</sup> term	1. Approved the Company's motion for allocation of year-end bonus to managers in 2022. 2. Approved the Employee Stock Ownership Trust.	The matter is approved by all the attendees
Mar 10, 2023 The 4 <sup>th</sup> time of the 5 <sup>th</sup> term	Approved the motion for allocation of remuneration to directors and employee bonus from earnings of 2022.	The matter is approved by all the attendees

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

Assessment Item	Implementation Status		Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and the reasons
	Y	N	
1. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	V		In line with the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies.
2. Does the Company follow a significant principle to conduct risk assessment on the environment, society and administration related to the company operation, as well as setting relevant risk management policy or strategy?	V		In line with the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies.
3. Environmental issues (1) Did the Company establish a suitable system of environmental management according to its industrial characteristics? (2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	V		In line with the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies.

Assessment Item	Implementation Status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and the reasons
	Y	N	Summary	
(3) Did the Company evaluate climate change on potential risks and opportunities for corporate at present and in future, as well as taking correspondent measures on climate-related topics?	V		<p>Company obtains its green product certification.</p> <p>(3) The Company according to the TCFD (Task Force on Climate-related Financial Disclosures) issued by FSB (Financial Stability Board), which discloses financial influence caused by climate change based on administration, strategy, risk management, indexes and target frame. In 2021, the Company announced that it has joined the RE100 initiative to commit to using renewable energy in all of its global offices by 2035. In 2022, we fulfilled the commit of science based target (SBT) for reduction.</p> <p>(4) We reduced environmental footprint according to the environmental management policy, where our headquarter received LEED platinum certificate from USGBC. Furthermore, annual statistics on greenhouse gas emissions, water consumptions and waste weight for setting reduction targets and gradual optimization of environmental performance every year.</p>	
(4) Over the past two years, did the Company take statistics on total mass of greenhouse gas emission, water consumption and waste, as well as setting policy on energy conservation together with reduction of carbon, greenhouse gas, water consumption or other waste management?	V			
4. Social issues	V			
(1) Did the Company set relevant management policy and procedures according to related legal regulations and the “International Bill of Human Rights”?	V		<p>(1) The Company has drafted and disclosed policy on declaration of human rights according to the “Universal Declaration of Human Rights” under the UN, as well as setting the internal standard. At the same time, human rights due diligence is conducted every year to assess potential human rights risks. The assessment mainly includes work environment safety, prohibition of discrimination and child labor, maternal care, suitability of work environment for disabled workers, etc.</p> <p>(2) Every year, the Company would refer to information such as price standard in Taiwan and salary standard in the same industry for reasonable adjustment of monthly salary. The amount of bonus and level of individual occupation interlinks with the company/ unit/ personal</p>	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies.
(2) Did the Company set and implement reasonable measures of staff welfare (including remuneration, leave and other welfare), and adequately reflect operation performance or achievement in the staff remuneration?	V			





Assessment Item	Implementation Status		Difference from the Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and the reasons
	Y	N	
<p>(5) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set policies to protect consumers' or customers' rights and consumer appeal procedures?</p> <p>(6) Did the Company set policy of supplier management that requests suppliers to follow relevant specifications on topics such as environmental protection, occupational safety and health or human right of labors, as well as disclosing the status of implementation?</p>	V	<p>would discuss and plan with staff on their personal learning program for the year, which makes learning more systematic and more efficient.</p> <p>(5) ASUS has passed verification for the ISO 9001 Quality management system and ISO 14001 Environmental management system to ensure that product and services comply with relevant legal regulations and criteria worldwide. ASUS set up Privacy Protection Policy to protect Customer privacy and data security, and the policy description is published on the official website. At the same time, the consumer appears procedures and methods have been established, which are available through our technical hotline 0800-093-456/ email or website for technical support (<a href="http://support.asus.com.tw">http://support.asus.com.tw</a>).</p> <p>(6) ASUS is a full member of RBA (Responsible Business Alliance). We adopted the RBA code and other international standards as the foundation of our supply chain management, which covered five aspects, namely labor, safety &amp; health, environment, ethics and management system, as well as strengthening protection for women and youth laborers. We request all suppliers to adhere with rules of conduct, and review the degree of implementation with audit office. Additionally, the ISO 20400 sustainable procurement management has been promoted with third-party-certified sustainability management introduced to procurement policy and practice, where we head towards the goal of sustainable operation covering administrations, environmental protections, labor rights, safety and health.</p>	
	V	<p>The 2022 Sustainability report published in 2023 was based on GRI Standards 2021 Update, which also adopted the sustainability indicators of the Sustainability Accounting Standards Board (SASB). Commissioned SGS Taiwan to</p>	
5. Does the Company refer to report editing criteria or guidance that are common internationally for producing CSR report and discloses non-finance information of the Company? Did the above-mentioned report receive assurance or guaranteed	V		In line with the Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies.

Assessment Item	Implementation Status		Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and the reasons
	Y	N	
comments from the third-party verification unit?			adopt the AA1000AS Type 2 High Level Assurance. Complied with the reporting principles for inclusiveness, sustainability, materiality and completeness of the report, as well as taking into account the quality principles of accuracy, balance, clarity, comparability and timeliness.
6. If the Company has established its sustainable development code of practice according to "Listed Companies Sustainable Development Code of Practice," please describe the operational status and differences: The Company has fulfilled its corporate social responsibility based on the "Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies".			
7. Other important information to facilitate better understanding of the Company's implementation of sustainable development: Please refer to the ASUS sustainability report and website at <a href="https://csr.asus.com/english/index.aspx">https://csr.asus.com/english/index.aspx</a>			

(VI) Climate-related information of publicly traded and OTC companies: For implementation of climate-related information, please refer to Climate Action on page 84 and the 2022 Sustainability Report.

(VII) Corporate Social Responsibility

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

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

In 2009, ASUS established an exclusive unit for sustainable development, which deals with sustainability topics such as grasp global trends on sustainable development, analytical administration, environment and society. By combining the operation core, product innovation and service, the direction of strategic sustainability was set together with project promotion. Along with initiation of a reconstruction program by the organization, the sustainable unit was reformed as the “Sustainability & Green Quality Management Center” in 2022. The unit was provided with the position of Chief Sustainability Officer (CSO) in charge of grasping and analyzing global trends in sustainability, managing goals and practical actions under sustainability policy, as well as regularly submitting annual critical plans of sustainability and results from performance to the board of directors for review. Recently reported at the Q3 2022 board meeting, and the board will supervise the promotion of and recommendations for sustainability.

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

In response to the increasingly complex risks faced by business, such as: trade wars, extreme weather, COVID-19, information security incidents, etc., ASUS established the Business Continuity Management Committee (referred to as the Committee), and the board is responsible for supervising the risk management strategy. The Committee is responsible for reviewing risk management operations, and each task team identifies possible future challenges and establishes good protection measures in advance to demonstrate organizational resilience. In order to carry out long-term governance more actively, independent directors joined the BCM Committee in 2022, with more than half of the members being independent directors. At the same time, a dedicated BCM Office was established, with the head of sustainability being appointed as the top executive of risk management responsible for implementing risk-related measures.

Results of sustainable governance:

- (1) 2022 Asia Sustainability Reporting Awards -- Asia's Best Materiality Reporting-Gold; Asia's Best Stakeholder Reporting-Bronze; Asia's Best Supply Chain Reporting-Bronze.
- (2) Enterprise rating of "Prime Level" by the Institutional Shareholder Services (ISS) ESG for two consecutive years (2021-2022).
- (3) Selected as a member of the S&P Global (The Sustainability Yearbook 2021-2023) for three consecutive years.
- (4) Selected as a component of the MSCI Top ESG select index for two consecutive years (2021-2022).
- (5) Selected as a component of the MSCI Global Sustainability Indexes for six consecutive years (2014-2019).
- (6) Selected as a component of the FTSE4Good Emerging Index for seven consecutive years (2016-2022).
- (7) Selected as a component of FTSE4Good Emerging Index and TIP Taiwan ESG Index for six consecutive years (2017-2022).
- (8) Selected by the US Forbes magazine as one of the members in the 2022 List of World's Best Employers for three consecutive years (2020-2022).
- (9) Selected as part of the 2022 Climate Leaders Asia-Pacific.
- (10) Selected as part of the 2022 Carbon Clean 200 (Carbon Clean 200).
- (11) Ranked No. 1 in the list of value ranking of Taiwan's global brands 9 times (2013-2019, 2021-2022).
- (12) Listed in the "World's Most Admired Companies" six times by Fortune Magazine of the US.
- (13) Top 100 Global Innovators 2022 by Clarivate.
- (14) Acquisition of 「Asia's Most Socially Responsible Company of the Year」 Award.
- (15) The most trusted company in the world selected by Forbes. The only top 100 enterprises in Taiwan that has been selected for three consecutive year (2017-2019).

- (16) First electronic company in the world that obtained the ISO 20400 Sustainable procurement certificate in 2019.
- (17) 2019 GCSA (Global Corporate Sustainability Award): Global sustainability excellence award and Global best practice award.
- (18) 2019 TCSA (Taiwan Corporate Sustainability Award): 7 awards including the supply chain management award, social inclusion award, climate leader award, innovative growth award, circular economy leader award, Top 50 comprehensive performance award in service industry under corporate sustainability and gold award in service industry under corporate sustainability.
- (19) 2018 Asia Sustainability Reporting Award: Acquisition of Asia's Best Supply Chain Reporting and nominated for Asia's Best SDG Reporting.
- (20) For 2017 and 2018, the Company was selected among the Top Ten Corporate Citizen Award by CommonWealth Magazine for two consecutive years.

Key focus of Sustainability:

ASUS adopts the Double Materiality Principles proposed by the EU to identify highly material issues that have a material impact on "ASUS" and "external economy, environment and people". Beneficial for ASUS integrating sustainability strategy and the Company's business policy, so that the ESG performance can bring long-term impact to the Company.

## **1. Circular economy and product responsibility**

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

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

### **Materials selection**

#### Initiative strategy of prohibiting hazardous chemicals

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

#### Non-usage of halogen flame retardants at 89.6% of parts

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

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

From 2019, all commercial computers from ASUS contain more than 5% of PCR. For certain screens, the recycled plastics were even obtained from recycled products. Since 2017, more than 1,689 tons of PCR have been used. In 2022, we used more diverse eco-friendly materials, such as business notebooks ExpertBook B9, offering a light-weight and thin design as the value proposition, with 30% of the metal casing made of post industrial recycled metals, and ROG gaming mice made of bio-matrix resin made from castor oil.

### **Product design**

#### Eco-Friendly Packaging Design

Since 2020, ASUS has gradually adopted the use of FSC-certified paper materials. Used a total of 71.7 tons in 2022. In addition to using eco-friendly materials, we applied design to reduce the inner space in packaging, on the premise of maintaining safety during transportation, to reduce the volume of product packaging and use of materials. The stacking efficiency during transportation was also considered, where the damage caused by transporting products of different dimensions at the same time was reduced for improving transportation efficiency.

#### Energy-Efficiency Product Design

ASUS has adopted the use of external power supplies that have the highest energy efficiency level, Level VI, on the market for its products. The internal specifications are 10% more stringent than the law for products that are in the power-off status. ASUS's new notebooks launched in 2022 on average perform 34.6% better than the Energy Star standard.

#### Design for easy disassembly and maintenance

Through the design of easy dismantling for recycling, the consumer can update spare parts to accommodate with the requirement of usage when the product needs an upgrade to improve the computing performance, so there is no need to replace the entire product. Upon product error, it is easy to dismantle, maintain and replace materials to extend the life of product usage. Should scrapping become necessary, the product can assist the recycling company in sorting, which reduces the operational cost of recycling and enhances the recycling value of electronic products.

## **Consumer use**

### Device as a Service(DAAS)

Products or services with a circular economy mindset, such as sharing and the rent instead of buy consumption model, are attractive to consumers. While prolonging the product life cycle and reducing waste, the methods use resources properly and expand new business opportunities based on sustainability. The Device as a service (DaaS) program promoted by Asus offers flexible payment methods to help corporate customers reduce hardware expenditures, deployment costs and support service costs, and provides comprehensive lease solutions in the use of IT hardware and services.

## **Recycling**

### Product recycling service

Recycling service provided over 75% of the sales market worldwide, where the recycling amount reached 11.2% of global sales.

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

The milestones of GreenASUS are outlined as following:

- (1) The world's first commercial notebook computer (B94) obtaining the product carbon footprint and carbon neutral certification.
- (2) Won the first place in the evaluation of the "Annual Report on 2022 ERP for EEE industry in China".
- (3) The first corporate worldwide that acquired the UL certification on Circularity Facts Program in 2018.
- (4) In 2016, we received the “Zero Waste to Landfill” certificate from UL (internationally renowned certification institute), which made us the first corporate in the electronic consumable industry worldwide to receive such certification.
- (5) ASUS was awarded the HSPM certificate (Hazardous Substance Process Management) by IECQ in 2012 and became the first computer company to win such honor in the world. This reflects that the efforts spent by ASUS in environmental protection and green action were recognized again.
- (6) The first receiving the electronic information products pollution control voluntary certification (RoHS) certificate for notes as awarded by China Quality Certification Center in 2012.
- (7) In 2011, ASUS continued its green design and extended the EPEAT environmental protection label to EeePC, EeeBox and monitors, and at the same time promoted it to the registration of EPEAT in other countries.
- (8) Received the China Environmental Labelling Certificate for multiple series of notebooks, desktops and PC in 2011.

- (9) Received Best Choice Award in 2011 and Green ICT Award for VW247H-HF and U43SD in 2011.
- (10) Received Best Choice Award, and Green ICT Award for EeePC 1015PE in 2010.
- (11) Greenpeace organized an Electronics Survey in 2010, with respect to the use of chemical substance in a product, energy efficiency, extension of the life cycle of products and other issues. The Company's VW247H-HF won 7.5 points out of 10, ahead of the other brands, and ranked 1st for the monitor products. Meanwhile, the notebook UL30A also ranked 1st for notebooks. Accordingly, the Company became the only manufacturer to receive the championship for two products at the same time.
- (12) The Company was invited to take part in the Electronics Take Back Coalition in the U.S.A. in 2012, and achieved remarkable performance in the area of computers.
- (13) The Company's U30Jc notebook received Japan Eco Mark in 2012 and became the first one of the global top 10 IT suppliers, which received such honor.
- (14) The Company's U30Jc received Korean Eco-Label in 2010.
- (15) The Company released the first halogen-free motherboard (P7P55D-E/HF) and the first 920x1080 halogen-free LED monitor (VW247-HF) in the world in 2010.
- (16) The Company released halogen-free series in 2009, including notebooks, PADs, LCD monitors, EeePC, and VGA, etc.
- (17) The Company's notebook U series and EeeBox received EU Flower and Czech environmental protection mark in 2009.
- (18) The first notebook in Taiwan, the Company's notebook N series, received EU Flower and Czech environmental protection mark in 2008.
- (19) The first notebook in Taiwan, the Company's notebook N series, received EPEAT gold medal in 2008.
- (20) The Company received the excellent achievement, B+, for the "computer and peripheral devices" of Oekom international environmental performance competition in Germany in 2007, ranking 1st place among the international own-brand manufacturers participating the competition with respect to computer and peripheral devices.

## 2. Climate Action

ASUS supports the goals of Paris Agreement together with the targets and solutions drafted with scientific methods. Although we do not fall under energy intensive industry, we facilitate industrial influence on the topic of mitigating climate change. In addition to contributing to the environment and society with innovation, we integrated climate action into our operation policy, where corresponding strategies were set against major climate risks and opportunities identified. Moreover, tracking management was conducted in qualitative and quantitative methods.



Based on the framework of the Task Force on Climate-Related Financial Disclosures (TCFD) issued by the Financial Stability Board, ASUS discloses the financial risks and opportunities derived from climate change, as well as core information such as governance, strategy, risk management, indicators and targets.

<b>Governance</b>	
<p>Oversight of the Board of Directors to risks and opportunities related to climate change</p>	<ul style="list-style-type: none"> <li>- The ASUS Enterprise Sustainable Development Policy was approved by the Chairman. As the highest responsible person for the Group’s sustainability issues, the Chairman includes and is responsible for approving the corresponding climate change strategies.</li> <li>- Starting 2022, the progress of climate action issues is reported at board meetings on a quarterly basis, and the progress of carbon reduction targets is reported at board meetings once a year.</li> <li>- Business Continuity Management Committee has been established, belonging to the Audit Committee. Business Continuity Management Committee has been established, belonging to the Audit Committee. Business Continuity Management Committee is supervised by the chairman to develop strategies, and co-CEOs, chief operating officer and senior business executive work as the decision-making team to supervise the effectiveness of operations. Identify possible future challenges, establish good protection measures in advance, and demonstrate organizational resilience, including climate-related risks and opportunities.</li> </ul>
<p>The authorities and duties of management to assess and manage risks and opportunities related to climate change</p>	<p>The CEO is the highest responsible executive for climate change and sustainable management. The following units were established for promoting topics on climate actions and target management with regular report submitted to the board of directors annually:</p> <ul style="list-style-type: none"> <li>- The Sustainability and Green Quality Management Center is the dedicated unit for sustainability issues, and led by the Chief Sustainability Officer (CSO). The Office is responsible for analyzing the global sustainability pulses, implementing related sustainability projects, and reporting to the Chief Operating Officer. At the same time, sustainable development is one of the Task Units of the Business Continuity Management Committee, which reports climate change-related risk management indicators every quarter.</li> <li>- The GreenASUS and SERASUS Management Committee with the sustainability director serving as representative and report to the CEO. In charge of lateral</li> </ul>

	<p>inter-department coordination and cooperation, where topics of sustainable strategy and climate action are carried out on product, operation and value chain management. Bi-monthly committee meeting.</p>
<p>Short, medium and long-term risks and opportunities identified</p>	<p>According to the transformation and physical risks recommended by TCFD and CDP, assess the probability/frequency of each risk and opportunity and the degree of impact on operations, and identify the risks of priority concern after ranking the risks and opportunities, including:</p> <ul style="list-style-type: none"> <li>- Physical risk: Extreme severe climate disasters.</li> <li>- Transitional Risk: Mandatory product and service regulations, carbon tax/renewable energy practices, changes in customer behavior.</li> </ul> <p>Opportunities include: Develop or expand low-carbon emissions products and services, innovative new products and services, etc.</p> <p>ASUS published its first TCFD report in 2022 to strengthen the transparency of climate action information and achieve the purpose of focus communication.</p>
<p>How climate change-related risks and opportunities affect operations, strategy and financial planning for the organization</p>	<p>ASUS adopted the Intended Nationally Determined Contributions (INDC) and the 2°C scenario to simulate financial risk exposure. Identify the risks of carbon tax, renewable energy and energy efficiency regulations faced by supply chain, operations and products. Changes in consumer behavior involve many assumptions and require large-scale global surveys; therefore, scenario one is used instead. At the same time, the physical risk is highly uncertain due to the frequency, scale, duration, and location of the event, and a model simulation needs to be further developed.</p> <p>Based on the analysis results of major risks under scenario simulation, ASUS has re-established new climate action targets. In addition to incorporating renewable energy into its operational strategy, it will lead the supply chain to reduce greenhouse gas emissions.</p>
<p>Impacts to organizational operations, strategies and financial planning in different climate change scenarios</p>	<p>Based on new climate actions, we estimate the following impacts under the global climate actions:</p> <ul style="list-style-type: none"> <li>- Operation: ASUS does not make energy-intensive products to be immediately affected. However, considering that all major global manufacturers have adopted renewable energy as an operational strategy, and that Taiwan’s laws and regulations have gradually expanded the user base of renewable energy, we have planned a goal of using 100% renewable energy in our</li> </ul>

	<p>global operations by 2035, and are now working toward RE100.</p> <ul style="list-style-type: none"> <li>- Product: According to ASUS's observation and analysis, government bodies around the world have adopted the previous edition of Energy Star as a reference for establishing laws and regulations. Since 2013, all notebook computers manufactured by ASUS have complied with Energy Star specifications, so there is no potential risk. In response to ever-stringent laws and regulations in the future, we are determined in setting the efficiency of our products better than the Energy Star standard, while maintaining the performance.</li> </ul> <p>Supply chain: Under BAU, carbon emissions increase with the production scale, and the future supply chain will face the levy of carbon tax, leading to the increase in operating costs. Therefore, ASUS has established an emission inventory to identify major emission sources, and required all supply chain partners to comply with the ISO 14001 certification, setting environmental management goals and conducting annual surveys of carbon footprint. Set emissions intensity targets for the supply chain to control the pass-through cost of carbon tax.</p>
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<b>Risk Management</b>	
<p>Procedures for the organization to identify and assess risks associated with climate change</p>	<p>Analyze the transformation risks and physical risk impacts and potential opportunities faced by each stage of the value chain. Major climate risks are monitored by the Business Continuity Management Committee based on the governance structure.</p>
<p>Procedures for the organization to manage risks associated with climate changes</p>	<p>Regarding major climate risks and opportunities, ASUS develops management measures to mitigate, transfer or control these risks and opportunities, from the aspect of product and service, supply chain and self-operations, the main actions include:</p> <ul style="list-style-type: none"> <li>- Products and services: Introducing a green design platform, continuously investing in research and development of innovative energy, and improving the efficiency of energy use for soft- and hardware. Regarding the power of shutdown mode accounting for the largest percentage, the limit is 10% stricter than the regulatory requirements.</li> <li>- Supply chain: Under the continuous RBA audit mechanism, facilitating suppliers to strengthen their resilience to respond to climate change, requesting the</li> </ul>

	<p>supply chain to comply with the ISO 140001 certification and set environmental management goals, and drive the supply chain to transform to low-carbon manufacturing.</p> <ul style="list-style-type: none"> <li>- Operations: Introducing the ISO 50001 energy management system, identifying high energy consuming hotspot areas and equipment, and gradually improving their energy efficiency, and collaborating with renewable energy vendors to gradually adopt renewable energy.</li> </ul>
Describe how procedures for identifying, assessing, and managing risk associated with climate change are integrated into the overall risk management structure of the organization	<p>In order to reduce the impact of risk events on ASUS when they occur, each task unit under the Business Continuity Management Committee conducts pre-event risk assessment, simulation and exercises, identifies feasible prevention strategies, and establishes crisis management procedures and recovery plans for continuous improvement and risk reduction. The Sustainability and Green Quality Management Center is the main responsible unit handling climate-related risks, and it reviews the effectiveness and resilience of ASUS's climate risk management.</p>

<b>Indicators and targets</b>	
Disclose the indicators used by the organization to assess climate change related risks and opportunities when setting strategies and managing risks	<p>ASUS sets key performance indicators based on the locations of climate change shocks:</p> <ul style="list-style-type: none"> <li>- Operating aspect: Greenhouse gas emissions (ton) and use of renewable energy</li> <li>- Product aspect: Energy efficiency is better than the percentage required by Energy Star</li> <li>- Supply chain: Extent of reduction of carbon emissions intensity.</li> </ul>
Disclose Scope 1, 2 and 3 greenhouse gas emissions and related risks.	<p>Carry out greenhouse gas inventory every year. For the inventory information of the past years, please refer to the ASUS Sustainability Report and official website.</p>
Objectives for managing climate change-related risks and opportunities by the organization, and the deviation between the performance and objectives	<p>ASUS adopts a three-phase strategy, improving energy efficiency, expanding use of renewable energy, and investing in innovative technology to eliminate remaining emissions, to gradually push the entire value chain toward the goal of net zero.</p> <p>Based on the analysis results of the simulations and the science-based emissions reduction pathways, new climate action goals are established, with 2020 as the base year:</p> <ul style="list-style-type: none"> <li>- Operation: Reduce 50% of carbon emissions from ASUS global operations centers by 2030.</li> </ul>

	<p>Use 100% renewable energy in Taiwan-based operations centers by 2030, and in global operations centers by 2035.</p> <ul style="list-style-type: none"> <li>- Supply chain: Ensure that key suppliers achieve a 30% reduction in carbon intensity rates by 2025.</li> <li>- Product: Ensure that each year's key products demonstrate energy-efficiency that's 30% above the Energy Star standard.</li> </ul>
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Significant milestones of other climate actions over recent years are briefly described as follows:

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

emission after product reduction in carbon credit transactions, where the Company received the carbon neutralization certificate issued by DNV (international verification company) according to PAS 2060.

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

### 3. Responsible manufacturing

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

#### Sustainable procurement

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

At the same time, we conduct human rights due diligence in the supply chain every year. We classify the human rights risks of suppliers based on key indicators such as employment procedures, contract management, wages and benefits, work hours warnings, forced labor, freedom of movement, freedom of association, humane treatment, anti-discrimination and anti-harassment and collective bargaining, with RBA qualified auditors conducting an audit of high-risk suppliers.

#### Supply chain risk classification management

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

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

#### Engagement and Communication Program

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

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

1. Care for employees

ASUS adheres to the management philosophy for “training, cherishing and caring employees to enable ASUS folks to exert their potential to the utmost”. ASUS identifies employees as its most important assets. Each of them is talent who needs to be treated diligently. Therefore, ASUS is dedicated to establishing the well-founded management system and environment, and integrates internal and external resources to create well-founded caring system and communication platform. The integration of resources is intended to transform the Company’s strengths into ASUS cultural assets to be preserved, communicated, and memorized in each ASUS employee’s mind, so that employees may exert their potential without limitation and keep pursuing organizational and individual growth and objectives.

#### Benefit Package that Exceeds the Law

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

#### Employee Care Website

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

#### Health promotion

ASUS conducts employee health checks every year, which is better than the requirements of the Labor Health Protection Rules. Abnormality analysis, hierarchical management and improvement follow-ups are also carried out on abnormal health items. We collaborate with neighboring hospitals for free outpatient services, and regular follow-up, medical referral and diverse health promotion activities conducted by occupational physicians and occupational nurses to help employees maintain their health condition

#### Diversified communication channels

ASUS has boosted the electronic promotional materials and blogs in the territories of Taiwan in the past years. The two-way open communication model between employees and supervisors have been implemented for years, in addition to the other fair communication channels between employees, work teams and high-rank management internally and externally, such as ASUS intranet EIP, DigiTrend magazine, corner promotional materials, 24-hour emergency service hotline ext. 22119 for ASUS employees, humane care hotline ext. 21799, CEO On-Live and



employee opinion surveys serve as a good bridge and channel for internal and external communication with employees, work teams and senior executives.

### Dual-Track Talent Development

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

### Disaster relief

The Company has planned a care program for employees who suffer from material disasters to provide support to employees and their family members in case of serious disaster or emergency, and to extend care, assistance and record employees and their family members who suffer diseases or accidents, so that employees and their family members may feel ASUS's family love and care. Meanwhile, ASUS will manage the safety care for the employees of ASUS's subsidiaries all over the world, and employees who take business travel or are expatriated at the workplace, in order to ensure their safety.

## 2. Social engagement

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

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

Social and public welfare results:

(1) Refurbished Computer and Digital Training Program

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

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

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

With the digital divide remediation as our mission, the ASUS Foundation has worked together with the ASUS Volunteer Club since 2015 to give digital teaching services to the organizations that have received the recycled computer donations. The practical service allows ASUS to understand the actual needs of users and give feedback to the design of the product and service to improve the positive relationship between the ASUS products and end users. Continuing the concept of "Learning Without Classroom" introduced during the pandemic period last year, ASUS Foundation, the Education Bureau of the Kaohsiung City Government and the International Division of the Institute for Information Industry jointly organized the "2022 Digital Care for Indigenous Tribes" initiative, which donated 150 computers to six schools, Baolai Junior High School, Taoyuan Elementary School, Taoyuan Junior High School, Chiehting Junior High School, Yijia Junior High School and Padan Indigenous Experimental School.

The ASUS Foundation has a special page on the Facebook to promote the communication between the recipients and share the benefits of the recycled computers.

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

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

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

<http://www.asusfoundation.org>

## (2) Digital Learning Center

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

Since 2009, the ASUS Foundation had the support of the ADOC (APEC Digital Opportunity Center) and the Ministry of Foreign Affairs. In addition to recycled and brand new computer donations, ASUS IT volunteers have made efforts to promote digital learning, improve the digital capability of the children in remote areas, poor young students, women, and aged people, and provide practical training opportunities. For 14 years, we have assisted more than 39 countries to establish digital opportunity centers, with more than 500 computer classrooms, and donated a total of 20,000 information devices such as new ASUS computers, recycled computers and tablets. Other than donating computers, the information volunteer services has been applied to promote the digital learning, to enhance the digital capabilities of rural children, poor young students, women and seniors, as well as to provide internship. The number of benefitted people from the program exceeded 550,000.

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

The countries that received donations until now:

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

(3) ASUS i-Taiwan Digital Volunteering Service Project

ASUS Foundation carried out the i-Taiwan Digital Volunteering Service Project to encourage young students to serve as volunteers in remote villages to implement digital technology education and other activities and make up for the shortage of teachers. Each volunteer team applies its expertise learned at schools to provide media literacy, SDGs discussion, technological applications, digital learning and other contents to help schoolchildren in rural areas gain different perspectives.

Results of the i-Taiwan Digital Volunteering Service Project:

<https://www.asusfoundation.org/project.aspx?action=20>

(4) ASUS international volunteer worker project

In 2022, ASUS suspended the services of international volunteer projects under the premise of protecting the health and safety of all colleagues and volunteers.

Achievements of international volunteer projects over the years:

<https://www.asusfoundation.org/project.aspx?action=3>

(5) “Heartfelt 99” project under Taiwan PTS (Public Television Service)

The “99-second (pronounced the same as “lasting” in Mandarin) film selection campaign co-organized by ASUS Foundation and Taiwan PTS started in 2009 and headed towards the 11th campaign this year. The campaign was the first activity in Taiwan that allowed youths to tell stories via films, so the younger generation could express their caring towards the society through the film selection. In order to convey the core value of “Heartfelt 99,” the traditional way of using the theme of the year was set aside to break constraints, and instead simply used “Heartfelt” to open a broader creative space for young students. Chairman Jonney Shih said that during the filming of the promotional video, “Traveling around the world, I found that the most beautiful thing is still the heartfelt touch in Taiwan.” No matter where we are, we will find many good stories as long as we feel them with our heart. Therefore, we hope to invite more young people to participate in the image creation, and to discover the truth, goodness and beauty of Taiwan through camera lenses.

The 13th Heartfelt 99 nationwide campus short clip competition drew the participation of 216 submissions from 84 schools. Award-winning works will be promoted on campus with seminars. Outstanding film and television practitioners will be invited to interact with students and share their experience in creation, so as to encourage students to keep video records and stimulate their creativity, which will help Heartfelt 99 exert its influence.

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

ASUS has cared about disadvantaged people for a long time and supported their lifelong development by taking feasible actions in addition to providing specific

learning opportunities to remedy digital divides and supporting them with grant-in-aid. ASUS has recruited 9 full-time employees with mental disabilities since 2008. The Children Are Us Bakery House - ASUS Branch" is established permanently in the ASUS staff canteen, and all the proceeds are donated to Children Are Us Foundation to help more children with mental disabilities.

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

(7) Support the development of domestic arts and culture

In 2022, ASUS supported the development of domestic culture by committing a total of NT\$9 million in sponsorship.

- a. Sponsored the performance of the Land of the Divine by U-Theatre in the first half of 2022, co-creating an art feast of an immersive mountain and forest theater.
- b. Long-term cultivation of art youth teams:
  - Support Taiwan's music culture education, and sponsor after-school training tuition for students of Chin-Ai Music Orchestra.
  - Support young people with autism to commit to art and music creation, and sponsor the venue of Taiwan D. B. Collective.
- c. ASUS Foundation has long been collaborating with the Taiwan Public Television to co-fund the hosting of the Heartfelt 99 Nationwide Campus Short Film Contest, in which students tell their most touching stories through 99 seconds to 3 minutes of video creation.
- d. Support the development of domestic cultural and creative film and television dramas with practical actions by providing ASUS products to various drama shooting teams for free. In 2022, we supported a total of 7 drama programs.

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

In 2022, ASUS invested in public welfare activities. The major recipients were ASUS Foundation and educational and social organizational of public interest.

Category	Items
Cash Donation	Company donation (including ASUS Foundation / BU donation)
Cash Donation	Disabled employee wage
Cash Donation	Mentally disabled children counter profit feedback

Category	Items
Cash Donation	Employee payment care and death pension benefits (Concern for employees' family for social stability)
Cash Donation	Money and materials donation raised by the Company
Cash Donation	Support the procurement of vaccines by Taiwan government authorities
Hours of Service	Corporate volunteers service hours conversion
In-kind Donation	Donation of medical pandemic control ultrasound
In-kind Donation	Refurbished computer recycle value
In-kind Donation	Donation of ASUS computers

In addition to participating in various social activities, ASUS prepares budgets every year to sponsor different groups and organizations. In 2022, we continued the tradition of charity fundraising right before the Lunar New Year holiday for organizations in need, and gave our year-end donation to Southern Kaohsiung Family Support Center of the Taiwan Fund for Children and Families, World Vision Taiwan, Home of Hannah of Galilee Charity Foundation, Children's Hearing Foundation, Andrew Charity Association, etc. We have helped 42 social welfare organizations and more than 8,000 schoolchildren, families and the elderly in need over the last 12 years. To fulfill corporate social responsibility, ASUS has always abided by its core values in realizing its vision of contributing to the human society.

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

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

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

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

ASUS Sustainability Report (Chinese version) (English version)

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

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

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

Assessment Item	Implementation Status		Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Did the Company set a policy of honest operation passed by the board of directors together with specification of such policy and methods in the regulations and external documents, as well as commitment from the board of directors and high-tier management on active realization of the operation policy?</p>	V	<p>1. In order to adhere to and realize the philosophy of ethical management, ASUS established its “Employees’ Code of Ethical Conduct” based on the regulations of the Responsible Business Alliance (RBA) and the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies, specifying that all employees (including directors and executives, etc.) must strictly abide by relevant ethical policies to prevent and eliminate unethical business practices. The Annual Report and Sustainability Report described the company policy of ethical operations, as well as status of active realization committed by the board of directors and operations management. The Annual Report and Sustainability Report described the company policy of ethical operations, as well as status of active realization committed by the board of directors and operation management.</p>	Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
<p>(2) Did the Company establish risk assessment mechanism against dishonest conducts, together with regular analysis and assessment on operation activity containing greater risk of dishonest conducts within the operation scope, as well as the preventive measures accordingly to at least contain various conducts under Article 7, Paragraph 2 of the “Honest operation rules for listed and OTC (Over-The-Counter) companies.”?</p> <p>(3) In the “Preventive program against dishonest conducts,” does the Company specify operation procedures, conduct guidelines, punishment and appeal system again violation together with practical execution, regular review and correction of the said Program?</p>	V	<p>2. ASUS requests all external vendors to sign the “Honesty commitment.” Should the external units cause damage to the Company with violation to anti-bribing and anti-corruption clauses, penalty will be claimed with necessary legal actions taken according to requirements under the “Honesty commitment” signed.</p> <p>3. It is specified in “Employee Code of Conduct” that illegitimate political contribution, improper charity donation or sponsorship, unreasonable gifts, treatment or other illegitimate interests are prohibited. Specifications of punishment and complaints channel against violation were</p>	

Assessment Item	Implementation Status		Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	
2. Fulfill operations integrity policy (1) Does the Company evaluate business partners’ ethical records and include ethics-related clauses in business contracts? Regular report (at least once per annum) was made to the board of directors covering the status of monitoring and execution on policy of honest operation and preventive program against dishonest conduct.	V		Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
(2) Did the Company set an exclusive unit under the board of directors to promote honest operation of the corporate, with regular reports (at least once per annum) made to the board of directors covering status of monitoring and execution on policy of honest operation and preventive program against dishonest conduct?	V		Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”



Assessment Item	Implementation Status		Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Y	N	
(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		<p>employees must complete the study within a month after reporting on duty. Employees worldwide are encouraged to review the materials every year as a way to convey the importance of ethics and the compliance with the code of conduct. In order to maintain employee awareness on zero violation against the regulation when facing clients and interacting with the suppliers, the Company provides each employee with the “ASUS Employee Behavior Card”. All employees are required to carry the card with them as a reminder. All employees are reminded not to accept bribes and illegal gifts before Chinese national holidays, and the Company clarifies and advocates for the proper to all its employees from time to time.</p> <p>3. In the “Code of ethical conduct for employees,” the Company has set relevant regulations on preventing conflict of interests. Reporting mailbox are specified on employee cards and internal EIP website and ASUS Official Website of the Company for exposing inadequate conducts.</p>
(4) In order to realize honest operation, has the Company established effective accounting and internal control systems, where the internal audit unit sets relevant auditing programs according to results from risk assessment on dishonest conduct, as well as reviewing status of following preventive measures against dishonest conduct, or commissioning the accountant to review?	V		<p>4. In addition to establishment of adequate accounting and internal control systems, ASUS also prohibits external account or keeping of secret account. The status of adherence with said systems are regularly reviewed by internal auditing personnel and reported to the board of directors.</p>
(5) Does the Company regularly hold internal and external educational trainings on operational integrity?	V		<p>5. Honesty is very important in ASUS culture. The Company set precise and practical conduct indicators, which are listed among measures of annual performance. In order to realize promotion of honest operation and recognizing necessity on honesty and adherence to principles, ASUS has planned live and online courses</p>

Assessment Item	Implementation Status		Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Y	N	
			thoroughly, which include relevant legal training on company policy, Code of ethical conduct for employees, information security and PDPA (Personal Data Protection Act). A total of 42,071 personnel and 32,759 hours on educational training related to honest operation was completed in 2022, which covers the following courses: i. Code of ethical conduct for employees: a. New employee: the contents covers insider trading (*Note), antitrust, conflict of interests, hosting and socializing, as well as confidential information and gifts. (*Note) Including what inside information, insider trading actors and regulated subjects mean, and facts that constitute violations of insider trading, and statutory interpretations, etc. b. Annual training: the emphasis lies on key concepts and propaganda of practical cases. ii. Training for new employees: the contents cover corporate policy, culture, sustainable operation, the salary system, concept of honest operation, ASUS Management System and internal control and internal audit. iii. Training on information security and personal information: The content covers common information security threats such as Business email fraud and phishing, personal information definition and application, confidential information and confidentiality obligations, etc.
3. Operation of the integrity channel (1) Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”

Assessment Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary	
(2) Does the Company establish standard operating procedures for confidential reporting on investigating accusation cases?	V		<p>“Employees’ Code of Ethical Conduct” and “Workplace Rules.”</p> <p>2. The processing procedures are included: 1. Case clarification; 2. Case acceptance; 3. Collection and confirmation of evidence; 4. Meeting with relevant units; 5. Punishment in accordance with regulations.</p> <p>3. The Company will adopt confidential and necessary protection measures for whistleblowers.</p>	
(3) Does the Company provide proper whistleblower protection?	V			
4. Strengthening information disclosure (1) Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company’s website and MOPS?	V		<p>1. The Company discloses the relevant content and information of the Code of Integrity Management on the company’s official website, Corporate Sustainability and annual report.</p> <p>2. If necessary, the status of ethical corporate management is disclosed in the “material information” section on the Company’s Corporate Sustainability and Investor Website.</p>	Compliant with the Code of “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
5. If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation There have been no differences				
6. Other important information to facilitate a better understanding of the Company’s ethical corporate management policies: In addition to this Annual Report, please refer to the information of disclosure related to ASUS’s Corporate Sustainability <a href="http://csr.asus.com/chinese/index.aspx">http://csr.asus.com/chinese/index.aspx</a> .				

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

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

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

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

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

(XI) Enforcement of internal control

1. Declaration of Internal Control: Please refer to Page 200.
2. If the Company is requested by the SEC to retain CPA’s service for examining internal control system, the Independent Auditor’s Report must be disclosed: None

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

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

1. The important resolutions of the general shareholder meeting:

Date	Major resolutions	Review of execution
Jun 8, 2022 AGM	1. To adopt 2021 Business Report and Financial Statements.	The proposal was approved by proxy as it was and would be the basis for the 2021 profit distribution.
	2. To adopt the proposal for distribution of 2021 profits.	The proposal was approved by proxy. The board of directors set the record date of allocation of dividend on August 6, 2022, and date of allocation of cash dividend on August 25, 2022.
	3. Amendment to the “Procedures for Acquisition or Disposal of Assets”	The proposal has been voted and approved with resolution, which is executed according to the revise’s clauses.
	4. Election of Directors	15 directors were elected (including 5 independent directors). The term of BOD is from June 8, 2022 to June 7, 2025. The lists are as follows:  <u>Directors:</u> Jonney Shih, Ted Hsu, Jonathan Tsang, S.Y. Hsu, Samson Hu, Eric Chen, Joe Hsieh, Jackie Hsu, Tze-Kaing Yang, Sandy Wei <u>Independent directors:</u> Chung-Hou Tai, Ming-Yu Lee, Chun-An Sheu, Andy Guo, Audrey Tseng  The list of names elected at the shareholder meeting has been reported to the Ministry of Economic Affairs on July 8, 2022 to complete the registration change of the Company.

2. The important resolutions of the Board of Directors:

Date	Major resolutions
Jan 25, 2022	<ol style="list-style-type: none"> <li>1. Report on the renewal of directors and supervisors liability insurance policies.</li> <li>2. Approved on donating to the ASUS Foundation for 2022.</li> <li>3. The salary and remuneration committee reviewed the distribution of 2021 year-end bonuses and performance bonuses for managers.</li> </ol>
Mar 16, 2022	<ol style="list-style-type: none"> <li>1. Reported on 2021 performance appraisal of the board and functional committees and the results.</li> <li>2. Approved the assessment of CPA’s independence for 2021.</li> <li>3. Approval of whether the company’s major accounts should be transferred to capital loans for 2021Q4.</li> <li>4. Approved the acquisition of right-of-use "assets of smart factory in Shulin".</li> <li>5. Approved the proposal of the 2021 remuneration to directors and employees.</li> <li>6. Approved the annual business report and financial statement for 2021.</li> <li>7. Approved the proposal on profit distribution of 2021.</li> <li>8. Approved the proposal on the amendments to the “Procedures for Acquisition or Disposal of Assets”.</li> </ol>

Date	Major resolutions
	<ol style="list-style-type: none"> <li>9. Approved the 13th Directors Election proposal.</li> <li>10. Approved the list of candidates for the 13th session of directors nominated by the board of directors.</li> <li>11. Approved the matters of convening 2022 Shareholders' meeting.</li> <li>12. Approved the presentation of the "Statement of Internal Control System for 2021."</li> </ol>
May 11, 2022	<ol style="list-style-type: none"> <li>1. Subsidiary -Askey Computer Corporation Operating Status Report.</li> <li>2. Report on the inventory of the GHG and schedule of verification plans.</li> <li>3. Report on the results of 2021 corporate governance evaluation.</li> <li>4. Approval of whether the company's major accounts should be transferred to capital loans for 2022Q1.</li> <li>5. Approved the consolidated financial statements for 2022Q1.</li> <li>6. Approved the Company's signing of the Comprehensive Credit Line Agreement with banks for annual renewal and new credit line application</li> </ol>
June 8, 2022	<ol style="list-style-type: none"> <li>1. Approved the election of Chairman and Vice Chairman.</li> <li>2. Approved the appointment of members of the 5th "Remuneration Committee".</li> </ol>
Jul 20, 2022	<ol style="list-style-type: none"> <li>1. Report the company's enterprise risk management annual report.</li> <li>2. Report the company's 「2021 Sustainability Report」.</li> <li>3. Approved the Company's signing of the Comprehensive Credit Line Agreement with banks for credit line application.</li> <li>4. Approved the proposal for remuneration distribution to directors.</li> <li>5. Approved the Company's manager salary adjustment in 2022.</li> <li>6. Approved the Company's mid-year performance bonus distribution for managers in 2022.</li> </ol>
Aug 11, 2022	<ol style="list-style-type: none"> <li>1. Subsidiary -Askey Computer Corporation Operating Status Report.</li> <li>2. Approved the proposal of whether the major accounts of the company should be transferred to the capital loan for 2022Q2.</li> <li>3. Approved the consolidated financial statements for 2022Q2.</li> <li>4. Approved the Company's and some subsidiaries' certification of finance and income Tax fee of 2022.</li> <li>5. Approved the amendment to the Company's manager salary adjustment in 2022.</li> </ol>
Nov 10, 2022	<ol style="list-style-type: none"> <li>1. Subsidiary -Askey Computer Corporation Operating Status Report.</li> <li>2. The corporate integrity management implementation status report.</li> <li>3. Report on the performance status of the Company's intellectual property management.</li> <li>4. Report on the inventory of the GHG and schedule of verification plans.</li> <li>5. Approved the case of whether the major accounts of the company should be transferred to the capital loan for 2022Q3.</li> <li>6. Approved the consolidated financial statements for 2022Q3.</li> <li>7. Approved the capital loan and extension from ASTP (ASUS subsidiary) to ASGL.</li> <li>8. Approved the increase in the total amount of pledge of customs and trade taxes to Keelung Customs Office.</li> <li>9. Approved the Company's signing of the Comprehensive Credit Line Agreement with banks for the increase of credit line.</li> </ol>

Date	Major resolutions
	10.Approved the amendment to the “Subsidiary Management Measures”. 11.Approved the amendment to the “Best Practice Principles of Corporate Governance”. 12.Approved the amendment to the “Procedures for Handling Material Inside Information”. 13.Approved the amendment to the “Internal Control System” and “Internal Audit System”. 14.Approved the report of the "2023 Annual audit plan".
Jan 10, 2023	1. Report on the implementation of information security measures. 2. Report on the self-evaluation and external evaluation of the board performance appraisal. 3. The proposal on establishment of the 「 Business Continuity Management Committee 」 and formulation of the 『 Business Continuity Management Committee Charter 』 . 4. Approved on donating to the ASUS Foundation for 2023. 5. Approved the indirect investment to 「 ASUSTEK COMPUTER (SHANGHAI) CO. LTD. 」 . 6. Approved the proposal on the 2022 year-end performance bonus distribution to managers. 7. Approved the Employee Stock Ownership Trust.
Mar 10, 2023	1. Subsidiary -Askey Computer Corporation Operating Status Report. 2. Report on the inventory of the GHG and schedule of verification plans. 3. Report on the 2023 annual operating objectives and strategic priorities. 4. Approved the assessment of CPA’s independence for 2022. 5. Approval of whether the company’s major accounts should be transferred to capital loans for 2022Q4. 6. Approved the proposal of the 2022 compensations to directors and employees. 7. Approved the annual business report and financial statement for 2022. 8. Approved the proposal on profit distribution of 2022. 9. Approved the proposal to switch CPAs who audit the Company's financial report. 10.Approved the assessment of independence, suitability and appointment of CPAs for 2023. 11.Approved the amendment to provisions of the General Description of Internal Control System. 12.Approved the presentation of the “Statement of Internal Control System for 2022.” 13.In response to the stock listing (OTC listing) of the Company's subsidiary Taiwan Web Service Corp., the Company surrenders the participation in the subsidiary's capital increase program. 14.Approved the matters of convening 2023 Shareholders’ meeting.

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

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

#### IV. CPAs fees

Unit: NT\$ thousands

Accounting Firm	Name of CPA		Period Covered by CPA's Audit	Audit Fee	Non-audit Fee
PricewaterhouseCoopers, Taiwan	CHOU, CHIEN-HUNG	LIN, CHUN-YAO	Jan 1, 2022~ Dec 31, 2022	7,480	7,764
Note: The non-audit service fees include NT\$3,762 thousand for preparation of implementation of human resources system and change management consulting services, NT\$1,200 thousand for enterprise master files and country-by-country reporting services, NT\$1,100 thousand for certification of income Tax, NT\$866 thousand for review of subsidiaries' financial information, NT\$716 thousand for international tax services and consultation, NT\$70 thousand for salary for non-executive employees review service, and NT\$50 thousand for consultation on substantive investment of undistributed earnings.					

- (I) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the accounts of the audit fees before and after the change and the reasons shall be disclosed: None.
- (II) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10% or more, the reduction in the amount of audit fees, reduction percentage, and reasons therefor shall be disclosed: None.

V. CPA's information: None.

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

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

(1) Information on Net Change in Shareholding

Title	Name	2022		As of April 11, 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman & Chief Branding Officer	Jonney Shih	0	0	0	0
Vice Chairman & Chief Strategy Officer	Ted Hsu	0	0	0	0
Director	Jonathan Tsang	0	0	0	0
Director & CO-Chief Executive Officer	S.Y. Hsu	0	0	0	0



Title	Name	2022		As of April 11, 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Director & CO-Chief Executive Officer	Samson Hu	0	0	0	0
Director	Eric Chen	0	0	0	0
Director & Chief Operating Officer	Joe Hsieh	0	0	0	0
Director	Jackie Hsu	0	0	0	0
Director	Jerry Shen (Note 2)	0	0	0	0
Director	Tze-Kaing Yang	0	0	0	0
Director	Sandy Wei	0	0	(1,500,000) (Note 3)	0
Independent Director	Chung-Hou Tai	0	0	0	0
Independent Director	Ming-Yu Lee	0	0	0	0
Independent Director	Chun-An Sheu	0	0	0	0
Independent Director (Note 1)	Andy Guo	0	0	0	0
Independent Director (Note 1)	Andrey Tseng	0	0	0	0
Corporate V.P.	Henry Yeh	0	0	0	0
Corporate V.P.	Alex Sun (Note 2)	0	0	0	0
Corporate V.P.	Taiyi Huang	0	0	0	0
Corporate V.P.	Albert Chang	17,000	0	0	0
Corporate V.P.	Tenlong Deng	0	0	0	0
Corporate V.P.	Chih-peng Wu	0	0	(12,000)	0
Corporate V.P.	Kent Chien	(44,000)	0	0	0
Corporate V.P.	Vincent Chiou	0	0	0	0
Corporate V.P.	Benson Lin	6,000	0	0	0
Corporate V.P.	Rex Lee	0	0	0	0
Chief Financial Officer	Nick Wu	0	0	0	0
Comptroller	Winnie Liu	0	0	0	0
Corporate Governance Officer	Francy Jeng	0	0	0	0

Note 1: Newly appointed on June 8, 2022.

Note 2: Director Jerry Shen discharged when his term of office expired on June 8, 2022. Director Sand Wei, Independent directors Andy Guo and Audrey Tseng were newly appointed on June 8, 2022.

Note 3: The reduction of number of shares is to undertake the grantor trust..

(2) Stock transfers to related parties: None.

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

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

Base Date: April 11, 2023

Name	Current Shareholding		Spouse's / minor's Shareholding		Shareholding by nominee arrangement		Specify the names and relations of the top-10 shareholders who are related-parties or spouse or kindred within the 2nd degree of kinship	
	Shares	%	Shares	%	Shares	%	Name	Relation
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	36,712,000	4.94	0	0	0	0	None	None
Jonney Shih	30,093,638	4.05	0	0	0	0	None	None
Silchester International Investors International Value Equity Trust	25,299,000	3.41	0	0	0	0	None	None
Cathay United Bank managed Expert Union Limited Investment account	20,684,542	2.78	0	0	0	0	None	None
ASUS's Certificate of Depository with CitiBank (Taiwan)	19,590,967	2.64	0	0	0	0	None	None
Yuanta Taiwan High Dividend Fund Account	18,151,474	2.44	0	0	0	0	None	None
New Labor Pension Fund	15,413,337	2.08	0	0	0	0	None	None
Silchester International Investors International Value Equity Group Trust	10,629,000	1.43	0	0	0	0	None	None
Fubon Life Insurance Co., Ltd.	10,027,000	1.35	0	0	0	0	None	None
Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds	9,788,937	1.32	0	0	0	0	None	None

## IX. Ownership of Shares in Affiliated Enterprises:

### Total Shareholding Ratio

Base date: Dec.31.2022, Unit: Share; %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
ASUS TECHNOLOGY INCORPORATION	19,000,000	100.00			19,000,000	100.00
ASKEY COMPUTER CORP.	480,000,000	100.00			480,000,000	100.00
HUA-CHENG VENTURE CAPITAL CORP.	114,500,000	100.00			114,500,000	100.00
HUA-MIN INVESTMENT CO., LTD.	68,000,000	100.00			68,000,000	100.00
UNIMAX ELECTRONICS INC.	21,300,000	100.00			21,300,000	100.00
JINSHUO CULTURAL DIFFUSION CO., LTD.	-	100.00			-	100.00
JOTECH LTD.			3,000,000	100.00	3,000,000	100.00
ASUS TECHNOLOGY LICENSING	12,000,000	100.00			12,000,000	100.00
ASUS METAVERSE INC	2,000,000	100.00			2,000,000	100.00
ASUS CLOUD CORPORATION	37,645,558	96.53			37,645,558	96.53
ASUS LIFE CORPORATION	900,000	90.00			900,000	90.00
SHINYOPTICS CORP.	1,231,900	83.23	1,000	0.07	1,232,900	83.30
TAIWAN WEB SERVICE CORP.	54,000,000	80.60			54,000,000	80.60
ONYX HEALTHCARE INC.	1,694,112	5.09	21,823,005	65.61	23,517,117	70.70
INTERNATIONAL UNITED TECHNOLOGY CO., LTD.	11,323,167	69.25	515	0.00	11,323,682	69.25
SHINEWAVE INTERNATIONAL INC.	5,468,750	50.99	1,000	0.01	5,469,750	51.00
MEDUS TECHNOLOGY INC.	2,549,000	50.99	1,000	0.01	2,550,000	51.00
ASMEDIA TECHNOLOGY INC.	24,457,660	35.36	7,317,655	10.58	31,775,315	45.94
Portwell, Inc.	44,239,755	45.00			44,239,755	45.00
AAEON TECHNOLOGY INC.	43,756,000	29.32	16,718,000	11.21	60,474,000	40.53
ASUSTOR INC.	6,046,350	40.31			6,046,350	40.31
GAIUS HOLDINGS LIMITED	16,386,481	33.94			16,386,481	33.94
IMOTION, GROUP INC.	28,050,000	25.50	4,950,000	4.50	33,000,000	30.00
UPI SEMICONDUCTOR CORP.	20,135,968	25.58	3,002,937	3.81	23,138,905	29.39
LELTEK HOLDINGS CO., LTD.	8,418,740	22.78			8,418,740	22.78

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
DEEP01 LIMITED	674,908	21.74			674,908	21.74
JIE-LI TECHNOLOGY CO., LTD.	2,247,888	6.27	4,111,660	11.45	6,359,548	17.72
JOINT POWER EXPONENT, LTD.	1,040,000	6.67	960,000	6.15	2,000,000	12.82
ASUS COMPUTER INTERNATIONAL	50,000	100.00			50,000	100.00
ASUS HOLLAND B. V.	10,800,000	100.00			10,800,000	100.00
ASUS INTERNATIONAL LIMITED	89,730,042	100.00			89,730,042	100.00
ASUS GLOBAL PTE.LTD.	28,000,000	100.00			28,000,000	100.00
QUANTUM CLOUD INTERNATIONAL PTE. LTD.	830,001	100.00			830,001	100.00
PT.ASUS TECHNOLOGY INDONESIA JAKARTA	8,415	99.00	85	1.00	8,500	100.00
PT.ASUS TECHNOLOGY INDONESIA BATAM	4,168,989	99.00	42,111	1.00	4,211,100	100.00
CHANNEL PILOT LIMITED			30,033,000	100.00	30,033,000	100.00
ASUS TECHNOLOGY PTE. LIMITED			44,419,424	100.00	44,419,424	100.00
ASUS MIDDLE EAST FZCO			107	100.00	107	100.00
ASUS EGYPT L. L. C.			-	100.00	-	100.00
PT. ASUS SERVICE INDONESIA			1,500,000	100.00	1,500,000	100.00
ASUS (THAILAND) CO., LTD.			20,000	100.00	20,000	100.00
ASUS SERVICE (THAILAND) CO., LTD.			60,000	100.00	60,000	100.00
ASUS COMPUTER GMBH			-	100.00	-	100.00
ASUS FRANCE SARL			5,300	100.00	5,300	100.00
ASUSTEK (UK) LIMITED			50,000	100.00	50,000	100.00
ASUS TECHNOLOGY (HONG KONG) LIMITED			500,000	100.00	500,000	100.00
ASUS KOREA CO., LTD.			158,433	100.00	158,433	100.00
ASUS TECHNOLOGY PRIVATE LIMITED			20,134,400	100.00	20,134,400	100.00
ASUS EUROPE B. V.			375,000	100.00	375,000	100.00
ASUS TECHNOLOGY (VIETNAM) CO., LTD.			-	100.00	-	100.00
ASUS SPAIN, S.L.U.			3,000	100.00	3,000	100.00
ASUS JAPAN INCORPORATION			20,500	100.00	20,500	100.00

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
ASUS SERVICE AUSTRALIA PTY LIMITED			950,000	100.00	950,000	100.00
ASUS AUSTRALIA PTY LIMITED			350,000	100.00	350,000	100.00
ASUS ISRAEL (TECHNOLOGY) LTD.			50,000	100.00	50,000	100.00
ASUS COMPUTER COLOMBIA S. A. S.			74,489	100.00	74,489	100.00
ASUSTEK COMPUTERS (PTY) LIMITED			1,000	100.00	1,000	100.00
ASUSTEK COMPUTER MALAYSIA SDN. BHD.			500,000	100.00	500,000	100.00
ASUS CHILE SPA			1,000	100.00	1,000	100.00
ASUS PERU S. A. C.			4,195,740	100.00	4,195,740	100.00
ASUS HOLDINGS MEXICO, S. A. DE C. V.			51,120	100.00	51,120	100.00
ACBZ IMPORTACAO E COMERCIO LTDA.			549,469,000	100.00	549,469,000	100.00
ASUS INDIA PRIVATE LIMITED			33,500,000	100.00	33,500,000	100.00
ASUS HUNGARY SERVICES LIMITED LIABILITY COMPANY			-	100.00	-	100.00
ASUS PORTUGAL, SOCIEDADE UNIPessoal LDA.			30,000	100.00	30,000	100.00
ASUS SWITZERLAND GMBH			3,400	100.00	3,400	100.00
ASUS NORDIC AB			3,000	100.00	3,000	100.00
ASUS BILGISAYAR SISTEMLERI TICARET.LIMITD.SIRKETI			50,741	100.00	50,741	100.00
ASUS POLSKA SP. Z O. O.			1,000	100.00	1,000	100.00
ASUSTEK ITALY S. R. L.			-	100.00	-	100.00
ASUS COMPUTER CZECH REPUBLIC S. R. O.			-	100.00	-	100.00
ASUS CZECH SERVICE S. R. O.			-	100.00	-	100.00
ASUS PHILIPPINES CORPORATION			1,119,998	100.00	1,119,998	100.00
QC SERVER AB (In liquidation)			500	100.00	500	100.00
ASUS PROPERTIES (VIETNAM) LTD.			-	100.00	-	100.00
LIMITED LIABILITY COMPANY A25			-	100.00	-	100.00
ASUS UKRAINE LIMITED LIABILITY COMPANY			-	100.00	-	100.00

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
ASUS COMPUTER (SHANGHAI) CO., LTD.			-	100.00	-	100.00
ASUS TECHNOLOGY (SUZHOU) CO., LTD.			-	100.00	-	100.00
ASUSTEK COMPUTER (SHANGHAI) CO. LTD.			-	100.00	-	100.00
ASUSTEK Computer (CHONGQING) CO., LTD.			-	100.00	-	100.00
ASUS INVESTMENTS (SUZHOU) CO., LTD.			-	100.00	-	100.00
JINRUO CULTURAL DIFFUSION CO., LTD.			-	100.00	-	100.00
eMES (SHUZHOU) CO., LTD.			-	100.00	-	100.00
ASUS CLOUD SINGAPORE PTE. LTD.			-	100.00	-	100.00
ASUS CLOUD (LUXEMBOURG) S. A R. L			-	100.00	-	100.00
ASUS MAAS CORPORATION			1,000,000	100.00	1,000,000	100.00
WT MICROELECTRONICS			171,000,000	19.35	171,000,000	19.35
ASKEY INTERNATIONAL CORP.			10,000,000	100.00	10,000,000	100.00
DYNALINK INTERNATIONAL CORP.			8,160,172	100.00	8,160,172	100.00
MAGIC INTERNATIONAL CO., LTD.			114,942,014	100.00	114,942,014	100.00
EcoLand Corporation			780,000	33.91	780,000	33.91
ASKEY DIGITAL TECHNOLOGY CORP.			3,000,000	100.00	3,000,000	100.00
WONDALINK INC.			9,242,232	100.00	9,242,232	100.00
WISE ACCESS (HK) LIMITED			1,600,000	100.00	1,600,000	100.00
SILIGENCE SAS			4,623,090	95.95	4,623,090	95.95
ASKEYUK CO. LIMITED			1,000,000	100.00	1,000,000	100.00
MAGICOM INTERNATIONAL CORP.			91,030,000	100.00	91,030,000	100.00
ASKEY COMMUNICATION GMBH			100,000	100.00	100,000	100.00
ASKEY DO BRASIL TECHNOLOGY LTDA.			3,700,000	100.00	3,700,000	100.00
ASKEY CORPORATION (THAILAND) CO., LTD.			20,000	100.00	20,000	100.00
ASKEY JAPAN CO., LTD.			500,000	100.00	500,000	100.00
YANG XU ELECTRONIC TECHNOLOGY (SHANGHAI) LTD.			-	100.00	-	100.00

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
ASKEY TECHNOLOGY (JIANGSU) LTD.			-	100.00	-	100.00
AAEON ELECTRONICS, INC.			490,000	100.00	490,000	100.00
AAEON TECHNOLOGY CO., LTD.			8,807,097	100.00	8,807,097	100.00
AAEON TECHNOLOGY (EUROPE) B. V.			-	100.00	-	100.00
AAEON TECHNOLOGY GMBH			-	100.00	-	100.00
AAEON INVESTMENT CO., LTD.			15,000,000	100.00	15,000,000	100.00
AAEON TECHNOLOGY SINGAPORE PTE. LTD.			465,840	100.00	465,840	100.00
ONYX HEALTHCARE (SHANGHAI) LTD.			-	100.00	-	100.00
AAEON TECHNOLOGY (SUZHOU) INC.			-	100.00	-	100.00
ONYX HEALTHCARE USA, INC.			200,000	100.00	200,000	100.00
ONYX HEALTHCARE EUROPE B. V.			100,000	100.00	100,000	100.00
IHELPER INC.			1,716,000	47.67	1,716,000	47.67
IBASE TECHNOLOGY INC.			56,806,481	34.00	56,806,481	34.00
LITEMAX ELECTRONICS INC.			9,083,921	21.68	9,083,921	21.68
WINMATE INC.			14,341,000	19.77	14,341,000	19.77

Note: Company investment under Equity Method.

## IV. Capital and Shares

### I. Capital and shares

#### (1) Capitalization

##### 1. Type of Shares

As of April 11, 2023 / Unit: Shares

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

Note: Listed stock

##### 2. Issued Shares

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



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

### 3. Information for Shelf Registration: None

#### (2) Shareholder Structure

As of April 11, 2023

Status of shareholders QTY	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	5	27	541	122,941	1,178	124,692
Shareholding	221	54,364,408	141,723,427	231,875,346	314,796,878	742,760,280
Shareholding Percentage	0.00	7.32	19.09	31.21	42.38	100.00

#### (3) Distribution of Shareholding

##### 1. Common Share

As of April 11, 2023

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1- 999	79,793	17,525,367	2.36
1,000- 5,000	39,100	69,914,024	9.41
5,001- 10,000	3,013	22,447,439	3.02
10,001- 15,000	926	11,579,287	1.56
15,001- 20,000	442	7,981,657	1.07
20,001- 30,000	422	10,700,071	1.44
30,001- 40,000	188	6,673,763	0.90
40,001- 50,000	122	5,613,392	0.76
50,001- 100,000	233	16,909,253	2.28
100,001- 200,000	157	22,038,007	2.97
200,001- 400,000	97	27,234,715	3.67
400,001- 600,000	48	23,646,339	3.18
600,001- 800,000	26	17,590,592	2.37
800,001- 1,000,000	17	15,264,997	2.06
Over 1,000,001	108	467,641,377	62.95
Total	124,692	742,760,280	100.00

##### 2. Preferred Share: None

## (4) Major Shareholders

As of April 11, 2023

Shareholders	Shareholding	Shareholding	Percentage (%)
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF		36,712,000	4.94
Jonney Shih		30,093,638	4.05
Silchester International Investors International Value Equity Trust		25,299,000	3.41
Cathay United Bank managed Expert Union Limited Investment account		20,684,542	2.78
ASUS's Certificate of Depository with CitiBank (Taiwan)		19,590,967	2.64
Yuanta Taiwan High Dividend Fund Account		18,151,474	2.44
New Labor Pension Fund		15,413,337	2.08
Silchester International Investors International Value Equity Group Trust		10,629,000	1.43
Fubon Life Insurance Co., Ltd.		10,027,000	1.35
Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds		9,788,937	1.32

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

Unit: NT\$/Share

Item		Fiscal year	2021	2022	As of March 31, 2023 (Note 9)
Market Price Per Share (Note 1) (Note 3)	Highest Market Price		428.0	385.0	293.0
	Lowest Market Price		250.0	223.5	260.5
	Average Market Price		346.67	307.99	273.54
Net Worth Per Share (Note 2)	Before Distribution		312.79	285.93	-
	After Distribution		270.79	(Note 8)	
Earnings per share	Weighted Average Shares (Note 3)		742,760 thousand shares	742,760 thousand shares	-
	Earnings per shares (Note 3)	Before adjustment	59.98	19.78	-
		After adjustment	59.98	(Note 8)	
Dividends per Share	Cash dividends		42	(Note 8)	-
	Stock dividends	Dividends from Retained earnings	0	(Note 8)	-
		Dividends from Capital Surplus	0	(Note 8)	-
	Accumulated Undistributed Dividend (Note 4)		-	-	-
Analysis of return on investment	Price/Earning Ratio (Note 5)		5.78	15.57	-
	Price/Dividend Ratio (Note 6)		8.25	(Note 8)	-
	Cash Dividend Yield (Note 7)		12.12%	(Note 8)	-

Note 1: List the highest and lowest market price per share; also, calculate the average market price per share in accordance with the trade amount and shares.

Note 2: Please base the information on the shares issued at year-end and the resolution for stock distribution in the Board of Directors and Shareholders Meeting.

Note 3: If the stock dividend is to be adjusted retroactively, please list the earnings per share before and after the adjustment.

Note 4: According to the regulations of security issuance, if the dividend that is not distributed can be accumulated till the year with retained earnings, the accumulated unpaid dividend of the year must be disclosed.

Note 5: Profit ratio = Closing price per share of the year / Earning per share.

Note 6: Earning ratio = Closing price per share of the year / Cash dividend per share

Note 7: Cash dividend yield rate = Cash dividend per share / Closing price per share of the year

Note 8: Subject to the approval of the annual shareholders meeting.

Note 9: The data collected up to March 31, 2023 were included in the report printed on April 11, 2023 for data accuracy.

## (6) Execution of Dividend Policy

### 1. Dividend Policy

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

### 2. Proposed Distribution of Dividends:

(1) In 2022, the net income after tax was NT\$14,690,784,982, the distributable surplus was NT\$13,217,132,883. After take into consideration of the unappropriated earnings of prior years of NT\$99,187,385,817, the total distributable surplus was NT\$112,404,518,700. The proposed distribution of shareholder dividends was NT\$11,141,404,200, which is NT\$15 per share and will be paid in cash.

(Please refer to the Company's 2022 Distribution of Retained Earnings)

(2) If the dividend ratio of the earnings distribution is changed and must be adjusted as a result of a change in the number of outstanding shares, it is proposed to have the Chairman authorized in the meeting of shareholders to arrange necessary adjustments.

(3) Shareholder cash dividend that is less than NT\$1 should be rounded up to dollar; also, fractional shares will be purchased by persons arranged by the Chairman, authorized by the meeting of shareholders

(4) Upon the approval of the annual meeting of shareholders, it is proposed that the Chairman be authorized to resolve the dividend record date and other relevant issues.

## Distribution of Retained Earnings

In 2022	Unit: NT\$	
Account	Amount	Note
Unappropriated earnings - beginning	99,187,385,817	
(+) 2022 Net Income	14,690,784,982	
(+) Change in associates and joint ventures accounted for under equity method	0	
(+) Disposal of financial assets at fair value through other comprehensive	(5,081,779)	
(-) Appropriated 10% legal reserve	(1,468,570,320)	
2022 Distributable surplus	13,217,132,883	
Distributable earnings - current	112,404,518,700	
(-) Distributions :		
Shareholder bonus	11,141,404,200	NT\$15 per share
2022 Unappropriated earnings	2,075,728,683	
Unappropriated earnings - ending	101,263,114,500	

Note: Earnings distribution of the year is appropriated from the 2022 after-tax distributable earnings.

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

(8) Remuneration to Employees and Directors

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

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

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

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

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

3. Allocation of remuneration adopted by the board of directors in 2022

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

	Amount (NT\$)
Remuneration to employees	1,103,194,650
Remuneration to directors	58,062,876

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

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

4. The actual remuneration allocated to employees and directors actually in 2021:

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

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

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

(9) Buyback of Common Stock in 2022: None.

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

- (I) Corporate bonds: None
- (II) Convertible bonds: None
- (III) Exchangeable Bonds: None
- (IV) Self registration in Taiwan: None
- (V) Bond with warrants: None

**III. Preferred shares: None**

**IV. Issuance of global depository receipts**

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

Total issuance		21,000,000 GDRS				
Source of common stock recognition		<p>One GDR stands for one common stock share of ASUS</p> <p>Note 2: The Company's stock exchange ratio has changed from one GDR for one common stock share to one GDR to five common stock shares since January 2, 2008.</p> <p>Note 3: ASUS had capital reduction arranged on June 24, 2010. The proportion of outstanding convertible is 1,000 shares for 150 shares.</p>				
Total marketable security shares recognized		Stands for 21,000,000 common stock shares of ASUS				
Rights and obligations of GDR holders		Please refer to Attachment A				
Trustee		None				
GDR institute		CITIBANK, NA				
Depository institute		Citibank Taiwan Limited				
Outstanding GDR		3,918,193 GDRS (December 31, 2022)				
Issuance and expense amortization throughout the issuance period		It is to be amortized in three years on average after issuance according to Article 243 of Company Law				
GDR agreement and depository agreement		Please refer to Attachment B				
Market price per unit (US\$)	2022	Highest	US\$ 68.91			
		Lowest	US\$ 35.29			
		Average	US\$ 52.57			
	As of April 11, 2023	Highest	US\$ 52.00			
		Lowest	US\$ 40.00			
		Average	US\$ 45.92			
Item	GDR				Total marketable security shares recognized	
	Date	Amounts	Price	Issue Amount	Shares	Price / Per share
Date and remainder of initial issuance A	86/05/30	21,000,000	USD11.23	235,830,000	21,000,000	0
Date and Remainder of Additional Issuance After the Initial Issuance B	87/06/15	25,478,476	0	0	25,478,476	0
	87/10/26	56,628	0	0	56,628	0
	88/06/14	18,893,413	0	0	18,893,413	0
	88/08/30	69,309	0	0	69,309	0
	89/08/11	23,830,652	0	0	23,830,652	0
	90/08/30	20,663,365	0	0	20,663,365	0
	92/08/01	6,256,511	0	0	6,256,511	0
	93/08/15	10,924,803	0	0	10,924,803	0
	94/08/29	10,654,365	0	0	10,654,365	0
	95/09/21	13,439,142	0	0	13,439,142	0
	96/09/20	6,310,972	0	0	6,310,972	0
97/01/02	-126,062,109	0	0	0	0	

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

#### Attachment A

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

#### Attachment B

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

2. Depository agreement:



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

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

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

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

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

**VIII. Fund implementation plan**

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

## V. Overview of Business Operation

### I. Principal activities

#### (I) Operating Scope

Established in 1989, ASUS is a world-renowned multinational technology company, committed to providing the comprehensive technology products and solutions to individuals and businesses. Since the establishment of ASUS, we have assembled many outstanding talents, and worked together for the vision of brand. We have achieved operational growth goals and excellent performance many times, and thus becomes one of the most important brand companies in Taiwan.

The Company's is primarily engaged in the design, R&D and sales of 3C products (including PCs, main boards, other boards and cards, smart phones and other handheld devices, etc.). In many of its electronics-integrated products, the Company has offered excellent quality and industry-leading technology, which have won many awards. In 2022, ASUS again was recognized as one of the "World's Most Admired Companies" by "Fortune Magazine" of the United States. The product categories span motherboards, graphics cards, laptops, smart phones, displays, routers and a full range of technology product solutions; the Company is also actively expanding its esports products and creates a variety of applications in new areas of AIoT. ASUS is committed to pursuing unparalleled technological innovations, creating a thoughtful intelligent life and ubiquitous happiness for global users; the vision of the brand is to become "a leading technology innovative enterprise highly respected by the new digital generation." ASUS has about 15,000 employees around the world, and has a world-class R&D team of more than 5,000 people. Its products are sold in more than 70 countries around the world and have won more than 11 awards every day on average. The product innovation, design and quality have been recognized by the global market. The core of ASUS business is PC-related products. In 2022, the proportions of its products were 67% for computer-related products, 33% for component-related products and others.

Product development projects:

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

In 2023, ASUS's main direction for the product strategy and business objectives are as

follows. Computer system products will be put design thinking into practice. Promote industry transformation and stabilize operations and profitability. Motherboards and open platform of product lines will maintain the leadership in the industry and continue to improve market share and mindshare. ROG and all e-sports-related products, along with the expansion of the esports industry and esports user base, become the important long-term growth momentum, the annual growth rate will be targeted on double-digits, and gradually become a lion in the industry. For mobile phones, the focus will be on esports users and expert users, establishing a market leading position and brand value for a specific user group. Responding to the new industry trend of AIoT, several product projects and market positioning will be initiated, to grasp the opportunities for market evolution and growth. For more information and plans related to R&D, please refer to “Future R&D Plans and Estimated Investment” in “Risks”

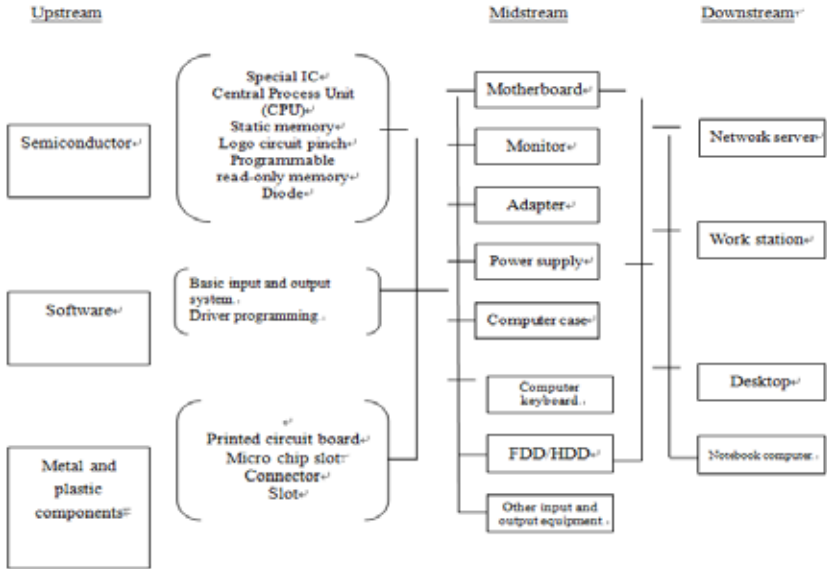
(II) Industry Overview

1. Progress and development of the industry:

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

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

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



### 3. Product development trends:

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

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

### 4. Competition:

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

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

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

## (III) Research and Development

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

communications, consumer electronics, and automobile electronics) integrated products. For ASUS, the R&D Division and the R&D Center have a positive correlation working together. The R&D Center focuses on technology studies and commercialization of creativity. The R&D Center is entrusted with the responsibility to conduct preliminary studies and assessments on the key software and hardware technology, modules, and applied program development platform in depth. This work provides reference for the R&D director in judging technology trends and partner selection. The R&D Division focuses on system integration, product introduction and commercialization. Technology is transformed to generate income, and then part of that income is contributed back to support the creativity or technology supplier. This cycle allows R&D to sustain continuous development. These commitments to R&D, and the incentives provided by the Company's management, allow ASUS to continuously recruit talented R&D. In the constantly-changing computer world, ASUS has key technologies and leading products enabling it to compete in the market and to create product value. The 2022 R&D expenses were NT\$20.6 billion, accounting for about 4% of the total revenue.

ASUS continues to commit R&D resources in new types of computer products such as gaming laptops, content-creation laptops, commercial laptops and new ChromeOS computing devices. ASUS has also launched a number of new applications based on design thinking that integrate software, hardware and AI technology, such as the four smart applications of motherboards that offer overclocking, cooling, networking and built-in audio; ASUS Dial rotary control for creator laptops; the first professional display with automatic color correction; the gaming products for AniMe Matrix™ ROG dynamic programmable LED displays and defect detection solutions in the field of smart manufacturing; Smart Healthcare CPS for virtual reality integration system in the field of smart healthcare; xHIS next-generation medical information system; ASUS VivoWatch 5 AERO, the world's first health bracelet with fingertips measuring pulse index; and smart health solutions such as the TFDA-certified EndoAim endoscope AI-assisted system. In terms of improving the core capabilities of gaming laptops, ASUS has a brand-new heat dissipation system, ring-shaped airflow for heat dissipation, which increases the airflow range of the entire row on the back and two sides in three directions; three-fan heat dissipation technology and full-size radiator, and liquid metal cooling technology, which eliminate high-temperature issues inside and outside to release the best performance. In terms of creator solutions, ASUS has created a new ProArt Creator Hub 2.0 control center for creators, effectively using powerful ASUS hardware and software to bring out the best creativity. As consumers pay more attention to notebook performance and screen color, ASUS caters to their needs by being the first brand to equip an entire series of products with OLED screens, and launch the world's first naked-view 3D OLED notebook display technology, ASUS Spatial Vision, which provides a unique visual and work experience. We also implement our sustainability strategies in products and corporate competitive advantages. More than 90% of consumer notebooks comply with EPEAT (U.S. Electronic Product Environmental Assessment Tool) and ENERGY STAR® 8.0 standards. We consider sustainability in our product development, which reduces waste and prolongs the service life of notebooks. ASUS recently launched the ExpertBook B9, the first all-metal body business notebook produced with sustainability technology, which has obtained the ISO 14067 carbon footprint certification and PAS 2060 carbon neutral certification. Circular economy is incorporated into the design of the product to maximize product

carbon reduction. Nature-based carbon credits also helps the achievement of carbon neutral, making it an important milestone for ASUS on its journey of introducing low-carbon products.

The specific products in the recent year:

R&D planned in 2023:

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

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

1. Short-term development plan;

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

2. Long-term development plan:

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

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

### (I) Market analysis:

#### 1. Sales regions:

Unit: NT\$ thousands

Item	Year	2021		2022	
		Subtotal	Total	Subtotal	Total
Sales to TW			28,999,151		29,801,236
Sales to region outside of Taiwan			506,239,584		507,390,696
America		132,380,886		134,665,644	
Asia Pacific / Oceania		222,885,520		246,995,728	
Europe		145,888,224		115,244,309	
Africa		5,084,954		10,485,015	
Net sales			535,238,735		537,191,932

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

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

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

ASUS released the high-quality, high-performance and high-price optimized motherboards with respect to the high-rank, mid-rank and low-rank markets, in order to domain the global motherboard market absolutely and continue the most advantaged product and leadership in the industry. Since ASUS was founded in 1989, the sales of its motherboards have exceeded 600 million pieces, absolutely leading ahead of the others in the same trade.

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

The availability of laptop computers has grown substantially throughout the world. ASUS has worked in the laptop computer industry for over 15 years, demonstrating a remarkably-sustained performance in product quality, R&D technology, and business development. According to research conducted by an international market survey institute, ASUS stands in the world's top three Windows OS consumer laptop computer suppliers and constantly leads the industry in terms of product innovation, attaining high brand value and consumer recognition. The 2022 research institute estimated the shipment of ASUS consumer laptop computers to take about 12% of the global market share.

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

With the arrival of the cloud computing era, ASUS plans to introduce a series of cloud computing-related services and products with a specific solution designed to provide cloud computing for mobile computing, multimedia entertainment, and electronic

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

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

Industrial development and vision:

#### (1) Advantages

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

#### (2) Disadvantages and responsive strategies

The overall economic and industry environment has undergone drastic changes, and geopolitical conflicts, high inflation-driven monetary policy adjustments and a sharp reversal in market demand have caused multiple impacts and challenges to the Company's internal and external operations, corporate resilience and transformation.

ASUS expects to have a more flexible and efficient organizational operation, with three business groups being formed including: System Business Group, Open Platform Business Group and Smart IoT Business Group in order to aggregate resources and be more responsive to market changes. To create greater value and expand the operation scope, we established the Intelligent IoT Group at the end of 2019. The Group linked and integrated internal and external ASUS resources, teams, re-investment companies and industrial partners for active business development of intelligent IoT and new smart solutions in various application fields. Smart manufacturing solutions that have AI-driven defect inspection system completed, Smart Healthcare CPS virtual reality integration system, xHIS next-generation medical information system and other solutions, as well as smart retail projects. Each



business group will then be able to focus on improving procedure, form optimal strategy, and execute strategy completely.

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

Operating environment:

(1) Advantages

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

(2) Disadvantages:

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

(3) Responsive strategies:

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

Internal conditions

(1) Advantages

- a. Stable financing with sufficient funds.

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

(2) Disadvantages:

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

Product and technological development:

(1) Advantages:

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

(2) Disadvantages:

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

Sales and marketability:

(1) Advantages

- a. Under the operation of a strong sales management program, ASUS has achieved competitive computer sales in most regions, limiting the impact that adverse economic situations in one area has on the corporate operations. By deploying product lines across the market, the Company can properly reduce the impact of economic risks.
- b. Long-term digital transformation drives the tangible needs for computers and peripheral products. ASUS has actively committed itself to technological innovation, research and development, accumulated strong technological and product innovation capacity and obtained good brands and distribution channels through investment.

- c. The Company mostly has the leading positions in each product line, and is the No.1 in terms of the global market share of motherboards. In terms laptops, it ranks No.1 in Taiwan and Hong Kong, Southeast Asia (Indonesia, Thailand, Vietnam), Europe (Poland, Romania) and America. ASUS has also achieved good performance in other regions. According to research institutions, the ASUS high-end gaming laptops achieved the No.1 market share in the world in 2022. In recent years, the growth of gaming laptops has significantly outperformed the market. Moreover, for the global website service, official websites in multi-lingual versions have been established, to implement the business strategy of localization, and deep cultivation of the local markets.

(2) Disadvantages:

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

(II) Application and production process of major products:

1. Application of major products:

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

2. Production Process of Major Products

More than 90% of processes are automated

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

(III) Supply of major raw materials:

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

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

1. Major Suppliers of the last two fiscal years

Unit: NT\$ thousands

Item	2021				2022				2023Q1 (Note 1)			
	Name	Amount	Percentage of net annual purchase (%)	Relation with issuer	Name	Amount	Percentage of net annual purchase (%)	Relation with issuer	Name	Amount	Percentage of net purchase of Q1 (%)	Relation with issuer
1	F Suppliers	83,667,575	19	None	AV Suppliers	59,365,386	15	None				
2	AV Suppliers	58,920,486	13	None	F Suppliers	55,119,704	14	None				
	Others	304,413,818	68		Others	277,263,038	71					
	Net purchase amount	447,001,879	100		Net purchase amount	391,748,128	100					

Note 1: The 2023Q1 financial statements audited by the CPA were not yet available up to the print of annual report on April 11, 2023.

Note 2: Causes of increase and decrease: The major suppliers of the ASUS Group did not change substantially in 2022.

2. Major Customers of the last two fiscal years:

The sales income of one customer from the consolidated company between 2022 and 2021 did not show 10% of the consolidated net operating income.

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

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

Unit: Piece (unit); NT\$ thousands

Major product	2021				2022			
	Domestic Sales		Export Sales		Domestic Sales		Export Sales	
	QTY	Amount	QTY	Amount	QTY	Amount	QTY	Amount
IT products	2,981,687	24,351,180	57,378,405	426,262,955	2,936,525	23,711,390	45,709,677	383,577,612
Others	-	1,765,820	-	4,940,621	-	1,058,126	-	4,861,251
Total	-	26,117,000	-	431,203,576	-	24,769,516	-	388,438,863

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

### III. Employees

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

April 11, 2023

Year		2021	2022	As of April 11, 2023
Employee	Direct Labor	32	35	36
	Indirect labor	6,925	7554	7620
	Total	6,957	7589	7656
Average age		36.4	36.7	36.9

Average years of service		7.1	7.1	7.2
Education (%)	Ph. D.	0.59%	0.54%	0.56%
	Masters	54.77%	53.80%	53.70%
	College /University	41.97%	42.83%	42.89%
	Senior High School	2.37%	2.46%	2.48%
	Junior High School and below	0.3%	0.37%	0.37%

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

#### IV. Expenditure on environmental protection

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

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

(II) The total amount of loss and fine paid for environmental pollution in 2022 and up to the date of the report printed: None.

(III) Estimated environmental protection expenses:

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

#### V. Employee/employer relations

The realization of business goals relies on the commitment, deduction, and effort of employees; however, employees cannot exercise their talents without the support of the employer; therefore,

a harmonious employer-employee relation is what ASUS after. ASUS has treated employees with an honest and open attitude; also, has working regulations and rules defined in the Company's Work Code for the reference of employees. In terms of salary, benefit, and training policy, it is designed to help employees realize their objectives; therefore, they are able to have themselves heard and to have their working safety secured; also, their work satisfaction and profound economic interest fulfilled without the need of organizing an union. Employer and employees are unified and share the same concept to work for the future of the organization.

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

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

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

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

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

##### 2. ASUS has the following benefits provided specially:

Season-greeting bonus and performance bonus, annual physical health check up, E-Library, Employee Assistance Programs(EAP), Paid leave better than the requirements of the Labor Standards Act - Wellbeing leave and paid sick leave. Employee Sports and Recreational Center – Taoran Hall: offering lukewarm swimming pool/SPA, gym, pool room, and aerobics room as well as employee café, featuring multiple functional sites and welfare measures.

##### 3. "Employee Welfare Committee"

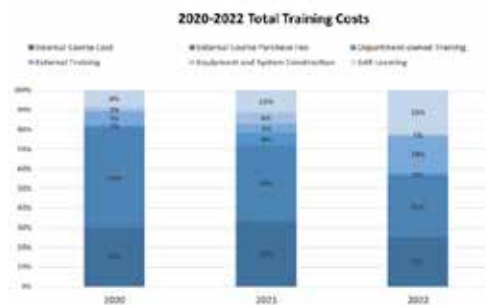
Birthday & Season-greeting bonus, wedding/funeral/celebration and emergency financial aid, group activities, scholarship and financial aid to employee’s children, Winter & Summer vacations’ children's winter & summer camp, employee benefits Vouchers, and using departmental-based “Teamwork” activities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

(II) Education and training

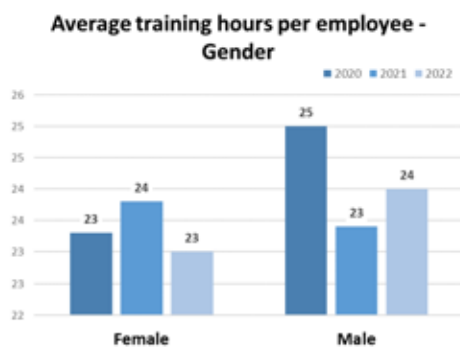
Talents are the cornerstone of an enterprise's success. ASUS believes that only when every employee fully demonstrates the ASUS DNA: ASUS 5 Virtues, Focus on Fundamentals and Results, Lean Thinking, Innovation and Aesthetics, in their jobs can the vision of "To become the world's most admired innovative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

In 2022, ASUS has a total of 16,340 employees (as of the end of the year and full-time), the total training hours of the whole corporate group is 385,456 hours, and the average training hours per person is 24. The summary statistics is shown as follows:

Type		Average training hours per employee
Gender	Female	23
	Male	24
Employee type	General Employee	24
	First-level Managers	21
	Mid-level Managers	23
	Senior-level Managers	10
Age	<30	44
	30~50	18
	>50	14
Training Type	Classroom	11
	E-learning	12



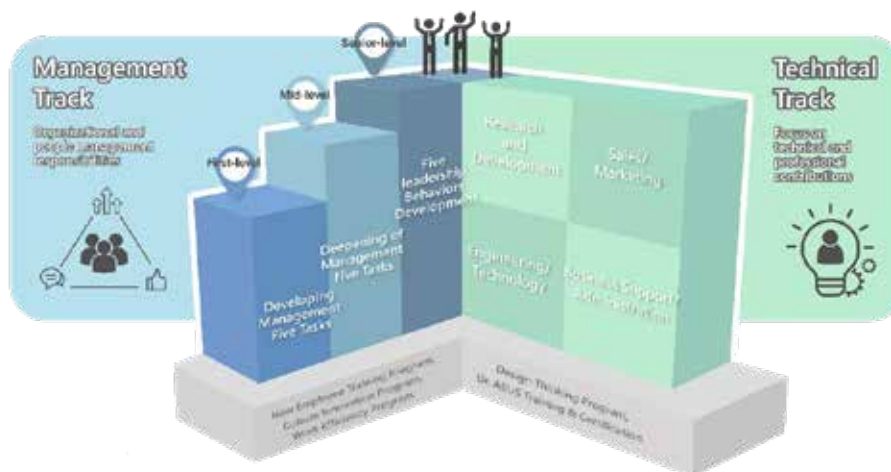
The average training hours of employees by category are as follows (Unit: hour/person):





1. Structured talent cultivation and development framework

By linking corporate culture, core value and global strategic planning, the ASUS talent cultivation system is divided into three functional aspects. There are talent development system focusing on core value, managerial competency, and professional competency; and rich and diverse training courses and self-directed learning resources to nurture diverse talents.



Dual-Track Diverse Talent Development Framework

Dual-Track Diverse Talent Development Framework Functional Category	2022 Performance
<p style="text-align: center;"><b>Core Value</b></p>	<p>In order to convey and fulfill the business philosophy and core values of the Company, we have planned and designed a variety of courses and activities. In 2022, 165 courses totaling 26,138 training hours were offered, covering training for new hires, ASUS corporate culture curriculum, job specialist curriculum, etc. Since 2007, we have developed 501 Dr. ASUS internal lecturers to pass on the internal knowledge and experience.</p>



<b>Dual-Track Diverse Talent Development Framework</b> <b>Functional Category</b>	<b>2022 Performance</b>
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Cultivation of design thinking talents

In order to motivate everyone at ASUS to use design thinking in their daily work, we have monthly/quarterly application sharing sessions, annual competition selection and rewards to encourage internal communication and a cohesive innovation atmosphere. We also advocate for the spirit of dare-to-try and the importance of learning from experience in design thinking. In 2022, we added the " Best Case Study Award" selection, and the finalists were from BU/CU/FU, highlighting that design thinking can be realized in products and innovative services, fully demonstrating the philosophy of going from design thinking to design doing.

**Managerial Competency**

Management Competency

Five Leadership Behaviors Lecture  
PGP Program  
IDP/Mentor program

Introducing External Consultants  
Convergence Management Trends  
Benchmark Enterprise Case Study


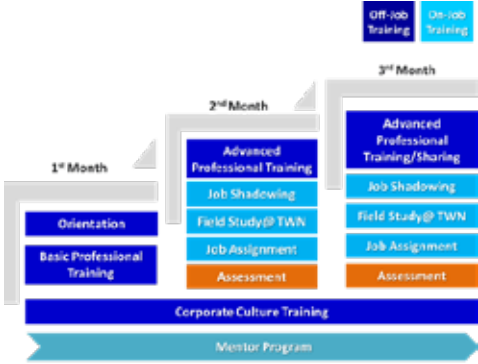
Dr. ASUS Knowledge and Culture Transfer  
E-learning & Classes in Person  
High Practicality after learning

Based on management functions at all levels and the hierarchical competence standards established by the International Position Evaluation System, we have created a comprehensive management training map, including the mini-EMBA program in collaboration with the academia community, the management experience succession of internal senior executives, and the connection with external management trends. In 2022, there were 10,190 training hours provided, which strengthened the executives' management thinking and leadership in guiding teams to achieve the operational strategic goals entrusted by the Company.

Stage	Focus
Define	Define key positions and their position standard based on the Company's business strategy.
Discover	Identify current talent pool and capabilities to be developed.
Develop	Focus on work experience, supplemented by internal and external mentoring and coaching, as well as mini-EMBA courses.

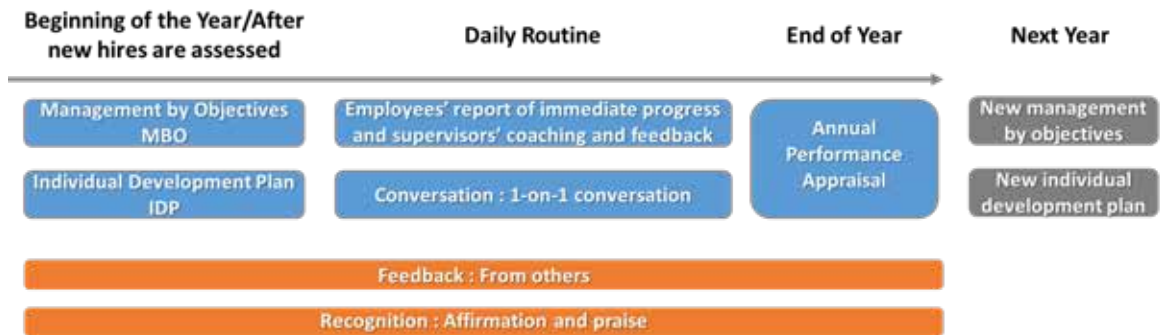
People Growth Program, (PGP)

In order to develop high-level management talents and π-shaped talents, we have the People Growth Program to develop the business operation capabilities of potential talents, and at the same time promote cross-team applications to inspire new thinking. A total of 93 senior executives with potential were selected for the training in 2021. Projects and personal development plans have been in progress since 2022.

Dual-Track Diverse Talent Development Framework Functional Category		2022 Performance
Deploy	Convene talent development meetings to review the progress of talent development, and carry out strategic planning of talents according to organizational needs.	
<p><b>Professional Competency</b></p> 		<p>ASUS has divided its professional skills into four major areas: research and development, engineering technology, business marketing and management support. Define the skills requirements of each position and develop professional training blueprints, technology and trend seminars and strategic training projects for key positions.</p> <p>In 2022, there were 1,418 specialization training courses organized by various segments, totaling 5,071 hours (63% in research and development; 22% in management support; 9% in engineering technology; and 5% in business marketing).</p>
		<p><u>Global Talent Program (GTP)</u></p> <p>In terms of cultivating international talents, ASUS strategically nurtures global mobility talents and builds comprehensive and systematic training models to enable international talents to successfully pass on and duplicate successful experiences through training structures, online/offline courses, reading clubs, internships, mentoring and evaluation, which quickly prepare talents to be dispatched to the global market.</p>
		<p>The GTP has entered its ninth year in 2022. A total of 268 sales, customer service and product managers have completed 77 courses and passed 6 acceptance sessions to complete the program. Since 2014, the GTP has trained a total of 268 global talents. Among them, 81 have been deployed to Asia-Pacific, European and Latin American countries to engage in market development and operation. They have become professional managers in various regional markets.</p>

## 2. Systematic performance management and development

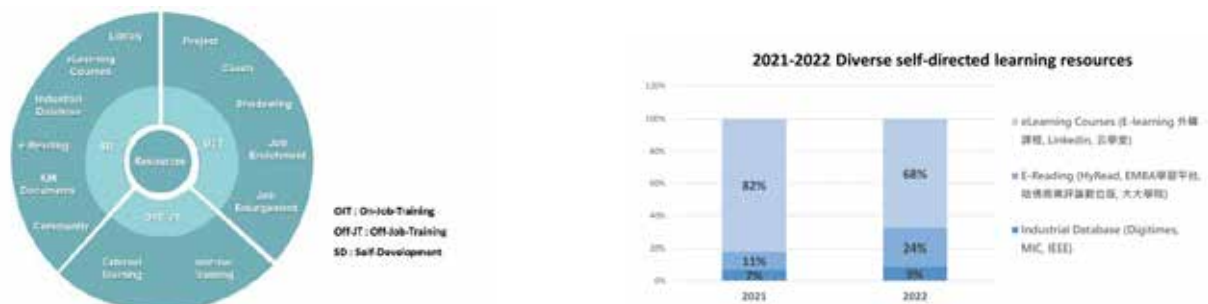
The annual performance management and development cycle is shown in the figure below, including formulation of annual goals and individual development plans, immediate progress report and coaching feedback, and annual year-end performance appraisal.



In daily management, supervisors provide immediate guidance and assistance through the "continuous two-way communication and feedback protocols" to help employees achieve the expected performance, and express gratitude to or affirmation of employees' contribution and assistance. The positive interactions in cycles can facilitate employees to continuously produce quality and efficient work results. In 2021, we introduced the digital CFR (Conversation, Feedback, Recognition) App and designed a series of promotional activities, so that supervisors can use the App to fully record the two-way communication process and set an example in implementing the culture of communication and feedback. The number of recorded orders in 2022 increased 1.37 times compared with 2021, indicating that the tool has become the backbone supporting supervisors' daily performance management.

## 3. Diverse self-directed learning resources

Adhere to the business philosophy of "Inspire, motivate, and nurture our employees to explore their highest potential." Provide systematic training courses and introduce diverse digital self-directed learning resources, such as e-books and e-magazines, industry research database and quality online courses in external education website. In 2022, a total of 10,144 people have accessed the digital self-directed learning resources and the proportion is shown as follows. The purpose is to encourage adaptive learning and self-development for all employees, to meet the needs of upskilling, reskilling and digital transformation in the VUCA era.



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

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

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

Along with international focus increasing on corporate ethics and social responsibility, ASUS has always held the highest standard of moral conduct as self-discipline for continuously maintaining trust and respect from consumers, allied partners and the public. ASUS has always followed the most important core value “Honesty and integrity” in corporate culture during all business activities. No corruption and any forms of fraudulent practice are allowed, where we apply the clear and effective reward and punishment system to ensure employees not to accept any forms of request, contract, acceptance of any bribe or other improper benefit. Upon discovery of possible violation by ASUS employees against ASUS code of ethical conduct, other employees and external individuals may report to the Company directly through our public reporting email (audit@asus.com). Protection will be provided to the reporter for preventing unfair and unfavorable treatment. ASUS applies appropriate measures in response to those who violate the Employees' Code of Ethical Conduct. Illegal behaviors are severely punished, and may be subject to investigation by judicial authorities.

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

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

Chapter 1 General Provisions

Chapter 2 Regulatory compliance

Chapter 3 Preventing conflict of interest

Chapter 4 Gifts, business entertainment, and social standard

Chapter 5 Avoid the personal gain chance

Chapter 6 Information fully preserved and disclosure

Chapter 7 Fair trade, advertisement, and competition

Chapter 8 Safeguard the interest

- Chapter 9 Community watch
- Chapter 10 Training and dissemination
- Chapter 11 Punishment
- Chapter 12 Others

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

(IV) Workers and environmental safety protective measures:

We have established a dedicated Occupational Safety and Health Office in accordance with the laws and regulations, which is responsible for formulating social and environmental responsibilities and safety and health policies and occupational safety and health-related management plans. We have also obtained three management system certifications, "TOSHMS Taiwan Occupational Safety and Health Management System", "ISO 45001 (2018) Occupational Safety and Health Management System" and "ISO 14001 (2015) Environmental Management System".

The years of statistical analysis show that possible impacts on workers and the environment are the use of organic solvents, industrial hazardous waste, and domestic sewage. In order to improve the safety and health of workers and the environment, we have formulated the following protective measures and worked together with our employees to create a safe, healthy and comfortable work environment.

1. Formulate Various safety and health management plans

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

2. Environmental considerations and hazard risk assessment

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

scoring. (6 events in the safety and health category in 2021, all with relevant protective measures)

### 3. Education and training for occupational safety and health

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

### 4. Business continuity management and emergency response

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

### 5. Work environment monitoring and self-inspection

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

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

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

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

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

## Awards

- 2022 Taipei City Labor Safety Awards - Big Heart Boss Award
- 2022 Nationwide Outstanding Healthy Workplace - Vitality Boost Award
- 2022 Sports Enterprise Certification for the 7th consecutive year
- 2022 Won first place in the 5,000-employee category of the Corporate Health Responsibility Award presented by Common Health
- 2022 The only company to win the Taipei City Government Annual Garden City Construction Competition - Garden City (Green Roof) and Happy Gardener Awards
- 2022 Won the Enterprise Environmental Protection Award - Bronze
- 2021 Health Promotion Administration Healthy Workplace Certification -- Extension of Health Promotion Label
- 2021 Certificate of Appreciation from Taipei City Fire Department for promoting fire prevention measures
- 2020 Certificate of Appreciation from Taipei City Fire Department for promoting fire prevention measures
- 2020 Certificate of Appreciation for promoting flood disaster community self-resilience activities in Taipei City
- 2019 Sports Enterprise Certification by the Sports Administration of the Ministry of Education (2019-2022)
- Common Health Magazine in 2019 as CHR healthy corporate citizen with Innovation award under health awareness category.
- Passed the healthy workplace certification in 2018 with acquisition of health promotion label.
- Received 2018 National occupational safety & health award- Corporate benchmark award from the Ministry of Labor and listed among Labor safety award- Excellent enterprise by Taipei City over 4 consecutive years.
- 2018 National healthy workplace with excellence- Health management award, Top 5 healthy workplace with excellence in Taipei City and received certificate of appreciation for assisting Fire Department by promoting fire prevention over 3 consecutive years. It has been recognized in terms of staff safety, physical/ mental/ spiritual care and environmental protection.

## (V) Retirement plan

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

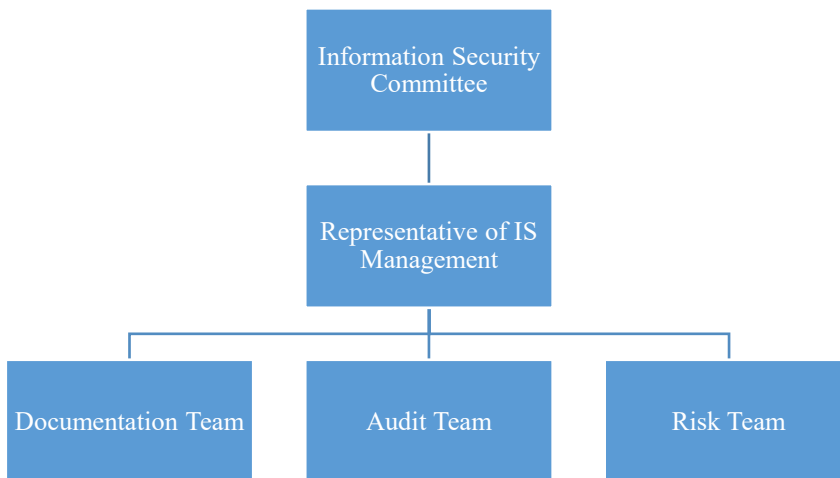
(VI) Other agreements

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

**VI. Management of Cybersecurity**

(I) Information security management organization and management vision

The outbreak of the Russia-Ukraine War has caused a surge in global network hacking incidents. Hacking methods are ever-changing, and the global supply chain has also been affected. ASUS is facing many external challenges, which have an unprecedented impact on information and product security management. ASUS established an Information Security Committee in May 2020, which the vice chairman and Co-CEOs supervise. It continuously promotes compliance of the ISO/IEC 27001 Information Security Management Systems (ISMS) with international standards. It responds to the EU General Data Protection Regulation (GDPR) to ensure that personal data collection, processing, and use meet regulatory requirements. It also consolidates internal resources to facilitate interdepartmental and cross-functional communication and collaboration. It continues to adopt the principles of "Building digital resilience, improving brand trust. Pursuing excellence in security" as the organization's information security vision, making us strong support for our subsidiaries, clients and supply chain partners.





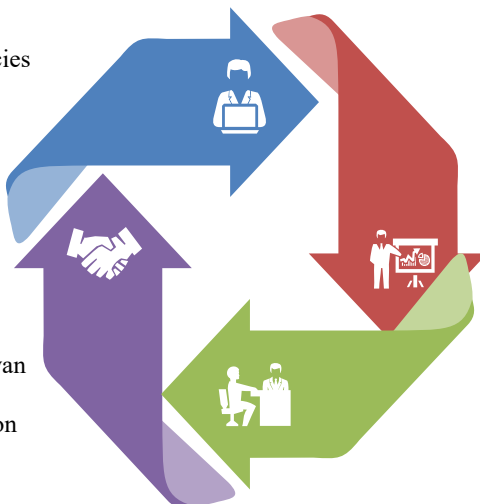
## Four Main Action Themes and Policies

### **Information security governance**

- Align ASUS business development strategy
- Support ASUS business and create value
- Information security organization -- Information Security Committee
- Formulation of information security policies and management methods
- Maintain effectiveness of information security management

### **Digital resilience**

- Participate in and lead the "High-Tech Information Security Alliance" and "Taiwan Chief Information Security Officer Alliance" to improve industrial information security's joint defense
- Continuously take inventory and identify digital asset risks
- Business continuity plans and drills
- Develop and reinforce product security



### **Information security promotion**

- Information security policy, promotion of goals
- Introduce and pass verification of international information security standards
- Internalize information security awareness and shape corporate information security culture
- Re-inforce information security management of supply chain
- Cultivate information security professionals

### **Information security risk management**

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

### Information security governance

Since May 2020, information security monthly meetings have been held to share and discuss topics such as enterprise information security, product security, global information security threats, supply chain security, etc. Held at least 30 monthly information security meetings, with more than 60 meeting hours committed, covering more than 192 agenda items for discussion and exchange, continued tracking information security and product security issues, and invited key suppliers to share the best practical experience in information security.

Carried out information security joint defense, inventory of overall information security situation, exchange of new knowledge in information security and created a corporate group information security communication network with 11 important subsidiaries in the group.

Strengthen account/password management protocols and improve the Group's information security protection capabilities.

### Information security promotion

Conduct annual employee information security general education for current employees and new hires in 18 languages, with a completion rate of 100%.

Conduct 8 social engineering drills (phishing) throughout the year, and refer to the standard of the National Information and Communication Security Task Force of the Executive Yuan as the drill target. The rate of internal employees downloading pictures is less than 10%, the rate of opening links is less than 6%, and the rate of opening attachments is less than 6%. The average violation rate of all employees has reached the standard.

Advocate ASUS Group's ten rules of information security from time to time, send formal email reminders to employees who violate the regulations and ask for improvement, and report the findings to the head of the department as the basis for employees' personal performance appraisal.

### Risk Management

We pay attention to various digital security risks, and have held 4 sessions annually of BCM quarterly meetings, taken inventory of 111 risks and produced 26 risk plans and 13 crisis management structures, which help internal units to adopt and implement the BCM risk assessment, risk management and crisis management plans and grasp the implementation status of various drills.

Improve the response and handling speed of information security incidents of maintenance and monitoring teams.

Build 7 page risk dashboards through automation and collaboration platforms to systematically track various information.

### Digital resilience

In 2021, led the efforts in establishing the High-Tech Information Security Alliance, and organized several large-scale bimonthly meetings to discuss 13 issues and communicate trends on information security threats improve defense capabilities jointly.

In 2022, led the efforts in establishing the Taiwan Chief Information Security Officer Alliance, which now has 119 publicly traded or OTC companies as members to improve the information security resilience of domestic industries jointly.

Since 2019, we have carried out more than 12 BCM plans and drills with different business processes and scenarios, all of which meet the requirements of Recovery Time Objective (RTO), Recovery Point Objective (RPO), and Maximum Tolerable Period of Disruption (MTPD) internally formulated, and ensure the routine comprehensive preparation before the event, emergency response during the event and recovery after the event.

Continuously strengthen product security development, introduce relevant Open Source detection measures to R&D units, formulate policies and announce the implementation.

Organized 4 Open Source Secure Software Development Life Cycle (SSDLC) & License training and education sessions for the R&D teams, with 591 trainees attending the sessions.

Shortened the processing time of product security incidents by an average of 20%, and gradually established and integrated the automatic detection measures of software used by each R&D team.

## Results of information security management for 2022 :

Information security management certification	<ul style="list-style-type: none"> <li>Successfully passed the ISO 27001 external audit review to maintain the validity of the ISMS operation</li> </ul>
Improve employees' information security awareness	<ul style="list-style-type: none"> <li>Information security education and training sessions are conducted for all employees every year in 18 languages, with a training completion rate of 100%.</li> <li>Send the Group's ten rules of information security to employees from time to time to ensure that information security is put into practice in daily work.</li> </ul>
Information security protection defense drill	<ul style="list-style-type: none"> <li>Prevention of Business Email Compromise (BEC), and conducted a total of 8 social engineering drill for the year.</li> <li>Conduct information security defense and response drills to assess the current level of the Group's information security protection and deploy key defense in advance.</li> </ul>
Reinforce the information security risk detection and defense capabilities	<ul style="list-style-type: none"> <li>Held 4 sessions of BCM quarterly meetings, taken inventory of 95 risks and produced 24 risk plans and 12 crisis management structures</li> <li>Improve the response and handling speed of information security incidents of maintenance and monitoring teams.</li> <li>Built 7 page risk monitoring dashboards to improve risk detection and defense speed</li> </ul>
Reinforce product security	<ul style="list-style-type: none"> <li>Formulate Open Source detection policy and announce the implementation</li> <li>Organized 4 Open Source SSDLC &amp; License training and education sessions, with a total of 591 trainees attending the sessions.</li> <li>Gradually established and integrated the automatic detection measures of software used by each R&amp;D team</li> </ul>
Digital resilience	<ul style="list-style-type: none"> <li>Led the efforts in establishing the High-Tech Information Security Alliance, and jointly improved defense capabilities through periodic communication.</li> <li>Led the efforts in establishing the Taiwan Chief Information Security Officer Alliance to improve the information security resilience of domestic industries.</li> </ul>

### [Case Study] ASUS Chief Information Security Officer jointly initiated and promoted the "Taiwan Chief Information Security Officer Alliance"

The Taiwan Chief Information Security Officer Alliance was established on April 28, 2022. The Chief Information Security Officer (CISO) of ASUS served as the convener and chairman of the first session of the Alliance. The chief information security officers from 14 publicly traded and OTC firms jointly established the Alliance, with experts in information security laws, the Big Four accounting and consulting firms, information security technology and academia joining as members. In response to the information security requirements of the FSC on major policies for industries, the Alliance provides supervision services. In addition, it communicates regulations and recommendations, talent development and matching and promotion works, hoping to help industries comply with regulations and policies and achieve sustainable operations.

In response to the FSC's key policies on information security, the capabilities and selection of chief information security officers, the urgent need for and quick training of dedicated information security personnel, building of enterprise information security defense network and regulatory compliance have all become priorities in corporate governance.

Taiwan Chief Information Security Officer Alliance  
<https://ciso.tca.org.tw/index.php>

- (III) The losses and possible impact suffered from significant information security incidents and the countermeasures in 2022 to the date of publication of the annual report: none.

## **VII. Major agreements**

Except for the abovementioned credit line loan agreement, the Company has not entered into any important contract of special nature. The Company has also disclosed the "Material contingent liabilities and unrecognized contractual commitments" in the annual report and the Group's consolidated financial reports. (refer to page 270).

## VI. Financial Information

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

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

Unit: NT\$ thousands

Year Item		Financial information in the past five years (Note 1)					As of April 11, 2023
		2018	2019	2020	2021	2022	
Current Assets		254,924,246	240,183,814	260,584,730	348,705,042	322,198,121	(Note 2)
Property, plant and equipment		16,733,866	22,354,443	21,022,891	19,420,631	19,495,414	
Intangible Assets		2,071,736	2,181,855	2,182,446	2,189,762	2,062,499	
Other Assets		68,436,028	87,283,999	112,724,649	133,837,379	127,408,680	
Total Assets		342,165,876	352,004,111	396,514,716	504,152,814	471,164,714	
Current Liabilities	Before allocation	162,689,625	154,518,625	166,172,007	238,182,510	222,677,278	
	After allocation	173,831,029	164,917,269	185,483,774	269,378,442	233,818,682	
Total non-current liabilities		11,784,327	14,198,694	15,701,158	19,533,838	21,598,605	
Total Liabilities	Before allocation	174,473,952	168,717,319	181,873,165	257,716,348	244,275,883	
	After allocation	185,615,356	179,115,963	201,184,932	288,912,280	255,417,287	
Share capital		7,427,603	7,427,603	7,427,603	7,427,603	7,427,603	
Capital surplus		6,299,430	6,297,000	9,784,103	9,839,911	11,744,485	
Retained earnings	Before allocation	130,233,968	131,203,394	147,344,480	175,054,280	158,544,052	
	After allocation	119,092,564	120,804,750	128,032,713	143,858,348	147,402,648	
Other Equity		17,404,000	31,932,043	37,208,330	40,009,424	34,664,340	
Treasury shares		-	-	-	-	-	
Non-controlling interest		6,326,923	6,426,752	12,877,035	14,105,248	14,508,351	
Total Equity	Before allocation	167,691,924	183,286,792	214,641,551	246,436,466	226,888,831	
	After allocation	156,550,520	172,888,148	195,329,784	215,240,534	215,747,427	

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

Note 2: The 2023Q1 financial statements have not yet been audited by CPA up to the date of the report printed on April 11, 2023.

Condensed statements of comprehensive income (consolidated)

Unit: NT\$ thousands

Item \ Year	Financial information in the past five years (Note 1)					As of April 11, 2023
	2018	2019	2020	2021	2022	
Operating revenue	354,187,665	351,330,493	412,780,439	535,238,735	537,191,932	(Note 2)
Gross Profit	52,014,276	53,488,118	73,210,173	110,305,475	74,144,581	
Operating Income	16,975,634	11,616,692	24,957,063	49,325,602	12,982,232	
Non-operating Income and Expenses	4,010,083	7,687,459	8,162,975	9,763,128	8,633,315	
Profit before income tax	20,985,717	19,304,151	33,120,038	59,088,730	21,615,547	
Income (Losses) from Continuing Operations for the year	17,342,299	15,210,129	25,802,857	46,605,402	16,831,468	
Income (Losses) from Discontinued Operations	(12,069,803)	(2,195,100)	2,584,021	-	-	
Profit (Loss) for the year	5,272,496	13,015,029	28,386,878	46,605,402	16,831,468	
Other comprehensive income for the year (Net of income tax)	(7,613,160)	14,518,543	6,055,576	5,555,620	(6,256,765)	
Total comprehensive income for the year	(2,340,664)	27,533,572	34,442,454	52,161,022	10,574,703	
Profit attributable to shareholders of the parent	4,235,036	12,138,555	26,557,672	44,549,798	14,690,785	
Profit attributable to Non-controlling interest	1,037,460	876,474	1,829,206	2,055,604	2,140,683	
Total comprehensive income attributable to shareholders of the parent	(3,346,590)	26,666,598	31,833,959	49,822,661	9,340,620	
Total comprehensive income attributable to Non-controlling interest	1,005,926	866,974	2,608,495	2,338,361	1,234,083	
Earnings per share (non-retroactive)	5.70	16.34	35.76	59.98	19.78	

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

Note 2: The 2023Q1 financial statements have not yet been audited by CPA up to the date of the report printed on April 11, 2023.

## (II) Condensed balance sheets (separate)

Unit: NT\$ thousands

Item \ Year	Financial information in the past five years (Note 1)					As of April 11, 2023	
	2018	2019	2020	2021	2022		
Current Assets	108,263,861	101,725,411	108,269,180	173,336,452	132,153,276	(Note 2)	
Property, plant and equipment	9,041,080	11,851,468	12,284,243	11,803,802	11,737,430		
Intangible Assets	113,635	90,479	242,070	174,903	118,273		
Other Assets	133,165,955	151,366,338	170,199,844	190,347,539	195,388,813		
Total Assets	250,584,531	265,033,696	290,995,337	375,662,696	339,397,792		
Current Liabilities	Before allocation	77,519,048	73,526,095	74,647,706	125,437,826		107,747,697
	After allocation	88,660,452	83,924,739	93,959,473	156,633,758		118,889,101
Total non-current liabilities	11,700,482	14,647,561	14,583,115	17,893,652	19,269,615		
Total Liabilities	Before allocation	89,219,530	88,173,656	89,230,821	143,331,478		127,017,312
	After allocation	100,360,934	98,572,300	108,542,588	174,527,410		138,158,716
Share capital	7,427,603	7,427,603	7,427,603	7,427,603	7,427,603		
Capital surplus	6,299,430	6,297,000	9,784,103	9,839,911	11,744,485		
Retained earnings	Before allocation	130,233,968	131,203,394	147,344,480	175,054,280		158,544,052
	After allocation	119,092,564	120,804,750	128,032,713	143,858,348		147,402,648
Other Equity	17,404,000	31,932,043	37,208,330	40,009,424	34,664,340		
Treasury shares	-	-	-	-	-		
Total Equity	Before allocation	161,365,001	176,860,040	201,764,516	232,331,218		212,380,480
	After allocation	150,223,597	166,461,396	182,452,749	201,135,286		201,239,076

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

Note 2: The 2023Q1 financial statements have not yet been audited by CPA up to the date of the report printed on April 11, 2023.

Condensed statements of comprehensive income (separate)

Unit: NT\$ thousands

Item \ Year	Financial information in the past five years (Note 1)					As of April 11, 2023
	2018	2019	2020	2021	2022	
Operating revenue	273,282,876	274,303,772	328,664,005	457,320,576	413,208,379	(Note 2)
Gross profit	18,154,704	18,739,717	29,470,078	46,827,865	26,671,606	
Operating Income	8,904,342	4,730,162	11,915,457	24,594,937	6,091,463	
Non-operating Income and Expenses	9,345,784	12,603,188	16,037,054	28,244,094	12,101,572	
Profit before tax	18,250,126	17,333,350	27,952,511	52,839,031	18,193,035	
Income (Losses) from Continuing Operations for the year	16,304,839	14,333,655	23,973,651	44,549,798	14,690,785	
Income (Losses) from Discontinued Operations	(12,069,803)	(2,195,100)	2,584,021	-	-	
Profit (Loss) for the year	4,235,036	12,138,555	26,557,672	44,549,798	14,690,785	
Other comprehensive income for the year (Net of income tax)	(7,581,626)	14,528,043	5,276,287	5,272,863	(5,350,165)	
Total comprehensive income for the year	(3,346,590)	26,666,598	31,833,959	49,822,661	9,340,620	
Earnings per share (non-retroactive)	5.70	16.34	35.76	59.98	19.78	

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

Note 2: The 2023Q1 financial statements have not yet been audited by CPA up to the date of the report printed on April 11, 2023.

(III) Auditing by CPAs

CPAs and their auditing opinions in the past five years

Auditing Year	CPAs	Opinions
2018	CHOU, CHIEN-HUNG, CHANG, SHU-CHIUNG	Unqualified Opinion
2019	CHOU, CHIEN-HUNG, CHANG, SHU-CHIUNG	Unqualified Opinion
2020	CHOU, CHIEN-HUNG, LIN, CHUN-YAO	Unqualified Opinion
2021	CHOU, CHIEN-HUNG, LIN, CHUN-YAO	Unqualified Opinion
2022	CHOU, CHIEN-HUNG, LIN, CHUN-YAO	Unqualified Opinion



## II. Financial analysis in the past five years

### (I) Financial analysis for consolidated report

Year (Note 1) Item (Note 3)		Financial analysis in the past five years (Note 8)					As of April 11, 2023
		2018	2019	2020	2021	2022	
Financial structure (%)	Ratio of liabilities to assets	50.99	47.93	45.87	51.12	51.85	(Note 2)
	Ratio of long-term capital to Property, plant and equipment	1,072.53	883.43	1,095.68	1,369.52	1,274.59	
Solvency	Current ratio (%)	156.69	155.44	156.82	146.40	144.69	
	Quick ratio (%)	95.01	101.85	93.33	72.44	75.34	
	Times interest earned	35.65	102.98	215.56	346.47	29.35	
Operating ability	Account receivable turnover (times)	4.10	4.46	5.52	6.22	5.68	
	Days sales in accounts receivable	89.02	81.83	66.12	58.68	64.26	
	Inventory turnover (times)	2.90	3.00	3.47	2.92	2.57	
	Account payable turnover (times)	4.97	4.80	5.93	5.62	6.30	
	Average days in sales	125.86	121.66	105.18	125.00	142.02	
	Property, plant and equipment turnover (times)	22.15	17.98	19.03	26.47	27.61	
	Total assets turnover (times)	1.03	1.01	1.10	1.19	1.10	
Profitability	Ratio of return on total assets (%)	1.60	3.79	7.62	10.38	3.57	
	Ratio of return on equity (%)	3.04	7.42	14.27	20.22	7.11	
	Ratio of profit before tax to Paid-in capital (%) (Note 7)	120.04	230.34	480.69	795.53	291.02	
	Profit ratio (%)	1.49	3.70	6.88	8.71	3.13	
	Earnings per share (\$) (non-retroactive)	5.70	16.34	35.76	59.98	19.78	
Cash flow (%)	Cash flow ratio	3.18	22.86	(1.26)	13.73	(7.06)	
	Cash flow adequacy ratio	58.32	79.66	71.00	35.04	25.31	
	Cash reinvestment ratio	(3.15)	11.60	(5.14)	4.77	(17.92)	
Leverage	Degree of operating leverage	3.05	4.83	3.16	2.33	5.79	
	Degree of financial leverage	1.02	1.01	1.01	1.00	1.06	

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

Times interest earned: The net profit before tax decreased and interest expense increased in the current year, resulting in a decrease in the times interest earned.

Return on total assets: The after-tax net profit decreased in the current year, resulting in a decrease in the return on total assets.

Return on equity: The after-tax net profit decreased in the current year, resulting in a decrease in the return on equity.

Pre-tax income to paid-in capital (%): The pre-tax net profit decreased in the current year, resulting in a decrease in the pre-tax income to paid-in capital.

Profit margin: The after-tax net profit decreased in the current year, resulting in a decrease in the profit margin.

Earnings per share: The net profit attributable to owners of the parent company decreased during the year, resulting in a decrease in earnings per share.

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

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

Cash reinvestment ratio: The cash inflow from operating activities decreased and cash dividend increased in the current year, resulting in a decrease in the cash reinvestment ratio.

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

(II) Financial analysis for separate report

Year (Note 1) Item (Note 3)		Financial analysis in the past five years (Note 8)					As of April 11, 2023
		2018	2019	2020	2021	2022	
Financial structure (%)	Ratio of liabilities to assets	35.60	33.27	30.66	38.15	37.42	(Note 2)
	Ratio of long-term capital to Property, plant and equipment	1,914.21	1,615.90	1,761.18	2,119.87	1,973.60	
Solvency	Current ratio (%)	139.66	138.35	145.04	138.19	122.65	
	Quick ratio (%)	87.40	93.75	77.49	68.92	54.95	
	Times interest earned	2,427.51	6,816.96	64,697.04	60,945.67	44.31	
Operating ability	Account receivable turnover (times)	4.04	4.46	6.80	8.17	6.27	
	Days sales in accounts receivable	90.34	81.83	53.67	44.67	58.21	
	Inventory turnover (times)	6.31	6.10	6.69	5.56	4.33	
	Account payable turnover (times)	5.18	4.87	6.01	5.91	5.90	
	Average days in sales	57.84	59.83	54.55	65.64	84.29	
	Property, plant and equipment turnover (times)	33.18	26.26	27.23	37.97	35.11	
	Total assets turnover (times)	1.07	1.06	1.18	1.37	1.16	
Profitability	Ratio of return on total assets (%)	1.66	4.71	9.55	13.37	4.20	
	Ratio of return on equity (%)	2.52	7.18	14.03	20.53	6.61	
	Ratio of profit before tax to Paid-in capital (%) (Note 7)	83.21	203.81	411.12	711.39	244.94	
	Profit ratio (%)	1.55	4.43	8.08	9.74	3.56	
	Earnings per share (\$) (non-retroactive)	5.70	16.34	35.76	59.98	19.78	
Cash flow	Cash flow ratio	14.78	16.98	9.45	12.58	(15.34)	
	Cash flow adequacy ratio	35.03	41.88	51.48	39.92	19.19	
	Cash reinvestment ratio	0.18	0.69	(1.53)	(1.40)	(20.33)	
Leverage	Degree of operating leverage	1.43	3.36	1.77	1.73	2.24	
	Degree of financial leverage	1.00	1.00	1.00	1.00	1.07	

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

Quick ratio: The quick assets decreased in the current year, resulting in a decrease in the quick ratio.

Times interest earned: The net profit before tax decreased and interest expense increased in the current year, resulting in a decrease in the times interest earned.

Accounts receivable turnover: The net sales decreased and the average accounts receivable increased in the current year, resulting in a decrease in the accounts receivable turnover ratio.

Inventory turnover: The cost of goods sold decreased and the average inventory amount increased in the current year, resulting in a decrease in the inventory turnover.

Return on total assets: The after-tax net profit decreased in the current year, resulting in a decrease in the return on total assets.

Return on equity: The after-tax net profit decreased in the current year, resulting in a decrease in the return on equity.

Pre-tax income to paid-in capital (%): The pre-tax net profit decreased in the current year, resulting in a decrease in the pre-tax income to paid-in capital.

Profit margin: The after-tax net profit decreased in the current year, resulting in a decrease in the profit margin.

Earnings per share: The net profit attributable to owners of the parent company decreased during the year, resulting in a decrease in earnings per share.

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

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

Cash reinvestment ratio: The cash inflow from operating activities decreased and cash dividend increased in the current year, resulting in a decrease in the cash reinvestment ratio.

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

Note 1: The financial information is audited by CPA.

Note 2: The 2023Q1 financial statements have not yet been audited by CPA up to the date of the report printed on April 11, 2023.

Note 3: Equations:

1. Financial structure

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

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

2. Solvency

(1) Current ratio = Current assets / Current liabilities

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

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

3. Operating ability

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

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

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

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

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

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

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

4. Profitability

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

- (2) Ratio of return on equity = Net income (loss) / Net average total equity
- (3) Ratio of profit before tax to paid-in capital = Net income before tax / Paid-in capital
- (4) Profit ratio = Net income (loss) / Net sales
- (5) Earnings per share = (Profit attributable to shareholders of the parent – preferred stock dividend) / Weighted average stock shares issued (Note 4)

5. Cash flow

- (1) Cash flow ratio = Net cash flow from operating activity / Current liabilities
- (2) Cash flow adequacy ratio = Net cash flow from operating activity in the past five years / (Capital expenditure + Inventory increase + Cash dividend) in the past five years
- (3) Cash reinvestment ratio = (Net cash flow from operating activity – Cash dividend) / (Gross property, plant and equipment + Gross Investment property + Long-term investment + Other non-current assets + Working capital) (Note 5)

6. Leverage:

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

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

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

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

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

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

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

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

### **III. Audit Committee's review report of 2022**

Audit Committee's Review Report of ASUSTeK Computer Inc.

The Board of Directors has prepared the ASUSTeK Computer Inc. (“the Company”) 2022 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 10, 2023

**IV. Consolidated Financial Statements and Report of Independent Accountants of the parent company and subsidiaries in the most recent years:** Please refer to Page 201-300 for details.

**V. Separate Financial Statements and Report of Independent Accountants in the most recent years:** Please refer to Page 301-366 for details.

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

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

### I. Analysis of financial position

#### Consolidated Comparison of Financial Position

Unit: NT\$ thousands

Item \ Year	2022	2021	Difference	
			Amount	%
Current assets	322,198,121	348,705,042	(26,506,921)	(7.60)
Property, plant and equipment	19,495,414	19,420,631	74,783	0.39
Long-term investment, intangible assets and other assets	129,471,179	136,027,141	(6,555,962)	(4.82)
<b>Total assets</b>	<b>471,164,714</b>	<b>504,152,814</b>	<b>(32,988,100)</b>	<b>(6.54)</b>
Current liabilities	222,677,278	238,182,510	(15,505,232)	(6.51)
Non-current liabilities	21,598,605	19,533,838	2,064,767	10.57
<b>Total liabilities</b>	<b>244,275,883</b>	<b>257,716,348</b>	<b>(13,440,465)</b>	<b>(5.22)</b>
Share capital	7,427,603	7,427,603	-	-
Capital surplus	11,744,485	9,839,911	1,904,574	19.36
Retained earnings	158,544,052	175,054,280	(16,510,228)	(9.43)
Other equity	34,664,340	40,009,424	(5,345,084)	(13.36)
<b>Total equity attributable to shareholders of the parent</b>	<b>212,380,480</b>	<b>232,331,218</b>	<b>(19,950,738)</b>	<b>(8.59)</b>
<b>Total equity</b>	<b>226,888,831</b>	<b>246,436,466</b>	<b>(19,547,635)</b>	<b>(7.93)</b>
Analysis of financial ratio change: There is no significant change.				

Separate Comparison of Financial Position

Unit: NT\$ thousands

Item \ Year	2022	2021	Difference	
			Amount	%
Current assets	132,153,276	173,336,452	(41,183,176)	(23.76)
Property, plant and equipment	11,737,430	11,803,802	(66,372)	(0.56)
Long-term investment, intangible assets and other assets	195,507,086	190,522,442	4,984,644	2.62
<b>Total assets</b>	<b>339,397,792</b>	<b>375,662,696</b>	<b>(36,264,904)</b>	<b>(9.65)</b>
Current liabilities	107,747,697	125,437,826	(17,690,129)	(14.10)
Non-current liabilities	19,269,615	17,893,652	1,375,963	7.69
<b>Total liabilities</b>	<b>127,017,312</b>	<b>143,331,478</b>	<b>(16,314,166)</b>	<b>(11.38)</b>
Share capital	7,427,603	7,427,603	-	-
Capital surplus	11,744,485	9,839,911	1,904,574	19.36
Retained earnings	158,544,052	175,054,280	(16,510,228)	(9.43)
Other equity	34,664,340	40,009,424	(5,345,084)	(13.36)
<b>Total equity</b>	<b>212,380,480</b>	<b>232,331,218</b>	<b>(19,950,738)</b>	<b>(8.59)</b>
Analysis of financial ratio change:				
Current assets: Due to decrease in trade receivables - related parties and inventories during the period.				



## II. Business performance

### (I) Consolidated Comparison of Business Performance

Unit: NT\$ thousands

Item	2022	2021	Amount change	Ratio change (%)
Operating revenues	\$537,191,932	\$535,238,735	\$1,953,197	0.36
Operating costs	(463,051,081)	(424,922,806)	(38,128,275)	8.97
Gross profit	74,140,851	110,315,929	(36,175,078)	(32.79)
Unrealized (profit) loss from sales	3,730	(10,454)	14,184	(135.68)
Net gross profit	74,144,581	110,305,475	(36,160,894)	(32.78)
Operating expenses	(61,162,349)	(60,979,873)	(182,476)	0.30
Operating profit	12,982,232	49,325,602	(36,343,370)	(73.68)
Non-operating income and expenses				
Interest income	920,455	527,999	392,456	74.33
Other income	3,370,582	3,033,587	336,995	11.11
Other gains (losses)	2,753,947	4,116,701	(1,362,754)	(33.10)
Finance costs	(762,532)	(171,037)	(591,495)	(345.83)
Share of profit of associates and joint ventures accounted for under equity method	2,350,863	2,255,878	94,985	4.21
Total non-operating income and expenses	8,633,315	9,763,128	(1,129,813)	(11.57)
Profit before income tax	21,615,547	59,088,730	(37,473,183)	(63.42)
Income tax expenses	(4,784,079)	(12,483,328)	7,699,249	(61.68)
Profit for the year	\$16,831,468	\$46,605,402	(\$29,773,934)	(63.89)
Other comprehensive income (loss)				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit plan	\$56,982	\$17,872	\$39,110	218.83
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(10,798,800)	6,371,861	(17,170,661)	(269.48)
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	(2,206,914)	515,549	(2,722,463)	(528.07)
Income tax relating to items that will not be reclassified to profit or loss	23,867	(11,986)	35,853	(299.12)
Items that will be reclassified to profit or loss				

Item	2022	2021	Amount change	Ratio change (%)
Financial statements translation differences of foreign operations	10,107,960	(2,913,889)	13,021,849	(446.89)
Gains (losses) on hedging instrument	(2,350,333)	1,246,189	(3,596,522)	(288.60)
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	939,379	(248,842)	1,188,221	(477.50)
Income tax relating to items that will be reclassified to profit or loss	(2,028,906)	578,866	(2,607,772)	(450.50)
Other comprehensive income (loss) for the year	(\$6,256,765)	\$5,555,620	(\$11,812,385)	(212.62)
Total comprehensive income for the year	\$10,574,703	\$52,161,022	(\$41,586,319)	(79.73)
Profit attributable to shareholders of the parent	\$14,690,785	\$44,549,798	(\$29,859,013)	(67.02)
Total comprehensive income attributable to shareholders of the parent	\$9,340,620	\$49,822,661	(\$40,482,041)	(81.25)
Analysis of financial ratio change:				
1. Operating profit:				
Due to the increase in operating costs this year.				
2. Other comprehensive income:				
Due to the decrease in the recognition of unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income this year.				

Separate Comparison of Business Performance

Unit: NT\$ thousands

Item	2022	2021	Amount change	Ratio change (%)
Operating revenue	\$413,208,379	\$457,320,576	(\$44,112,197)	(9.65)
Operating costs	(390,536,659)	(404,445,956)	13,909,297	(3.44)
Gross profit	22,671,720	52,874,620	(30,202,900)	(57.12)
Unrealized (profit) loss from sales	3,999,886	(6,046,755)	10,046,641	(166.15)
Net gross profit	26,671,606	46,827,865	(20,156,259)	(43.04)
Operating expenses	(20,580,143)	(22,232,928)	1,652,785	(7.43)
Operating profit	6,091,463	24,594,937	(18,503,474)	(75.23)
Non-operating income and expenses				
Interest income	10,783	23,389	(12,606)	(53.90)
Other income	3,218,674	2,944,375	274,299	9.32
Other gains (losses)	2,891,561	3,891,989	(1,000,428)	(25.70)
Finance costs	(420,045)	(867)	(419,178)	48,348.10
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6,400,599	21,385,208	(14,984,609)	(70.07)
Total non-operating income and expenses	12,101,572	28,244,094	(16,142,522)	(57.15)
Profit before income tax	18,193,035	52,839,031	(34,645,996)	(65.57)
Income tax expenses	(3,502,250)	(8,289,233)	4,786,983	(57.75)
Profit for the year	\$14,690,785	\$44,549,798	(\$29,859,013)	(67.02)
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(\$10,120,755)	\$6,057,678	(\$16,178,433)	(267.07)
Share of other comprehensive income (losses) of associates and joint ventures accounted for under equity method	(1,411,645)	416,687	(1,828,332)	(438.78)
Items that will be reclassified to profit or loss				
Financial statements translation differences of foreign operations	10,781,528	(2,556,625)	13,338,153	(521.71)
Share of other comprehensive income (losses) of associates and joint ventures accounted for under equity method	(2,601,525)	783,142	(3,384,667)	(432.19)
Income tax relating to items that will be reclassified to profit or loss	(1,997,768)	571,981	(2,569,749)	(449.27)

Item	2022	2021	Amount change	Ratio change (%)
Other comprehensive (loss) income for the year	(\$5,350,165)	\$5,272,863	(\$10,623,028)	(201.47)
Total comprehensive income for the year	\$9,340,620	\$49,822,661	(\$40,482,041)	(81.25)
Analysis of financial ratio change:				
1. Operating profit:				
Due to the decrease in operating revenues this year.				
2. Non-operating income and expenses:				
Due to the decrease in the recognition of share of interests of subsidiaries, affiliates and joint ventures recognized using the equity method this year.				
3. Other comprehensive income:				
Due to the decrease in the recognition of unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income this year.				

### III. Analysis of cash flow

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

Item \ Year	2022	2021	Financial ratio change
Cash flow ratio	(7.06%)	13.73%	(151.42%)
Cash flow adequacy ratio	25.31%	35.04%	(27.77%)
Cash reinvestment ratio	(17.92%)	4.77%	(475.68%)
Analysis of financial ratio change:			
1. Cash flow ratio decreased during the year:			
The cash inflow from operating activities decreased in the current year, resulting in a decrease in the cash flow ratio.			
2. Cash flow adequacy ratio decreased during the year:			
The net cash inflow from operating activity in the past five years decreased and cash dividend in the past five years increased, resulting in a decrease in the cash flow adequacy ratio.			
3. Cash reinvestment ratio decreased during the year:			
The cash inflow from operating activities decreased and cash dividend increased in the current year, resulting in a decrease in the cash reinvestment ratio.			

Separate liquidity analysis of the last two years

Item	Year		Financial ratio change
	2022	2021	
Cash flow ratio	(15.34%)	12.58%	(221.94%)
Cash flow adequacy ratio	19.19%	39.92%	(51.93%)
Cash reinvestment ratio	(20.33%)	(1.40%)	Not applicable
Analysis of financial ratio change:			
1. Cash flow ratio decreased during the year: The cash inflow from operating activities decreased in the current year, resulting in a decrease in the cash flow ratio.			
2. Cash flow adequacy ratio decreased during the year: The net cash inflow from operating activity in the past five years decreased and cash dividend in the past five years increased, resulting in a decrease in the cash flow adequacy ratio.			
3. Cash reinvestment ratio decreased during the year: The cash inflow from operating activities decreased and cash dividend increased in the current year, resulting in a decrease in the cash reinvestment ratio.			

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

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

**V. Reinvestment in recent years:**

Unit: NT\$ thousands

Item (Note)	Amount	Policy	Gain or Loss in 2022	Root cause of profit or loss	Corrective action	Investment Plans
Own brand business	-	Develop brand business to improve competitiveness and operating performance	3,650,461	Focus on brand marketing and business development	-	-

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

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

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

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

measures:

The ratio of 2022 interest income and interest expense for ASUS Group to the 2022 revenue were 0.17% and 0.14% respectively, which accounted considerably low ratio of revenue after evaluation. Hence variance of interest rate did not have any significant impact on the Group.

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

The 2022 net foreign exchange loss recognized by the Group accounted the ratio to 2022 revenue was 0.99%, and therefore variance in foreign exchange rate did not have any significant impact on the Group.

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

In 2022, major economies in the world experienced significant inflation. The Group has continued to pay close attention to the issue, and has not experienced significant impact on the Group's income.

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

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

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

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

1. Products development planned in 2023:

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

2. In response to the needs of the R&D plan, the R&D expenses expected to be invested in 2023 will account for about 3% to 5% of the total revenue for the year.
- (IV) The impact of domestic and international policies and law change on the Company's finance and the responsive measures: None.
- (V) The impact of technology change (Including Information Security Management) and industrial change on the Company's finance and the responsive measures:  
ASUS constantly strives to be an integrated 3C solution provider (Computer, Communications, Consumer electronics). Technology change provides the Company with unlimited business opportunities for new products. The Company had 2.57 times inventory turnover in 2022; apparently, there was no significant negative impact on finance.  
ASUS has established the "Digital Security Office Division" as the dedicated management unit in response to cybersecurity risks. The Division specializes in internal and external security management-related issues in the digital age, such as product development security, supply chain security, risk management, information security defense drills, personnel education, etc. In addition, it ensures that the operating impact and risks caused by exceptions in cybersecurity can be minimized.
- (VI) The impact of industrial image change on business risk management and the responsive measures:  
ASUS has maintained a fine industrial image and there is not any negative report on the Company's image.
- (VII) The expected effect, potential risk, and responsive measures of merger:  
The Company's did not have any merger conducted in 2021 and up to the date of the annual report printed.
- (VIII) The expected effect, potential risk, and responsive measures of plant expansion: Not Applicable.
- (IX) The risk faced by procurements and sales hub and the responsive measures:  
The Company's procurements and sales are not centralized and with a good customer relationship established; therefore, no risk of procurements and sales centralization.
- (X) The impact of massive stock transfer or change by directors and shareholders with over 10% shareholding, the risk, and the responsive measures:  
There was not any massive stock transfer or change by directors and shareholders with over 10% shareholding in 2021 and up to the date of the annual report printed.
- (XI) The impact of right to operate change on the Company, the risk, and the responsive measures: Not Applicable.
- (XII) Legal and non-legal events:

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

(1) Several patentees filed lawsuits or investigations for patent infringement including MP3 function for desktop computer and notebook, display and projector products, monitor product with local dimming against the Group. These lawsuits or investigations are currently under investigation in California and Texas. The Group cannot presently determine the ultimate outcome of these lawsuits, but has already recognized the possible loss in the financial statements.

(2) Several patentees filed lawsuits or investigations for patent infringement including cellphone and tablet products, AP and Router products supporting MU-MIMO, notebook, LED for cellphone products, wireless network communication products that support IEEE 802.11ac communication standard, after-sales service, cellphone and tablet products with MPEG2-TS transportation stream function, various products using LVDS technology processors, router, wireless base station, notebook, cellphone supporting MU-MIMO, circuit board design, router, notebook, desktop, motherboard, Mini PC and cellphone supporting Wi-Fi 6, notebooks and monitors with backlight display, cellphone supporting LTE, Notebook products with built-in AMD CPU, various products supporting H.264, H.265 and screen rotation, keyboard structure of optical mechanical switch gaming keyboard TUF-K7, products using Nvidia GPU, cellphone products, products that support Bluetooth function, notebooks using Panjit MOSFET, touch UI for VivoWatch/ZenWatch series smart watches against the Group. These lawsuits or investigations are currently under investigation in the courts in Texas, California, Alabama, Japan, Brazil, Malaysia, Germany, China, at the United States International Trade Commission, and at the Italian Competition Authority. The Group cannot presently determine the ultimate outcome and effect of these lawsuits.

2. The related party's major legal issues, non-legal issues, or administrative lawsuits settled or in pending: N/A

(XIII) Other significant risks and responsive measures:

#### **Management of intellectual property**

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

In order to protect the Company's important R&D achievements, the Company issued the "Patent Management Measures" to stipulate related tasks for internal patent proposals, and set up incentive measures to encourage R&D employees to apply for patent protection. This approach has been incorporated into the company's R&D cycle review and internal control process, and audits are conducted at least once a year. In response the "Patent Management Measures," the Company has developed its own



“Patent Case Management System” to offer the convenience of online proposals by employees across the corporate group. Invention proposals are researched by internal personnel, and online review is carried out case by case with supervisors who are familiar with the related technologies to carefully assess the inventions. The approved proposals for official application are managed by dedicated personnel to ensure the quality of the patent application. Comprehensive management is built through the system to protect the Company’s important intellectual property and avoid infringement by others. An “Annuity Management System” has been developed for the maintenance after patent approval to ensure that the effectiveness of the Company’s intellectual property rights are protected. In response to the revisions of national patent laws and regulations, recommendations for internal improvement, changes in operating policies, etc., the Company reviews and adjusts the “Patent Management Measures,” “Patent Case Management System,” and “Annuity Management System” at any time to ensure that the management plans can keep up with the ever-changing business environment, meet the Company’s needs and reduce legal risks. The Company regularly reports the implementation status of intellectual property management to the board of directors. The most recent report date was November 10, 2022.

In 2022, the list of intellectual property achievements for ASUS is shown as follows:

1. As of the end of 2022, 5978 patents have been obtained in countries around the world.
2. The number of patent applications in Taiwan in 2022 was 203, an increase of 10% over 2021 and ranking the Company in 16<sup>th</sup> place.
3. 192 patents were granted in 2022, an increase of 19% over 2021 and ranking the Company in 13<sup>th</sup> place of all companies.
4. 302 patents were granted in Europe and the U.S. in 2022, an increase of 6% over 2021.
5. 164 patents were granted in Asia (Japan, Korea, China, India) in 2022.
6. 659 patents were granted worldwide in 2022, an increase of 8% over last year.
7. 404 patent applications were filed in the communication field in 2022.
8. A total of 60 Standard Essential Patents (SEP) were declared in the European Telecommunications Standard Institute (ETSI) in 2022. As of the end of 2022, ASUS has accumulated 278 SEP patent families.

**VII. Other material events:** None

## VIII. Special disclosures

### I. Related party

(II) Consolidated financial statements of the related party

1. Related party

(1) Organizational structure of related party: Please refer to Page 175-178.

(2) Company profile of related party: Please refer to Page 179-183

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

(4) Business scope of ASUS Group:

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

(5) Directors, supervisors, and president of the related party: Please refer to Page 184-192.

2. Business operation of the related party: Please refer to Page 193-199.

(II) Consolidated Financial Statements and Report of Independent Accountants of the parent company and subsidiaries: Please refer to Page 201-300.

(III) Related Party Report: Not Applicable.

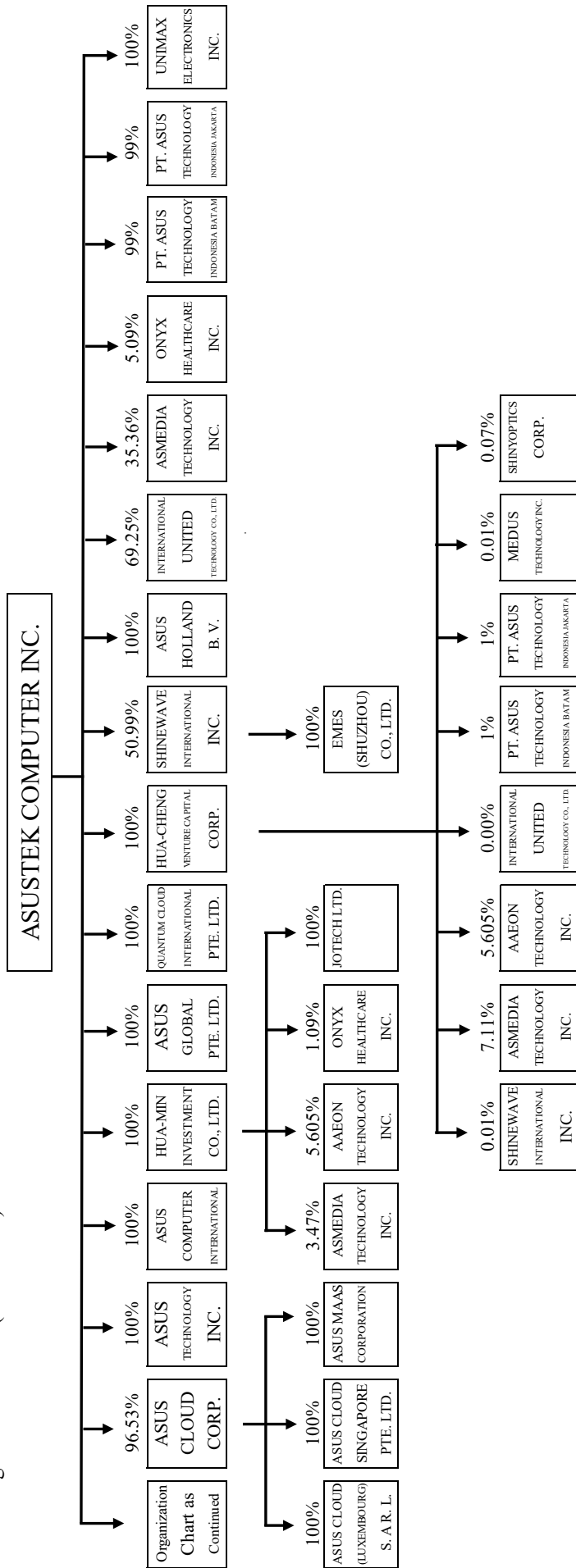
**II. Subscription of marketable securities privately in the most recent years and up to the date of the report printed:** None.

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

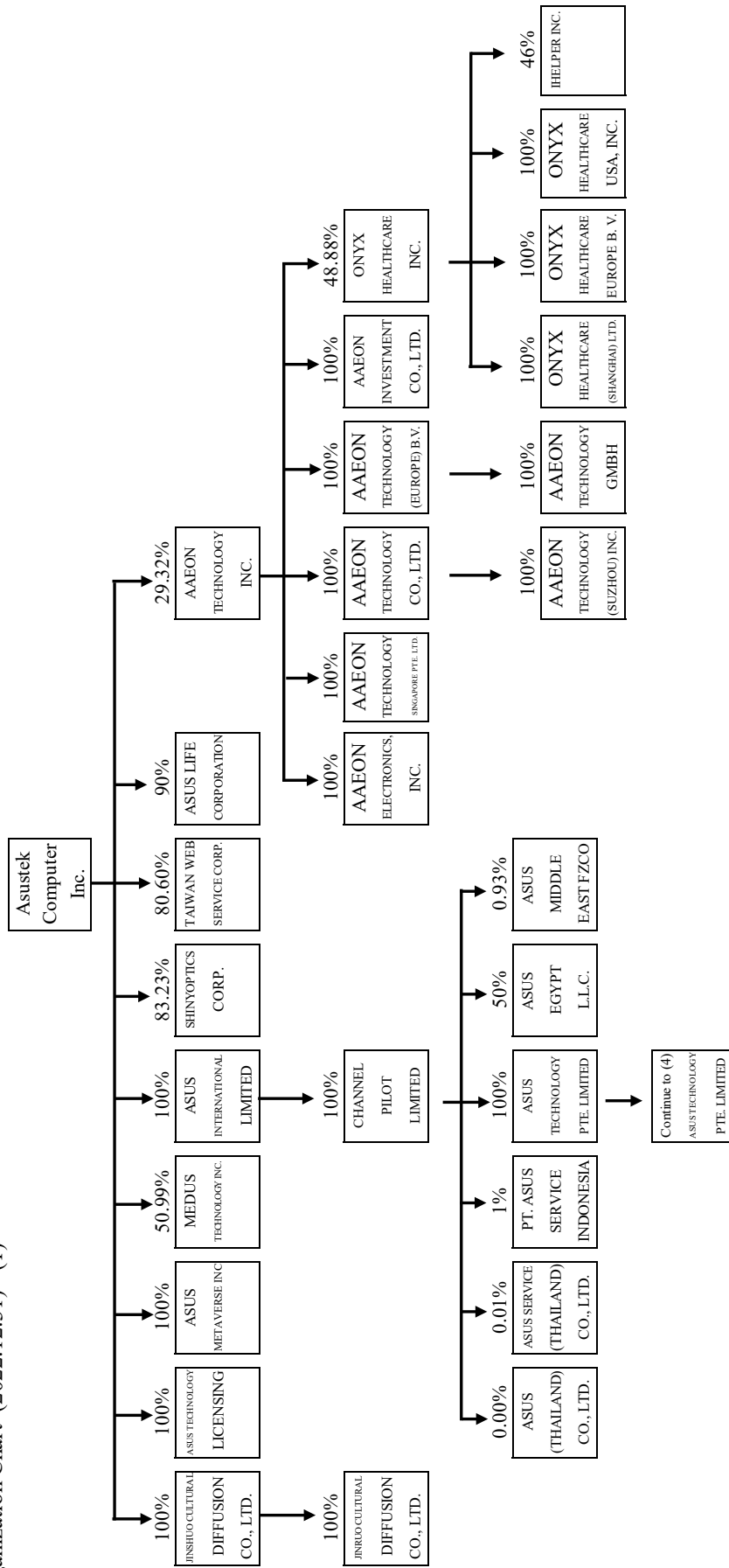
**IV. Supplementary disclosures:** None.

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

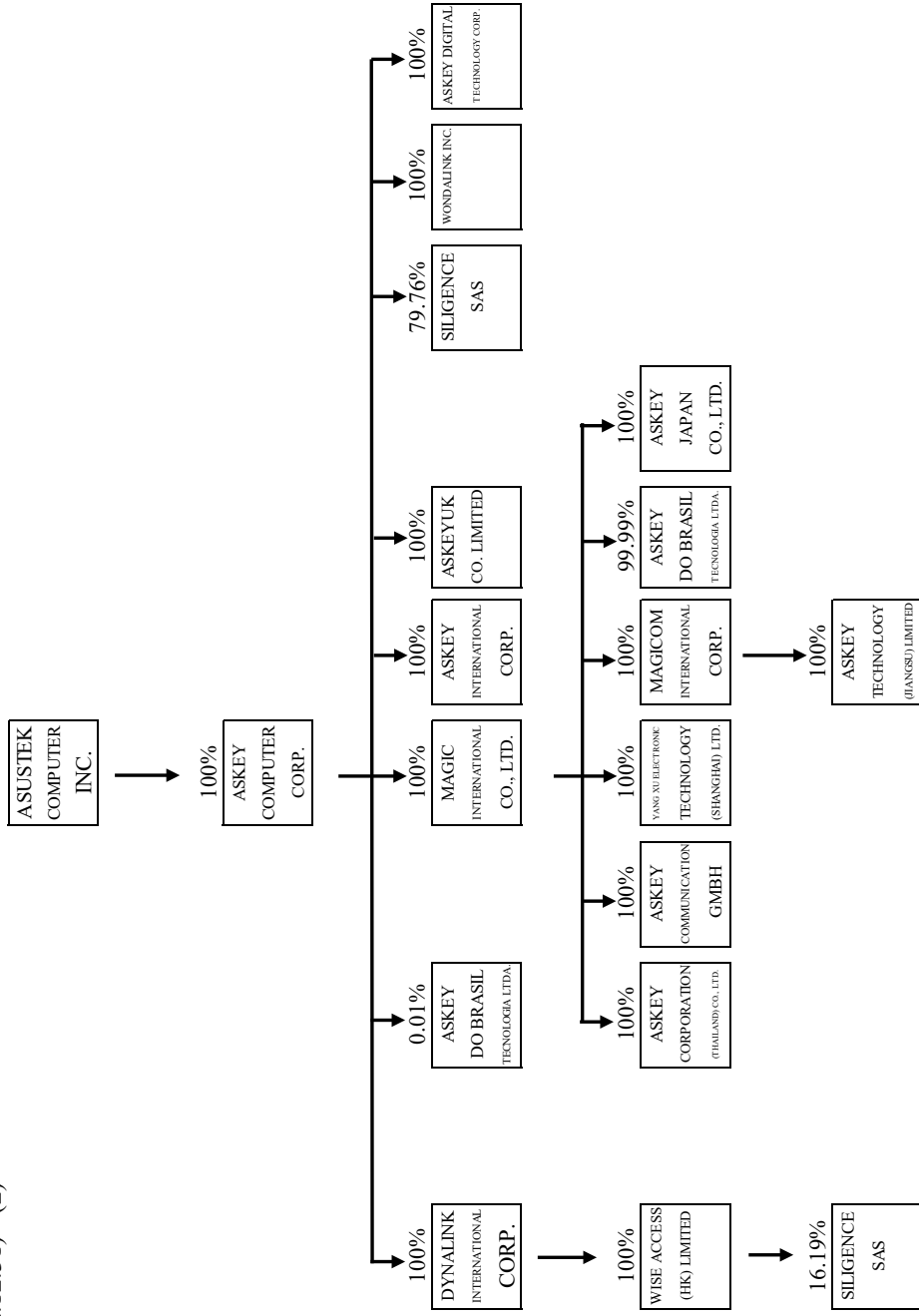
ASUS Organization Chart (2022.12.31)



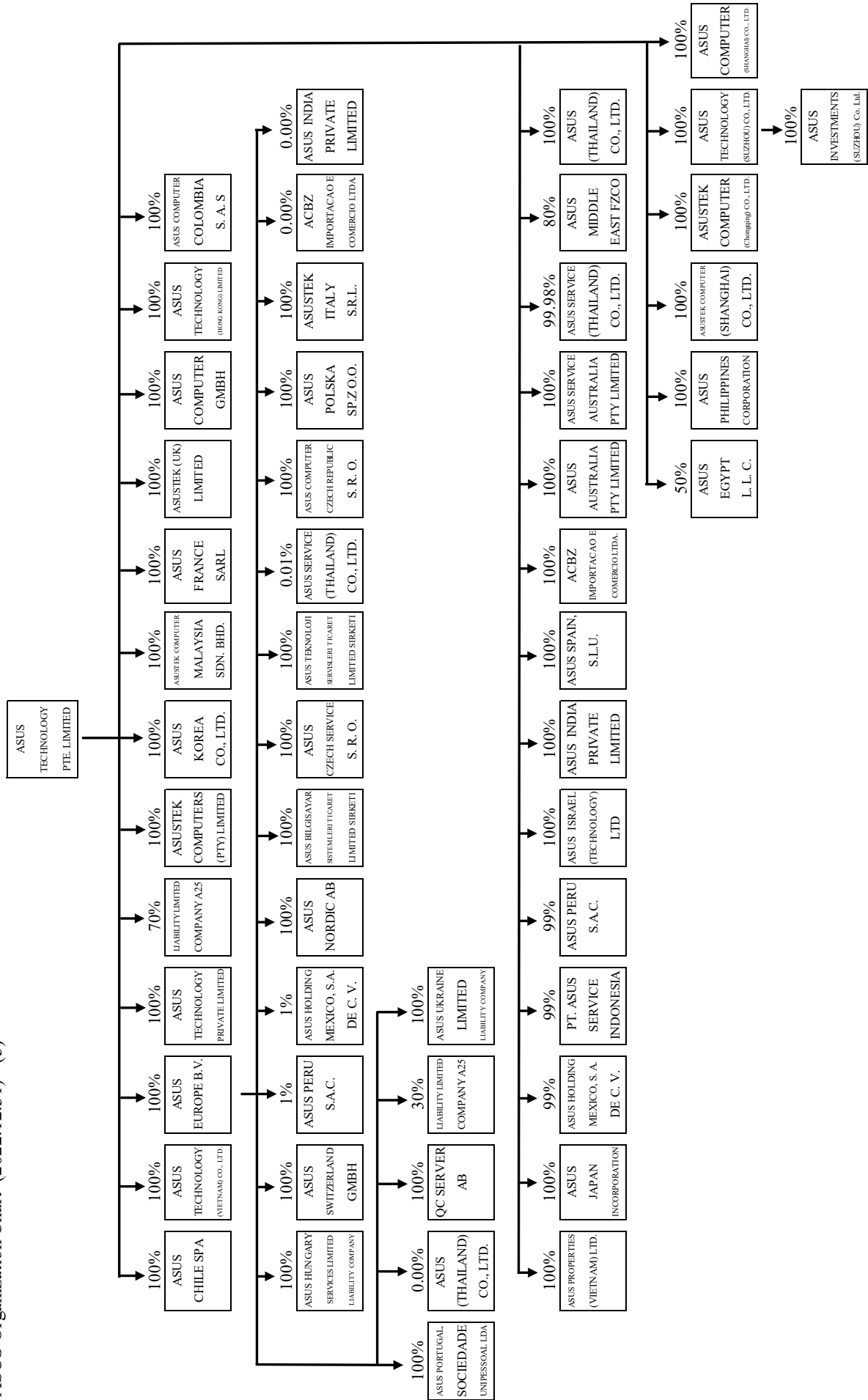
ASUS Organization Chart (2022.12.31) - (1)



ASUS Organization Chart (2022.12.31) - (2)



ASUS Organization Chart (2022.12.31) - (3)



## (2) Basic Data of Affiliated Enterprises (As of Dec 31, 2022)

Unit: NT\$ thousands

Name of Corporation	Date of Establishment	Address	Capital	Major Business Scope
ASUS COMPUTER INTERNATIONAL	June 14, 1994	USA	15,355	Selling 3C products in North America
ASUS TECHNOLOGY INCORPORATION	April 20, 1999	Taiwan	190,000	Selling 3C products in Taiwan
ASUS HOLLAND B. V.	March 29, 2000	Netherlands	159,027	Repairing 3C products
ASUS INTERNATIONAL LIMITED	March 8, 2002	Cayman Islands	2,755,610	Investing in 3C and computer peripheral business
HUA-CHENG VENTURE CAPITAL CORP.	May 27, 2008	Taiwan	1,145,000	Investing in computer peripherals business
HUA-MIN INVESTMENT CO., LTD.	May 27, 2008	Taiwan	680,000	Investing in computer peripherals business
JOGEEK TECHNOLOGY LIMITED	December 13, 2019	Taiwan	30,000	Selling and repairing of information software and electronic information materials
ASMEDIA TECHNOLOGY INC.	March 31, 2004	Taiwan	693,648	Designing, researching, developing and manufacturing of high-speed analog circuit
ASUS GLOBAL PTE. LTD.	March 15, 2013	Singapore	859,880	Selling 3C products
QUANTUM CLOUD INTERNATIONAL PTE. LTD.	February 11, 2014	Singapore	25,489	Servicing of information technology
PT. ASUS TECHNOLOGY INDONESIA JAKARTA	May 23, 2017	Indonesia	222,143	Selling of 3C products in Indonesia
PT. ASUS TECHNOLOGY INDONESIA BATAM	May 24, 2017	Indonesia	993,774	Selling of 3C products in Indonesia
JINSHUO CULTURAL DIFFUSION CO., LTD.	June 15, 2018	China	651,643	Participating and promoting of professional eSports
UNIMAX ELECTRONICS INCORPORATION	April 17, 2007	Taiwan	213,000	Manufacturing and selling of automotive electronics and computer peripherals
TAIWAN WEB SERVICE CORPORATION	February 26, 2021	Taiwan	670,000	Servicing of AI computing
ASUS LIFE CORPORATION	September 9, 2016	Taiwan	10,000	Selling of internet information service
ASUS TECHNOLOGY LICENSING	February 22, 2022	Taiwan	120,000	Researching, developing and authorizing of communication technology
MEDUS TECHNOLOGY INC.	March 9, 2022	Taiwan	50,000	Servicing of information system technology
ASUS METAVERSE INC.	July 22, 2022	Taiwan	20,000	Selling of metaverse services
SHINYOPTICS CORP.	July 8, 2009	Taiwan	14,800	Researching, developing, manufacturing and selling virtual image optical engines and vehicle head-up displays
JINRUO CULTURAL DIFFUSION CO., LTD.	July 14, 2022	China	4,407	Participating and promoting of professional eSports

Name of Corporation	Date of Establishment	Address	Capital	Major Business Scope
ASKEY COMPUTER CORP.	November 10, 1989	Taiwan	4,800,000	Designing, manufacturing, repairing and selling of communication products and computer peripheral spare parts
ASKEY INTERNATIONAL CORP.	June 28, 1996	USA	307,100	Selling and servicing of communication products
DYNALINK INTERNATIONAL CORP.	October 1, 1996	British Virgin Islands	250,599	Investing in communication business
MAGIC INTERNATIONAL CO., LTD.	May 13, 1999	British Virgin Islands	3,529,869	Investing in communication business
ASKEY DIGITAL TECHNOLOGY CORP.	June 25, 2019	Taiwan	30,000	Selling and servicing of communication products
WONDALINK INC.	March 18, 2010	Taiwan	92,422	Manufacturing and designing of wired and wireless communication, electronic parts products, etc.
WISE ACCESS (HK) LIMITED	September 21, 2011	Hong Kong	41,505	Investing in communication business
MAGICOM INTERNATIONAL CORP.	June 23, 1999	Cayman Islands	2,795,531	Investing in communication business
ASKEY COMMUNICATION GMBH	April 11, 2013	Germany	3,272	Selling and servicing of communication products
ASKEY CORPORATION (THAILAND) CO., LTD.	June 21, 2017	Thailand	1,787	Selling and servicing of communication products
ASKEYUK CO. LIMITED	July 15, 2021	U.K.	37,088	Selling and servicing of communication products
ASKEY JAPAN CO., LTD.	March 19, 2018	Japan	1,167	Selling and servicing of communication products
ASKEY DO BRASIL TECNOLOGIA LTDA.	April 20, 2016	Brasil	21,498	Selling and servicing of communication products
SILIGENCE SAS	July 19, 2011	France	157,655	Selling and servicing of communication products
YANG XU ELECTRONIC TECHNOLOGY (SHANGHAI) LTD.	July 1, 2003	China	109,423	Researching, developing and selling of communication products
ASKEY TECHNOLOGY (JIANGSU) LTD.	August 30, 2001	China	3,051,889	Manufacturing and selling of communication products
ASUS CLOUD CORPORATION	March 24, 2000	Taiwan	390,000	Selling and consulting of internet service
ASUS CLOUD SINGAPORE PTE. LTD.	December 14, 2012	Singapore	24,675	Investing in internet service business
ASUS CLOUD (LUXEMBOURG) S.A.R.L	December 3, 2013	Luxembourg	13,089	Providing maintenance and operating service for information hardware
ASUS MAAS CORPORATION	August 23, 2022	Taiwan	10,000	Leasing parking lots
SHINEWAVE INTERNATIONAL INC.	August 6, 1997	Taiwan	107,250	Researching, developing, selling and consulting of information system software
EMES (SUZHOU) CO., LTD.	March 22, 2002	China	9,945	Selling and consulting of information system software
INTERNATIONAL UNITED TECHNOLOGY CO., LTD. (TAIWAN)	June 16, 1998	Taiwan	163,515	Researching, developing, manufacturing and selling of ink-jet print heads and ink-jet digital image output technology



<b>Name of Corporation</b>	<b>Date of Establishment</b>	<b>Address</b>	<b>Capital</b>	<b>Major Business Scope</b>
AAEON TECHNOLOGY INC.	December 1, 2010	Taiwan	1,492,255	Manufacturing and selling of industrial computers and computer peripherals
AAEON ELECTRONICS, INC.	June 6, 1995	USA	150,479	Selling of industrial computers and computer peripherals
AAEON TECHNOLOGY CO., LTD.	September 11, 2001	British Virgin Islands	270,466	Investing in industrial computers and interface cards business
AAEON TECHNOLOGY (EUROPE) B. V.	March 4, 2005	Netherlands	3,272	Selling of industrial computers and computer peripherals
AAEON INVESTMENT CO., LTD.	June 6, 2009	Taiwan	150,000	Investing in industrial computers and computer peripherals business
AAEON TECHNOLOGY SINGAPORE PTE. LTD.	March 30, 2004	Singapore	13,346	Selling of industrial computers and computer peripherals
AAEON TECHNOLOGY GMBH	October 23, 2007	Germany	982	Selling of industrial computers and computer peripherals
AAEON TECHNOLOGY (SUZHOU) INC.	November 1, 2001	China	266,878	Manufacturing and selling of industrial computers and interface cards
ONYX HEALTHCARE INC.	February 2, 2010	Taiwan	332,612	Designing, manufacturing and selling of medical computers
ONYX HEALTHCARE USA, INC.	October 27, 2011	USA	61,420	Selling of medical computers and peripherals
ONYX HEALTHCARE EUROPE B.V.	May 16, 2012	Netherlands	3,272	Marketing support and repairing of medical computers and peripherals
IHELPER INC.	February 26, 2018	Taiwan	36,000	Researching, developing and selling of medical robots
ONYX HEALTHCARE (SHANGHAI) LTD.	September 15, 2014	China	64,749	Selling of medical computers and peripherals
CHANNEL PILOT LIMITED	March 30, 2005	British Virgin Islands	922,313	Investing in 3C business
ASUS TECHNOLOGY PTE. LIMITED	April 26, 2005	Singapore	1,364,121	Investing in 3C business
ASUS MIDDLE EAST FZCO	October 22, 2007	United Arab Emirates	89,477	Providing support and repair for 3C products in Middle East
ASUS EGYPT L. L. C.	September 11, 2008	Egypt	-	Providing support for 3C products in Egypt
PT. ASUS SERVICE INDONESIA	May 21, 2013	Indonesia	28,535	Repairing of 3C products in Asia-pacific and America
ASUS (THAILAND) CO., LTD.	January 6, 2016	Thailand	14,299	Providing support for 3C products in Thailand
ASUS SERVICE (THAILAND) CO., LTD.	February 23, 2005	Thailand	5,362	Repairing of 3C products in Thailand
ASUS COMPUTER GMBH	June 19, 1991	Germany	8,365	Selling and providing support for 3C products in Germany
ASUS FRANCE SARL	July 12, 2002	France	3,468	Providing support for 3C products in France
ASUSTEK (UK) LIMITED	April 3, 2006	UK	1,854	Providing support for 3C products in United Kingdom

Name of Corporation	Date of Establishment	Address	Capital	Major Business Scope
ASUS TECHNOLOGY (HONG KONG) LIMITED	November 25, 2005	Hong Kong	1,969	Providing support and repair for 3C products in Hong Kong
ASUS KOREA CO., LTD.	July 1, 2006	South Korea	19,316	Providing support and repair for 3C products in South Korea
ASUS TECHNOLOGY PRIVATE LIMITED	September 13, 2006	India	74,818	Providing support and repair for 3C products in India
ASUS EUROPE B. V.	March 6, 2007	Netherlands	287,131	Selling of 3C products
ASUS TECHNOLOGY (VIETNAM) CO., LTD.	March 1, 2007	Vietnam	1,664	Providing support and repair for 3C products in Vietnam
ASUS SPAIN, S.L.U.	May 19, 2004	Spain	982	Providing support for 3C products in Spain
ASUS JAPAN INCORPORATION	May 28, 2008	Japan	47,846	Selling of 3C products in Japan
ASUS SERVICE AUSTRALIA PTY LIMITED	February 10, 2011	Australia	19,789	Repairing of 3C products in Australia
ASUS AUSTRALIA PTY LIMITED	January 5, 2011	Australia	7,291	Providing support for 3C products in Australia
ASUS ISRAEL (TECHNOLOGY) LTD.	March 12, 2012	Israel	400	Providing support for 3C products in Israel
ASUS COMPUTER COLOMBIA S. A. S.	February 19, 2015	Colombia	480	Providing support for 3C products in Colombia
ASUSTEK COMPUTERS (PTY) LIMITED	August 31, 2004	South Africa	2	Providing support and repair for 3C products in Africa
ASUSTEK COMPUTER MALAYSIA SDN. BHD.	May 13, 2005	Malaysia	3,484	Providing support and repair for 3C products in Malaysia
ASUS CHILE SPA	January 24, 2018	Chile	36	Providing support for 3C products in Chile
ASUS PERU S. A. C.	April 25, 2013	Peru	33,952	Providing support for 3C products in Peru
ASUS HOLDING MEXICO, S. A. DE C. V.	March 27, 2013	Mexico	80,740	Selling of 3C products in Mexico
ACBZ IMPORTACAO E COMERCIO LTDA.	January 5, 2011	Brazil	3,192,597	Selling of 3C products in Brazil
ASUS INDIA PRIVATE LIMITED	July 5, 2011	India	124,483	Selling of 3C products in India
ASUS HUNGARY SERVICES LIMITED LIABILITY COMPANY	May 10, 2007	Hungary	1,025	Providing support for 3C products in Hungary
ASUS PORTUGAL, SOCIEDADE UNIPessoal LDA.	May 21, 2008	Portugal	982	Providing support for 3C products in Portugal
ASUS SWITZERLAND GMBH	May 10, 2009	Switzerland	11,289	Providing support for 3C products in Switzerland
ASUS NORDIC AB	July 10, 2004	Sweden	882	Providing support for 3C products in North Europe
ASUS BILGISAYAR SISTEMLERI TICARET LIMITED SIRKETI	December 30, 2018	Turkey	83,211	Providing support and repair for 3C products in Turkey
ASUS POLSKA SP. Z O.O.	July 31, 2005	Poland	350	Providing support for 3C products in Poland
ASUSTEK ITALY S. R. L.	July 21, 2000	Italy	1,571	Providing support for 3C products in Italy

Name of Corporation	Date of Establishment	Address	Capital	Major Business Scope
ASUS COMPUTER CZECH REPUBLIC S. R. O.	October 31, 2005	Czech Republic	271	Providing support for 3C products in Czech Republic
ASUS CZECH SERVICE S. R. O.	February 15, 2010	Czech Republic	128,112	Repairing of 3C products in Europe
ASUS PHILIPPINES CORPORATION	February 12, 2019	Philippines	6,179	Providing support and repair for 3C products in Philippines
QC SERVER AB	July 4, 2019	Sweden	147	Servicing of information technology
ASUS PROPERTIES (VIETNAM) LTD.	March 10, 2020	Vietnam	443,653	Leasing and trading real estate
LIABILITY LIMITED COMPANY A25	September 18, 2018	Russia	4	Selling of 3C products in Russia
ASUS UKRAINE LIMITED LIABILITY COMPANY	June 29, 2021	Ukraine	7,993	Providing support for 3C products in Ukraine
ASUSTEK COMPUTER (SHANGHAI) CO., LTD.	June 9, 2000	China	1,477,151	Selling of 3C products in China
ASUS COMPUTER (SHANGHAI) CO., LTD.	June 30, 2000	China	61,420	Repairing of 3C products
ASUS TECHNOLOGY (SUZHOU) CO., LTD.	March 12, 2008	China	1,504,790	Researching and developing of 3C products
ASUSTEK COMPUTER (CHONGQING) CO., LTD.	May 9, 2011	China	2,118,990	Selling of 3C products in China
ASUS INVESTMENTS (SUZHOU) CO., LTD.	December 6, 2013	China	1,087,715	Leasing real estate

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

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

As of Dec 31, 2022

Name of Corporation	Title	Name of Representative (Note)	Shareholding	
			Shares	%
ASUS TECHNOLOGY INC.	Chairman	ASUSTEK COMPUTER INC. ( Representative: Kevin Lin )	19,000,000	100.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Jonney Shih )	—	—
	Director & President	ASUSTEK COMPUTER INC. ( Representative: Samson Hu )	—	—
	Supervisor	ASUSTEK COMPUTER INC. ( Representative: Sandy Wei )	—	—
	General Manager	Chiang, Yin-Han /Liao, Yi-Shiang	—	—
ASKEY COMPUTER CORP	Chairman & General Manager	ASUSTEK COMPUTER INC. ( Representative: Lin, Cheng-Kuei )	480,000,000	100.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Jonney Shih )	—	—
	Director & President	ASUSTEK COMPUTER INC. ( Representative: Samson Hu )	—	—
	Supervisor	ASUSTEK COMPUTER INC. ( Representative: Chin Wu )	—	—
HUA-CHENG VENTURE CAPITAL CORP.	Chairman	ASUSTEK COMPUTER INC. ( Representative: Jonney Shih )	114,500,000	100.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Jonathan Tsang )	—	—
	Director	ASUSTEK COMPUTER INC. ( Representative: S.Y. Hsu )	—	—
	Supervisor	ASUSTEK COMPUTER INC. ( Representative: Nick Wu )	—	—
HUA-MIN INVESTMENT CO., LTD.	Chairman	ASUSTEK COMPUTER INC. ( Representative: Jonney Shih )	68,000,000	100.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Jonathan Tsang )	—	—
	Director	ASUSTEK COMPUTER INC. ( Representative: Samson Hu )	—	—
	Supervisor	ASUSTEK COMPUTER INC. ( Representative: Nick Wu )	—	—
UNIMAX ELECTRONICS INC.	Chairman & General Manager	ASUSTEK COMPUTER INC. ( Representative: Kent Chien )	21,300,000	100.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Wu, Chih-Peng )	—	—
	Director	ASUSTEK COMPUTER INC. ( Representative: Jonathan Tsang )	—	—
	Supervisor	ASUSTEK COMPUTER INC. ( Representative: Nick Wu )	—	—
JOTECH LTD.	Chairman	HUA-MIN INVESTMENT CO., LTD. ( Representative: Samson Hu )	3,000,000	100.00%
ASUS TECHNOLOGY LICENSING	Chairman	ASUSTEK COMPUTER INC. ( Representative: Joe Hsieh )	12,000,000	100.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Vincent Hong )	—	—
	Director & General Manager	ASUSTEK COMPUTER INC. ( Representative: Alex Sun )	—	—
	Supervisor	ASUSTEK COMPUTER INC. ( Representative: Winnie Liu )	—	—

Name of Corporation	Title	Name of Representative (Note)	Shareholding	
			Shares	%
ASUS METAVERSE INC	Chairman	ASUSTEK COMPUTER INC. ( Representative: Joe Hsieh )	2,000,000	100.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Kent Chien )	—	—
	Director & General Manager	ASUSTEK COMPUTER INC. ( Representative: Wu, Shao-Yu )	—	—
	Supervisor	ASUSTEK COMPUTER INC. ( Representative: Winnie Liu )	—	—
ASUS CLOUD CORPORATION	Chairman	ASUSTEK COMPUTER INC. ( Representative: Joe Hsieh )	37,645,558	96.53%
	Director	ASUSTEK COMPUTER INC. ( Representative: Samson Hu )	—	—
	Director & General Manager	Peter Wu	170,159	0.68%
	Supervisor	Alan Hsieh	—	—
ASUS LIFE CORPORATION	Chairman	Shangri-La Information Limited* ( Representative: Janet Huang )	50,000	5.00%
	Director	OmniHealth Group, Inc. ( Representative: Mingho Huang )	50,000	5.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Henry Yeh )	900,000	90.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Joe Hsieh )	—	—
	Director	ASUSTEK COMPUTER INC. ( Representative: Wjh Chen )	—	—
	Supervisor Supervisor	Charlene Hsu Li, Liu*	— —	— —
SHINYOPTICS CORP.	Chairman	ASUSTEK COMPUTER INC. ( Representative: Kent Chien )	1,231,900	83.23%
	Director	ASUSTEK COMPUTER INC. ( Representative: Roger Chen )	—	—
	Director & General Manager	ASUSTEK COMPUTER INC. ( Representative: Yoo, Jinn-Chou )	—	—
	Supervisor	HUA-CHENG VENTURE CAPITAL CORP. ( Representative: Winnie Liu )	1,000	0.07%
TAIWAN WEB SERVICE CORP.	Chairman	ASUSTEK COMPUTER INC. ( Representative: Joe Hsieh )	54,000,000	80.60%
	Director	ASUSTEK COMPUTER INC. ( Representative: Samson Hu )	—	—
	Director	ASUSTEK COMPUTER INC. ( Representative: Benson Lin )	—	—
	Director & General Manager	ASUSTEK COMPUTER INC. ( Representative: Peter Wu )	—	—
	Director	TWM Venture Co., Ltd ( Representative: Wu, Chuan-Hui )	3,000,000	4.48%
Supervisor	Nick Wu	—	—	
INTERNATIONAL UNITED TECHNOLOGY CO., LTD.	Chairman	ASUSTEK COMPUTER INC. ( Representative: Jerry Shen )	11,323,167	69.25%
	Director & General Manager	ASUSTEK COMPUTER INC. ( Representative: Daniel Lan )	—	—
	Director	HUA ENG WIRE & CABLE CO. LTD. ( Representative: Wu, Chia-Yu* )	987,354	6.04%
	Supervisor	HUA-CHENG VENTURE CAPITAL CORP. ( Representative: Charlene Hsu )	515	0.00%

Name of Corporation	Title	Name of Representative (Note)	Shareholding	
			Shares	%
SHINEWAVE INTERNATIONAL INC.	Chairman	ASUSTEK COMPUTER INC. ( Representative: Albert Chang )	5,468,750	50.99%
	Director	ASUSTEK COMPUTER INC. ( Representative: Jonney Shih )	—	—
	Director & General Manager	ASUSTEK COMPUTER INC. ( Representative: Yu, Chun-Hua* )	—	—
	Supervisor	HUA-CHENG VENTURE CAPITAL CORP. ( Representative: Chin Wu )	1,000	0.01%
MEDUS TECHNOLOGY INC.	Chairman	ASUSTEK COMPUTER INC. ( Representative: Sandy Wei )	2,549,000	50.99%
	Director	ASUSTEK COMPUTER INC. ( Representative: Ted Hsu )	—	—
	Director	Stephen Jung	1,250,000	25.00%
	Supervisor	HUA-CHENG VENTURE CAPITAL CORP. ( Representative: Francy Jeng )	1,000	0.01%
ASMEDIA TECHNOLOGY INC.	Chairman	ASUSTEK COMPUTER INC. ( Representative: Jerry Shen )	24,457,660	35.36%
	Director	ASUSTEK COMPUTER INC. ( Representative: Ted Hsu )	—	—
	Director & General Manager	ASUSTEK COMPUTER INC. ( Representative: Chewei Lin )	—	—
	Director	Hsu, Chin-Chuan*	—	—
	Independent director	Chan, Hung-Chih*	—	—
	Independent director	Hsieh, Chieh- Ping*	—	—
	Independent director	Wu, Ching-Chi*	—	—
AAEON TECHNOLOGY INC.	Chairman	RUI HAI INVESTMENT CO., LTD. ( Representative: Chuang, Yung-Shun )	4,515,000	3.03%
	Director	RUI HAI INVESTMENT CO., LTD. ( Representative: Lee, Ing-Jen )	—	—
	Director	RUI HAI INVESTMENT CO., LTD. ( Representative: David Yen )	—	—
	Director	ASUSTEK COMPUTER INC. ( Representative: Jonney Shih )	43,756,000	29.32%
	Director	ASUSTEK COMPUTER INC. ( Representative: Jonathan Tsang )	—	—
	Director	ASUSTEK COMPUTER INC. ( Representative: S.Y. Hsu )	—	—
	Director	IBASE Technology Inc. ( Representative: Lin, Chiu-Hsu )	41,698,468	27.94%
	Director	IBASE Technology Inc. ( Representative: Chen, Yu-Nan )	—	—
	Independent Director	Chen, Kun-Chih	—	—
	Independent Director	Daho Yen	—	—
	Independent Director	Xiulian Lin	—	—
	General Manager	Howard Lin	410,000	0.27%
ASUS COMPUTER INTERNATIONAL	Director	ASUSTEK COMPUTER INC. ( Representative: S.Y. Hsu )	50,000	100.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Samson Hu )	—	—
	Director	ASUSTEK COMPUTER INC. ( Representative: Joe Hsieh )	—	—
	General Manager	Chang, Kao-Sheng	—	—
ASUS HOLLAND B.V.	Director	ASUSTEK COMPUTER INC. ( Representative: Chen, Hsin-Yi )	10,800,000	100.00%
			—	—

Name of Corporation	Title	Name of Representative (Note)	Shareholding	
			Shares	%
	Director	ASUSTEK COMPUTER INC. ( Representative: Cheng, Chi-Chien )		
ASUS INTERNATIONAL LIMITED	Chairman	ASUSTEK COMPUTER INC. ( Representative: Jonney Shih )	89,730,042	100.00%
ASUS GLOBAL PTE. LTD.	Chairman	ASUSTEK COMPUTER INC. ( Representative: Jonathan Tsang )	28,000,000	100.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Chu, Ming-Wen )	—	—
	Director	ASUSTEK COMPUTER INC. ( Representative: Song, Lai-Chi )	—	—
QUANTUM CLOUD INTERNATIONAL PTE. LTD.	Chairman	ASUSTEK COMPUTER INC. ( Representative: Wu, Chih-Peng )	830,001	100.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Song, Lai-Chi )	—	—
PT. ASUS TECHNOLOGY INDONESIA JAKARTA	Director	ASUSTEK COMPUTER INC. ( Representative: Lin, Wei-Ting )	8,415	99.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Chang, Chi-Chun )	—	—
	Director	ASUSTEK COMPUTER INC. ( Representative: Wu, Ping-Yu )	—	—
	Supervisor	ASUSTEK COMPUTER INC. ( Representative: Chu, Ming-Wen )	—	—
PT. ASUS TECHNOLOGY INDONESIA BATAM	Director	ASUSTEK COMPUTER INC. ( Representative: Lin, Wei-Ting )	4,168,989	99.00%
	Director	ASUSTEK COMPUTER INC. ( Representative: Chang, Chi-Chun )	—	—
	Director	ASUSTEK COMPUTER INC. ( Representative: Wu, Ping-Yu )	—	—
	Supervisor	ASUSTEK COMPUTER INC. ( Representative: Chu, Ming-Wen )	—	—
JINSHUO CULTURAL DIFFUSION CO., LTD.	Executive Director	ASUSTEK COMPUTER INC. ( Representative: Rangoon Chang )	—	100.00%
	Supervisor	ASUSTEK COMPUTER INC. ( Representative: Bruce Jen )	—	—
CHANNEL PILOT LIMITED	Chairman	ASUS INTERNATIONAL LIMITED ( Representative: Jonney Shih )	30,033,000	100.00%
ASUS TECHNOLOGY PTE. LIMITED	Chairman	CHANNEL PILOT LIMITED ( Representative: Jonathan Tsang )	44,419,424	100.00%
	Director	CHANNEL PILOT LIMITED ( Representative: Chu, Ming-Wen )	—	—
	Director	CHANNEL PILOT LIMITED ( Representative: Song, Lai-Chi )	—	—
ASUS MIDDLE EAST FZCO	Chairman	ASUS TECHNOLOGY PTE LIMITED ( Representative: Chiu, Yu-Sheng )	106	99.07%
	Director	CHANNEL PILOT LIMITED ( Representative: Chiu, Yu-Sheng )	1	0.93%
ASUS EGYPT L.L.C.	Director	CHANNEL PILOT LIMITED ( Representative: Chiu, Yu-Sheng )	—	50.00%
	Director	ASUS TECHNOLOGY PTE. LIMITED ( Representative: Chiu, Yu-Sheng )	—	50.00%
PT. ASUS SERVICE INDONESIA	Chairman	ASUS TECHNOLOGY PTE LIMITED ( Representative: Chen, Hsin-Yi )	1,485,000	99.00%
	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Hung, Tsung-Fu )	—	—

Name of Corporation	Title	Name of Representative (Note)	Shareholding	
			Shares	%
	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Zhao, DongLiang )	—	—
	Supervisor	ASUS TECHNOLOGY PTE LIMITED ( Representative: Hsu, Tse-Ming )	—	—
ASUS (THAILAND) CO., LTD.	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Tseng, Kuan-Jen )	20,000	100.00%
ASUS SERVICE (THAILAND) CO., LTD.	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Tseng, Kuan-Jen )	59,984	99.94%
ASUS COMPUTER GMBH	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Chen, Li-Hsaing )	—	100.00%
ASUS FRANCE SARL	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Mustapha Nhari )	5,300	100.00%
ASUSTEK (UK) LIMITED	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Jonathan Parmar )	50,000	100.00%
ASUS TECHNOLOGY (HONG KONG) LIMITED	Chairman	ASUS TECHNOLOGY PTE LIMITED ( Representative: Chung, Wei Gang )	500,000	100.00%
ASUS KOREA CO., LTD.	Chairman	ASUS TECHNOLOGY PTE LIMITED ( Representative: Fu, Szu-Wei )	158,433	100.00%
ASUS TECHNOLOGY PRIVATE LIMITED	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Hwang, Sy-Ru )	20,134,400	100.00%
	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Yu, Chien-Liang )	—	—
ASUS EUROPE B. V.	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Li, Yu-Lin )	375,000	100.00%
	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Ou, Chang-Chu )	—	—
ASUS TECHNOLOGY (VIETNAM) CO., LTD.	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Lee, Tse-Tai )	—	100.00%
ASUS SPAIN, S.L.U.	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: German Guerra )	3,000	100.00%
ASUS JAPAN INCORPORATION	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Chen, Chin-Ho )	20,500	100.00%
	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Fu, Szu-Wei )	—	—
ASUS SERVICE AUSTRALIA PTY LIMITED	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Chen, Hsin-Yi )	950,000	100.00%
	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Tsai, Hsiao-Ming )	—	—
ASUS AUSTRALIA PTY LIMITED	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Jackie Hsu )	350,000	100.00%
	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Tsai, Hsiao-Ming )	—	—
ASUS ISRAEL (TECHNOLOGY) LTD	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Chiu, Yu-Sheng )	50,000	100.00%
ASUS COMPUTER COLOMBIA S. A. S.	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Jeremin Hsieh )	74,489	100.00%
ASUSTEK COMPUTERS (PTY) LIMITED	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Chiu, Yu-Sheng )	1,000	100.00%
ASUSTEK COMPUTER MALAYSIA SDN. BHD.	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Lin, Chun-Kang )	500,000	100.00%
ASUS CHILE SPA	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Chang Lin, Cha-Ming )	1,000	100.00%



Name of Corporation	Title	Name of Representative (Note)	Shareholding	
			Shares	%
ASUS PERU S. A. C.	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Edwin Gutierrez )	4,153,783	99.00%
	Director	ASUS EUROPE B.V. ( Representative: Edwin Gutierrez )	41,957	1.00%
ASUS HOLDING MEXICO, S. A. DE C. V.	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Chang, Kao-Sheng )	50,738	99.00%
	Director	ASUS EUROPE B.V. ( Representative: Chang, Kao-Sheng )	512	1.00%
ACBZ IMPORTACAO E COMERCIO LTDA.	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Wu, Ming-Tau )	549,442,769	100.00%
	Director	ASUS EUROPE B.V. ( Representative: Wu, Ming-Tau )	26,231	0.00%
ASUS INDIA PRIVATE LIMITED	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Yu, Chien-Liang )	33,500,000	100.00%
	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Hwang, Sy-Ru )	—	—
ASUS HUNGARY SERVICES LIMITED LIABILITY COMPANY	Director	ASUS EUROPE B.V. ( Representative: Zoltan Gyongyosi )	—	100.00%
ASUS PORTUGAL, SOCIEDADE UNIPessoal LDA	Director	ASUS EUROPE B.V. ( Representative: Helder Basto )	30,000	100.00%
ASUS SWITZERLAND GMBH	Director	ASUS EUROPE B.V. ( Representative: Hung, Wen-Chi )	3,400	100.00%
ASUS NORDIC AB	Director	ASUS EUROPE B.V. ( Representative: Chen, Li-Hsaing )	3,000	100.00%
	Director	ASUS EUROPE B.V. ( Representative: Chang, Kao-Sheng )	—	—
ASUS BILGISAYAR SISTEMLERI TICARET LIMITED SIRKETI	Director	ASUS EUROPE B.V. ( Representative: Li, Yu-Lin )	2,046	100.00%
ASUS POLSKA SP. Z O. O.	Director	ASUS EUROPE B.V. ( Representative: Slawomir Stanik )	1,000	100.00%
ASUSTEK ITALY S. R. L.	Director	ASUS EUROPE B.V. ( Representative: Chang, Kao-Sheng )	—	100.00%
ASUS COMPUTER CZECH REPUBLIC S. R. O.	Director	ASUS EUROPE B.V. ( Representative: Yuriy Sandratskiy )	—	100.00%
ASUS CZECH SERVICE S. R. O.	Director	ASUS EUROPE B.V. ( Representative: Chen, Chien-Yuan )	—	99.59%
	Director	ASUS EUROPE B.V. ( Representative: Cheng, Chi-Chien )	—	0.41%
ASUS PHILIPPINES CORPORATION	Director	ASUS TECHNOLOGY PTE. LIMITED	1,119,998	100.00%
	Director	Lin, Yu-Ying	1	0.00%
	General Manager	Su, Jeng-Hong	1	0.00%
QC SERVER AB (In liquidation)	Director	ASUS EUROPE B.V. ( Representative: Kent Chien )	500	100.00%
	Director	ASUS EUROPE B.V. ( Representative: Chen, Li-Hsaing )	—	—
ASUS PROPERTIES (VIETNAM) LTD.	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Lee, Tsei-Tai )	—	100.00%
	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Nick Wu )	—	—
LIMITED LIABILITY COMPANY A25	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Nikolay Osipov )	—	70.00%
	Director	ASUS EUROPE B.V. ( Representative: Nikolay Osipov )	—	30.00%

Name of Corporation	Title	Name of Representative (Note)	Shareholding	
			Shares	%
ASUS UKRAINE LIMITED LIABILITY COMPANY	Director	ASUS EUROPE B.V. ( Representative: Valery Bazylenko )	—	100.00%
ASUS COMPUTER (SHANGHAI) CO., LTD.	Chairman	ASUS TECHNOLOGY PTE LIMITED ( Representative: Chen, Hsin-Yi )	—	100.00%
	Supervisor	ASUS TECHNOLOGY PTE LIMITED ( Representative: Wang, Hsiang-Huei )	—	—
ASUS TECHNOLOGY (SUZHOU) CO., LTD.	Chairman	ASUS TECHNOLOGY PTE LIMITED ( Representative: Andrew Ke )	—	100.00%
	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Shih, Wen-Hung )	—	—
	Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Joe Hsieh )	—	—
	Supervisor	ASUS TECHNOLOGY PTE LIMITED ( Representative: Wang, Hsiang-Huei )	—	—
ASUSTEK COMPUTER (SHANGHAI) CO. LTD.	Executive Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Shih, Wen-Hung )	—	100.00%
	Supervisor	ASUS TECHNOLOGY PTE LIMITED ( Representative: Wang, Hsiang-Huei )	—	—
ASUSTEK COMPUTER (CHONGQING) CO., LTD.	Executive Director	ASUS TECHNOLOGY PTE LIMITED ( Representative: Andrew Ke )	—	100.00%
	Supervisor	ASUS TECHNOLOGY PTE LIMITED ( Representative: Wang, Hsiang-Huei )	—	—
ASUS INVESTMENTS (SUZHOU) CO., LTD.	Executive Director	ASUS TECHNOLOGY (SUZHOU) CO., LTD. ( Representative : Andrew Ke )	—	100.00%
	Supervisor	ASUS TECHNOLOGY (SUZHOU) CO., LTD. ( Representative: Wang, Hsiang-Huei )	—	—
JINSHUO CULTURAL DIFFUSION CO., LTD.	Executive Director	JINSHUO CULTURAL DIFFUSION CO., LTD. ( Representative: Zhang, Jiang-Jun )	—	100.00%
	Supervisor	JINSHUO CULTURAL DIFFUSION CO., LTD. ( Representative: Jen, Chun-Hao )	—	—
eMES (SHUZHOU) CO., LTD.	Chairman	SHINEWAVE INTERNATIONAL INC. ( Representative: Yu, Jiunn-Hwa* )	—	100.00%
	Director	SHINEWAVE INTERNATIONAL INC. ( Representative: Chou, Shih-Chieh * )	—	—
	Director	SHINEWAVE INTERNATIONAL INC. ( Representative: Chang, Chih-Liang* )	—	—
	Supervisor	SHINEWAVE INTERNATIONAL INC. ( Representative: Chin Wu )	—	—
ASUS CLOUD SINGAPORE PTE. LTD.	Chairman	ASUS CLOUD CORPORATION. ( Representative: Peter Wu )	—	100.00%
	Director	ASUS CLOUD CORPORATION ( Representative: Sung, Lai-Chi* )	—	—
ASUS CLOUD (LUXEMBOURG) S. A R. L.	Director	ASUS CLOUD CORPORATION. ( Representative: Peter Wu )	—	100.00%
ASUS MAAS CORPORATION	Chairman	ASUS CLOUD CORPORATION ( Representative: Joe Hsieh )	1,000,000	100.00%
	Director	ASUS CLOUD CORPORATION ( Representative: Samson Hu )	—	—
	Director	ASUS CLOUD CORPORATION ( Representative: Peter Wu )	—	—
	Supervisor	ASUS CLOUD CORPORATION ( Representative: Alan Hsieh )	—	—
ASKEY INTERNATIONAL CORP.	Director	ASKEY COMPUTER CORP. (Representative: Lin, Cheng-Kuei)	10,000,000	100.00%

Name of Corporation	Title	Name of Representative (Note)	Shareholding	
			Shares	%
DYNALINK INTERNATIONAL CORP.	Director	ASKEY COMPUTER CORP. (Representative: Lin, Cheng-Kuei)	8,160,172	100.00%
MAGIC INTERNATIONAL CO., LTD.	Director	ASKEY COMPUTER CORP. (Representative: Lin, Cheng-Kuei)	114,942,014	100.00%
ASKEY DIGITAL TECHNOLOGY CORP.	Chairman	ASKEY COMPUTER CORP. (Representative: Kao, Chung- Ming)	3,000,000	100.00%
WONDALINK INC.	Chairman	ASKEY COMPUTER CORP. (Representative: Lui, Hon-Man)	9,242,232	100.00%
	Director	ASKEY COMPUTER CORP. (Representative: Chen, Chiu-Hsu)	—	—
	Director	ASKEY COMPUTER CORP. (Representative: Shen, Te-Chih)	—	—
	Supervisor	ASKEY COMPUTER CORP. (Representative: Ou, Ta-Tsou)	—	—
WISE ACCESS (HK) LIMITED	Director	DYNALINK INTERNATIONAL CORP. (Representative: Lui, Hon-Man)	1,600,000	100.00%
ASKEYUK CO. LIMITED	Director	ASKEY COMPUTER CORP. (Representative: Ou, Ta-Tsou)	1,000,000	100.00%
SILIGENCE SAS	Director	ASKEY COMPUTER CORP. (Representative: Ou, Ta-Tsou)	3,843,090	79.76%
	Director	WISE ACCESS (HK) LIMITED (Representative: Ou, Ta-Tsou)	780,000	16.19%
MAGICOM INTERNATIONAL CORP.	Director	MAGIC INTERNATIONAL CO., LTD. (Representative: Lin, Cheng-Kuei)	91,030,000	100.00%
ASKEY COMMUNICATION GMBH	Director	MAGIC INTERNATIONAL CO., LTD. (Representative: Ou, Ta-Tsou)	100,000	100.00%
ASKEY DO BRASIL TECNOLOGIA LTDA.	Director	MAGIC INTERNATIONAL CO., LTD. (Representative: Kao, Chung- Ming)	3,699,630	99.99%
	Director	ASKEY COMPUTER CORP. (Representative: Kao, Chung- Ming)	370	0.01%
ASKEY CORPORATION (THAILAND) CO., LTD.	Director	MAGIC INTERNATIONAL CO., LTD. (Representative: Kao, Chung- Ming)	20,000	100.00%
ASKEY JAPAN CO., LTD.	Director	MAGIC INTERNATIONAL CO., LTD. (Representative: Kao, Chung- Ming)	500,000	100.00%
YANG XU ELECTRONIC TECHNOLOGY (SHANGHAI) LTD.	Chairman	MAGIC INTERNATIONAL CO., LTD. (Representative: Lin, Cheng-Kuei)	—	100.00%
	Supervisor	MAGIC INTERNATIONAL CO., LTD. (Representative: Chin Wu)	—	—
	General Manager	Lui, Hon-Man	—	—
ASKEY TECHNOLOGY (JIANGSU) LTD.	Chairman & General Manager	MAGICOM INTERNATIONAL CORP. (Representative: Lin, Cheng-Kuei)	—	100.00%
	Director	MAGICOM INTERNATIONAL CORP. (Representative: Winnie Liu)	—	—
	Director	MAGICOM INTERNATIONAL CORP. (Representative: Chin Wu)	—	—
	Supervisor	MAGICOM INTERNATIONAL CORP. (Representative: Leif Huang)	—	—
AAEON ELECTRONICS, INC	The Chairman of BOD	AAEON TECHNOLOGY INC. (Representative: Chuang, Yung-Shun)	490,000	100.00%
	General Manager	Paul Yang	—	—
AAEON TECHNOLOGY CO., LTD.	Chairman & General Manager	AAEON TECHNOLOGY INC. (Representative: Chuang, Yung-Shun)	8,807,097	100.00%

Name of Corporation	Title	Name of Representative (Note)	Shareholding	
			Shares	%
AAEON TECHNOLOGY (EUROPE) B. V.	Chairman	AAEON TECHNOLOGY INC. (Representative: Chuang, Yung-Shun)	—	100.00%
AAEON TECHNOLOGY GMBH	Director	AAEON TECHNOLOGY (EUROPE) B.V. (Representative: Chuang, Yung-Shun)	—	100.00%
	Director	AAEON TECHNOLOGY (EUROPE) B.V. (Representative: Lai, Li-Kai)	—	—
AAEON INVESTMENT CO., LTD.	Chairman & General Manager	AAEON TECHNOLOGY INC. (Representative: Chuang, Yung-Shun)	15,000,000	100.00%
ONYX HEALTHCARE INC.	Chairman	JUI-HAI INVESTMENT CO., LTD. (Representative: Chuang, Yung-Shun)	219,080	0.66%
	Director	AAEON TECHNOLOGY INC. (Representative: Lin, Chien-Hung)	16,257,179	48.88%
	Director & General Manager	AAEON TECHNOLOGY INC. (Representative: Bob Wang)	—	—
	Director	The vacancy to be filled	—	—
	Independent Director	Lee, Chih-Hao	—	—
	Independent Director	Tseng, Ho-Chun	57,169	0.17%
Independent Director	Liao, Hsiu-Mei	—	—	
AAEON TECHNOLOGY SINGAPORE PTE. LTD.	Director	AAEON DEVELOPMENT INC. (Representative: Chuang, Yung-Shun)	465,840	100.00%
AAEON TECHNOLOGY (SUZHOU) INC.	Chairman	AAEON TECHNOLOGY CO., LTD. (Representative: Chuang, Yung-Shun)	—	100.00%
ONYX HEALTHCARE USA, INC.	Chairman	ONYX HEALTHCARE INC. (Representative: Chuang, Yung-Shun)	200,000	100.00%
ONYX HEALTHCARE EUROPE B. V.	Chairman	ONYX HEALTHCARE INC. (Representative: Chuang, Yung-Shun)	100,000	100.00%
ONYX HEALTHCARE (SHANGHAI) LTD.	Chairman	ONYX HEALTHCARE INC. (Representative: Chuang, Yung-Shun)	—	100.00%
	Director	ONYX HEALTHCARE INC. (Representative: Chinlong Hsu)	—	—
	Director & General Manager	ONYX HEALTHCARE INC. (Representative: Bob Wang)	—	—
	Supervisor	ONYX HEALTHCARE INC. (Representative: Juno Tu)	—	—
IHELPER INC.	Chairman	KINPO ELECTRONICS, INC. (Representative: Chen Wei-Chang *)	1,584,000	44.00%
	Director	KINPO ELECTRONICS, INC. (Representative: Hsiao-Ching-Hua *)	—	—
	Director	ONYX HEALTHCARE INC. (Representative: Chuang, Yung-Shun)	1,656,000	46.00%
	Director & General Manager	ONYX HEALTHCARE INC. (Representative: Bob Wang)	—	—
	Director	The vacancy to be filled	—	—
	Supervisor	Chueh, Chih-Yun	—	—

Note 1: The list of directors and general managers of this form is as of March 31, 2023.

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

2. Summarized Operation Results of Affiliated Enterprises (As of Dec 31, 2022)

Unit: NT\$ thousands

Name of Corporation	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenues	Operating Income (Loss)	Net Income (Loss)	Earnings (Loss) Per Shar (In dollars)
ASUS COMPUTER INTERNATIONAL	15,355	47,309,207	43,804,690	3,504,517	93,418,960	164,376	248,145	-
ASUS TECHNOLOGY INCORPORATION	190,000	6,376,650	5,815,261	561,389	23,152,055	110,972	82,069	4.32
ASUS HOLLAND B. V.	159,027	402,960	50,778	352,182	301,173	14,362	12,041	-
ASUS INTERNATIONAL LIMITED	2,755,610	43,505,780	1,230	43,504,550	-	(1,394)	2,764,522	-
HUA-CHENG VENTURE CAPITAL CORP.	1,145,000	3,393,755	39,885	3,353,870	-	(172)	684,509	5.98
HUA-MIN INVESTMENT CO., LTD.	680,000	1,599,196	11,329	1,587,867	-	(171)	200,799	2.95
JOGEEK TECHNOLOGY IMITED	30,000	30,551	5,474	25,077	31,316	(462)	249	0.08
ASMEDIA TECHNOLOGY INC.	693,648	17,794,665	2,483,263	15,311,402	5,248,329	1,300,633	2,617,361	37.86
ASUS GLOBAL PTE. LTD.	859,880	187,818,160	128,497,597	59,320,563	426,849,280	4,091,627	2,010,381	-
QUANTUM CLOUD INTERNATIONAL PTE. LTD.	25,489	52,410	3,202	49,208	1,249	817	1,196	-
PT. ASUS TECHNOLOGY INDONESIA JAKARTA	222,143	9,398,518	9,159,882	238,636	15,759,108	125,674	(5,436)	-
PT. ASUS TECHNOLOGY INDONESIA BATAM	993,774	417,530	393,945	23,585	306,609	(15,084)	(85,567)	-
JINSHUO CULTURAL DIFFUSION CO., LTD.	651,643	702,962	460,685	242,277	82,620	(80,135)	(73,601)	Note
UNIMAX ELECTRONICS INCORPORATION	213,000	494,026	307,589	186,437	724,209	(41,193)	(29,840)	(1.40)

Name of Corporation	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenues	Operating Income (Loss)	Net Income (Loss)	Earnings (Loss) Per Share (In dollars)
TAIWAN WEB SERVICE CORPORATION	670,000	705,572	360,536	345,036	49,522	(176,642)	(178,206)	(2.66)
ASUS LIFE CORPORATION	10,000	3,609	3,018	591	9,317	1,611	1,601	1.60
ASUS TECHNOLOGY LICENSING	120,000	86,584	56,533	30,051	1,607	(90,164)	(89,949)	(7.50)
MEDUS TECHNOLOGY INC.	50,000	72,972	12,897	60,075	32,982	12,537	10,075	2.01
ASUS METAVERSE INC.	20,000	19,868	145	19,723	-	(309)	(277)	(0.14)
SHINYOPTICS CORP.	14,800	33,700	3,289	30,411	17,129	(4,419)	(2,613)	(1.77)
JINRUO CULTURAL DIFFUSION CO., LTD.	4,407	2,678	521	2,157	-	(2,260)	(2,258)	Note
ASKEY COMPUTER CORP.	4,800,000	17,839,105	16,886,039	953,066	30,593,328	(181,279)	149,989	0.31
ASKEY INTERNATIONAL CORP.	307,100	3,107,679	2,995,320	112,359	12,723,516	153,171	84,467	-
DYNALINK INTERNATIONAL CORP.	250,599	85,181	-	85,181	-	(177)	(26,140)	-
MAGIC INTERNATIONAL CO., LTD.	3,529,869	3,449,119	21	3,449,098	-	(99)	395,631	-
ASKEY DIGITAL TECHNOLOGY CORP.	30,000	30,288	102	30,186	2,254	9	87	0.03
WONDALINK INC.	92,422	51,586	1,095	50,491	-	(48)	1,565	0.17
WISE ACCESS (HK) LIMITED	41,505	12,952	-	12,952	-	-	203	Note
MAGICOM INTERNATIONAL CORP.	2,795,531	3,531,473	46	3,531,427	-	(399)	388,943	-
ASKEY COMMUNICATION GMBH	3,272	3,853	2,693	1,160	5,455	(801)	(801)	-
ASKEY CORPORATION (THAILAND) CO., LTD.	1,787	3,109	1,858	1,251	1,426	367	80	-
ASKEYUK CO. LIMITED	37,088	33,876	3,202	30,674	8,387	(1,341)	(1,321)	-

Name of Corporation	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenues	Operating Income (Loss)	Net Income (Loss)	Earnings (Loss) Per Share (In dollars)
ASKEY JAPAN CO., LTD.	1,167	2,249	4,389	(2,140)	4,018	694	63	-
ASKEY DO BRASIL TECNOLOGIA LTDA.	21,498	7,173	350	6,823	5,293	115	214	-
SILIGENCE SAS	157,655	144,022	64,216	79,806	271,248	1,333	1,252	-
YANG XU ELECTRONIC TECHNOLOGY (SHANGHAI) LTD.	109,423	87,667	89,664	(1,997)	221,670	(417)	1,241	Note
ASKEY TECHNOLOGY (JIANGSU) LTD.	3,051,889	8,755,934	5,262,759	3,493,175	13,927,961	299,473	276,071	Note
ASUS CLOUD CORPORATION	390,000	193,633	105,305	88,328	208,638	(74,744)	(81,881)	(7.63)
ASUS CLOUD SINGAPORE PTE. LTD.	24,675	633	-	633	-	(1,282)	(1,283)	-
ASUS CLOUD (LUXEMBOURG) S. A R. L.	13,089	3,689	426	3,263	291	191	174	-
ASUS MAAS CORPORATION	10,000	17,295	14,251	3,044	443	(6,964)	(6,956)	(0.65)
SHINEWAVE INTERNATIONAL INC.	107,250	211,354	48,515	162,839	121,887	8,302	13,731	1.28
EMES (SUZHOU) CO., LTD.	9,945	26,140	1,688	24,452	14,191	1,075	1,653	Note
INTERNATIONAL UNITED TECHNOLOGY CO., LTD. (TAIWAN)	163,515	357,616	163,652	193,964	483,534	9,360	14,505	0.89
AAEON TECHNOLOGY INC.	1,492,255	9,886,220	1,243,797	8,642,423	5,940,824	950,740	1,074,460	10.03
AAEON ELECTRONICS, INC.	150,479	573,466	256,207	317,259	1,786,661	43,920	49,514	-
AAEON TECHNOLOGY CO., LTD.	270,466	240,439	10	240,429	-	(128)	(15,729)	-
AAEON TECHNOLOGY (EUROPE) B. V.	3,272	543,671	469,921	73,750	2,078,931	39,422	34,144	-

Name of Corporation	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenues	Operating Income (Loss)	Net Income (Loss)	Earnings (Loss) Per Shar (In dollars)
AAEON INVESTMENT CO., LTD.	150,000	128,947	42	128,905	-	(98)	9,526	0.64
AAEON TECHNOLOGY SINGAPORE PTE. LTD.	13,346	99,766	34,411	65,355	168,614	7,258	4,214	-
AAEON TECHNOLOGY GMBH	982	71,521	50,671	20,850	34,119	956	915	-
AAEON TECHNOLOGY (SUZHOU) INC.	266,878	378,916	141,105	237,811	555,235	(15,793)	(15,878)	Note
ONYX HEALTHCARE INC.	332,612	1,914,216	522,373	1,391,843	1,329,319	178,800	202,963	6.24
ONYX HEALTHCARE USA, INC.	61,420	219,919	129,528	90,391	664,979	(31,045)	(20,292)	-
ONYX HEALTHCARE EUROPE B. V.	3,272	32,625	12,572	20,053	64,566	684	164	-
IHELPER INC.	36,000	16,829	78	16,751	2,292	306	323	0.09
ONYX HEALTHCARE (SHANGHAI) LTD.	64,749	7,557	922	6,635	522	(2,059)	(1,895)	Note
CHANNEL PILOT LIMITED	922,313	47,349,773	5,408,401	41,941,372	-	(266)	2,763,611	-
ASUS TECHNOLOGY PTE. LIMITED	1,364,121	42,704,627	120,859	42,583,768	-	(44,948)	151,614	-
ASUS MIDDLE EAST FZCO	89,477	153,167	43,476	109,691	214,006	1,163	144	-
ASUS EGYPT L. L. C.	-	5,732	4,256	1,476	12,220	551	829	-
PT. ASUS SERVICE INDONESIA	28,535	69,463	21,572	47,891	70,447	2,610	4,700	-
ASUS (THAILAND) CO., LTD.	14,299	42,649	11,765	30,884	91,965	4,900	4,215	-
ASUS SERVICE (THAILAND) CO., LTD.	5,362	126,369	114,446	11,923	170,697	3,804	3,852	-
ASUS COMPUTER GMBH	8,365	289,443	98,583	190,860	850,019	14,140	14,511	-
ASUS FRANCE SARL	3,468	227,990	152,526	75,464	389,453	17,469	10,266	-



Name of Corporation	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenues	Operating Income (Loss)	Net Income (Loss)	Earnings (Loss) Per Share (In dollars)
ASUSTEK (UK) LIMITED	1,854	112,894	41,857	71,037	247,377	12,495	6,925	-
ASUS TECHNOLOGY (HONG KONG) LIMITED	1,969	78,722	50,271	28,451	190,694	2,797	12,250	Note
ASUS KOREA CO., LTD.	19,316	63,465	9,874	53,591	142,715	2,914	3,192	-
ASUS TECHNOLOGY PRIVATE LIMITED	74,818	532,823	170,325	362,498	540,871	53,645	45,960	-
ASUS EUROPE B.V.	287,131	8,259,428	6,363,150	1,896,278	19,680,769	163,934	121,536	-
ASUS TECHNOLOGY (VIETNAM) CO., LTD.	1,664	64,488	26,140	38,348	164,414	8,863	6,618	-
ASUS SPAIN, S.L.U.	982	247,883	39,022	208,861	282,774	87,788	82,466	-
ASUS JAPAN INCORPORATION	47,846	2,013,138	1,565,787	447,351	8,002,268	107,525	72,108	-
ASUS SERVICE AUSTRALIA PTY LIMITED	19,789	146,372	67,288	79,084	120,974	15,959	10,796	-
ASUS AUSTRALIA PTY LIMITED	7,291	97,827	31,749	66,078	230,393	8,902	6,762	-
ASUS ISRAEL (TECHNOLOGY) LTD.	400	32,233	14,199	18,034	111,439	10,131	6,056	-
ASUS COMPUTER COLOMBIA S. A. S.	480	14,453	9,123	5,330	59,350	2,761	1,574	-
ASUSTEK COMPUTERS (PTY) LIMITED	2	19,811	10,727	9,084	59,327	2,877	1,437	-
ASUSTEK COMPUTER MALAYSIA SDN. BHD.	3,484	32,655	7,651	25,004	112,102	3,885	3,103	-
ASUS CHILE SPA	36	13,995	8,353	5,642	50,159	3,285	1,704	-
ASUS PERU S. A. C.	33,952	53,308	16,861	36,447	40,258	1,173	1,733	-

Name of Corporation	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenues	Operating Income (Loss)	Net Income (Loss)	Earnings (Loss) Per Share (In dollars)
ASUS HOLDING MEXICO, S. A. DE C. V.	80,740	4,044,934	3,760,552	284,382	3,222,512	6,631	(23,203)	-
ACBZ IMPORTACAO E COMERCIO LTDA.	3,192,597	6,487,170	2,576,236	3,910,934	3,886,833	(27,513)	281,502	-
ASUS INDIA PRIVATE LIMITED	124,483	9,003,210	8,740,773	262,437	15,143,174	(365,246)	(313,101)	-
ASUS HUNGARY SERVICES LIMITED LIABILITY COMPANY	1,025	17,674	5,463	12,211	55,084	2,623	1,828	-
ASUS PORTUGAL, SOCIEDADE UNIPessoal LDA.	982	30,140	13,227	16,913	47,114	2,372	1,684	-
ASUS SWITZERLAND GMBH	11,289	22,056	5,043	17,013	75,286	3,585	2,646	-
ASUS NORDIC AB	882	118,403	58,684	59,719	330,480	16,012	11,844	-
ASUS BILGISAYAR SISTEMLERI TICARET LIMITED SIRKETI	83,211	166,466	30,602	135,864	127,566	9,730	12,807	-
ASUS POLSKA SP. Z O. O.	350	75,847	14,429	61,418	146,043	6,954	4,999	-
ASUSTEK ITALY S. R. L.	1,571	120,803	97,150	23,653	223,591	11,547	7,246	-
ASUS COMPUTER CZECH REPUBLIC S. R. O.	271	51,461	23,208	28,253	111,959	5,762	4,194	-
ASUS CZECH SERVICE S. R. O.	128,112	401,212	123,893	277,319	595,009	22,009	18,644	-
ASUS PHILIPPINES CORPORATION	6,179	45,896	36,622	9,274	100,241	5,633	881	-
QC SERVER AB	147	829	215	614	-	1,172	44,677	-
ASUS PROPERTIES (VIETNAM) LTD.	443,653	455,190	949	454,241	-	(5,007)	9,219	-
LIABILITY LIMITED COMPANY A25	4	48,336	27,976	20,360	242,680	18,121	14,109	-

Name of Corporation	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenues	Operating Income (Loss)	Net Income (Loss)	Earnings (Loss) Per Share (In dollars)
ASUS UKRAINE LIMITED LIABILITY COMPANY	7,993	13,352	2,500	10,852	73,448	(2,093)	2,264	-
ASUSTEK COMPUTER (SHANGHAI) CO. LTD.	1,477,151	30,773,129	33,621,857	(2,848,728)	94,975,256	209,358	205,490	Note
ASUS COMPUTER (SHANGHAI) CO., LTD.	61,420	123,997	37,307	86,690	196,327	5,386	6,245	Note
ASUS TECHNOLOGY (SUZHOU) CO., LTD.	1,504,790	4,106,577	2,109,678	1,996,899	2,316,593	147,705	166,949	Note
ASUSTEK COMPUTER (CHONGQING) CO., LTD.	2,118,990	13,567,747	8,915,734	4,652,013	12,040,290	122,323	1,719,956	Note
ASUS INVESTMENTS (SUZHOU) CO., LTD.	1,087,715	983,254	447	982,807	-	(331)	(3,648)	Note

Note: It's not applied to company limited.

# ASUSTeK Computer Inc. Statement of Internal Control System

Date: March 10, 2023

Based on the findings of a self-assessment, ASUSTeK Computer Inc. (ASUS) states the following with regard to its internal control system during the year 2022:

1. ASUS's Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of asset security), reliability, timeliness, transparency and regulatory compliance of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and ASUS takes immediate remedial actions in response to any identified deficiencies.
3. ASUS evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component also includes several items which can be found in the Regulations.
4. ASUS has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, ASUS believes that, on December 31, 2022, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of ASUS's annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This Statement was passed by the Board of Directors in their meeting held on March 10, 2023, with no attending directors expressing dissenting opinions, and all affirming the content of this Statement.

ASUSTeK Computer Inc.



Chairman: Jonney Shih



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



General Manager & Co-CEOs: Samson Hu





## **Independent Auditors' Report**

To the Board of Directors and Shareholders of

ASUSTEK COMPUTER INC.:

### **Opinion**

We have audited the accompanying consolidated balance sheets of ASUSTEK COMPUTER INC. and its subsidiaries (the “Group”) as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2022 and 2021 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 that came into effect as endorsed by the Financial Supervisory Commission.

### **Basis for opinion**

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

## **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

### **Evaluation of inventories**

#### Description

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

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

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

#### How our audit addressed the matter

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

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

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

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

#### Description

Refer to Note 4(33) for the accounting policies on estimations for sales returns and discounts, Note 5 for the uncertainty of accounting estimations and assumptions for refund liabilities - sales returns and discounts, and Note 6(17) for the details of refund liabilities - sales returns and discounts. As of December 31, 2022, refund liabilities - sales returns and discounts amounted to \$30,083,875 thousand.

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

#### How our audit addressed the matter

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

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

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

We did not audit the financial statements of certain consolidated subsidiaries and investments accounted for under the equity method, which statements reflect total assets of \$18,144,695 thousand and \$11,763,530 thousand (including investments accounted for under the equity method amounting to \$7,240,204 thousand and \$5,831,243 thousand), constituting 3.85% and 2.33% of consolidated total assets as of December 31, 2022 and 2021, respectively, total operating revenues of \$7,613,856 thousand and \$5,115,399 thousand, constituting 1.42% and 0.96% of consolidated total operating revenues for the years ended December 31, 2022 and 2021, respectively, and the share of profit and other comprehensive income of associates and joint ventures accounted for under the equity method of \$731,144 thousand and \$246,123 thousand, constituting 6.91% and 0.47% of consolidated total comprehensive income for the years ended December 31, 2022 and 2021, 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, 2022 and 2021.

**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 that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of 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 Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

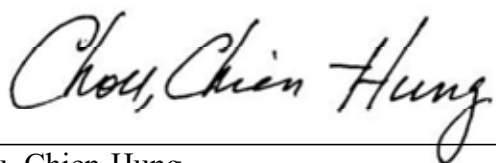
1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



Chou, Chien-Hung



Lin, Chun-Yao

For and on behalf of PricewaterhouseCoopers, Taiwan

March 10, 2023

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such consolidated financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of 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, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS	NOTES	DECEMBER 31, 2022		DECEMBER 31, 2021	
		AMOUNT	%	AMOUNT	%
<u>Current assets</u>					
Cash and cash equivalents	6(1)	\$ 69,322,700	15	\$ 67,812,243	13
Financial assets at fair value through profit or loss – current	6(2)	4,455,277	1	4,250,964	1
Financial assets at fair value through other comprehensive income – current	6(3)	802,290	-	1,630,993	-
Financial assets at amortized cost – current	6(4)	296,611	-	125,500	-
Derivative financial assets for hedging – current	6(5)	20,100	-	494,819	-
Notes receivable	6(6)	8,148,670	2	4,158,773	1
Trade receivables	6(6)(7) and 7	83,162,702	18	89,083,799	18
Other receivables	7	1,308,905	-	4,641,494	1
Inventories	6(8)	142,472,215	30	167,315,529	33
Prepayments	9	11,951,669	2	8,849,060	2
Other current assets	8	256,982	-	341,868	-
Total current assets		<u>322,198,121</u>	<u>68</u>	<u>348,705,042</u>	<u>69</u>
<u>Non-current assets</u>					
Financial assets at fair value through profit or loss – non-current	6(2)	80,346	-	2,884,568	1
Financial assets at fair value through other comprehensive income – non-current	6(3)	64,266,064	14	74,021,463	15
Financial assets at amortized cost – non-current	6(4)	9,262,319	2	8,229,919	2
Investments accounted for under equity method	6(9)	22,171,608	5	19,891,181	4
Property, plant and equipment	6(10) and 8	19,495,414	4	19,420,631	4
Right-of-use assets	6(11)	1,614,722	-	1,721,804	-
Investment property		8,264,912	2	7,799,167	1
Intangible assets	6(12)	2,062,499	-	2,189,762	-
Deferred income tax assets	6(27)	18,622,165	4	16,243,901	3
Other non-current assets	8 and 9	3,126,544	1	3,045,376	1
Total non-current assets		<u>148,966,593</u>	<u>32</u>	<u>155,447,772</u>	<u>31</u>
<u>TOTAL ASSETS</u>		<u>\$ 471,164,714</u>	<u>100</u>	<u>\$ 504,152,814</u>	<u>100</u>

(Continued)

**ASUSTEK COMPUTER INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2022 AND 2021**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

LIABILITIES AND EQUITY	NOTES	DECEMBER 31, 2022		DECEMBER 31, 2021	
		AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>					
Short-term borrowings	6(13)(29)	\$ 48,897,458	10	\$ 9,396,555	2
Financial liabilities at fair value through profit or loss – current	6(2)	1,585,793	-	232,687	-
Derivative financial liabilities for hedging – current	6(5)	1,933,650	1	58,036	-
Contract liabilities – current	6(22)	2,301,547	1	3,061,577	1
Notes and trade payables	6(7) and 7	51,368,369	11	95,730,026	19
Other payables – accrued expenses	7	38,943,789	8	49,274,621	10
Current income tax liabilities		9,489,977	2	15,306,153	3
Provisions for liabilities – current	6(16) and 9	32,584,520	7	27,106,864	5
Lease liabilities – current	6(29)	470,211	-	495,956	-
Current portion of long-term borrowings	6(14)	10,377	-	10,744	-
Refund liabilities – current	6(17)	30,083,875	6	32,142,958	6
Other current liabilities	7	5,007,712	1	5,366,333	1
Total current liabilities		222,677,278	47	238,182,510	47
<b>Non-current liabilities</b>					
Long-term borrowings	6(14)(29)	144,910	-	155,043	-
Deferred income tax liabilities	6(27)	18,344,096	4	17,348,101	4
Lease liabilities – non-current	6(29)	908,928	-	956,286	-
Other non-current liabilities	6(15)(22)	2,200,671	1	1,074,408	-
Total non-current liabilities		21,598,605	5	19,533,838	4
Total liabilities		244,275,883	52	257,716,348	51
<b>Equity attributable to shareholders of the parent</b>					
Share capital – common shares	6(18)	7,427,603	1	7,427,603	1
Capital surplus	6(19)	11,744,485	3	9,839,911	2
Retained earnings	6(20)				
Legal reserve		43,977,035	9	39,274,878	8
Special reserve		693,928	-	693,928	-
Unappropriated retained earnings		113,873,089	24	135,085,474	27
Other equity interest	6(3)(5)(21)	34,664,340	8	40,009,424	8
Total equity attributable to shareholders of the parent		212,380,480	45	232,331,218	46
Non-controlling interest		14,508,351	3	14,105,248	3
Total equity		226,888,831	48	246,436,466	49
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 471,164,714</b>	<b>100</b>	<b>\$ 504,152,814</b>	<b>100</b>

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

**ASUSTEK COMPUTER INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

YEAR ENDED DECEMBER 31

ITEMS	NOTES	2022		2021	
		AMOUNT	%	AMOUNT	%
Operating revenue	6(22) and 7	\$ 537,191,932	100	\$ 535,238,735	100
Operating costs	6(8)(10)(11)(12)(15) (25)(26) and 7	( 463,051,081)	( 86)	( 424,922,806)	( 80)
Gross profit		74,140,851	14	110,315,929	20
Unrealized (profit) loss from sales		3,730	-	( 10,454)	-
Gross profit		74,144,581	14	110,305,475	20
Operating expenses	6(10)(11)(12)(15)(25) (26), 7 and 9				
Selling expenses		( 30,857,283)	( 6)	( 32,300,929)	( 6)
General and administrative expenses		( 9,680,396)	( 2)	( 8,590,172)	( 1)
Research and development expenses		( 20,624,670)	( 4)	( 20,088,772)	( 4)
Total operating expenses		( 61,162,349)	( 12)	( 60,979,873)	( 11)
Operating profit		12,982,232	2	49,325,602	9
Non-operating income and expenses					
Interest income	6(4)	920,455	-	527,999	-
Other income	6(3)(23)	3,370,582	1	3,033,587	1
Other gains (losses)	6(2)(4)(5)(10)(11) (24)	2,753,947	1	4,116,701	1
Finance costs	6(11)	( 762,532)	-	( 171,037)	-
Share of profit (loss) of associates and joint ventures accounted for under equity method	6(9)	2,350,863	-	2,255,878	-
Total non-operating income and expenses		8,633,315	2	9,763,128	2
<b>Profit before income tax</b>		21,615,547	4	59,088,730	11
Income tax expenses	6(27)	( 4,784,079)	( 1)	( 12,483,328)	( 2)
<b>Profit for the year</b>		\$ 16,831,468	3	\$ 46,605,402	9
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Gain (loss) on remeasurements of defined benefit plans	6(15)(21)	\$ 56,982	-	\$ 17,872	-
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(21)	( 10,798,800)	( 2)	6,371,861	1
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	6(9)	( 2,206,914)	-	515,549	-
Income tax relating to items that will not be reclassified	6(21)(27)	23,867	-	( 11,986)	-
<b>Items that will be reclassified to profit or loss</b>					
Financial statements translation differences of foreign operations	6(21)	10,107,960	2	( 2,913,889)	-
Gains (losses) on hedging instrument	6(5)(21)	( 2,350,333)	( 1)	1,246,189	-
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	6(9)(21)	939,379	-	( 248,842)	-
Income tax relating to items that will be reclassified	6(21)(27)	( 2,028,906)	-	578,866	-
<b>Other comprehensive (loss) income for the year</b>		( \$ 6,256,765)	( 1)	\$ 5,555,620	1
<b>Total comprehensive income for the year</b>		\$ 10,574,703	2	\$ 52,161,022	10
Profit attributable to:					
Shareholders of the parent		\$ 14,690,785	3	\$ 44,549,798	8
Non-controlling interest		2,140,683	-	2,055,604	1
		\$ 16,831,468	3	\$ 46,605,402	9
Total comprehensive income (loss) attributable to:					
Shareholders of the parent		\$ 9,340,620	2	\$ 49,822,661	10
Non-controlling interest		1,234,083	-	2,338,361	-
		\$ 10,574,703	2	\$ 52,161,022	10
Earnings per share:					
Basic earnings per share	6(28)	\$ 19.78		\$ 59.98	
Diluted earnings per share	6(28)	\$ 19.62		\$ 59.21	

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(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 (loss) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Remeasurements of defined benefit plan	Total	Non-controlling interest	Total equity
For the year ended December 31, 2022												
Balance at January 1, 2022	\$ 7,427,603	\$ 9,839,911	\$ 39,274,878	\$ 693,928	\$ 135,085,474	\$ 8,894,860	\$ 48,589,975	\$ 436,783	\$ 122,474	\$ 232,331,218	\$ 14,105,248	\$ 246,436,466
Appropriations of 2021 earnings (Note 6(20))	-	-	-	-	( 4,702,157 )	-	-	-	-	-	-	-
Legal reserve	-	-	4,702,157	-	( 4,702,157 )	-	-	-	-	( 31,195,932 )	-	( 31,195,932 )
Cash dividends	-	-	-	-	( 31,195,932 )	-	-	-	-	14,690,785	-	14,690,785
Profit for the year	-	-	-	-	14,690,785	-	-	-	-	2,140,683	-	2,140,683
Other comprehensive income (loss) for the year	-	-	-	-	-	8,532,495	( 11,583,289 )	( 2,350,333 )	50,962	( 5,350,165 )	( 906,600 )	( 6,256,765 )
Change in associates and joint ventures accounted for under equity method	-	1,841,709	-	-	-	-	-	-	-	1,841,709	-	1,841,709
Recognition of changes in ownership interest in subsidiaries	-	53,710	-	-	-	-	-	-	-	53,710	-	53,710
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	9,647	-	-	-	-	-	-	-	9,647	-	9,647
Non-controlling interest	-	-	-	-	( 5,081 )	-	5,081	-	-	-	( 830,980 )	( 830,980 )
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Group reorganization	-	( 492 )	-	-	-	-	-	-	-	( 492 )	-	( 492 )
Balance at December 31, 2022	\$ 7,427,603	\$ 11,744,485	\$ 43,977,035	\$ 693,928	\$ 113,873,089	\$ 362,365	\$ 37,011,767	\$ 1,913,550	\$ 71,512	\$ 212,380,480	\$ 14,508,351	\$ 226,888,831
For the year ended December 31, 2021												
Balance at January 1, 2021	\$ 7,427,603	\$ 9,784,103	\$ 36,620,905	\$ 693,928	\$ 110,029,647	\$ 6,447,186	\$ 44,600,953	\$ 809,406	\$ 136,031	\$ 201,764,516	\$ 12,877,035	\$ 214,641,551
Appropriations of 2020 earnings (Note 6(20))	-	-	-	-	( 2,653,973 )	-	-	-	-	-	-	-
Legal reserve	-	-	2,653,973	-	( 2,653,973 )	-	-	-	-	( 19,311,767 )	-	( 19,311,767 )
Cash dividends	-	-	-	-	( 19,311,767 )	-	-	-	-	44,549,798	-	44,549,798
Profit for the year	-	-	-	-	44,549,798	-	-	-	-	2,055,604	-	2,055,604
Other comprehensive income (loss) for the year	-	-	-	-	-	( 2,447,674 )	6,460,791	1,246,189	13,557	5,272,863	282,757	5,555,620
Change in associates and joint ventures accounted for under equity method	-	55,381	-	-	-	-	-	-	-	55,381	-	55,381
Recognition of changes in ownership interest in subsidiaries	-	427	-	-	-	-	-	-	-	427	-	427
Non-controlling interest	-	-	-	-	2,471,769	-	( 2,471,769 )	-	-	-	( 1,110,148 )	( 1,110,148 )
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2021	\$ 7,427,603	\$ 9,839,911	\$ 39,274,878	\$ 693,928	\$ 135,085,474	\$ 8,894,860	\$ 48,589,975	\$ 436,783	\$ 122,474	\$ 232,331,218	\$ 14,105,248	\$ 246,436,466

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	YEAR ENDED DECEMBER 31	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	\$ 21,615,547	\$ 59,088,730
Income and expense that result in non-cash flows		
Depreciation (including investment property and right-of-use assets)	2,142,110	3,159,301
Amortization	478,621	428,598
Expected credit impairment (gains) losses	1,432,178	318,935
Expected credit impairment (gains) losses – debt instruments	( 24,082 )	45,342
Net (gains) losses on financial assets or liability at fair value through profit or loss	( 6,133,270 )	( 1,226,994 )
Share of profit of associates and joint ventures accounted for under equity method	( 2,350,863 )	( 2,255,878 )
Interest income	( 920,455 )	( 527,999 )
Dividend income	( 3,164,918 )	( 2,880,703 )
(Gain) loss on disposal of property, plant and equipment	( 527,286 )	( 237,906 )
(Gain) loss on disposal of investments	( 276,030 )	( 29,210 )
(Reversal of) impairment loss	( 237,403 )	582,446
Interest expense	762,532	171,037
Others	59,825	136,996
Changes in assets and liabilities relating to operating activities		
Financial assets at fair value through profit or loss	16,299,003	11,153,471
Notes receivable	( 3,991,175 )	99,246
Trade receivables	4,360,774	( 17,530,558 )
Other receivables	( 736,634 )	( 122,011 )
Inventories	24,849,162	( 70,005,776 )
Prepayments	( 1,624,052 )	( 2,612,567 )
Other current assets	84,965	( 64,529 )
Financial liabilities at fair value through profit or loss	( 1,725,720 )	( 1,731,153 )
Contract liabilities	269,358	2,321,803
Notes and trade payables	( 44,363,491 )	40,259,713
Other payables - accrued expenses	( 10,225,865 )	8,000,042
Provisions for liabilities	5,519,160	4,473,645
Refund liabilities	( 2,059,083 )	7,706,594
Other current liabilities	300,922	967,670
Other operating liabilities	( 109,015 )	( 72,353 )
Receipt of interest	1,012,014	579,693
Payment of interest	( 681,534 )	( 181,129 )
Payment of income tax	( 15,756,660 )	( 7,323,353 )
Net cash flows provided by (used in) operating activities	<u>( 15,721,365 )</u>	<u>32,691,143</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of financial assets at fair value through other comprehensive income	2,170	2,755,506
Acquisition of financial assets at amortized cost	( 642,021 )	( 4,899,741 )
Proceeds from disposal of financial assets at amortized cost	270,132	563,902
Acquisition of investments accounted for under equity method	( 900,802 )	( 1,542,543 )
Proceeds from disposal of investments accounted for under equity method	441,012	89,830
Acquisition of property, plant and equipment	( 1,523,747 )	( 2,178,141 )
Acquisition of investment property	( 338,193 )	( 619,205 )
Changes in other non-current assets	( 407,877 )	75,312
Dividends received	4,574,884	3,651,134
Others	( 30,407 )	320,314
Net cash flows provided by (used in) investing activities	<u>1,445,151</u>	<u>( 1,783,632 )</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	39,479,961	3,565,288
Increase in long-term borrowings	-	172,000
Decrease in long-term borrowings	( 10,500 )	( 6,213 )
Payment of cash dividends	( 31,195,932 )	( 19,311,767 )
Redemption of lease liabilities	( 569,556 )	( 560,238 )
Change in non-controlling interest	( 995,265 )	( 1,230,664 )
Others	107,230	3,864
Net cash flows provided by (used in) financing activities	<u>6,815,938</u>	<u>( 17,367,730 )</u>
Effects due to changes in exchange rate	8,970,733	( 2,507,002 )
Net increase (decrease) in cash and cash equivalents	1,510,457	11,032,779
Cash and cash equivalents at beginning of year	67,812,243	56,779,464
Cash and cash equivalents at end of year	<u>\$ 69,322,700</u>	<u>\$ 67,812,243</u>

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



ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,  
EXCEPT AS OTHERWISE INDICATED)

**1. HISTORY AND ORGANIZATION**

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

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

These consolidated financial statements were authorized for issuance by the Board of Directors on March 10, 2023.

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

- (1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, “Sale or contribution of assets between an investor and its associate or joint venture”	To be determined by International Accounting Standards Board
Amendments to IFRS 16, “Lease liability in a sale and lease back”	January 1, 2024
IFRS 17, “Insurance contracts”	January 1, 2023
Amendments to IFRS 17, “Insurance contracts”	January 1, 2023
Amendments to IFRS 17, “Initial application of IFRS 17 and IFRS 9 - comparative information”	January 1, 2023
Amendments to IAS 1, “Classification of liabilities as current or non-current”	January 1, 2024
Amendments to IAS 1, “Non-current liabilities with covenants”	January 1, 2024

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

(1) Compliance statement

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

(2) Basis of preparation

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

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

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements

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

Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Main business activities	Ownership (%)		Remark
			December 31, 2022	December 31, 2021	
ASUS	ASUS COMPUTER INTERNATIONAL (ACI)	Selling of 3C products in North America	100.00	100.00	
ASUS	ASUS TECHNOLOGY INCORPORATION (ASUTC)	Selling of 3C products in Taiwan	100.00	100.00	
ASUS	ASUS HOLLAND B. V. (ACH)	Repairing of 3C products	100.00	100.00	
ASUS	ASUS INTERNATIONAL LIMITED (AIL)	Investing in 3C and computer peripheral business	100.00	100.00	
ASUS	ASUS GLOBAL PTE. LTD. (ASGL)	Selling of 3C products	100.00	100.00	
ASUS	ASUS CLOUD CORPORATION (ASUSCLOUD)	Selling and consulting of internet service	96.53	94.58	
ASUS	ASUS TECHNOLOGY LICENSING (ATL)	Researching, developing and authorizing of communication technology	100.00	-	
ASUS	ASUS METAVERSE INC. (AMV)	Selling of metaverse service	100.00	-	
ASUS	ASKEY COMPUTER CORP. (ASKEY)	Designing, manufacturing, repairing and selling of communication products and computer peripheral spare parts	100.00	100.00	
ASUS	HUA-CHENG VENTURE CAPITAL CORP. (HCVC)	Investing in computer peripheral business	100.00	100.00	
ASUS	HUA-MIN INVESTMENT CO., LTD. (HMI)	Investing in computer peripheral business	100.00	100.00	
ASUS	QUANTUM CLOUD INTERNATIONAL PTE. LTD. (QCI)	Servicing of information technology	100.00	100.00	
ASUS	JINSHUO CULTURAL DIFFUSION CO., LTD. (JSCD)	Participating and promoting of professional eSports	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%)		Remark
			December 31, 2022	December 31, 2021	
ASUS	UNIMAX ELECTRONICS INCORPORATION (UEI)	Manufacturing and selling of automotive electronics and computer peripherals	100.00	100.00	
ASUS	TAIWAN WEB SERVICE CORPORATION (TWS)	Servicing of AI computing	80.60	100.00	
ASUS and HCVC	SHINEWAVE INTERNATIONAL INC. (SWI)	Researching, developing, selling and consulting of information system software	51.00	51.00	
ASUS and HCVC	INTERNATIONAL UNITED TECHNOLOGY CO., LTD. (TAIWAN) (IUT)	Researching, developing, manufacturing and selling of ink-jet print heads and ink-jet digital image output technology	69.25	69.25	
ASUS and HCVC	MEDUS TECHNOLOGY INC. (MEDUS)	Servicing of information system technology	51.00	-	
ASUS and HCVC	PT. ASUS TECHNOLOGY INDONESIA BATAM (ACBT)	Selling of 3C products in Indonesia	100.00	100.00	
ASUS and HCVC	PT. ASUS TECHNOLOGY INDONESIA JAKARTA (ACJK)	Selling of 3C products in Indonesia	100.00	100.00	
ASUS and HCVC	SHINYOPTICS CORP. (SHINYOPTICS)	Researching, developing, manufacturing and selling virtual image optical engines and vehicle head-up displays	83.30	-	
ASUS and ASUSCLOUD	ASUS LIFE CORP. (ASUSLC)	Selling of internet information service	90.00	50.00	
ASUS, HCVC and HMI	ASMEDIA TECHNOLOGY INC. (ASMEDIA)	Designing, researching, developing and manufacturing of high-speed analog circuit	45.94	45.99	
ASUS, HCVC and HMI	AAEON TECHNOLOGY INC. (AAEON)	Manufacturing and selling of industrial computers and computer peripherals	40.53	40.69	
ASUS, HMI and AAEON	ONYX HEALTHCARE INC. (ONYX)	Designing, manufacturing and selling of medical computers	55.06	56.80	Note
HMI GROUP	JOGEEK TECHNOLOGY LIMITED (JOGEEK)	Selling and repairing of information software and electronic information materials	100.00	100.00	
SWI GROUP	EMES (SUZHOU) CO., LTD. (EMES)	Selling and consulting of information system software	100.00	100.00	
ASKEY GROUP	ASKEY INTERNATIONAL CORP. (ASKEYI)	Selling and servicing of communication products	100.00	100.00	
ASKEY GROUP	DYNALINK INTERNATIONAL CORP. (DIC)	Investing in communication business	100.00	100.00	
ASKEY GROUP	MAGIC INTERNATIONAL CO., LTD. (MIC)	Investing in communication business	100.00	100.00	
ASKEY GROUP	ASKEY (VIETNAM) COMPANY LIMITED (ASKEYVN)	Manufacturing and selling of communication products	-	100.00	

Investor	Subsidiary	Main business activities	Ownership (%)		Remark
			December 31, 2022	December 31, 2021	
ASKEY GROUP	MAGICOM INTERNATIONAL CORP. (MAGICOM)	Investing in communication business	100.00	100.00	
ASKEY GROUP	YANG XU ELECTRONIC TECHNOLOGY (SHANGHAI) LTD. (ASKEYSH)	Researching, developing and selling of communication products	100.00	100.00	
ASKEY GROUP	ASKEY TECHNOLOGY (JIANGSU) LTD. (ASKEYJS)	Manufacturing and selling of communication products	100.00	100.00	
ASKEY GROUP	WISE ACCESS (HK) LIMITED (WISE)	Investing in communication business	100.00	100.00	
ASKEY GROUP	SILIGENCE SAS (SILIGENCE)	Selling and servicing of communication products	95.95	95.95	
ASKEY GROUP	ASKEY COMMUNICATION GMBH (ASKEYCG)	Selling and servicing of communication products	100.00	100.00	
ASKEY GROUP	ASKEY DO BRASIL TECNOLOGIA LTDA. (ASKEYBR)	Selling and servicing of communication products	100.00	100.00	
ASKEY GROUP	ASKEY CORPORATION (THAILAND) CO., LTD. (ASKEYTH)	Selling and servicing of communication products	100.00	100.00	
ASKEY GROUP	ASKEY JAPAN CO., LTD. (ASKEYJP)	Selling and servicing of communication products	100.00	100.00	
ASKEY GROUP	ASKEY DIGITAL TECHNOLOGY CORP. (ASKEYDT)	Selling and servicing of communication products	100.00	100.00	
ASKEY GROUP	WONDALINK INC. (WONDA)	Manufacturing and designing of wired and wireless communication, electronic parts products, etc.	100.00	100.00	
ASKEY GROUP	ASKEYYUK CO. LIMITED (ASKEYYUK)	Selling and servicing of communication products	100.00	100.00	
AAEON GROUP	AAEON ELECTRONICS, INC. (AAEONEI)	Selling of industrial computers and computer peripherals	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY CO., LTD. (AAEONTCL)	Investing in industrial computers and interface cards business	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY (EUROPE) B. V. (AAEONEU)	Selling of industrial computers and computer peripherals	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY GMBH (AAEONG)	Selling of industrial computers and computer peripherals	100.00	100.00	
AAEON GROUP	AAEON INVESTMENT CO., LTD. (AAEONI)	Investing in industrial computers and computer peripherals business	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%)		Remark
			December 31, 2022	December 31, 2021	
AAEON GROUP	AAEON TECHNOLOGY SINGAPORE PTE. LTD. (AAEONSG)	Selling of industrial computers and computer peripherals	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY (SUZHOU) INC. (AAEONSZ)	Manufacturing and selling of industrial computers and interface cards	100.00	100.00	
ONYX GROUP	ONYX HEALTHCARE USA, INC. (ONYXHU)	Selling of medical computers and peripherals	100.00	100.00	
ONYX GROUP	ONYX HEALTHCARE EUROPE B. V. (ONYXHE)	Marketing support and repairing of medical computers and	100.00	100.00	
ONYX GROUP	ONYX HEALTHCARE (SHANGHAI) LTD. (ONYXSH)	Selling of medical computers and peripherals	100.00	100.00	
ONYX GROUP	IHELPER INC. (IHELPER)	Researching, developing and selling of medical robots	46.00	46.00	
ASUSCLOUD GROUP	ASUS CLOUD SINGAPORE PTE. LTD. (ASUSCLOUDSG)	Investing in internet service business	100.00	100.00	
ASUSCLOUD GROUP	ASUS CLOUD (LUXEMBOURG) S. A R. L. (ASUSCLOUDLB)	Providing maintenance and operating service for information hardware	100.00	100.00	
ASUSCLOUD GROUP	ASUS MAAS CORPORATION (ASUSMAAS)	Leasing parking lots	100.00	-	
JSCD GROUP	JINRUO CULTURAL DIFFUSION CO., LTD. (JRCD)	Participating and promoting of professional eSports	100.00	-	
AIL GROUP	CHANNEL PILOT LIMITED (CHANNEL)	Investing in 3C business	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY PTE. LIMITED (ASTP)	Investing in 3C business	100.00	100.00	
AIL GROUP	ASUS MIDDLE EAST FZCO (ACAE)	Providing support and repair for 3C products in Middle East	100.00	100.00	
AIL GROUP	ASUS EGYPT L. L. C. (ACEG)	Providing support for 3C products in Egypt	100.00	100.00	
AIL GROUP	ASUS COMPUTER GMBH (ACG)	Selling and providing support for 3C products in Germany	100.00	100.00	
AIL GROUP	ASUS FRANCE SARL (ACF)	Providing support for 3C products in France	100.00	100.00	
AIL GROUP	ASUSTEK (UK) LIMITED (ACUK)	Providing support for 3C products in United Kingdom	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY (HONG KONG) LIMITED (ACHK)	Providing support and repair for 3C products in Hong Kong	100.00	100.00	
AIL GROUP	ASUS KOREA CO., LTD. (ACKR)	Providing support and repair for 3C products in South Korea	100.00	100.00	
AIL GROUP	ASUS POLSKA SP. Z O. O. (ACPL)	Providing support for 3C products in Poland	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%)		Remark
			December 31, 2022	December 31, 2021	
AIL GROUP	ASUS TECHNOLOGY PRIVATE LIMITED (ACIN)	Providing support and repair for 3C products in India	100.00	100.00	
AIL GROUP	ASUS EUROPE B.V. (ACNL)	Selling of 3C products	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY (VIETNAM) CO., LTD. (ACVN)	Providing support and repair for 3C products in Vietnam	100.00	100.00	
AIL GROUP	ASUSTEK ITALY S. R. L. (ACIT)	Providing support for 3C products in Italy	100.00	100.00	
AIL GROUP	ASUS SPAIN, S. L. U. (ACIB)	Providing support for 3C products in Spain	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY (SUZHOU) CO., LTD. (ACSZ)	Researching and developing of 3C products	100.00	100.00	
AIL GROUP	ASUS JAPAN INCORPORATION (ACJP)	Selling of 3C products in Japan	100.00	100.00	
AIL GROUP	ASUS COMPUTER CZECH REPUBLIC S. R. O. (ACCZ)	Providing support for 3C products in Czech Republic	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTER (SHANGHAI) CO., LTD. (ACSH)	Selling of 3C products in China	100.00	100.00	
AIL GROUP	ASUS SERVICE AUSTRALIA PTY LIMITED (ASAU)	Repairing of 3C products in Australia	100.00	100.00	
AIL GROUP	ASUS AUSTRALIA PTY LIMITED (ACAU)	Providing support for 3C products in Australia	100.00	100.00	
AIL GROUP	ACBZ IMPORTACAO E COMERCIO LTDA. (ACBZ)	Selling of 3C products in Brazil	100.00	100.00	
AIL GROUP	ASUS INDIA PRIVATE LIMITED (ASIN)	Selling of 3C products in India	100.00	100.00	
AIL GROUP	ASUS ISRAEL (TECHNOLOGY) LTD. (ACIL)	Providing support for 3C products in Israel	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTER (CHONGQING) CO., LTD. (ACCQ)	Selling of 3C products in China	100.00	100.00	
AIL GROUP	ASUS PERU S. A. C. (ACPE)	Providing support for 3C products in Peru	100.00	100.00	
AIL GROUP	PT. ASUS SERVICE INDONESIA (ASID)	Repairing of 3C products in Asia-pacific and America	100.00	100.00	
AIL GROUP	ASUS HOLDING MEXICO, S. A. DE C. V. (ACMH)	Selling of 3C products in Mexico	100.00	100.00	
AIL GROUP	ASUS PORTUGAL, SOCIEDADE UNIPessoal LDA. (ACPT)	Providing support for 3C products in Portugal	100.00	100.00	
AIL GROUP	ASUS HUNGARY SERVICES LIMITED LIABILITY COMPANY (ACHU)	Providing support for 3C products in Hungary	100.00	100.00	
AIL GROUP	ASUS SWITZERLAND GMBH (ACCH)	Providing support for 3C products in Switzerland	100.00	100.00	



Investor	Subsidiary	Main business activities	Ownership (%)		Remark
			December 31, 2022	December 31, 2021	
AIL GROUP	ASUS NORDIC AB (ACN)	Providing support for 3C products in North Europe	100.00	100.00	
AIL GROUP	ASUS COMPUTER COLOMBIA S. A. S. (ACCO)	Providing support for 3C products in Colombia	100.00	100.00	
AIL GROUP	ASUS (THAILAND) CO., LTD. (ACTH)	Providing support for 3C products in Thailand	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTERS (PTY) LIMITED (ACZA)	Providing support and repair for 3C products in Africa	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTER MALAYSIA SDN. BHD. (ACMY)	Providing support and repair for 3C products in Malaysia	100.00	100.00	
AIL GROUP	ASUS BILGISAYAR SISTEMLERI TICARET LIMITED SIRKETI (ACTR)	Providing support and repair for 3C products in Turkey	100.00	100.00	
AIL GROUP	ASUS CHILE SPA (ACCL)	Providing support for 3C products in Chile	100.00	100.00	
AIL GROUP	ASUS TEKNOLOJI SERVISLERI TICARET LIMITED SIRKETI (ASTR)	Repairing of 3C products in Turkey	-	100.00	
AIL GROUP	ASUS SERVICE (THAILAND) CO., LTD. (ASTH)	Repairing of 3C products in Thailand	100.00	100.00	
AIL GROUP	ASUS PHILIPPINES CORPORATION (ASPH)	Providing support and repair for 3C products in Philippines	100.00	100.00	
AIL GROUP	QC SERVER AB (QCS)	Servicing of information technology	100.00	100.00	
AIL GROUP	ASUS COMPUTER (SHANGHAI) CO., LTD. (ACS)	Repairing of 3C products	100.00	100.00	
AIL GROUP	ASUS INVESTMENTS (SUZHOU) CO., LTD. (ACISZ)	Leasing real estate	100.00	100.00	
AIL GROUP	ASUS CZECH SERVICE S. R. O. (ACCZS)	Repairing of 3C products in Europe	100.00	100.00	
AIL GROUP	ASUS PROPERTIES (VIETNAM) LTD. (APVN)	Leasing and trading real estate	100.00	100.00	
AIL GROUP	LIABILITY LIMITED COMPANY A25 (A25)	Selling of 3C products in Russia	100.00	100.00	
AIL GROUP	ASUS UKRAINE LIMITED LIABILITY COMPANY (ACUKR)	Providing support for 3C products in Ukraine	100.00	100.00	

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

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

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

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

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

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

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in "New Taiwan Dollars (NTD)", which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(A) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise, except when deferred in other comprehensive income as qualifying cash flow hedges.

(B) Monetary assets and liabilities denominated in foreign currencies are re-translated at the exchange rates prevailing at the end of the financial reporting period. Exchange differences arising upon re-translation are recognized in profit or loss.

(C) Non-monetary assets and liabilities denominated in foreign currencies at fair value through profit or loss are re-translated at the exchange rates prevailing at the end of the financial reporting period. The translation differences are recognized in profit or loss as part of the fair value gains or losses. Non-monetary assets and liabilities at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the end of the financial reporting period. The translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(D) All foreign exchange gains and losses are presented in the statement of comprehensive income within "other gains (losses)".

B. Translation of foreign operations

(A) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a. Assets and liabilities for each balance sheets presented are translated at the closing exchange rate at the end of the financial reporting period;

- b. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
  - c. All resulting exchange differences are recognized in other comprehensive income.
- (B) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gains or losses on sale. In addition, if the Group still retains partial interests in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (C) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interests in this foreign operation. In addition, if the Group still retains partial interests in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in these foreign operations.

(5) Classification of current and non-current items

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

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

Otherwise they are classified as non-current assets.

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

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

Otherwise they are classified as non-current liabilities.

(6) Cash equivalents

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

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gains or losses in profit or loss.
- D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

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

(9) Financial assets measured at amortized costs

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

(10) Accounts and notes receivable

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

(11) Impairment of financial assets

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

(12) Derecognition of financial assets

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

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

(13) Leasing arrangements (lessor) – operating leases

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

(14) Inventories

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

(15) Investments accounted for under equity method

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20% or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

B. The Group's share of its associates' post-acquisition profit or loss is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in "capital surplus" in proportion to its ownership.

D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

- E. In the case that an associate issues new shares or buys treasury stocks (including the Group does not acquire or dispose shares proportionately), which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then "capital surplus" and "investments accounted for under equity method" shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.
- G. Upon loss of significant influence over an associate, the amounts previously recognized in other comprehensive income and as capital surplus in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it still retains significant influence over this associate, then the amounts previously recognized in other comprehensive income and as capital surplus in relation to the associate are reclassified to profit or loss proportionately.

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Except for land which is not depreciated, other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it should be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of the financial reporting period. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of buildings are 10~60 years, machinery and equipment are 1~10 years and miscellaneous equipment are 1~20 years.

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

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low value assets, lease payments are recognized in expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payment, less any lease incentives receivable. The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

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

(A) The amount of the initial measurement of lease liability;

(B) Any lease payments made at or before the commencement date; and

(C) Any initial direct costs incurred by the lessee.

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

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

(18) Investment property

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



(19) Intangible assets

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

(20) Impairment of non-financial assets

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

(21) Borrowings

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

(22) Notes and trade payables

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

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

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

(24) Derecognition of financial liabilities

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

(25) Offsetting financial assets and financial liabilities

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

(26) Non-hedging derivatives

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

(27) Hedge accounting

A. At the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements.

B. The Group designates the hedging relationship as cash flow hedge which is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction.

C. Cash flow hedges

(A) The cash flow hedge reserve associated with the hedged item is adjusted to the lower of the following (in absolute amounts):

- a. The cumulative gains or losses on the hedging instrument from inception of the hedge; and
- b. The cumulative change in fair value of the hedged item from inception of the hedge.

(B) The effective portion of the gains or losses on the hedging instrument is recognized in other comprehensive income. The gains or losses on the hedging instrument relating to the ineffective portion is recognized in profit or loss.

(C) The amount that has been accumulated in the cash flow hedge reserve in accordance with (A) is accounted for as follows:

- a. If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or liability.
  - b. For cash flow hedges other than those covered by a. above, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.
  - c. If that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.
- (D) When the hedging instrument expires, or is sold, terminated, exercised or when the hedging relationship ceases to meet the qualifying criteria, if the forecast transaction is still expected to occur, the amount that has been accumulated in the cash flow hedge reserve shall remain in the cash flow hedge reserve until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

(28) Provisions for liabilities

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

(29) Employee benefits

A. Short-term employee benefits

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

## B. Pensions

### (A) Defined contribution plans

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

### (B) Defined benefit plans

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

## C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognizes expense when it can no longer withdraw an offer of termination benefits or it recognizes related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after financial reporting date shall be discounted to their present value.

## D. Employees' compensation and directors' remuneration

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

(30) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized in compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at the end of the financial reporting period. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.
- B. Restricted stocks:
  - (A) The issued subsidiary uses the date notifying employees the number of shares of employees' stock bonus as the grant date.
  - (B) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognized in compensation cost over the vesting period.
  - (C) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognizes the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.
  - (D) For restricted stocks where employees have to pay to acquire those stocks, if employees resign during the vesting period, they must return the stocks to the issued subsidiaries and the issued subsidiaries must refund their payments on the stocks, the issued subsidiary recognizes the payments from the employees who are expected to resign during the vesting period as liabilities at the grant date, and recognizes the payments from the employees who are expected to be eventually vested with the stocks in "capital surplus - others".

(31) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

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

(32) Dividends

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

(33) Revenue recognition

Sales of goods

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

(34) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.
- B. If the total of the fair values of the consideration of acquisition and any non-controlling interests in the acquiree as well as the acquisition-date fair value of any previous equity interest in the acquiree is higher than the fair value of the Group's share of the identifiable net assets acquired and liabilities assumed, the difference is recorded as goodwill, if the total of the fair values of the consideration of acquisition and any non-controlling interests in the acquiree as well as the acquisition-date fair value of any previous equity interest in the acquiree is higher than the fair value of the Group's share of the identifiable net assets acquired and liabilities assumed, the difference is recorded as profit.

(35) Operating segments

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

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

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

Critical accounting estimates and assumptions:



#### A. Revenue recognition

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

As of December 31, 2022, the Group recognized \$30,083,875 as refund liabilities related to sales returns and discounts.

#### B. Evaluation of inventories

Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value at the end of the financial reporting period, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be a difference against actual result.

As of December 31, 2022, the carrying amount of inventories was \$142,472,215.

### 6. DETAILS OF SIGNIFICANT ACCOUNTS

#### (1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and petty cash	\$ 10,311	\$ 7,615
Checking accounts and demand deposits	35,086,592	28,483,055
Time deposits	34,137,543	39,251,983
Others	88,254	69,590
	<u>\$ 69,322,700</u>	<u>\$ 67,812,243</u>

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

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial assets mandatorily measured at fair value through profit or loss - current:		
Listed and OTC stocks	\$ 241,323	\$ 469,779
Unlisted and non-OTC stocks	5,298	5,664
Beneficiary certificates	4,000,749	3,653,306
Derivatives	99,507	122,215
Hybrid instrument	108,400	-
	<u>\$ 4,455,277</u>	<u>\$ 4,250,964</u>

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial assets mandatorily measured at fair value through profit or loss - non-current:		
Listed and OTC stocks	\$ 1,546	\$ 1,658
Unlisted and non-OTC stocks	46,316	55,765
Beneficiary certificates	23,297	2,817,693
Hybrid instruments	9,187	9,452
	<u>\$ 80,346</u>	<u>\$ 2,884,568</u>
Financial liabilities held for trading -current:		
Derivatives	<u>\$ 1,585,793</u>	<u>\$ 232,687</u>

A. The hybrid instruments are hybrid contracts consisting of convertible bond of IBASE and unlisted and non-OTC stocks of V-NET AAEON and embedded options. The Group and stockholders of V-NET AAEON have the right to sell or buy stocks at original transaction price. Refer to Note 12(3) 7 for the fair value on December 31, 2022 and 2021.

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

	<u>Years Ended</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Equity instruments	(\$ 184,054)	(\$ 35,974)
Beneficiary certificates	( 5,695)	18,207
Derivatives	6,328,726	1,246,327
Hybrid instruments	( 5,707)	( 1,566)
	<u>\$ 6,133,270</u>	<u>\$ 1,226,994</u>

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

	December 31, 2022			December 31, 2021		
	Contract amount (in thousands)		Maturity period	Contract amount (in thousands)		Maturity period
Derivative financial assets:						
Forward exchange contracts						
-CAD/USD	CAD	64,000	2023/05	CAD	49,200	2022/02
-NTD/USD	USD	353,000	2023/02	USD	190,000	2022/04
-EUR/USD	EUR	18,000	2023/03	EUR	235,000	2022/03
-GBP/USD	GBP	8,000	2023/05	GBP	-	-
-CNH/USD	CNH	-	-	CNH	302,561	2022/01
-USD/CNY	USD	6,000	2023/01	USD	-	-
-INR/USD	INR	8,061,817	2023/02	INR	-	-
-AUD/USD	AUD	6,000	2023/04	AUD	-	-
-RUB/USD	RUB	-	-	RUB	1,663,418	2022/01
-JPY/USD	JPY	654,330	2023/02	JPY	2,112,908	2022/01
-MXN/USD	MXN	123,000	2023/03	MXN	-	-
Currency option contracts						
-CNH/USD	CNH	-	-	CNH	737,160	2022/03
-EUR/USD	EUR	-	-	EUR	44,000	2022/03
-RUB/USD	RUB	-	-	RUB	1,960,020	2022/02
Currency swap contracts						
-NTD/USD	USD	10,000	2023/03	USD	-	-
Derivative financial liabilities:						
Forward exchange contracts						
-NTD/USD	USD	195,000	2023/02	USD	658,000	2022/04
-EUR/USD	EUR	314,000	2023/03	EUR	175,000	2022/03
-GBP/USD	GBP	61,000	2023/05	GBP	39,000	2022/02
-CNH/USD	CNH	3,232,095	2023/04	CNH	140,917	2022/01
-IDR/USD	IDR	2,721,318,000	2023/02	IDR	1,279,955,000	2022/01
-INR/USD	INR	6,278,416	2023/02	INR	10,218,217	2022/01
-SEK/USD	SEK	-	-	SEK	26,420	2022/02
-PLN/USD	PLN	92,500	2023/02	PLN	184,000	2022/02
-CHF/USD	CHF	3,000	2023/01	CHF	650	2022/01
-AUD/USD	AUD	44,500	2023/04	AUD	22,000	2022/02
-THB/USD	THB	200,000	2023/01	THB	400,000	2022/01
-MXN/USD	MXN	1,072,600	2023/04	MXN	50,000	2022/01
-JPY/USD	JPY	2,712,305	2023/02	JPY	-	-
-CAD/USD	CAD	42,100	2023/02	CAD	-	-
Currency option contracts						
-CNH/USD	CNH	1,330,263	2023/03	CNH	1,922,801	2022/03
-AUD/USD	AUD	-	-	AUD	36,000	2022/03
-EUR/USD	EUR	96,000	2023/03	EUR	-	-
-GBP/USD	GBP	24,000	2023/03	GBP	-	-
Currency swap contracts						
-NTD/USD	USD	30,000	2023/03	USD	-	-

(A) Forward exchange contracts

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

(B) Currency option contracts

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

(C) Currency swap contracts

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

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

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Equity instruments - current:		
Listed and OTC stocks	\$ 297,325	\$ 299,495
Valuation adjustment	504,965	1,331,498
	<u>\$ 802,290</u>	<u>\$ 1,630,993</u>
Equity instruments - non-current:		
Listed and OTC stocks	\$ 27,025,428	\$ 26,918,812
Unlisted and non-OTC stocks	756,681	654,874
	<u>27,782,109</u>	<u>27,573,686</u>
Valuation adjustment	36,483,955	46,447,777
	<u>\$ 64,266,064</u>	<u>\$ 74,021,463</u>

A. The Group has elected to classify above investments that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$65,068,354 and \$75,652,456 on December 31, 2022 and 2021, respectively.

B. The Group sold partial ADVANTECH stocks in September 2021, and the difference on disposal amounting to \$2,400,905 was transferred from accumulated other comprehensive income to retained earnings.

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

	Years Ended	
	December 31, 2022	December 31, 2021
Reclassified from other equity to retained earnings due to disposal	\$ -	\$ 2,422,569
Dividends from investments recognized in profit or loss held at end of the year	\$ 3,143,483	\$ 2,859,054

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

(4) Financial assets at amortized cost

Items	December 31, 2022	December 31, 2021
Current items:		
Time deposits with original maturity period of more than three months	\$ 296,611	\$ 125,500
Non-current items:		
Corporate bonds	\$ 9,327,836	\$ 8,322,845
Less: Accumulated impairment	( 65,517)	( 92,926)
	\$ 9,262,319	\$ 8,229,919

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

	Years Ended	
	December 31, 2022	December 31, 2021
Interest income	\$ 204,175	\$ 134,336
Expected credit impairment reversed gains (losses)	24,082	( 45,342)
Gains (losses) on disposal of investments	( 96,629)	5,712
	\$ 131,628	\$ 94,706

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

C. As of December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group were \$9,558,930 and \$8,355,419, respectively.

D. Information about credit risk of financial assets at amortized cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Hedging financial assets and liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial assets - current		
Cash flow hedges - Forward exchange contracts	\$ 20,100	\$ 494,819
Financial liabilities - current		
Cash flow hedges - Forward exchange contracts	( 1,933,650)	( 58,036)
	<u>(\$ 1,913,550)</u>	<u>\$ 436,783</u>

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

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

	<u>December 31, 2022</u>			<u>December 31, 2021</u>		
		<u>Contract amount (in thousands)</u>	<u>Maturity period</u>		<u>Contract amount (in thousands)</u>	<u>Maturity period</u>
Hedging instruments						
Cash flow hedges:						
Hedging financial assets						
Forward exchange contracts						
-EUR/USD	EUR	30,000	2023/06	EUR	472,000	2022/06
-PLN/USD	PLN	16,000	2023/06	PLN	113,000	2022/03
-GBP/USD	GBP	24,000	2023/06	GBP	64,000	2022/03
-JPY/USD	JPY	500,000	2023/03	JPY	4,910,000	2022/03
-RUB/USD	RUB	-	-	RUB	3,137,000	2022/03
-SEK/USD	SEK	127,000	2023/06	SEK	97,000	2022/03
-AUD/USD	AUD	5,000	2023/03	AUD	17,300	2022/03
Hedging financial liabilities						
Forward exchange contracts						
-AUD/USD	AUD	40,500	2023/03	AUD	28,200	2022/03
-EUR/USD	EUR	897,000	2023/06	EUR	121,000	2022/06
-GBP/USD	GBP	139,000	2023/06	GBP	50,000	2022/06
-RUB/USD	RUB	-	-	RUB	658,000	2022/03
-SEK/USD	SEK	155,000	2023/06	SEK	68,000	2022/06
-PLN/USD	PLN	289,000	2023/06	PLN	125,000	2022/06
-JPY/USD	JPY	7,500,000	2023/06	JPY	-	-
-THB/USD	THB	284,876	2023/03	THB	-	-

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

C. Cash flow hedges

	<u>2022</u>	<u>2021</u>
<u>Other equity - hedge effectiveness</u>		
January 1	\$ 436,783	(\$ 809,406)
Gains (losses) on hedge instrument	( 2,350,333)	<u>1,246,189</u>
December 31	<u>(\$ 1,913,550)</u>	<u>\$ 436,783</u>
Other gains - hedge ineffectiveness	<u>\$ 256,859</u>	<u>\$ 4,060</u>

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

(6) Notes and trade receivables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes receivable	\$ 8,236,807	\$ 4,245,632
Trade receivables	<u>86,110,282</u>	<u>90,479,625</u>
	94,347,089	94,725,257
Less: Loss allowance	( 3,035,717)	( 1,482,685)
	<u>\$ 91,311,372</u>	<u>\$ 93,242,572</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Not past due	\$ 73,850,613	\$ 83,639,068
Less than 90 days past due	17,615,823	9,728,133
Between 91 and 180 days past due	1,052,761	363,934
More than 181 days past due	<u>1,827,892</u>	<u>994,122</u>
	<u>\$ 94,347,089</u>	<u>\$ 94,725,257</u>

B. As of December 31, 2022, December 31, 2021 and January 1, 2021, the balances of notes and trade receivables from contracts with customers amounted to \$94,347,089, \$94,725,257 and \$77,323,791, respectively.

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

D. As of December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were \$8,148,670 and \$4,158,773, respectively. The maximum exposure to credit risk in respect of the amount that best represents the Group's trade receivables were \$83,162,702 and \$89,083,799, respectively.

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

(7) Offsetting financial assets and financial liabilities

A. The Group has assets (fair value of \$27,082,362 and \$52,022,442 as of December 31, 2022 and 2021, respectively) from and liabilities (fair value of \$30,204,760 and \$63,802,497 as of December 31, 2022 and 2021, respectively) to certain companies that meet the offsetting criteria in paragraph 42 of IAS 32, recognized as trade receivables and notes and trade payables at net amounts after the offsetting.

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

	Trade receivables, notes and trade payables with offsetting right					
	Gross amount of financial assets (before offsetting)	Gross amount of financial liabilities (before offsetting)	Offsetting amount	Net amount of financial assets (after offsetting)	Net amount of financial liabilities (after offsetting)	Not set off in the balance sheet: collateral (received) /provided
December 31, 2022	\$ 27,082,362	(\$ 30,204,760)	(\$ 26,209,458)	\$ 872,904	(\$ 3,995,302)	\$ -
December 31, 2021	52,022,442	( 63,802,497)	( 50,782,866)	1,239,576	( 13,019,631)	-

(8) Inventories

	December 31, 2022	December 31, 2021
Raw materials	\$ 68,509,469	\$ 82,961,983
Work in process	4,641,930	3,253,889
Finished goods	4,873,224	3,322,735
Merchandise inventories	63,458,496	74,994,382
Inventories in transit	989,096	2,782,540
	<u>\$ 142,472,215</u>	<u>\$ 167,315,529</u>

Except for cost of goods sold, the Group recognized in expenses and losses of inventories in the amounts of \$19,723,686 and \$4,626,691, of which \$19,545,987 and \$4,610,599 pertain to the decline in value of inventories for the years ended December 31, 2022 and 2021, respectively.



(9) Investments accounted for under equity method

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Associates		
WT	\$ 10,733,470	\$ 11,391,413
Others	<u>11,438,138</u>	<u>8,499,768</u>
	<u>\$ 22,171,608</u>	<u>\$ 19,891,181</u>

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

	<u>Years Ended</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Profit (loss) for the year	\$ 2,350,863	\$ 2,255,878
Other comprehensive income (loss) for the year (net of income tax)	( 1,267,535)	266,707
Total comprehensive income (loss) for the year	<u>\$ 1,083,328</u>	<u>\$ 2,522,585</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Fair value of associates	<u>\$ 21,764,929</u>	<u>\$ 38,802,479</u>

C. The Group is the single largest shareholder of IBASE, ASUSTOR, EMC, UPI and LELTEKH with a 28.61%, 40.31%, 17.72%, 29.39% and 22.78% equity interest, respectively. Given that the degree of other shareholders involvement in prior stockholders' meeting and record of voting rights for major proposals, which indicates that the Group has no substantial ability to direct the relevant activities, the Group has no control, but only has significant influence, over the companies.

(10) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Miscellaneous equipment	Construction in progress and equipment under installation	Total
January 1, 2022						
Cost	\$7,664,449	\$12,006,580	\$ 8,072,577	\$ 5,020,723	\$ 574,991	\$33,339,320
Accumulated depreciation and impairment	-	( 3,707,617)	( 6,499,744)	( 3,711,328)	-	( 13,918,689)
	<u>\$7,664,449</u>	<u>\$ 8,298,963</u>	<u>\$ 1,572,833</u>	<u>\$ 1,309,395</u>	<u>\$ 574,991</u>	<u>\$19,420,631</u>
January 1, 2022	\$7,664,449	\$ 8,298,963	\$ 1,572,833	\$ 1,309,395	\$ 574,991	\$19,420,631
Acquisitions	-	14,220	620,216	329,752	556,933	1,521,121
Disposals	( 26,508)	( 16,334)	( 435,124)	( 10,433)	-	( 488,399)
Depreciation	-	( 339,724)	( 590,334)	( 488,338)	-	( 1,418,396)
Impairment	-	-	( 49)	( 21)	-	( 70)
Reversal of impairment	-	-	432,394	-	-	432,394
Reclassifications	( 29,151)	12,726	70,140	48,511	( 223,157)	( 120,931)
Effects due to changes in consolidated entities	-	-	68	212	-	280
Net exchange differences	54,702	68,454	9,541	6,002	10,085	148,784
December 31, 2022	<u>\$7,663,492</u>	<u>\$ 8,038,305</u>	<u>\$ 1,679,685</u>	<u>\$ 1,195,080</u>	<u>\$ 918,852</u>	<u>\$19,495,414</u>
December 31, 2022						
Cost	\$7,663,492	\$12,016,659	\$ 6,302,290	\$ 5,263,389	\$ 918,852	\$32,164,682
Accumulated depreciation and impairment	-	( 3,978,354)	( 4,622,605)	( 4,068,309)	-	( 12,669,268)
	<u>\$7,663,492</u>	<u>\$ 8,038,305</u>	<u>\$ 1,679,685</u>	<u>\$ 1,195,080</u>	<u>\$ 918,852</u>	<u>\$19,495,414</u>
	Land	Buildings	Machinery and equipment	Miscellaneous equipment	Construction in progress and equipment under installation	Total
January 1, 2021						
Cost	\$7,421,590	\$11,753,068	\$ 8,645,857	\$ 4,868,516	\$ 465,606	\$33,154,637
Accumulated depreciation and impairment	-	( 3,404,419)	( 5,175,267)	( 3,552,060)	-	( 12,131,746)
	<u>\$7,421,590</u>	<u>\$ 8,348,649</u>	<u>\$ 3,470,590</u>	<u>\$ 1,316,456</u>	<u>\$ 465,606</u>	<u>\$21,022,891</u>
January 1, 2021	\$7,421,590	\$ 8,348,649	\$ 3,470,590	\$ 1,316,456	\$ 465,606	\$21,022,891
Acquisitions	258,706	370,196	608,586	471,124	279,665	1,988,277
Disposals	-	-	( 311,109)	( 20,636)	-	( 331,745)
Depreciation	-	( 336,485)	( 1,685,869)	( 481,282)	-	( 2,503,636)
Impairment	-	-	( 545,010)	( 883)	-	( 545,893)
Reclassifications	-	( 3,084)	56,781	42,542	( 166,052)	( 69,813)
Net exchange differences	( 15,847)	( 80,313)	( 21,136)	( 17,926)	( 4,228)	( 139,450)
December 31, 2021	<u>\$7,664,449</u>	<u>\$ 8,298,963</u>	<u>\$ 1,572,833</u>	<u>\$ 1,309,395</u>	<u>\$ 574,991</u>	<u>\$19,420,631</u>
December 31, 2021						
Cost	\$7,664,449	\$12,006,580	\$ 8,072,577	\$ 5,020,723	\$ 574,991	\$33,339,320
Accumulated depreciation and impairment	-	( 3,707,617)	( 6,499,744)	( 3,711,328)	-	( 13,918,689)
	<u>\$7,664,449</u>	<u>\$ 8,298,963</u>	<u>\$ 1,572,833</u>	<u>\$ 1,309,395</u>	<u>\$ 574,991</u>	<u>\$19,420,631</u>

- A. After evaluating and comparing the carrying amount of property, plant and equipment and its recoverable amounts, the Group (reversed) recognized impairment loss amounting to (\$432,324) and \$545,893 for the years ended December 31, 2022 and 2021, respectively.
- B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(11) Leasing arrangements - lessee

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

B. Right-of-use-assets

	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Miscellaneous equipment</u>	<u>Land use right</u>	<u>Total</u>
January 1, 2022	\$ 1,024,577	\$ 386,183	\$ 17,964	\$ 2,860	\$ 290,220	\$ 1,721,804
Acquisitions	470,792	-	15,443	-	352	486,587
Disposals	( 14,327)	-	( 864)	-	-	( 15,191)
Depreciation	( 491,455)	( 90,867)	( 13,666)	( 820)	( 12,458)	( 609,266)
Reclassifications	( 495)	-	-	13	-	( 482)
Net exchange differences	26,685	-	403	( 15)	4,197	31,270
December 31, 2022	<u>\$ 1,015,777</u>	<u>\$ 295,316</u>	<u>\$ 19,280</u>	<u>\$ 2,038</u>	<u>\$ 282,311</u>	<u>\$ 1,614,722</u>

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

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

	<u>Years Ended</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 37,538	\$ 35,395
Expense on short-term lease contracts	233,210	212,790
Expense on leases of low-value assets	13,878	3,972
Losses (Gains) on lease modification	( 1,801)	( 318)

D. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases were \$854,182 and \$812,395, respectively.

(12) Intangible assets

	<u>Trademark</u>	<u>Computer software</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
January 1, 2022					
Cost	\$ 355,103	\$ 2,500,695	\$ 1,163,497	\$ 941,480	\$ 4,960,775
Accumulated amortization and impairment	-	( 2,053,622)	( 31,599)	( 685,792)	( 2,771,013)
	<u>\$ 355,103</u>	<u>\$ 447,073</u>	<u>\$ 1,131,898</u>	<u>\$ 255,688</u>	<u>\$ 2,189,762</u>
January 1, 2022	\$ 355,103	\$ 447,073	\$ 1,131,898	\$ 255,688	\$ 2,189,762
Acquisitions	-	194,714	-	56	194,770
Amortization	-	( 301,569)	-	( 19,998)	( 321,567)
Reclassifications	-	20,014	-	( 33,080)	( 13,066)
Effects due to changes in consolidated entities	-	-	9,436	-	9,436
Net exchange differences	-	( 109)	-	3,273	3,164
December 31, 2022	<u>\$ 355,103</u>	<u>\$ 360,123</u>	<u>\$ 1,141,334</u>	<u>\$ 205,939</u>	<u>\$ 2,062,499</u>
December 31, 2022					
Cost	\$ 355,103	\$ 2,695,208	\$ 1,172,932	\$ 888,183	\$ 5,111,426
Accumulated amortization and impairment	-	( 2,335,085)	( 31,598)	( 682,244)	( 3,048,927)
	<u>\$ 355,103</u>	<u>\$ 360,123</u>	<u>\$ 1,141,334</u>	<u>\$ 205,939</u>	<u>\$ 2,062,499</u>

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

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

(13) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Guaranteed borrowings	\$ 15,000	2.28%	Bank deposits
Credit borrowings	48,749,458	1.40%~5.83%	-
Other short-term borrowings	133,000	3.00%	Property, plant and equipment
	<u>\$ 48,897,458</u>		
<u>Type of borrowings</u>	<u>December 31, 2021</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Guaranteed borrowings	\$ 17,000	1.55%	Bank deposits
Credit borrowings	9,379,555	0.90%~3.25%	-
	<u>\$ 9,396,555</u>		

Information about the assets pledged as collateral for the Group's short-term borrowings is disclosed in Note 8.

(14) Long-term borrowings

<u>Type of borrowing</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>December 31, 2022</u>
Long-term bank borrowings				
Guaranteed borrowings	Borrowing period is from May 28, 2021 to May 28, 2036; interest is repayable monthly	1.73%	Land and buildings	\$ 155,287
Less: Current portion				( 10,377)
				<u>\$ 144,910</u>
<u>Type of borrowing</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>December 31, 2021</u>
Long-term bank borrowings				
Guaranteed borrowings	Borrowing period is from May 28, 2021 to May 28, 2036; interest is repayable monthly	1.00%	Land and buildings	\$ 165,787
Less: Current portion				( 10,744)
				<u>\$ 155,043</u>

Information about the assets pledged as collateral for the Group's long-term borrowings is disclosed in Note 8.

(15) Pensions

A. Defined benefit pension plans

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

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligations	(\$ 375,652)	(\$ 404,748)
Fair value of plan assets	<u>232,098</u>	<u>208,599</u>
Net defined benefit liability	<u>(\$ 143,554)</u>	<u>(\$ 196,149)</u>

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
January 1, 2022	(\$ 404,748)	\$ 208,599	(\$ 196,149)
Current service cost	( 14,302)	-	( 14,302)
Interest (expense) income	( 4,241)	1,070	( 3,171)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	17,287	17,287
Change in demographic assumptions	27,494	-	27,494
Change in financial assumptions	15,944	-	15,944
Experience adjustments	( 3,743)	-	( 3,743)
Pension fund contribution	-	7,897	7,897
Pension payment	10,709	( 2,755)	7,954
Exchange difference	( 2,765)	-	( 2,765)
December 31, 2022	<u>(\$ 375,652)</u>	<u>\$ 232,098</u>	<u>(\$ 143,554)</u>

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



(D) The Bank of Taiwan was commissioned to manage the Fund of the Company's and its domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

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

	<u>Years Ended</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rate	<u>1.35%~7.56%</u>	<u>0.70%~7.15%</u>
Future salary increases rate	<u>2.00%~10.00%</u>	<u>2.00%~10.00%</u>

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	<u>Discount rate</u>		<u>Future salary increases rate</u>	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
December 31, 2022				
Effect on present value of defined benefit obligation	(\$ 18,298)	\$ 19,704	\$ 16,415	(\$ 15,474)
	<u>Discount rate</u>		<u>Future salary increases rate</u>	
	<u>Increase 0.25%~1%</u>	<u>Decrease 0.25%~1%</u>	<u>Increase 0.25%~1%</u>	<u>Decrease 0.25%~1%</u>
December 31, 2021				
Effect on present value of defined benefit obligation	(\$ 24,916)	\$ 23,875	\$ 20,300	(\$ 20,831)

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

- (F) Expected contribution to the defined benefit pension plans of the Group for the year ending December 31, 2023 is \$10,274.
- (G) As of December 31, 2022, the weighted average duration of that retirement plan is 9.8~27.3 years.

#### B. Defined contribution pension plans

- (A) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (New Plan) under the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (B) The Company's mainland subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China are based on a certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.
- (C) The pension costs under the defined contribution pension plans of the Group were \$1,261,606 and \$1,130,297 for the years ended December 31, 2022 and 2021, respectively.

(16) Provisions for liabilities

	<u>Provisions for warranty</u>	<u>Provisions for legal claims and royalty</u>	<u>Total</u>
January 1, 2022	\$ 20,990,563	\$ 6,116,301	\$ 27,106,864
Recognition (reversal)	10,280,417	( 115,302)	10,165,115
Used	( 7,236,195)	( 16,627)	( 7,252,822)
Net exchange differences	1,901,607	663,756	2,565,363
December 31, 2022	<u>\$ 25,936,392</u>	<u>\$ 6,648,128</u>	<u>\$ 32,584,520</u>

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

Analysis of total provisions:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current	<u>\$ 32,584,520</u>	<u>\$ 27,106,864</u>

A. Provisions for warranty

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

B. Provisions for legal claims and royalty

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

(17) Refund liabilities

	<u>2022</u>	<u>2021</u>
January 1	\$ 32,142,958	\$ 24,436,364
Recognition (reversal)	49,200,183	46,500,896
Used	( 53,881,514)	( 38,083,635)
Net exchange differences	2,622,248	( 710,667)
December 31	<u>\$ 30,083,875</u>	<u>\$ 32,142,958</u>

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

(18) Common shares

A. As of December 31, 2022, the Company's authorized capital was \$47,500,000, consisting of 4,750,000,000 shares of common stock (including 50,000,000 shares which were reserved for employee stock options), and the paid-in capital was \$7,427,603, with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

The number of the Company's ordinary shares outstanding at the beginning and ending for the years ended December 31, 2022 and 2021 are both 742,760,280 shares.

B. As of December 31, 2022, the Company issued Global Depositary Receipts (GDRs), of which 3,918,000 units of the GDRs are now listed on the Luxembourg Stock Exchange. Per unit of GDR represents 5 shares of the Company's common stock and total GDRs represent 19,591,000 shares of the Company's common stock. The terms of GDR are as follows:

(A) Voting rights

GDR holders may, pursuant to the Depositary Agreement and the relevant laws and regulations of the R.O.C., exercise the voting rights pertaining to the underlying common shares represented by the GDRs.

(B) Dividends, stock warrants and other rights

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

(19) Capital surplus

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Share premium	\$ 4,227,474	\$ 4,227,966
Difference between consideration and carrying amount of subsidiaries acquired or disposed	895,037	885,390
Recognition of changes in ownership interest in subsidiaries	4,022,529	3,968,819
Changes in associates and joint ventures accounted for under equity method	2,599,445	757,736
	<u>\$ 11,744,485</u>	<u>\$ 9,839,911</u>

(20) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's profit after income tax, shall first be offset against prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. When such legal reserve amounts to the total authorized capital, the Company shall not be subject to this requirement. The Company may then appropriate or reverse a certain amount as special reserve according to the demand for the business or relevant regulations. After the distribution of earnings, the remaining earnings and prior years' undistributed earnings may be appropriated according to a resolution of the Board of Directors adopted in the shareholders' meeting.
- B. The dividend policies of the Company are as follows: Considering the rapid changing industrial environment the Company faces, long-term financial plan and the satisfaction of the demand for cash by the shareholders, the Company should distribute cash dividends of not less than 10% of the total dividends declared each year.
- C. Except for covering accumulated deficit, increasing capital or payment of cash in proportion to ownership percentage, the legal reserve shall not be used for any other purpose. The amount capitalized or the cash payment shall be limited to the portion of legal reserve which exceeds 25% of the paid-in capital.
- D. (A) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the end of the financial reporting period before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.  
(B) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

E. As resolved by the shareholders on June 8, 2022, the Company distributed cash dividends to owners amounting to \$31,195,932 (\$42 (in dollars) per share) for the appropriation of 2021 earnings. On July 30, 2021, the shareholders resolved to distribute cash dividends amounting to \$19,311,767 (\$26 (in dollars) per share) for the appropriation of 2020 earnings.

F. The appropriation of 2022 earnings had been proposed by the Board of Directors on March 10, 2023.

Details are summarized as follows:

	Year Ended December 31, 2022	
	Amount	Dividends per share (in dollars)
Cash dividends	\$ 11,141,404	\$ 15.00

As of March 10, 2023, the appropriation of 2022 earnings stated above has not been resolved by the shareholders.

(21) Other equity

	Gains (losses) on hedging instruments	Unrealized gains (losses) on valuation of financial assets at fair value through other comprehensive income	Financial statements translation differences of foreign operations	Remeasurement of defined benefit plans	Total
January 1, 2022	\$ 436,783	\$ 48,589,975	(\$ 8,894,860)	(\$ 122,474)	\$ 40,009,424
-The Company	-	( 10,120,755)	8,783,760	-	( 1,336,995)
-Subsidiaries	( 2,350,333)	( 441,775)	( 731,381)	48,919	( 3,474,570)
-Associates	-	( 1,015,678)	480,116	2,043	( 533,519)
December 31, 2022	<u>(\$ 1,913,550)</u>	<u>\$ 37,011,767</u>	<u>(\$ 362,365)</u>	<u>(\$ 71,512)</u>	<u>\$ 34,664,340</u>

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

(22) Operating revenue

	Years Ended	
	December 31, 2022	December 31, 2021
Revenue from contracts with customers	\$ 537,191,932	\$ 535,238,735

A. Disaggregation of revenue from contracts with customers

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

<u>Year ended December 31, 2022</u>	<u>3C products</u>	<u>Others</u>	<u>Total</u>
Revenue from contracts with customers	<u>\$ 53,780,874</u>	<u>\$ 5,411,058</u>	<u>\$ 59,191,932</u>
Timing of revenue recognition			
Revenue recognized at a point in time	\$ 531,500,163	\$ 5,129,479	\$ 536,629,642
Revenue recognized over time	<u>280,711</u>	<u>281,579</u>	<u>562,290</u>
	<u>\$ 531,780,874</u>	<u>\$ 5,411,058</u>	<u>\$ 537,191,932</u>
<u>Year ended December 31, 2021</u>	<u>3C products</u>	<u>Others</u>	<u>Total</u>
Revenue from contracts with customers	<u>\$ 528,262,262</u>	<u>\$ 6,976,473</u>	<u>\$ 535,238,735</u>
Timing of revenue recognition			
Revenue recognized at a point in time	\$ 528,066,397	\$ 6,727,726	\$ 534,794,123
Revenue recognized over time	<u>195,865</u>	<u>248,747</u>	<u>444,612</u>
	<u>\$ 528,262,262</u>	<u>\$ 6,976,473</u>	<u>\$ 535,238,735</u>

B. Contract liabilities

(A) The amounts of recognized contract liabilities related to the contract revenue from sales and warranty of the Group are \$3,776,817, \$3,506,973 and \$1,125,325 as of December 31, 2022, December 31, 2021 and January 1, 2021, respectively.

(B) The revenue recognized from the beginning balance of contract liabilities amounted to \$1,164,457 and \$625,909 for the years ended December 31, 2022 and 2021, respectively.

(23) Other income

	<u>Years Ended</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Rent income	\$ 205,664	\$ 152,884
Dividend income	<u>3,164,918</u>	<u>2,880,703</u>
	<u>\$ 3,370,582</u>	<u>\$ 3,033,587</u>

(24) Other gains (losses)

	Years Ended	
	December 31, 2022	December 31, 2021
Net currency exchange gains (losses)	(\$ 5,319,471)	\$ 2,751,675
Net gains (losses) on derivative financial instruments	6,323,019	1,244,761
Net gains (losses) on non-derivative financial instruments	( 189,749)	( 17,767)
Gains (losses) on disposal of property, plant and equipment	527,286	237,906
Gains (losses) on disposal of investments	276,030	29,210
Gains (losses) on reversal (recognition) of impairment	237,403	( 582,446)
Other net gains (losses)	899,429	453,362
	<u>\$ 2,753,947</u>	<u>\$ 4,116,701</u>

(25) Costs and expenses by nature

	Years Ended					
	December 31, 2022			December 31, 2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses	\$ 4,346,097	\$27,211,974	\$31,558,071	\$ 3,921,487	\$28,842,158	\$32,763,645
Depreciation	714,731	1,312,931	2,027,662	1,833,931	1,239,155	3,073,086
Amortization	17,160	461,461	478,621	13,159	415,439	428,598

(26) Employee benefit expenses

	Years Ended	
	December 31, 2022	December 31, 2021
Wages and salaries	\$ 27,519,591	\$ 29,086,542
Labor and health insurance	1,913,841	1,744,359
Pension (Note)	1,279,079	1,143,885
Other personnel expenses	845,560	788,859
	<u>\$ 31,558,071</u>	<u>\$ 32,763,645</u>

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

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



B. For the years ended December 31, 2022 and 2021, employees' compensation were accrued at \$1,103,195 and \$3,204,069, respectively; directors' remuneration were accrued at \$58,063 and \$168,635, respectively. The aforementioned amounts were recognized in salary expense.

The employees' compensation and directors' remuneration were estimated and accrued based on no less than 1% and no more than 1% of profit of current year distributable for the year ended December 31, 2022.

Employees' compensation and directors' remuneration amounting to \$3,204,069 and \$168,635, respectively, for 2021 as resolved by the Board of Directors during its meeting were in agreement with those amounts recognized in the 2021 financial statements. Related information is available at the Market Observation Post System website.

(27) Income tax

A. Income tax expenses

(A) Components of income tax expense:

	Years Ended	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current income tax:		
Current income tax on profits for the year	\$ 6,887,255	\$ 13,346,056
Additional tax on unappropriated earnings	593,087	253,228
Difference between prior year's income tax estimation and assessed results	( 18,701)	582,427
Total current income tax	<u>7,461,641</u>	<u>14,181,711</u>
Deferred income tax:		
Origination and reversal of temporary differences	( 2,677,562)	( 1,698,383)
Total deferred income tax	<u>( 2,677,562)</u>	<u>( 1,698,383)</u>
Income tax expense	<u>\$ 4,784,079</u>	<u>\$ 12,483,328</u>

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

	Years Ended	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Changes in fair value of financial assets at fair value through other comprehensive income	(\$ 32,230)	\$ 8,069
Currency translation differences	2,028,906	( 578,866)
Remeasurements of defined benefit plans	8,363	3,917
	<u>\$ 2,005,039</u>	<u>(\$ 566,880)</u>

B. Reconciliation between income tax expenses and accounting profit:

	Years Ended	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Income tax calculated based on profit before tax and statutory tax rate	\$ 5,341,173	\$ 13,878,775
Tax exempt income by tax regulation	( 707,051)	( 576,386)
Effect of tax exemption on investment income	( 1,406,333)	( 1,083,816)
Effect of investment tax credit	( 48,348)	( 54,753)
Temporary differences not recognized as deferred tax assets	973	33,980
Effect of net operating loss carryforward	-	( 3,020)
Difference between prior year's income tax estimation and assessed results	( 18,701)	582,427
Additional income tax on unappropriated earnings	593,087	253,228
Change in assessment of realization of deferred tax assets	( 116,984)	56,922
Effect of tax rate changes on unrealized profit from sales	( 131,209)	( 170,372)
Effect of exchange rate changes	1,132,473	( 768,402)
Taxable loss not recognized as deferred tax assets	192,655	436,666
Expenses (income) adjusted by tax regulation	( 25,962)	( 53,447)
Others	( 21,694)	( 48,474)
Income tax expenses	<u>\$ 4,784,079</u>	<u>\$ 12,483,328</u>

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

	2022				
	<u>January 1</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>Effect of exchange rate changes</u>	<u>December 31</u>
Temporary differences:					
- Deferred income tax assets:					
Decline in value of inventories	\$ 2,756,938	\$ 3,634,661	\$ -	\$131,031	\$ 6,522,630
Unrealized profit from sales	2,315,708	( 685,813)	-	2,801	1,632,696
Unrealized purchase discounts	-	2,859	-	-	2,859
Unrealized sales discounts	3,794,714	( 165,824)	-	257,612	3,886,502
Unrealized provisions for warranty	2,476,112	539,176	-	173,027	3,188,315
Other unrealized expenses	1,822,976	( 95,747)	-	91,912	1,819,141
Loss carryforwards	59,720	215,236	-	11,325	286,281
Currency translation differences of foreign operation	2,156,992	-	( 2,026,798)	-	130,194
Others	<u>860,741</u>	<u>245,911</u>	<u>( 8,363)</u>	<u>55,258</u>	<u>1,153,547</u>
Subtotal	<u>16,243,901</u>	<u>3,690,459</u>	<u>( 2,035,161)</u>	<u>722,966</u>	<u>18,622,165</u>
- Deferred income tax liabilities:					
Investment income from foreign investees	( 16,872,916)	( 1,286,568)	-	-	( 18,159,484)
Currency translation differences of foreign operation	( 199)	-	( 2,108)	-	( 2,307)
Unrealized gain on valuation of equity investments	( 57,630)	-	32,230	-	( 25,400)
Others	<u>( 417,356)</u>	<u>273,671</u>	<u>-</u>	<u>( 13,220)</u>	<u>( 156,905)</u>
Subtotal	<u>( 17,348,101)</u>	<u>( 1,012,897)</u>	<u>30,122</u>	<u>( 13,220)</u>	<u>( 18,344,096)</u>
Total	<u>(\$ 1,104,200)</u>	<u>\$ 2,677,562</u>	<u>(\$ 2,005,039)</u>	<u>\$709,746</u>	<u>\$ 278,069</u>

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

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

December 31, 2022				
Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred income tax assets	Year of expiration
2013	\$ 91,261	\$ 91,261	\$ 91,261	2023
2014	97,891	88,930	88,930	2024
2015	109,601	109,601	109,601	2025
2016	101,289	101,289	100,635	2026
2017	1,075,561	649,326	643,380	2027
2018	1,500,045	1,500,045	1,496,537	2023-2028
2019	574,911	510,977	111,311	2024-2029
2020	1,323,093	1,243,666	896,688	2025-2030
2021	2,181,800	2,181,800	2,178,758	2031
2022	4,486,963	4,486,963	646,396	2027-2032

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

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Deductible temporary differences	<u>\$ 672,891</u>	<u>\$ 611,290</u>

F. As of December 31, 2022 and 2021, all taxable temporary differences associated with investments in subsidiaries that were not recognized as deferred income tax liabilities are insignificant.

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

(28) Earnings per share

	<u>Years Ended</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Profit:		
Profit attributable to shareholders of the parent	<u>\$ 14,690,785</u>	<u>\$ 44,549,798</u>
Number of shares (shares in thousands):		
Weighted average number of shares outstanding - basic	<u>742,760</u>	<u>742,760</u>
Basic earnings per share (in dollars):		
Profit attributable to shareholders of the parent	<u>\$ 19.78</u>	<u>\$ 59.98</u>

	<u>Years Ended</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Profit:		
Profit attributable to shareholders of the parent	<u>\$ 14,690,785</u>	<u>\$ 44,549,798</u>
Number of shares (shares in thousands):		
Weighted average number of shares outstanding - basic	<u>742,760</u>	<u>742,760</u>
The effect of dilutive potential common shares - employees' compensation	<u>5,923</u>	<u>9,696</u>
Weighted average number of shares outstanding - diluted	<u>748,683</u>	<u>752,456</u>
Diluted earnings per share (in dollars):		
Profit attributable to shareholders of the parent	<u>\$ 19.62</u>	<u>\$ 59.21</u>

(29) Changes in liabilities arising from financing activities

	<u>January 1, 2022</u>	<u>Cash flow</u>	<u>Non-cash changes</u>		<u>December 31, 2022</u>
			<u>Foreign exchange changes</u>	<u>Others (Note)</u>	
Short-term borrowings	\$ 9,396,555	\$ 39,479,961	\$ 20,942	\$ -	\$ 48,897,458
Long-term borrowings	165,787	( 10,500)	-	-	155,287
Lease liabilities	<u>1,452,242</u>	<u>( 569,556)</u>	<u>25,344</u>	<u>471,109</u>	<u>1,379,139</u>
	<u>\$ 11,014,584</u>	<u>\$ 38,899,905</u>	<u>\$ 46,286</u>	<u>\$ 471,109</u>	<u>\$ 50,431,884</u>

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

Note: Others are leases modifications.

## 7. RELATED PARTY TRANSACTIONS

### (1) Parent and ultimate controlling party

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

### (2) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
ASUSTOR INC. (ASUSTOR)	Associate
IBASE TECHNOLOGY INC. (IBASE)	Associate
LITEMAX ELECTRONICS INC. (LITEMAX)	Associate
MAXTEK TECHNOLOGY CO., LTD. (MAXTEK)	Associate
TECHMOSA INTERNATIONAL INC. (TECHMOSA)	Associate
MORRIHAN INTERNATIONAL CORP. (MORRIHAN)	Associate
NUVISION TECHNOLOGY, INC. (NUVISION)	Associate
HONGTECH ELECTRONICS CO., LTD. (HONGTECH)	Associate
WT MICROELECTRONICS CO., LTD. (WT)	Associate
I-WAYLINK INC. (IWAYLINK)	Associate
WINMATE INC. (WINMATE)	Associate
PORTWELL INC. (PORTWELL)	Associate
IBASE SOLUTION CO., LTD. (IBASEGI)	Associate
DEEP01 LIMITED (DEEP)	Associate
GAIUS AUTOMOTIVE INC. (GAIUSAI)	Associate
LELTEK INC. (LELTEK)	Associate
IBASE (SHANGHAI) TECHNOLOGY INC. (IBASESH)	Associate
AMERICAN PORTWELL TECHNOLOGY INC. (APT)	Associate
EUROPEAN PORTWELL TECHNOLOGY B.V. (EPT)	Associate
PORTWELL JAPAN INC. (PJI)	Associate
PORTWELL KOREA INC. (PKI)	Associate
Others	Other related party

(3) Significant transactions and balances with related parties

A. Sales of goods

	Years Ended	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Sales of goods		
-Associates	\$ 637,861	\$ 959,385
-Others	21,954	29,576
	<u>\$ 659,815</u>	<u>\$ 988,961</u>

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

B. Purchases of goods and expenses

	Years Ended	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Purchases of goods		
-Associates	\$ 3,022,949	\$ 2,898,837
-Others	104,143	108,243
Purchases of services and other expenditures		
-Associates	24,758	14,786
-Others	36,040	40,601
	<u>\$ 3,187,890</u>	<u>\$ 3,062,467</u>

The payment term of related parties to the Group are month-end 30 to 120 days, open account 45 to 120 days or 1 to 6 months.

C. Trade receivables and other receivables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Trade receivables		
-Associates	\$ 29,879	\$ 50,985
-Others	822	2,589
	<u>30,701</u>	<u>53,574</u>
Other receivables		
-Associates	390	264
-Others	-	2,720
	<u>390</u>	<u>2,984</u>
	<u>\$ 31,091</u>	<u>\$ 56,558</u>

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



D. Trade payables and other items of current liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Trade payables		
-Associates	\$ 1,203,648	\$ 931,610
-Others	41,104	35,470
	<u>1,244,752</u>	<u>967,080</u>
Other items of current liabilities		
-Associates	24,953	8,349
-Others	7,048	606
	<u>32,001</u>	<u>8,955</u>
	<u>\$ 1,276,753</u>	<u>\$ 976,035</u>

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

(4) Key management compensation

	<u>Years Ended</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Salaries and other short-term employee benefits	\$ 906,493	\$ 1,759,791
Post-employment benefits	7,665	7,310
	<u>\$ 914,158</u>	<u>\$ 1,767,101</u>

8. **PLEDGED ASSETS**

<u>Pledged assets</u>	<u>Items</u>	<u>Book Value</u>		<u>Purpose</u>
		<u>December 31, 2022</u>	<u>December 31, 2021</u>	
Other current assets and other non-current assets	Pledged restricted deposits and refundable deposits	\$ 622,763	\$ 587,368	Note
Property, plant and equipment	Land and buildings	624,000	470,670	Bank loans, financing, credit limits, customs guarantee and other short-term borrowings
		<u>\$ 1,246,763</u>	<u>\$ 1,058,038</u>	

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

## 9. **SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS**

### (1) Contingencies

Lawsuits for infringement of intellectual property rights

- A. Several patentees filed lawsuits or investigations for patent infringement including MP3 function for desktop computer and notebook, display and projector products, monitor product with local dimming against the Group. These lawsuits or investigations are currently under investigation in California and Texas. The Group cannot presently determine the ultimate outcome of these lawsuits, but has already recognized the possible loss in the financial statements.
- B. Several patentees filed lawsuits or investigations for patent infringement including cellphone and tablet products, AP and Router products supporting MU-MIMO, notebook, LED for cellphone products, wireless network communication products that support IEEE 802.11ac communication standard, after-sales service, cellphone and tablet products with MPEG2-TS transportation stream function, various products using LVDS technology processors, router, wireless base station, notebook, cellphone supporting MU-MIMO, circuit board design, router, notebook, desktop, motherboard, Mini PC and cellphone supporting Wi-Fi 6, notebooks and monitors with backlight display, cellphone supporting LTE, Notebook products with built-in AMD CPU, various products supporting H.264, H.265 and screen rotation , keyboard structure of optical mechanical switch gaming keyboard TUF-K7, products using Nvidia GPU, cellphone products, products that support Bluetooth function, notebooks using Panjit MOSFET, touch UI for VivoWatch/ ZenWatch series smart watches against the Group. These lawsuits or investigations are currently under investigation in the courts in Texas, California, Alabama, Japan, Brazil, Malaysia, Germany, China, at the United States International Trade Commission, and at the Italian Competition Authority. The Group cannot presently determine the ultimate outcome and effect of these lawsuits.

### (2) Commitments

The Company signed a long-term supply cooperation contract with the supplier, stipulating that a certain amount of material purchase must be reached every year. The contract is valid from March 1, 2021 to December 31, 2024. In addition, prepayment of USD 75,000 thousand has been paid by the Company in accordance with the contract. As of December 31, 2022, the prepayment mentioned above amounting to \$345,425 is included under prepayments and \$1,735,450 is included under other non-current assets.

## 10. **SIGNIFICANT DISASTER LOSS**

None.

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

None.

## 12. OTHERS

### (1) Capital management

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

During 2022, the Group's strategy was to maintain the liability ratio within reasonable security range, which was unchanged from 2021. The liability ratios are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Total liabilities	\$ 244,275,883	\$ 257,716,348
Total assets	\$ 471,164,714	\$ 504,152,814
Liability ratio	51.85%	51.12%

### (2) Financial instruments

#### A. Financial instruments by category

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 4,535,623	\$ 7,135,532
Financial assets at fair value through other comprehensive income		
Designation of equity instruments	65,068,354	75,652,456
Financial assets at amortized cost		
Cash and cash equivalents	69,322,700	67,812,243
Financial assets at amortized cost	9,558,930	8,355,419
Notes receivable	8,148,670	4,158,773
Trade receivables	83,162,702	89,083,799
Other receivables	1,308,905	4,641,494
Refundable deposits	938,524	762,588
Derivative financial assets for hedging	20,100	494,819
	<u>\$ 242,064,508</u>	<u>\$ 258,097,123</u>

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ 1,585,793	\$ 232,687
Financial liabilities at amortized cost		
Short-term borrowings	48,897,458	9,396,555
Notes and trade payables	51,368,369	95,730,026
Other payables - accrued expenses	38,943,789	49,274,621
Long-term borrowings (including current portion)	155,287	165,787
Deposits received	441,694	336,049
Lease liabilities	1,379,139	1,452,242
Derivative financial liabilities for hedging	1,933,650	58,036
	<u>\$ 144,705,179</u>	<u>\$ 156,646,003</u>

#### B. Financial risk management policies

- (A) The Group's operating activities expose the Group to a variety of financial risks, including market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. To minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts, currency option contracts and currency swap contracts are used to hedge certain exchange rate risk, and derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.
- (B) The Group's key financial plans are all reviewed by the Board of Directors under the related principles and internal control system. When executing the financial plans, the Group's treasury departments will follow the financial operating procedures in accordance with the overall financial risk management and proper segregation of duties.
- (C) Information about derivative financial instruments that are used to hedge financial risk are provided in Notes 6(2) and (5).

#### C. Nature and degree of significant financial risks

##### (A) Market risk

###### Foreign exchange risk

- a. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD, EUR and CNY. Foreign exchange risk arises from future commercial transactions, recognized as assets and liabilities.

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

	December 31, 2022					
	Foreign currency amount (in dollars)	Exchange rate	Book value (NTD)	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 2,882,433,488	30.710	\$88,519,532	1%	\$ 885,195	\$ -
EUR:USD	448,831,295	32.722	14,686,435	1%	146,864	-
CNH:USD	2,902,296,811	4.407	12,790,088	1%	127,901	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	3,911,934,663	30.710	120,135,514	1%	1,201,355	-
EUR:USD	53,444,786	32.722	1,748,794	1%	17,488	-
CNH:USD	3,222,845,303	4.407	14,202,709	1%	142,027	-

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

- f. Net currency exchange gains (losses) arising from foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2022 and 2021 amounted to (\$5,319,471) and \$2,751,675, respectively.

#### Price risk

- a. The Group's equity instruments, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity instruments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- b. The Group mainly invests in equity instruments comprised of shares and open-end funds issued by the domestic companies. The value of equity instruments are susceptible to market price risk arising from uncertainties about future performance of equity markets. Assuming a hypothetical increase of 1% in the price of the aforementioned financial assets at fair value through profit or loss while the other conditions remain unchanged could increase the Group's non-operating revenue for the years ended December 31, 2022 and 2021 by \$2,945 and \$5,329, respectively. A change of 1% in the price of the aforementioned financial assets at fair value through other comprehensive income could increase the Group's other comprehensive income for the years ended December 31, 2022 and 2021 by \$650,684 and \$756,525, respectively.

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

- a. The Group's main interest rate risk arises from long-term and short-term borrowings with variable rates which expose the Group to cash flow interest rate risk but is partially offset by cash and cash equivalents held at variable rates. During the years ended December 31, 2022 and 2021, the Group's borrowings at variable rates were denominated in USD and NTD.
- b. At December 31, 2022 and 2021, if interest rates on borrowings had been 1 basis point (0.01%) higher with all other variables held constant, non-operating expenses for the years ended December 31, 2022 and 2021 would have been \$6,130 and \$682 higher, respectively, mainly as a result of higher interest expense on floating rate borrowings.

#### (B) Credit risk

- a. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is contract cash flows of counterparties could not repay in full the accounts receivable based on the agreed terms and financial assets at amortized cost.
- b. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of "A" class above as evaluated by an independent party are accepted as counterparties. According to the Group's credit policy, each operating entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors, and the utilization of credit limits is regularly monitored.
- c. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- d. The Group adopts the assumption under IFRS 9, that is, for most operating entities, the default occurs when the contract payments are past due over 90 days. For some subsidiaries, based on the local trading conditions and historical experience, the default occurs when the contract payments are past due over 180 days.
- e. The Group classifies customer's accounts receivable in accordance with customer types. The Group applies the simplified approach using the provision matrix and loss rate method to estimate expected credit loss.
- f. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

- (a) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
- (b) The disappearance of an active market for that financial asset because of financial difficulties;
- (c) Default or delinquency in interest or principal repayments;
- (d) Adverse changes in national or regional economic conditions that are expected to cause a default.
- (e) The internal or external credit rating of the instrument is “in default”.
- (f) The condition which met the breach of contract by the debtor or others was assessed case-by-case.
- g. The Group writes off the financial assets, which cannot reasonably be expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2022 and 2021, the Group has no written-off financial assets that are still under recourse procedures.
- h. (a) The expected loss rate for the excellent credit quality clients is 0% ~ 0.03%, and the total carrying amount of notes and trade receivables amounted to \$2,110,182 and \$6,362,618 and loss allowance amounted to \$584 and \$485 as of December 31, 2022 and 2021, respectively.
- (b) The Group refers to the forecast ability of global economic indicators to adjust the loss rate which is based on historical and current information when assessing the future default possibility of notes receivable and trade receivables. The provision matrix as of December 31, 2022 and 2021 is as follows:

	Not past due	Less than 30 days past due	Between 31 and 60 days past due	Between 61 and 90 days past due	Between 91 and 180 days past due	More than 181 days past due	Total
<u>December 31, 2022</u>							
Total book value	\$ 71,849,760	\$ 11,805,031	\$ 4,214,795	\$ 1,486,853	\$ 1,052,576	\$ 1,827,892	\$ 92,236,907
Loss allowance	\$ 4,823	\$ 2,748	\$ 469,994	\$ 135,701	\$ 619,686	\$ 1,802,181	\$ 3,035,133
Expected loss rate	0.00%~6.43%	0.00%~8.64%	0.00%~14.48%	0.00%~45.42%	4.94%~100%	10%~100%	
	Not past due	Less than 30 days past due	Between 31 and 60 days past due	Between 61 and 90 days past due	Between 91 and 180 days past due	More than 181 days past due	Total
<u>December 31, 2021</u>							
Total book value	\$ 77,350,149	\$ 7,606,891	\$ 1,546,435	\$ 502,586	\$ 363,934	\$ 992,644	\$ 88,362,639
Loss allowance	\$ 5,689	\$ 2,240	\$ 151,810	\$ 55,980	\$ 277,621	\$ 988,860	\$ 1,482,200
Expected loss rate	0.01%~1.62%	0.01%~22.72%	0.06%~27.45%	0.21%~58.99%	1.54%~100%	10%~100%	

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



	2022	2021
January 1	\$ 1,482,685	\$ 1,221,457
Recognition	1,431,725	319,660
Write-offs	( 12,420)	( 29,846)
Net exchange differences	133,727	( 28,586)
December 31	<u>\$ 3,035,717</u>	<u>\$ 1,482,685</u>

For provisioned loss for the years ended December 31, 2022 and 2021, the net impairment loss arising from customer's contract were \$1,431,725 and \$319,660, respectively.

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

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

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

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

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

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

	2022		2021	
	12 months expected credit loss	Lifetime expected credit loss	12 months expected credit loss	Lifetime expected credit loss
January 1	\$ 92,926	\$ -	\$ 60,188	\$ -
Recognition	( 24,082)	-	45,342	-
(reversal)				
Disposal	( 12,391)	-	( 10,504)	-
Net exchange differences	9,064	-	( 2,100)	-
December 31	<u>\$ 65,517</u>	<u>\$ -</u>	<u>\$ 92,926</u>	<u>\$ -</u>

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

	December 31, 2022		
	12 months expected credit loss	Lifetime expected credit loss	Total
Financial assets at amortized cost			
Time deposits	\$ 296,611	\$ -	\$ 296,611
Corporate bonds			
Internal rating - Stage 1	<u>9,327,836</u>	<u>-</u>	<u>9,327,836</u>
Total book value	9,624,447	-	9,624,447
Loss allowance	( 65,517)	-	( 65,517)
	<u>\$ 9,558,930</u>	<u>\$ -</u>	<u>\$ 9,558,930</u>
	December 31, 2021		
	12 months expected credit loss	Lifetime expected credit loss	Total
Financial assets at amortized cost			
Time deposits	\$ 125,500	\$ -	\$ 125,500
Corporate bonds			
Internal rating - Stage 1	<u>8,322,845</u>	<u>-</u>	<u>8,322,845</u>
Total book value	8,448,345	-	8,448,345
Loss allowance	( 92,926)	-	( 92,926)
	<u>\$ 8,355,419</u>	<u>\$ -</u>	<u>\$ 8,355,419</u>

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

(C) Liquidity risk

- a. Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group treasury. The Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's cash flow plans and compliance with internal balance sheet ratio targets.
- b. The Group treasury invests surplus cash in demand deposits, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. As of December 31, 2022 and 2021, the Group held financial assets at fair value through profit or loss of \$4,355,770 and \$4,128,749, respectively, that are expected to readily generate cash inflows for managing liquidity risk.
- c. The table below analyses the Group's non-derivative financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the financial reporting period to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	December 31, 2022				Total
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	
<u>Non-derivative</u>					
<u>financial liabilities:</u>					
Short-term borrowings	\$ 48,897,458	\$ -	\$ -	\$ -	\$48,897,458
Notes and trade payables	51,368,369	-	-	-	51,368,369
Other payables - accrued expenses	38,943,789	-	-	-	38,943,789
Lease liabilities	498,060	358,143	295,118	312,884	1,464,205
Long-term borrowings (including current portion)	10,377	10,557	10,740	123,613	155,287
Other financial liabilities	1,885,101	3,645	-	-	1,888,746
<u>Derivative financial liabilities:</u>					
Forward exchange contracts	3,212,295	-	-	-	3,212,295
Currency option contracts	286,545	-	-	-	286,545
Currency swap contracts	20,603	-	-	-	20,603

	December 31, 2021				Total
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	
<u>Non-derivative</u>					
<u>financial liabilities:</u>					
Short-term borrowings	\$ 9,396,555	\$ -	\$ -	\$ -	\$ 9,396,555
Notes and trade payables	95,730,026	-	-	-	95,730,026
Other payables - accrued expenses	49,274,621	-	-	-	49,274,621
Lease liabilities	528,252	385,668	232,747	382,335	1,529,002
Long-term borrowings (including current portion)	10,744	10,852	10,958	133,233	165,787
Other financial liabilities	1,385,033	-	2,060	-	1,387,093
<u>Derivative financial liabilities:</u>					
Forward exchange contracts	265,871	-	-	-	265,871
Currency option contracts	24,852	-	-	-	24,852

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

(3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

(A) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, financial assets at amortized cost - current, notes and trade receivables, other receivables, refundable deposits, short-term borrowings, notes and trade payables, other payables - accrued expenses, other current liabilities, current portion of long-term borrowings, long-term borrowings, guarantee deposits received, lease liabilities, are reasonably approximate to the fair values.

	December 31, 2022			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial assets:				
Financial assets at amortized cost - non-current				
Corporate bonds	\$ 9,262,319	\$ -	\$ 8,365,715	\$ -
	December 31, 2021			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial assets:				
Financial assets at amortized cost - non-current				
Corporate bonds	\$ 8,229,919	\$ -	\$ 8,178,907	\$ -

(B) The fair values of corporate bonds are determined by quoted market prices provided by third party pricing services.

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

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

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 242,869	\$ 4,209	\$ 47,405	\$ 294,483
Beneficiary certificates	4,000,749	23,297	-	4,024,046
Forward exchange contracts	-	99,125	-	99,125
Currency swap contracts	-	382	-	382
Hybrid instruments	108,400	-	9,187	117,587
Derivative financial assets for hedging	-	20,100	-	20,100
Financial assets at fair value through other comprehensive income				
Equity instruments	64,713,712	214,770	140,372	65,068,854
	<u>\$69,065,730</u>	<u>\$ 361,883</u>	<u>\$ 196,964</u>	<u>\$69,624,577</u>

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
<b>Liabilities:</b>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 1,278,645	\$ -	\$ 1,278,645
Currency option contracts	-	286,545	-	286,545
Currency swap contracts	-	20,603	-	20,603
Derivative financial liabilities for hedging	-	1,933,650	-	1,933,650
	<u>\$ -</u>	<u>\$ 3,519,443</u>	<u>\$ -</u>	<u>\$ 3,519,443</u>
	December 31, 2021			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value				
Equity instruments	\$ 471,437	\$ 4,575	\$ 56,854	\$ 532,866
Beneficiary certificates	6,434,715	36,284	-	6,470,999
Forward exchange contracts	-	114,158	-	114,158
Currency option contracts	-	8,057	-	8,057
Hybrid instruments	-	-	9,452	9,452
Derivative financial assets for hedging	-	494,819	-	494,819
Financial assets at fair value through other comprehensive income				
Equity instruments	75,361,815	216,511	74,130	75,652,456
	<u>\$82,267,967</u>	<u>\$ 874,404</u>	<u>\$ 140,436</u>	<u>\$83,282,807</u>
<b>Liabilities:</b>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 207,835	\$ -	\$ 207,835
Currency option contracts	-	24,852	-	24,852
Derivative financial liabilities for hedging	-	58,036	-	58,036
	<u>\$ -</u>	<u>\$ 290,723</u>	<u>\$ -</u>	<u>\$ 290,723</u>

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

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

	Listed and OTC stocks	Open-end fund
Market quoted price	Closing price	Net asset value

- b. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the financial reporting date.
  - c. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions.
  - d. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts, currency option contracts and currency swap contracts are usually valued based on the current forward exchange rate.
  - e. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheets. The pricing and inputs information used during valuation are carefully assessed and adjusted based on current market conditions.
- D. For the years ended December 31, 2022 and 2021, there was no transfer between Level 1 and Level 2.
- E. The movement of financial and non-financial instruments measured at fair value by Level 3 is as follows:

	<u>2022</u>	<u>2021</u>
	<u>Equity instruments</u>	<u>Equity instruments</u>
January 1	\$ 140,436	\$ 337,117
Acquisitions	144,000	30,000
Recognition in profit (loss) (Note 1)	( 9,714)	( 3,422)
Recognition in other comprehensive income (loss) (Note 2)	( 102,758)	( 115,165)
Reclassifications	<u>25,000</u>	<u>( 108,094)</u>
December 31	<u>\$ 196,964</u>	<u>\$ 140,436</u>

Note 1: Recorded as other gains (losses).

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

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

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

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



	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Equity instruments:					
Unlisted and non-OTC stocks	\$ 26,956	Net asset value	Not applicable	Not applicable	The higher the net asset value, the higher the fair value
Unlisted and non-OTC stocks	1,089	Comparable Listed and OTC companies analysis	Price to book ratio multiple, discount for lack of marketability	Not applicable	The higher the multiple, the higher the fair value; The higher the discount for lack of marketability, the lower the fair value.
Unlisted and non-OTC stocks	159,732	Discounted cash flow method	Note 1	Not applicable	Note 2
Hybrid instruments:					
Unlisted and non-OTC stocks	65,729	Discounted cash flow method	Note 1	Not applicable	Note 2
Embedded option	( 56,542)	Option pricing model	Stock price volatility	Not applicable	The higher the stock price volatility, the higher the fair value
	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Equity instruments:					
Unlisted and non-OTC stocks	\$ 37,495	Net asset value	Not applicable	Not applicable	The higher the net asset value, the higher the fair value
Unlisted and non-OTC stocks	93,489	Discounted cash flow method	Note 1	Not applicable	Note 2
Hybrid instruments:					
Unlisted and non-OTC stocks	45,343	Discounted cash flow method	Note 1	Not applicable	Note 2
Embedded option	( 35,891)	Option pricing model	Stock price volatility	Not applicable	The higher the stock price volatility, the higher the fair value

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

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

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

(4) The Russia-Ukraine war broke out in February 2022. As of December 31, 2022, the Group has come to a standstill with respect to shipments to the Russia market and has collected accounts receivable from customers in aforementioned market positively. There is no significant overdue accounts receivable which may lead to credit loss.

### 13. **SUPPLEMENTARY DISCLOSURES**

#### (1) Significant transactions information

A. Financing provided: Please refer to table 1.

B. Endorsements and guarantees provided: None.

C. Marketable securities held at the end of period (excluding investments in subsidiaries, associates and joint ventures): Please refer to table 2.

D. Marketable securities acquired and disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital: Please refer to table 3.

E. Acquisition of real estate properties at costs of at least \$300 million or 20% of the paid-in capital: None.

F. Disposal of real estate properties at prices of at least \$300 million or 20% of the paid-in capital: None.

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

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

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

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

(2) Information on investees

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

(3) Information on investments in China

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

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

(4) Major shareholders information

Major shareholders information: None.

14. **OPERATING SEGMENT INFORMATION**

(1) General information

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

(2) Measurement basis

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

(3) Segment information

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

	Year ended December 31, 2022		
	3C Brand	Others	Total
Revenues from external customers	\$ 491,209,830	\$ 45,982,102	\$ 537,191,932
Revenues from other segments	\$ 2,256,221	\$ 6,062,568	- (Note 1)
Segment income	\$ 10,126,829	\$ 2,688,068	\$ 12,814,897
Total assets (Note 2)	\$ -	\$ -	\$ -

	Year ended December 31, 2021		
	3C Brand	Others	Total
Revenues from external customers	\$ 498,341,376	\$ 35,897,359	\$ 534,238,735
Revenues from other segments	\$ 2,059,375	\$ 5,281,521	- (Note 1)
Segment income	\$ 48,215,200	\$ 1,093,125	\$ 49,308,325
Total assets (Note 2)	\$ -	\$ -	\$ -

Note 1: The intra-segment revenues have been eliminated to \$0.

Note 2: Because the Group's segment assets are not provided to the chief operating decision-maker, such items are not required to be disclosed.

(4) Reconciliation for segment income

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

	Years Ended	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Reportable operating segments's profit before adjustment	\$ 12,814,897	\$ 49,308,325
Unallocated (loss) profit	<u>167,335</u>	<u>17,277</u>
Reportable operating segments's profit	<u>\$ 12,982,232</u>	<u>\$ 49,325,602</u>

(5) Geographical information

Geographical information for the years ended December 31, 2022 and 2021 is as follows:

	Years Ended			
	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Revenue</u>	<u>Non-current assets</u>	<u>Revenue</u>	<u>Non-current assets</u>
Taiwan	\$ 55,913,086	\$ 23,900,131	\$ 58,115,720	\$ 24,216,555
China	107,280,367	7,215,633	93,558,202	6,994,363
Singapore	196,214,948	41,099	213,335,297	64,897
USA	108,498,432	1,479,767	101,713,640	1,248,163
Europe	22,709,036	423,353	25,368,477	359,969
Others	<u>46,576,063</u>	<u>531,113</u>	<u>43,147,399</u>	<u>530,177</u>
	<u>\$537,191,932</u>	<u>\$ 33,591,096</u>	<u>\$535,238,735</u>	<u>\$ 33,414,124</u>

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

(6) Major customer information

No single customer accounts for more than 10% of the consolidated operating revenue for the years ended December 31, 2022 and 2021.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
FINANCING PROVIDED  
YEAR ENDED DECEMBER 31, 2022

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

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate (%)	Nature for Financing (Note 1)	Transaction Amounts	Reason for Financing	Loss allowance	Collateral		Financing Limits for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)	Note
													Item	Value			
1	ASUS	ASKEY	Other receivables	Yes	1,000,000	1,000,000	-	1.00	b	-	Need for operations	-	-	-	31,857,072	42,476,096	
2	ASTP	ASGL	Other receivables and Other non-current assets	Yes	30,710,000 (USD 1,000,000)	30,710,000 (USD 1,000,000)	29,635,150 (USD 965,000)	0.24 ~ 2.29	b	-	Need for operations	-	-	-	42,583,768 (USD 1,386,642)	42,583,768 (USD 1,386,642)	
3	ASTP	QCS	Other non-current assets	Yes	460,725 (SEK 156,709)	-	-	0.50	b	-	Need for operations	-	-	-	42,583,768 (USD 1,386,642)	42,583,768 (USD 1,386,642)	

Note 1 : Nature for Financing : a. Business transaction calls for a loan arrangement.

b. The need for short-term financing.

Note 2 : Limit of total financing amount : a. According to Procedures for Lending of ASUS, limit of total financing amount shall not exceed 20% of the net worth of ASUS as of the period.

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

Limit financing amount for individual counterparty : a. According to Procedures for Lending of ASUS, limit of financing amount for individual counterparty shall not exceed 15% of the net worth of ASUS as of the period.

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
 MARKETABLE SECURITIES HELD  
 (EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)  
 DECEMBER 31, 2022

Table 2

(Amounts in thousands of New Taiwan dollars)

Held Company Name	Marketable Securities			Relationship with the Company (Note 1)	Financial Statement Account (Note 2)	December 31, 2022				Note
	Type	Name				Shares/Units	Carrying Value	Percentage (%)	Fair Value	
ASUS	Stock	SPORTON	-	a	353,213	73,998	0.36	73,998		
ASUS	Stock	GLOBALWAFERS	-	c	1,626,626	695,383	0.37	695,383		
ASUS	Stock	JMC	-	c	830,000	24,900	1.00	24,900		
ASUS	Stock	ENE	b	c	444,364	12,376	0.98	12,376		
ASUS	Stock	ALCOR MICRO	-	c	905,879	27,176	1.00	27,176		
ASUS	Stock	AZUREWAVE	-	c	934,745	18,134	0.61	18,134		
ASUS	Stock	LEDLINK	-	c	718,607	16,564	1.53	16,564		
ASUS	Fund	TNP	-	b	100	4,976	2.06	4,976		
ASUS	Fund	TNP LIGHT	-	b	190	18,321	3.67	18,321		
ASUS	Stock	EMPASS	-	d	1,316,139	34,483	15.77	34,483		
ASUS	Stock	ADVANTECH	-	d	103,177,983	34,152,256	13.26	34,152,256		
ASUS	Stock	PEGA	-	d	448,506,484	28,480,162	16.81	28,480,162		
ASUS	Stock	FREEDOM SYSTEMS	-	d	787,500	25,992	10.00	25,992		
ASUS	Stock	NANOLUX	-	d	536	61,327	10.30	61,327		
ASUS	Stock	APTOS	-	d	125,040	-	0.21	-		
ASUS	Stock	94BOT	-	d	100,000	-	4.80	-		
ASUS	Stock	A-WEI TECH	-	d	301,876	507	1.83	507		
ASUS	Stock	AISTORM	-	d	178,784	2,491	0.69	2,491		
ASUS	Stock	EOSTEK	-	d	1,600,000	4,815	14.94	4,815		
ASUS	Stock	AMTRUST	b	d	7,500,000	77,799	7.81	77,799		
ASMEDIA	Fund	FUH HWA RMB MONEY MARKET	-	a	531,862	29,675	-	29,675		
ASMEDIA	Fund	MEGA DIAMOND MONEY MARKET	-	a	23,739,799	302,583	-	302,583		
ASMEDIA	Fund	CAPITAL MONEY MARKET	-	a	17,226,216	282,250	-	282,250		
ASMEDIA	Stock	AUGENTIX	-	d	1,600,000	13,136	10.56	13,136		
ASMEDIA	Stock	ICATCH TECHNOLOGY	-	d	5,500,000	220,000	5.78	220,000		
ASMEDIA	Stock	WT PREFERRED STOCK	a	d	8,000,000	382,000	-	382,000		
ASMEDIA	Stock	LERAIN	-	d	1,200,000	8,868	3.99	8,868		
ASMEDIA	Stock	TA SHEE RESORT	-	d	1	25,000	0.00	25,000		
ASMEDIA	Stock	TELETRX	-	d	5,230,486	63,341	16.00	63,341		
ASKEY	Stock	CIPHERMAX	-	b	9,234	-	0.00	-		
ASKEY	Stock	RETI	-	b	80,700	-	3.32	-		
MIC	Stock	BROADCOM	-	b	90	1,546	0.00	1,546		
MIC	Stock	ZARLINK SEMI-CONDUCTOR	-	b	44,775	-	0.04	-		
DIC	Stock	FORTE MEDIA	-	b	200,000	-	0.30	-		
HCVC	Stock	LEDLINK	-	c	336,546	7,757	0.72	7,757		
HCVC	Stock	APAQ TECHNOLOGY	b	d	10,668,012	444,323	11.99	444,323		
HCVC	Stock	A-WEI TECH	-	d	301,876	507	1.83	507		
HMI	Stock	APAQ TECHNOLOGY	-	d	3,210,015	133,697	3.61	133,697		
HMI	Stock	A-WEI TECH	-	d	174,417	293	1.06	293		
AAEON	Stock	ADVANTECH	-	a	802	265	0.00	265		
AAEON	Fund	MEGA DIAMOND MONEY MARKET	-	a	2,091,070	26,652	-	26,652		
AAEON	Stock	MACHVISION TECHNOLOGY	b	a	1,180,198	154,016	2.64	154,016		
AAEON	Stock	ATECH OEM TECHNOLOGY	b	a	214	3	0.00	3		
AAEON	Stock	INSYNERGER TECHNOLOGY	-	b	1,710,000	19,360	15.05	19,360		
AAEON	Stock	UNITECH ELECTRONICS	-	a	259,657	5,830	0.35	5,830		
AAEON	Stock	LILIEE SYSTEMS PREFERRED STOCK	-	a	468,750	-	-	-		
AAEON	Stock	ALLIED BIOTECH	b	a	300,000	4,209	0.31	4,209		
AAEON	Stock	TELEION WIRELESS PREFERRED STOCK	-	a	149,700	-	-	-		
AAEON	Stock	V-NET AAEON	-	b	29	9,187	14.50	9,187		
AAEONI	Convertible Bond	IBASE 6	b	a	1,000,000	108,400	-	108,400		
AAEONI	Stock	SUNENGINE	b	a	156,903	1,089	2.75	1,089		
ONYX	Stock	MELTEN CONNECTED HEALTHCARE	-	d	4,193,548	2,381	6.61	2,381		
ONYX	Stock	MACHVISION TECHNOLOGY	b	a	18,716	2,443	0.04	2,443		
ONYX	Stock	BNO FUND III	-	b	3,000,000	26,956	13.04	26,956		
ONYX	Stock	TOP UNION ELECTRONICS	-	a	199,927	4,768	0.16	4,768		
ONYX	Stock	PROTECTLIFE INTERNATIONAL BIOMEDICAL	-	d	750,000	25,155	6.30	25,155		
ASGL	Fund	USD TERM LIQUIDITY (USD370A)	-	a	959,903	3,157,660	-	3,157,660		
ASGL	Bond	AAC TECHNOLOGIES HOLDINGS	-	e	1,900,000	58,736	-	53,723		
ASGL	Bond	ABBVIE	-	e	1,750,000	57,129	-	50,784		
ASGL	Bond	ADANT TRANSMISSION	-	e	1,850,000	58,178	-	50,739		
ASGL	Bond	AERCAP IRELAND CAPITAL DAC/ AERCAP GLOBAL AVIATION TRUST	-	e	3,700,000	121,577	-	108,920		
ASGL	Bond	AFRICA FINANCE	-	e	3,690,000	117,715	-	106,621		
ASGL	Bond	AIB GROUP	-	e	1,800,000	57,688	-	53,351		
ASGL	Bond	AIR LEASE	-	e	3,900,000	120,190	-	104,172		
ASGL	Bond	AIRCASTLE	-	e	3,580,000	117,391	-	103,389		
ASGL	Bond	ALCON FINANCE	-	e	1,500,000	48,498	-	42,203		
ASGL	Bond	ALLY FINANCIAL	-	e	1,670,000	55,888	-	51,054		
ASGL	Bond	APT PIPELINE	-	e	1,640,000	53,098	-	48,663		
ASGL	Bond	ARCELORMITTAL	-	e	1,900,000	62,350	-	56,491		
ASGL	Bond	ARDAGH PACKAGING FINANCE / ARDAGH MP HOLDINGS USA	-	e	1,140,000	35,546	-	33,341		
ASGL	Bond	AUSTRALIA AND NEW ZEALAND BANKING GROUP	-	e	3,460,000	115,705	-	102,133		
ASGL	Bond	AVIATION CAPITAL GROUP	-	e	3,920,000	120,491	-	104,965		
ASGL	Bond	AVOLON HOLDINGS FUNDING	-	e	4,250,000	138,330	-	123,513		
ASGL	Bond	BANCO BTG PACTUAL OF CAYMAN ISLANDS	-	e	2,420,000	72,393	-	69,767		
ASGL	Bond	BANCO LATINOAMERICANO DE COMERCIO EXTERIOR	-	e	3,820,000	119,191	-	107,047		
ASGL	Bond	BANCO SANTANDER	-	e	3,400,000	114,708	-	102,802		
ASGL	Bond	BANK OF AMERICA	-	e	3,430,000	115,057	-	103,299		
ASGL	Bond	BANK OF NOVA SCOTIA	-	e	1,670,000	55,985	-	50,309		
ASGL	Bond	BARCLAYS	-	e	3,410,000	113,741	-	101,930		
ASGL	Bond	BAYER US FINANCE II	-	e	3,530,000	116,897	-	105,151		
ASGL	Bond	BERRY GLOBAL	-	e	3,740,000	118,560	-	110,418		
ASGL	Bond	BHARAT PETROLEUM	-	e	1,840,000	57,778	-	54,150		
ASGL	Bond	BHARTI AIRTEL	-	e	2,110,000	67,129	-	63,000		
ASGL	Bond	BNP PARIBAS	-	e	3,520,000	117,042	-	103,109		
ASGL	Bond	BOC AVIATION	-	e	3,860,000	119,929	-	109,334		
ASGL	Bond	BPCE	-	e	3,420,000	115,312	-	100,065		
ASGL	Bond	CHENIERE CORPUS CHRISTI HOLDINGS	-	e	1,690,000	55,349	-	52,194		
ASGL	Bond	CHOUZHOU INTERNATIONAL INVESTMENT	-	e	3,820,000	118,354	-	111,517		
ASGL	Bond	CIT BANK N.A.	-	e	1,880,000	58,938	-	54,605		
ASGL	Bond	CITIGROUP	-	e	1,680,000	56,310	-	50,775		
ASGL	Bond	CNH INDUSTRIAL CAPITAL	-	e	1,940,000	59,665	-	54,082		
ASGL	Bond	COLORADO INTERSTATE GAS / COLORADO INTERSTATE ISSUING	-	e	1,940,000	63,819	-	56,724		
ASGL	Bond	COMMONWEALTH BANK OF AUSTRALIA	-	e	1,700,000	56,232	-	51,065		
ASGL	Bond	CONAGRA BRANDS	-	e	1,680,000	56,075	-	50,883		
ASGL	Bond	CONTEMPRY RUIDNG DEVELOP	-	e	1,000,000	27,452	-	26,541		

Held Company Name	Marketable Securities			Relationship with the Company (Note 1)	Financial Statement Account (Note 2)	December 31, 2022				Note
	Type	Name				Shares/Units	Carrying Value	Percentage (%)	Fair Value	
ASGL	Bond	COOPERATIEVE RABOBANK U.A.	-	e	3,570,000	117,820	-	103,223		
ASGL	Bond	COX COMMUNICATION	-	e	1,750,000	57,459	-	50,308		
ASGL	Bond	CREDIT SUISSE GROUP	-	e	3,440,000	115,478	-	93,276		
ASGL	Bond	CROWN AMERICAS / CROWN AMERICAS CAPITAL V	-	e	2,240,000	71,625	-	65,597		
ASGL	Bond	CVS HEALTH	-	e	1,780,000	57,716	-	51,123		
ASGL	Bond	DELL INTERNATIONAL / EMC	-	e	3,310,000	113,737	-	102,269		
ASGL	Bond	DEUTSCHE BANK	-	e	3,700,000	115,228	-	108,478		
ASGL	Bond	DISCOVER BANK	-	e	1,760,000	57,303	-	49,842		
ASGL	Bond	GENTING NY / GENNY CAP	-	e	3,940,000	121,076	-	105,923		
ASGL	Bond	GLENORE FUNDING	-	e	1,960,000	60,065	-	54,526		
ASGL	Bond	GLOBAL PAYMENTS	-	e	1,660,000	56,045	-	49,698		
ASGL	Bond	GLP	-	e	3,710,000	116,869	-	92,291		
ASGL	Bond	GOLDMAN SACHS GROUP	-	e	3,550,000	113,352	-	106,546		
ASGL	Bond	GXO LOGISTICS	-	e	1,590,000	43,224	-	41,858		
ASGL	Bond	HARBOUR ENERGY	-	e	1,200,000	32,202	-	33,024		
ASGL	Bond	HCA	-	e	1,650,000	55,792	-	50,081		
ASGL	Bond	HEWLETT PACKARD	-	e	2,130,000	65,585	-	58,816		
ASGL	Bond	HIKMA FINANCE USA	-	e	3,780,000	118,899	-	107,651		
ASGL	Bond	HSBC HOLDINGS	-	e	800,000	23,405	-	23,653		
ASGL	Bond	HYATT HOTELS	-	e	3,600,000	117,323	-	108,702		
ASGL	Bond	ICICI BANK OF DUBAI	-	e	1,830,000	58,164	-	53,445		
ASGL	Bond	INTERNATIONAL FLAVORS & FRAGRANCES	-	e	1,510,000	42,881	-	40,983		
ASGL	Bond	INTERNATIONAL GAME TECHNOLOGY	-	e	1,200,000	37,508	-	34,370		
ASGL	Bond	IQVIA	-	e	2,330,000	71,420	-	68,311		
ASGL	Bond	JERSEY CENTRAL POWER & LIGHT	-	e	1,800,000	59,251	-	53,538		
ASGL	Bond	KAZMU NAJGAZ	-	e	200,000	5,868	-	5,942		
ASGL	Bond	KEYBANK NATIONAL ASSOCIATION OF CLEVELAND, OHIO	-	e	1,700,000	55,855	-	49,021		
ASGL	Bond	KOHL'S	-	e	2,100,000	67,127	-	60,460		
ASGL	Bond	LENNAR	-	e	3,390,000	114,834	-	104,457		
ASGL	Bond	LEVIATHAN BOND	-	e	2,230,000	70,317	-	67,156		
ASGL	Bond	LLOYDS BANKING GROUP	-	e	3,460,000	114,054	-	102,228		
ASGL	Bond	LUNDIN ENERGY FINANCE BV	-	e	3,910,000	120,638	-	106,196		
ASGL	Bond	LYB INTERNATIONAL FINANCE III	-	e	981,000	30,156	-	26,901		
ASGL	Bond	MACQUARIE BANK	-	e	3,490,000	114,825	-	104,916		
ASGL	Bond	MARATHON PETROLEUM	-	e	1,760,000	57,171	-	53,263		
ASGL	Bond	MEITUAN	-	e	1,490,000	44,571	-	40,541		
ASGL	Bond	MEXICO CITY AIRPORT TRUST	-	e	3,600,000	117,081	-	105,443		
ASGL	Bond	MICROCHIP TECHNOLOGY	-	e	1,000,000	31,674	-	29,836		
ASGL	Bond	mitsubishi UFJ FINANCIAL GROUP	-	e	1,760,000	57,210	-	49,408		
ASGL	Bond	MIZUHO FINANCIAL GROUP	-	e	1,882,000	61,890	-	54,569		
ASGL	Bond	MPT OPERATING PARTNERSHIP / MPT FINANCE	-	e	2,050,000	63,498	-	57,337		
ASGL	Bond	NATIONWIDE BUILDING SOCIETY	-	e	3,510,000	116,565	-	98,101		
ASGL	Bond	NORTHERN MIDSTREAM FINANCE	-	e	2,330,000	71,525	-	67,768		
ASGL	Bond	NXF / NXF FUNDING	-	e	1,630,000	55,684	-	49,822		
ASGL	Bond	OCCIDENTAL PETROLEUM	-	e	2,400,000	67,457	-	68,618		
ASGL	Bond	ONEOK	-	e	3,340,000	112,953	-	103,903		
ASGL	Bond	ONGC VIDESEH VANKORNEFT	-	e	3,700,000	116,815	-	106,201		
ASGL	Bond	OVINTIV EXPLORATION	-	e	1,240,000	37,201	-	37,824		
ASGL	Bond	PACIFIC GAS AND ELECTRIC	-	e	3,830,000	118,497	-	108,016		
ASGL	Bond	PHILLIPS 66	-	e	3,580,000	117,259	-	103,249		
ASGL	Bond	PRIME SECURITY SERVICES BORROWER / PRIME FINANCE	-	e	2,190,000	70,194	-	64,540		
ASGL	Bond	PT BANK MANDIRI (PERSERO)	-	e	1,740,000	56,161	-	52,401		
ASGL	Bond	PULTEGROUP	-	e	1,570,000	53,682	-	48,419		
ASGL	Bond	ROYALTY PHARMA	-	e	1,960,000	59,818	-	53,914		
ASGL	Bond	SABINE PASS LIQUEFACTION	-	e	1,640,000	55,959	-	50,960		
ASGL	Bond	SANTANDER UK GROUP HOLDINGS	-	e	3,720,000	121,715	-	109,140		
ASGL	Bond	SHENHAI BANK	-	e	3,540,000	116,089	-	101,540		
ASGL	Bond	SHENHAN FINANCIAL GROUP	-	e	1,950,000	59,976	-	53,549		
ASGL	Bond	SK HYUNDA	-	e	660,000	20,071	-	17,584		
ASGL	Bond	SOCIETE GENERALE	-	e	3,520,000	115,036	-	100,864		
ASGL	Bond	SOFTBANK GROUP	-	e	1,140,000	34,310	-	30,276		
ASGL	Bond	SOLVAY FINANCE AMERICA	-	e	1,680,000	55,796	-	49,966		
ASGL	Bond	SOUTHWESTERN ENERGY	-	e	2,240,000	72,446	-	67,586		
ASGL	Bond	STANDARD CHARTERED	-	e	3,530,000	116,362	-	104,536		
ASGL	Bond	SUMITOMO MITSUI FINANCIAL GROUP	-	e	1,760,000	57,008	-	49,655		
ASGL	Bond	SYNCHRONY FINANCIAL	-	e	3,800,000	121,725	-	107,482		
ASGL	Bond	SYNGENTA FINANCE	-	e	3,550,000	116,348	-	105,668		
ASGL	Bond	TECHNIPFMC	-	e	2,210,000	70,256	-	65,867		
ASGL	Bond	TENGIZCHEVROIL FINANCE INTERNATIONAL	-	e	3,800,000	117,888	-	100,332		
ASGL	Bond	T-MOBILE USA	-	e	1,930,000	59,353	-	53,153		
ASGL	Bond	TRINITY ACQUISITION	-	e	1,680,000	56,553	-	50,100		
ASGL	Bond	TURKCELL ILETISIM HIZMETLERI	-	e	1,200,000	34,380	-	34,580		
ASGL	Bond	UBS GROUP	-	e	1,660,000	55,776	-	48,955		
ASGL	Bond	UTAH ACQUISITION SUB	-	e	3,260,000	107,504	-	93,704		
ASGL	Bond	VICI PROPERTIES / VICI NOTE	-	e	1,150,000	35,844	-	33,860		
ASGL	Bond	VISTRA OPERATIONS	-	e	2,520,000	75,133	-	75,665		
ASGL	Bond	VMWARE	-	e	1,690,000	55,363	-	50,932		
ASGL	Bond	WESTERN DIGITAL	-	e	2,400,000	74,996	-	69,407		
ASGL	Bond	WESTERN MIDSTREAM OPERATING	-	e	2,300,000	70,667	-	66,937		
ASGL	Bond	WOODSIDE FINANCE	-	e	2,020,000	64,483	-	58,072		
ASGL	Bond	XP US EQUITY	-	e	1,620,000	46,849	-	44,714		
AIL	Fund	PRODIGY STRATEGY INVESTMENT XIV	-	a	3,530	147,110	-	147,110		
AIL	Stock	EONEX	-	d	31,733	-	2.70	-		
AIL	Stock	ISTAGING	-	d	988,889	9,047	2.15	9,047		
AIL	Stock	PTSN	-	d	260,977,800	98,484	4.91	98,484		
AIL	Fund	ASIA PACIFIC GENESIS C	-	b	-	-	9.00	-		
UEI	Fund	CAPITAL MONEY MARKET	-	a	3,345,699	54,819	-	54,819		

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

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION  
OR 20% OF THE PAID-IN CAPITAL  
YEAR ENDED DECEMBER 31, 2022

Table 3 (Amounts in thousands of New Taiwan dollars)

Company Name	Marketable Securities		Financial Statement Account (Note 1)	Counter-party	Nature of Relationship	Beginning Balance		Acquisition			Disposal				Ending Balance		
	Type	Name				Shares/Units	Amount	Shares/Units	Amount	(Note 2)	Shares/Units	Amount	Carrying Value	(Note 2)	Gains/Losses on Disposal	Shares/Units	Amount
ASUS	Fund	UNION MONEY MARKET	a	-	-	-	-	224,464,499	2,995,696	a	224,464,499	2,996,629	2,995,696	a	933	-	-
ASUS	Fund	SINOPAC TWD MONEY MARKET	a	-	-	-	-	73,627,552	1,034,283	a	73,627,552	1,034,696	1,034,283	a	413	-	-
ASUS	Stock	PORTWELL	e	POSIFLEX	-	29,493,170	1,563,796	14,746,585	825,000 237,522 134,128	a d h	-	-	132,719	e	-	44,239,755	2,627,727
ASGL	Fund	USD TERM LIQUIDITY (USD185A3)	a	-	-	952,519	2,778,557	-	304,155	c	952,519	2,996,758	3,071,000 11,712	a b	4,991	-	-
ASUTC	Fund	NOMURA TAIWAN MONEY MARKET	a	-	-	-	-	117,391,164	1,934,659	a	117,391,164	1,935,258	1,934,659	a	599	-	-
HCVC	Stock	UPI	e	-	-	3,753,937	331,888	-	44,471 164 224,678	d g f	751,000	441,012	65,021 22,507	a e	375,991	3,002,937	513,673

Note 1 : a. Financial assets at fair value through profit or loss - current.  
b. Financial assets at fair value through profit or loss - non-current.  
c. Financial assets at fair value through other comprehensive income - current.  
d. Financial assets at fair value through other comprehensive income - non-current.  
e. Investments accounted for under equity method.

Note 2 : a. Acquired or capital increase/ disposed or capital reduction / liquidation in this period.  
b. Revaluation.  
c. Recognized in effect of exchange rate changes.  
d. Recognized in investment gains or losses under equity investment.  
e. Recognized in cash dividends under equity investment.  
f. Recognized in capital surplus under equity investment.  
g. Recognized effect of exchange rate changes and recognized financial statements translation differences of foreign operations under equity investment.  
h. Recognized changes in equity under equity investment



ASUSTEK COMPUTER INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
YEAR ENDED DECEMBER 31, 2022

Table 4

(Amounts in thousands of New Taiwan dollars)

Company Name	Related Party	Nature of Relationship (Note 1)	Transaction Details				Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchases/ (Sales)	Amount	Percentage of Total Purchases/ (Sales) amount (%)	Payment Terms	Unit Price	Payment Terms	Ending Balance	Percentage of Total Notes/Trade Receivables (Payables) (%)	
ASUS	ASUTC	b	(Sales)	( 22,288,251)	( 5.39)	OA 90	-	-	2,646,921	4.74	
ASUS	ASGL	b	(Sales)	( 380,881,969)	( 92.18)	OA 180	-	-	46,272,331	82.88	
ASUS	AAEON	b	(Sales)	( 1,362,974)	( 0.33)	Month-end 30 days	-	-	90,758	0.16	
ASUS	UEI	b	(Sales)	( 469,563)	( 0.11)	OA 30	-	-	267,437	0.48	
ASUS	ASKEY	b	Purchases	119,040	0.03	Month-end 60 days	-	-	( 25,523)	( 0.06)	
ASUS	ASMEDIA	b	Purchases	464,035	0.13	Month-end 30 days	-	-	( 90,305)	( 0.20)	
ASUS	WT	c	Purchases	2,280,081	0.64	Month-end 60 days	-	-	( 1,038,054)	( 2.34)	
ASGL	ACCQ	b	(Sales)	( 12,158,693)	( 2.44)	OA 180	-	-	3,511,591	3.11	
ASGL	ACI	b	(Sales)	( 76,017,240)	( 15.26)	OA 180	-	-	29,986,968	26.53	
ASGL	ACSH	b	(Sales)	( 81,599,144)	( 16.38)	OA 180	-	-	21,299,747	18.84	
ASGL	ACJP	b	(Sales)	( 7,435,451)	( 1.49)	OA 120	-	-	1,434,624	1.27	
ASGL	ASIN	b	(Sales)	( 14,780,843)	( 2.97)	OA 180	-	-	7,673,164	6.79	
ASGL	ACMH	b	(Sales)	( 3,693,840)	( 0.74)	OA 180	-	-	2,429,466	2.15	
ASGL	ACNL	b	(Sales)	( 18,075,282)	( 3.63)	OA 180	-	-	5,606,040	4.96	
ASGL	ACJK	b	(Sales)	( 15,764,977)	( 3.16)	OA 180	-	-	8,406,199	7.44	
ASGL	ACG	b	(Sales)	( 463,063)	( 0.09)	OA 90	-	-	131,515	0.12	
ASGL	ACBT	b	(Sales)	( 359,518)	( 0.07)	OA 180	-	-	335,155	0.30	
ASGL	ACH	b	(Sales)	( 100,868)	( 0.02)	OA 90	-	-	33,294	0.03	
ASMEDIA	WT	c	(Sales)	( 563,714)	( 10.71)	Month-end 30 days	-	-	27,418	3.28	
ASKEY	ASKEYI	b	(Sales)	( 12,471,757)	( 40.77)	Month-end 90 days	-	-	1,540,550	24.69	
ASKEY	SILIGENCE	b	(Sales)	( 244,687)	( 0.80)	Month-end 90 days	-	-	-	-	
ASKEY	ASKEYJS	b	(Sales)	( 4,751,461)	NA (Note 2)	Month-end 90 days	-	-	934,657	14.98	
ASKEY	ASKEYJS	b	Purchases	13,981,942	47.11	Month-end 90 days	Based on cost of finished goods plus related expenditure of related party	-	( 5,042,907)	( 62.71)	
ASKEY	WT	c	Purchases	241,354	0.81	OA 120	-	-	( 40,300)	( 0.50)	
ASKEYJS	WT	c	Purchases	214,462	1.93	OA 120	-	-	( 76,101)	( 2.73)	
AAEON	AAEONEU	b	(Sales)	( 1,723,085)	( 29.00)	Net 60	-	-	340,909	39.28	
AAEON	AAEONEI	b	(Sales)	( 1,468,511)	( 24.72)	Net 60	-	-	193,279	22.27	
AAEON	AAEONSZ	b	(Sales)	( 291,742)	( 4.91)	Month-end 60 days	-	-	71,797	8.27	
ONYX	ONYXHU	b	(Sales)	( 392,845)	( 29.55)	Month-end 90 days	-	-	88,426	36.88	

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

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
DECEMBER 31, 2022

Table 5 (Amounts in thousands of New Taiwan dollars)

Company Name	Related Party	Nature of Relationship (Note)	Ending Balance	Turnover (Times)	Overdue		Amounts Received in Subsequent Period	Loss allowance
					Amount	Action Taken		
ASUS	ASUTC	b	2,646,921	8.73	-	-	2,014,763	-
ASUS	ASGL	b	46,272,331	6.92	-	-	43,138,974	-
ASUS	UEI	b	267,437	3.35	-	-	218,279	-
ASGL	ACCQ	b	3,511,591	5.82	-	-	3,003,173	-
ASGL	ACI	b	29,986,968	2.14	3,560,044	-	13,310,268	-
ASGL	ACSH	b	21,299,747	3.39	-	-	9,689,444	-
ASGL	ACJP	b	1,434,624	4.29	-	-	1,266,157	-
ASGL	ASIN	b	7,673,164	2.09	2,477,360	-	2,488,788	-
ASGL	ACMH	b	2,429,466	2.03	654,304	-	339,951	-
ASGL	ACNL	b	5,606,040	2.99	-	-	2,751,623	-
ASGL	ACJK	b	8,406,199	2.21	560,037	-	3,624,867	-
ASGL	ACG	b	131,515	2.87	-	-	120,387	-
ASGL	ACBT	b	335,155	1.40	-	-	140,885	-
ASGL	ACIN	b	105,197	0.15	-	-	68,352	-
ASKEY	ASKEYI	b	1,540,550	8.13	-	-	732,765	-
ASKEY	ASKEYJS	b	934,657	5.88	-	-	221,139	-
AAEON	AAEONEU	b	340,909	6.12	-	-	212,552	-
AAEON	AAEONEI	b	193,279	7.10	-	-	153,523	-
ASKEYJS	ASKEY	b	5,042,907	2.55	-	-	540,826	-

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
(ONLY TRANSACTIONS AMOUNTING TO AT LEAST NT\$100 MILLION ARE DISCLOSED)  
YEAR ENDED DECEMBER 31, 2022

Table 6-1 (Amounts in thousands of New Taiwan dollars)

No. (Note 1)	Company Name	Related Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Account	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (%)
0	ASUS	ASUTC	a	Sales	22,288,250	OA 90	4.15
0	ASUS	ASGL	a	Sales	380,881,969	OA 180	70.90
0	ASUS	AAEON	a	Sales	1,362,975	Month-end 30 days	0.25
0	ASUS	UEI	a	Sales	469,563	OA 30	0.09
1	ASMEDIA	ASUS	b	Sales	464,035	Month-end 30 days	0.09
2	ASGL	ACCQ	c	Sales	12,158,693	OA 180	2.26
2	ASGL	ACI	c	Sales	76,017,240	OA 180	14.15
2	ASGL	ACSH	c	Sales	81,599,144	OA 180	15.19
2	ASGL	ACJP	c	Sales	7,435,451	OA 120	1.38
2	ASGL	ASIN	c	Sales	14,780,843	OA 180	2.75
2	ASGL	ACMH	c	Sales	3,693,840	OA 180	0.69
2	ASGL	ACNL	c	Sales	18,075,282	OA 180	3.36
2	ASGL	ACJK	c	Sales	15,764,977	OA 180	2.93
2	ASGL	ACBT	c	Sales	359,518	OA 180	0.07
2	ASGL	ACG	c	Sales	463,063	OA 90	0.09
2	ASGL	ACH	c	Sales	100,868	OA 90	0.02
3	ASKEY	ASUS	b	Sales	119,040	Month-end 60 days	0.02
3	ASKEY	ASKEYI	c	Sales	12,471,757	Month-end 90 days	2.32
3	ASKEY	SILIGENCE	c	Sales	244,687	Month-end 90 days	0.05
3	ASKEY	ASKEYJS	c	Sales	4,751,461	Month-end 90 days	0.88
4	ASKEYJS	ASKEY	c	Sales	13,981,942	Month-end 90 days	2.60
5	AAEON	AAEONEU	c	Sales	1,723,085	Net 60	0.32
5	AAEON	AAEONEI	c	Sales	1,468,511	Net 60	0.27
5	AAEON	AAEONSZ	c	Sales	291,742	Month-end 60 days	0.05
6	ONYX	ONYXHU	c	Sales	392,845	Month-end 90 days	0.07
7	ACH	ASGL	c	Service revenue	371,619	Pay on delivery	0.07
8	ACAE	ASGL	c	Service revenue	219,753	Pay on delivery	0.04
9	ACI	ASGL	c	Service revenue	842,502	Pay on delivery	0.16
10	ACCZS	ASGL	c	Service revenue	657,177	Pay on delivery	0.12
11	ACF	ASGL	c	Service revenue	387,241	Pay on delivery	0.07
12	ACG	ASGL	c	Service revenue	411,764	Pay on delivery	0.08
13	ACHK	ASGL	c	Service revenue	170,327	Pay on delivery	0.03
14	ACIN	ASGL	c	Service revenue	235,846	Pay on delivery	0.04
15	ACKR	ASGL	c	Service revenue	103,379	Pay on delivery	0.02
16	ACPL	ASGL	c	Service revenue	137,956	Pay on delivery	0.03
17	ACTH	ASGL	c	Service revenue	100,823	Pay on delivery	0.02
18	ACTR	ASGL	c	Service revenue	106,664	Pay on delivery	0.02
19	ACUK	ASGL	c	Service revenue	245,839	Pay on delivery	0.05
20	ACVN	ASGL	c	Service revenue	154,356	Pay on delivery	0.03
21	ACCQ	ASGL	c	Service revenue	131,197	Pay on delivery	0.02
22	ACSH	ASGL	c	Service revenue	175,647	Pay on delivery	0.03
23	ACSZ	ASGL	c	Service revenue	2,280,776	Pay on delivery	0.42
24	ACAU	ASGL	c	Service revenue	231,007	Pay on delivery	0.04
25	ACN	ASGL	c	Service revenue	312,578	Pay on delivery	0.06
26	ACIT	ACNL	c	Service revenue	223,503	Pay on delivery	0.04
27	ACIB	ACNL	c	Service revenue	391,484	Pay on delivery	0.07
28	ACS	ASGL	c	Service revenue	222,465	Pay on delivery	0.04

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
(ONLY TRANSACTIONS AMOUNTING TO AT LEAST NT\$100 MILLION ARE DISCLOSED)  
DECEMBER 31, 2022

Table 6-2 (Amounts in thousands of New Taiwan dollars)

No. (Note 1)	Company Name	Related Party	Nature of Relationship (Note 2)	Intercompany Transactions			Percentage of Consolidated Net Revenue or Total Assets (%)
				Financial Statements Account	Amount	Terms	
0	ASUS	ASUTC	a	Trade receivables	2,646,921	OA 90	0.45
0	ASUS	ASGL	a	Trade receivables	46,272,331	OA 180	7.93
0	ASUS	UEI	a	Trade receivables	267,437	OA 30	0.05
2	ASGL	ACCQ	c	Trade receivables	3,511,591	OA 180	0.60
2	ASGL	ACI	c	Trade receivables	29,986,968	OA 180	5.14
2	ASGL	ACSH	c	Trade receivables	21,299,747	OA 180	3.65
2	ASGL	ACJP	c	Trade receivables	1,434,624	OA 120	0.25
2	ASGL	ASIN	c	Trade receivables	7,673,164	OA 180	1.31
2	ASGL	ACMH	c	Trade receivables	2,429,466	OA 180	0.42
2	ASGL	ACNL	c	Trade receivables	5,606,040	OA 180	0.96
2	ASGL	ACJK	c	Trade receivables	8,406,199	OA 180	1.44
2	ASGL	ACBT	c	Trade receivables	335,155	OA 180	0.06
2	ASGL	ACG	c	Trade receivables	131,515	OA 90	0.02
2	ASGL	ACIN	c	Trade receivables	105,197	OA 150	0.02
3	ASKEY	ASKEYI	c	Trade receivables	1,540,550	Month-end 90 days	0.26
3	ASKEY	ASKEYJS	c	Trade receivables	934,657	Month-end 90 days	0.16
4	ASKEYJS	ASKEY	c	Trade receivables	5,042,907	Month-end 90 days	0.86
5	AAEON	AAEONEU	c	Trade receivables	340,909	Net 60	0.06
5	AAEON	AAEONEI	c	Trade receivables	193,279	Net 60	0.03
7	ACH	ASGL	c	Trade receivables	226,952	Pay on delivery	0.04
9	ACI	ASGL	c	Trade receivables	251,637	Pay on delivery	0.04
10	ACCZS	ASGL	c	Trade receivables	230,401	Pay on delivery	0.04
11	ACF	ASGL	c	Trade receivables	104,046	Pay on delivery	0.02
12	ACG	ASGL	c	Trade receivables	219,143	Pay on delivery	0.04
23	ACSZ	ASGL	c	Trade receivables	1,232,927	Pay on delivery	0.21
24	ACAU	ASGL	c	Trade receivables	201,365	Pay on delivery	0.03

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

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

Note 2 : Transactions are categorized as follows:

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE  
(EXCLUDING INFORMATION ON INVESTMENTS IN MAINLAND CHINA)  
YEAR ENDED DECEMBER 31, 2022

Table 7

(Amounts in thousands of New Taiwan dollars)

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2022			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership (%)	Carrying Value			
ASUS	ACI	U.S.A	Selling of 3C products in North America	13,320	13,320	50,000	100.00	1,182,489	248,145	248,145	Note 2
ASUS	ASUTC	Taiwan	Selling of 3C products in Taiwan	204,244	204,244	19,000,000	100.00	-	82,069	82,069	Note 1, 2 and 3
ASUS	ACH	Netherlands	Repairing of 3C products	155,336	155,336	10,800,000	100.00	352,182	12,041	12,041	Note 2
ASUS	AIL	Cayman Islands	Investing in 3C and computer peripheral business	3,281,057	3,281,057	89,730,042	100.00	41,895,604	2,764,522	2,764,522	Note 1 and 2
ASUS	DEEP	Taiwan	Researching, developing and selling of AI medical related software	45,030	45,030	674,908	21.74	35,645	( 21,719)	( 4,754)	Note 2
ASUS	ASGL	Singapore	Selling of 3C products	838,070	838,070	28,000,000	100.00	53,284,667	2,010,381	1,001,597	Note 2
ASUS	ASKEY	Taiwan	Designing, manufacturing, repairing and selling of communication products and computer peripheral spare parts	5,021,108	5,021,108	480,000,000	100.00	959,767	149,989	150,561	Note 2
ASUS	HCVC	Taiwan	Investing in computer peripherals business	1,100,000	1,100,000	114,500,000	100.00	3,353,870	684,509	684,509	Note 2
ASUS	HMI	Taiwan	Investing in computer peripherals business	680,000	680,000	68,000,000	100.00	1,587,867	200,799	200,799	Note 2
ASUS	QCI	Singapore	Servicing of information technology	25,290	25,290	830,001	100.00	49,208	1,196	1,196	Note 2
ASUS	ASUSCLOUD	Taiwan	Selling and consulting of internet service	736,678	596,678	37,645,558	96.53	85,261	( 81,881)	( 78,142)	Note 2
ASUS and ASUSCLOUD	ASUSLC	Taiwan	Selling of internet information service	9,000	5,000	900,000	90.00	532	1,601	612	Note 2
ASUS and HCVC	SHINYOPTICS	Taiwan	Researching, developing, manufacturing and selling virtual image optical engines and vehicle head-up displays	36,987	-	1,232,900	83.30	34,769	( 2,613)	( 2,216)	Note 2
ASUS	ATL	Taiwan	Researching, developing and authorizing of communication technology	120,000	-	12,000,000	100.00	30,051	( 89,949)	( 89,949)	Note 2
ASUS	AMV	Taiwan	Selling of metaverse services	20,000	-	2,000,000	100.00	19,723	( 277)	( 277)	Note 2
ASUS	UEI	Taiwan	Manufacturing and selling of automotive electronics and computer peripherals	66,354	66,354	21,300,000	100.00	186,437	( 29,840)	( 29,840)	Note 2
ASUS	GAUIS	Cayman Islands	Investing in electric motor tricycle industry	310,400	310,400	16,386,481	33.94	190,579	( 138,231)	( 47,588)	Note 2
ASUS	TWS	Taiwan	Servicing of AI computing	540,000	299,000	54,000,000	80.60	278,089	( 178,206)	( 163,299)	Note 2
ASUS	PORTWELL	Taiwan	Manufacturing and selling of computers and computer peripherals and servicing information software	2,325,000	1,500,000	44,239,755	45.00	2,627,727	713,395	237,522	Note 2
ASUS	LELTEKH	Cayman Islands	Researching, developing, selling of handheld ultrasound solutions	136,054	136,054	8,418,740	22.78	138,136	( 13,409)	( 3,054)	Note 2
ASUS	ASUSTOR	Taiwan	Researching, developing and selling of cloud computing service	93,933	-	6,046,350	40.31	115,285	54,125	-	Note 2
ASUS and HCVC	ACJK	Indonesia	Selling of 3C products in Indonesia	259,576	259,576	8,500	100.00	192,063	( 5,436)	( 5,436)	Note 2
ASUS and HCVC	IMOTION	Taiwan	Investing in AI and IPC peripherals business	330,000	270,000	33,000,000	30.00	95,365	( 108,459)	( 27,657)	Note 2
ASUS and HCVC	ACBT	Indonesia	Selling of 3C products in Indonesia	1,126,979	1,126,979	4,211,100	100.00	16,663	( 85,567)	( 85,567)	Note 2
ASUS and HCVC	SWI	Taiwan	Researching, developing, selling and consulting of information system software	72,146	72,146	5,469,750	51.00	83,048	13,731	7,003	Note 2
ASUS and HCVC	IUT	Taiwan	Researching, developing, manufacturing and selling of ink-jet print heads and ink-jet digital image output technology	177,743	177,743	11,323,682	69.25	134,323	14,505	10,045	Note 2
ASUS and HCVC	MEDUS	Taiwan	Servicing of information system technology	25,500	-	2,550,000	51.00	30,638	10,075	5,138	Note 2
ASUS · HCVC and HMI	ASMEDIA	Taiwan	Designing, researching, developing and manufacturing of high-speed analog circuit	342,673	342,673	31,775,315	45.94	7,088,716	2,617,361	925,863	Note 2
ASUS · HCVC and HMI	EMC	Taiwan	Designing, manufacturing and selling of computer peripheral spare parts	81,060	81,060	6,359,548	17.72	320,514	569,739	35,729	Note 2
ASUS · HCVC and HMI	AAEON	Taiwan	Manufacturing and selling of industrial computers and computer peripherals	3,357,568	3,357,568	60,474,000	40.53	5,299,781	1,074,460	314,727	Note 2
ASUS · HCVC and HMI	JPX	Taiwan	Designing and selling of computer peripheral spare parts	20,000	20,000	2,000,000	12.82	6,382	( 28,185)	( 2,040)	Note 2
ASUS and HCVC	UPI	Taiwan	Designing, researching, developing and selling of integrated circuits	427,761	452,526	23,138,905	29.39	3,718,290	1,159,080	298,194	Note 2
ASUS · HMI and AAEON	ONYX	Taiwan	Designing, manufacturing and selling of medical computers	245,386	146,376	18,313,405	55.06	753,191	202,963	10,535	Note 2 and 4
HMI	JOGEEK	Taiwan	Selling and repairing of information software and electronic information materials	30,000	30,000	3,000,000	100.00	25,077	249	-	Note 2
ASKEY	ASKEYI	U.S.A	Selling and servicing of communication products	307,607	307,607	10,000,000	100.00	112,359	84,467	-	Note 2
ASKEY	DIC	British Virgin Islands	Investing in communication business	271,695	271,695	8,160,172	100.00	85,181	( 26,140)	-	Note 2
ASKEY	MIC	British Virgin Islands	Investing in communication business	3,752,306	3,752,306	114,942,014	100.00	3,449,098	395,631	-	Note 2
ASKEY	ECOLAND	Taiwan	Planning and design integration of ecology, architecture and energy	21,840	21,840	780,000	33.91	-	( 714)	-	Note 2 and 3

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2022			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership (%)	Carrying Value			
ASKEY	ASKEYDT	Taiwan	Selling and servicing of communication products	30,000	30,000	3,000,000	100.00	30,186	87	-	Note 2
ASKEY	WONDA	Taiwan	Manufacturing and designing of wired and wireless communication, electronic parts products, etc.	65,344	65,344	9,242,232	100.00	50,491	1,565	-	Note 2
ASKEY	ASKEYUK	U.K.	Selling and servicing of communication products	37,740	37,740	1,000,000	100.00	30,674	( 1,321)	-	Note 2
ASKEY and MIC	ASKEYBR	Brazil	Selling and servicing of communication products	31,805	28,667	3,700,000	100.00	6,823	214	-	Note 2
DIC	WISE	Hong Kong	Investing in communication business	41,505	37,410	1,600,000	100.00	12,952	203	-	Note 2
MIC	MAGICOM	Cayman Islands	Investing in communication business	2,795,531	2,519,710	91,030,000	100.00	3,531,427	388,943	-	Note 2
MIC	ASKEYCG	Germany	Selling and servicing of communication products	4,019	3,622	100,000	100.00	1,160	( 801)	-	Note 2
MIC	ASKEYTH	Thailand	Selling and servicing of communication products	1,925	1,735	20,000	100.00	1,251	80	-	Note 2
MIC	ASKEYJP	Japan	Selling and servicing of communication products	1,444	1,301	500,000	100.00	-	63	-	Note 2 and 3
ASKEY and WISE	SILIGENCE	France	Selling and servicing of communication products	178,153	174,071	4,623,090	95.95	76,575	1,252	-	Note 2
AAEON	AAEONEI	U.S.A	Selling of industrial computers and computer peripherals	150,479	135,632	490,000	100.00	286,987	49,514	-	Note 2
AAEON	AAEONTCL	British Virgin Islands	Investing in industrial computers and interface cards business	270,466	243,780	8,807,097	100.00	225,621	( 15,729)	-	Note 2
AAEON	AAEONEU	Netherlands	Selling of industrial computers and computer peripherals	3,272	3,132	-	100.00	63,351	34,144	-	Note 2
AAEON	AAEONI	Taiwan	Investing in industrial computers and computer peripherals business	150,000	150,000	15,000,000	100.00	128,905	9,526	-	Note 2
AAEON	LITEMAX	Taiwan	Selling of computer peripherals	70,218	70,218	5,015,050	11.97	116,696	210,228	-	Note 2
AAEON	IBASE	Taiwan	Manufacturing and selling of industrial motherboard	3,498,501	3,498,501	52,921,856	28.61	3,420,216	1,135,052	-	Note 2
AAEON	AAEONSG	Singapore	Selling of industrial computers and computer peripherals	13,346	11,936	465,840	100.00	64,147	4,214	-	Note 2
AAEONEU	AAEONG	Germany	Selling of industrial computers and computer peripherals	982	940	-	100.00	20,850	915	-	Note 2
ONYX	ONYXHU	U.S.A	Selling of medical computers and peripherals	61,420	55,360	200,000	100.00	77,251	( 20,292)	-	Note 2
ONYX	ONYXHE	Netherlands	Marketing support and repairing of medical computers and peripherals	3,272	3,132	100,000	100.00	13,255	164	-	Note 2
ONYX	IHELPER	Taiwan	Researching, developing and selling of medical robots	16,560	16,560	1,656,000	46.00	7,705	323	-	Note 2
ONYX	WINMATE	Taiwan	Bidding and distribution of liquid crystal display application equipment and modules	568,585	552,783	10,244,000	13.99	606,637	452,430	-	Note 2
ASUSCLOUD	ASUSCLOUDSG	Singapore	Investing in internet service business	24,853	24,853	-	100.00	633	( 1,283)	-	Note 2
ASUSCLOUD	ASUSCLOUDLB	Luxembourg	Providing maintenance and operating service for information hardware	18,065	18,065	-	100.00	3,263	174	-	Note 2
ASUSCLOUD	ASUSMAAS	Taiwan	Leasing parking lots	10,000	-	1,000,000	100.00	3,044	( 6,956)	-	Note 2
ASMEDIA	WT	Taiwan	Agent sales of semiconductor and electronic components	6,624,000	6,624,000	171,000,000	19.35	10,733,470	7,631,123	-	Note 2
AIL	CHANNEL	British Virgin Islands	Investing in 3C business	922,313	831,313	30,033,000	100.00	41,941,372	2,763,611	-	Note 2
CHANNEL	ASTP	Singapore	Investing in 3C business	921,377	830,469	44,419,424	100.00	42,583,768	151,614	-	Note 2
CHANNEL and ASTP	ACEG	Egypt	Providing support for 3C products in Egypt	-	-	-	100.00	1,476	829	-	Note 2
CHANNEL and ASTP	ACAE	United Arab Emirates	Providing support and repair for 3C products in Middle East	90,381	81,463	107	100.00	109,691	144	-	Note 2
CHANNEL and ASTP	ASID	Indonesia	Repairing of 3C products in Asia-pacific and America	46,065	41,520	1,500,000	100.00	47,891	4,700	-	Note 2
CHANNEL · ASTP and ACNL	ACTH	Thailand	Providing support for 3C products in Thailand	14,507	13,076	20,000	100.00	30,884	4,215	-	Note 2
CHANNEL · ASTP and ACNL	ASTH	Thailand	Repairing of 3C products in Thailand	5,823	5,248	60,000	100.00	11,923	3,852	-	Note 2
ASTP	ACG	Germany	Selling and providing support for 3C products in Germany	2,909	2,622	-	100.00	190,860	14,511	-	Note 2
ASTP	ACF	France	Providing support for 3C products in France	1,531	1,380	5,300	100.00	75,464	10,266	-	Note 2
ASTP	ACUK	U.K.	Providing support for 3C products in United Kingdom	2,771	2,498	50,000	100.00	71,037	6,925	-	Note 2
ASTP	ACHK	Hong Kong	Providing support and repair for 3C products in Hong Kong	1,976	1,781	500,000	100.00	28,451	12,250	-	Note 2
ASTP	ACKR	South Korea	Providing support and repair for 3C products in South Korea	10,624	9,576	158,433	100.00	53,591	3,192	-	Note 2
ASTP	ACIN	India	Providing support and repair for 3C products in India	253,894	228,843	20,134,400	100.00	362,498	45,960	-	Note 2
ASTP	ACNL	Netherlands	Selling of 3C products	17,879	16,115	375,000	100.00	1,896,278	121,536	-	Note 2
ASTP	ACVN	Vietnam	Providing support and repair for 3C products in Vietnam	2,457	2,214	-	100.00	38,348	6,618	-	Note 2
ASTP	ACIB	Spain	Providing support for 3C products in Spain	67,972	17	3,000	100.00	208,861	82,466	-	Note 2
ASTP	ACJP	Japan	Selling of 3C products in Japan	75,167	67,750	20,500	100.00	447,351	72,108	-	Note 2
ASTP	ASAU	Australia	Repairing of 3C products in Australia	29,644	26,719	950,000	100.00	79,084	10,796	-	Note 2
ASTP	ACAU	Australia	Providing support for 3C products in Australia	11,081	9,987	350,000	100.00	66,078	6,762	-	Note 2
ASTP	ACIL	Israel	Providing support for 3C products in Israel	399	360	50,000	100.00	18,034	6,056	-	Note 2

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2022			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership (%)	Carrying Value			
ASTP	ACCO	Colombia	Providing support for 3C products in Colombia	921	830	74,489	100.00	5,330	1,574	-	Note 2
ASTP	ACZA	South Africa	Providing support and repair for 3C products in Africa	2	2	1,000	100.00	9,084	1,437	-	Note 2
ASTP	ACMY	Malaysia	Providing support and repair for 3C products in Malaysia	3,589	3,235	500,000	100.00	25,004	3,103	-	Note 2
ASTP	ACCL	Chile	Providing support for 3C products in Chile	53	48	1,000	100.00	5,642	1,704	-	Note 2
ASTP	ASPH	Philippines	Providing support and repair for 3C products in Philippines	6,480	5,545	1,119,998	100.00	9,274	881	-	Note 2
ASTP	APVN	Vietnam	Leasing and trading real estate	460,650	415,200	-	100.00	454,241	9,219	-	Note 2
ASTP and ACNL	A25	Russia	Selling of 3C products in Russia	4	4	-	100.00	20,360	14,109	-	Note 2
ASTP and ACNL	ACPE	Peru	Providing support for 3C products in Peru	38,841	35,030	4,195,740	100.00	36,447	1,733	-	Note 2
ASTP and ACNL	ACMH	Mexico	Selling of 3C products in Mexico	116,872	105,396	51,250	100.00	284,382	( 23,203)	-	Note 2
ASTP and ACNL	ACBZ	Brazil	Selling of 3C products in Brazil	6,053,264	5,456,036	549,469,000	100.00	3,910,934	281,502	-	Note 2
ASTP and ACNL	ASIN	India	Selling of 3C products in India	208,137	187,601	33,500,000	100.00	262,437	( 313,101)	-	Note 2
ACNL	ACHU	Hungary	Providing support for 3C products in Hungary	1,636	1,566	-	100.00	12,211	1,828	-	Note 2
ACNL	ACPT	Portugal	Providing support for 3C products in Portugal	982	940	30,000	100.00	16,913	1,684	-	Note 2
ACNL	ACCH	Switzerland	Providing support for 3C products in Switzerland	7,478	7,157	3,400	100.00	17,013	2,646	-	Note 2
ACNL	ACN	Sweden	Providing support for 3C products in North Europe	1,043	998	3,000	100.00	59,719	11,844	-	Note 2
ACNL	ACTR	Turkey	Providing support and repair for 3C products in Turkey	147,862	127,382	50,741	100.00	135,864	12,807	-	Note 2
ACNL	ACPL	Poland	Providing support for 3C products in Poland	47,632	45,592	1,000	100.00	61,418	4,999	-	Note 2
ACNL	ACIT	Italy	Providing support for 3C products in Italy	1,571	1,503	-	100.00	23,653	7,246	-	Note 2
ACNL	ACCZ	Czech Republic	Providing support for 3C products in Czech Republic	256	245	-	100.00	28,253	4,194	-	Note 2
ACNL	ACCZS	Czech Republic	Repairing of 3C products in Europe	120,959	6,560	-	100.00	277,319	18,644	-	Note 2
ACNL	QCS	Sweden	Servicing of information technology	153	146	500	100.00	614	44,677		Note 2
ACNL	ACUKR	Ukraine	Providing support for 3C products in Ukraine	9,607	9,196	-	100.00	10,852	2,264		Note 2

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

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

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

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
YEAR ENDED DECEMBER 31, 2022

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

Investee Company	Main Businesses	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Beginning Balance of Accumulated Outflow of Investment from Taiwan	Investment Flows		Ending Balance Accumulated Outflow of Investment from Taiwan	Net Income (Loss) of the Investee Company	Percentage of Ownership (%)	Investment Income (Loss) Recognized in Current Period (Note 2 a and b)	Carrying Amount as of December 31, 2022 (Note 2 a and b)	Ending Balance of Accumulated Inward Remittance of Earnings	Note (Note 1 b)
					Outflow	Inflow							
ACSH	Selling of 3C products in China	1,477,151	b	1,477,151	-	-	1,477,151	205,490	100.00	205,490	-	-	ASTP Invested (Note 3)
ACS	Repairing of 3C products	61,420	b	61,420	-	-	61,420	6,245	100.00	6,245	86,690	-	ASTP Invested
ACSZ	Researching and developing of 3C products	1,504,790	b	1,504,790	-	-	1,504,790	166,949	100.00	166,949	1,996,899	-	ASTP Invested
ACCQ	Selling of 3C products in China	2,118,990	b	2,118,990	-	-	2,118,990	1,719,956	100.00	1,719,956	4,652,013	-	ASTP Invested
ACISZ	Leasing real estate	1,087,715	c	-	-	-	( 3,648)	100.00	( 3,648)	982,807	-	-	-
ASKEYSH	Researching, developing and selling of communication products	92,130	b	92,130	-	-	92,130	1,241	100.00	1,241	-	-	MIC Invested (Note 3)
ASKEYJS	Manufacturing and selling of communication products	2,763,900	b	2,763,900	-	-	2,763,900	276,071	100.00	276,071	3,493,196	-	MAGICOM Invested
AAEONSZ	Manufacturing and selling of industrial computers and interface cards	266,878	b	266,878	-	-	266,878	( 15,878)	100.00	( 15,878)	237,811	-	AAEONTCL Invested
ONYXSH	Selling of medical computers and peripherals	67,562	a	67,562	-	-	67,562	( 1,895)	100.00	( 1,895)	5,822	-	-
EMES	Selling and consulting of information system software	9,213	a	9,213	-	-	9,213	1,653	100.00	1,653	24,452	-	-
JSCD	Participating and promoting of professional eSports	673,900	a	673,900	-	-	673,900	( 73,601)	100.00	( 73,601)	242,277	-	-
JRCD	Participating and promoting of professional eSports	4,407	c	-	-	-	( 2,258)	100.00	( 2,258)	2,157	-	-	-
EOSTEK SHENZHEN	Smart TV and projector platform service	214,970	c	55,032	-	-	55,032	-	14.94	-	-	-	-

Company Name	Ending Balance of Accumulated Investment in Mainland China	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
ASUS	6,470,671 USD 210,702	6,667,215 USD 217,102	136,133,299
ASKEY	3,252,870 USD 105,922	3,252,870 USD 105,922	(Note 4)
AAEON	266,878 USD 8,690	266,878 USD 8,690	5,617,739
SWI	9,213 USD 300	10,441 USD 340	97,703
ONYX	67,562 USD 2,200	67,562 USD 2,200	840,533

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

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

Note 2 : The investment income (loss) recognized in current period:

Please specify no investment income (loss) has been recognized due to the investment is still during development stage.

The investment income (loss) were determined based on the following basis:

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

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

Note 4 : In accordance with the "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China", there is no upper limit on investment.





## **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, 2022 and 2021, and the related separate statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2022 and 2021, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other independent auditors, as described in the Other matters section of our report, the separate financial statements present fairly, in all material respects, the financial position of ASUSTEK COMPUTER INC. as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years ended December 31, 2022 and 2021, in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

### **Basis for opinion**

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

## **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of ASUSTEK COMPUTER INC.'S 2022 separate financial statements. These matters were addressed in the context of our audit of the separate financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for ASUSTEK COMPUTER INC.'S 2022 separate financial statements are stated as follows:

### **Evaluation of inventories**

#### Description

Refer to Note 4(12) 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(6) 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 results in potential price fluctuations and product marginalization in the market. Additionally, it also affects the estimation of net realizable values of inventories.

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

#### How our audit addressed the matter

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

1. Assessed the policy on allowance for inventory valuation loss, based on our understanding of the operations and industry of ASUSTEK COMPUTER INC.

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

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

#### Description

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

#### How our audit addressed the matter

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

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



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

We did not audit the financial statements of certain investments accounted for under the equity method. These investments accounted for under the equity method amounted to \$11,709,428 thousand and \$9,123,643 thousand, constituting 3.45% and 2.43% of total assets as of December 31, 2022 and 2021, respectively, and other comprehensive income (loss) of subsidiaries, associates, and joint ventures accounted for under equity method amounted to \$1,247,160 thousand and \$532,186 thousand, constituting 13.35% and 1.07% of total comprehensive income for the years ended December 31, 2022 and 2021, respectively. The financial statements of these investments accounted for under the equity method were audited by other independent auditors whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included in the separate financial statements and information disclosed relative to these investments, is based solely on the reports of other independent auditors.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of 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 Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

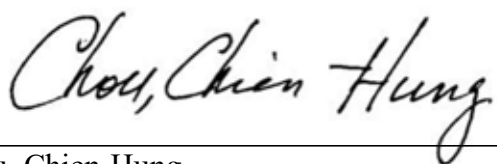
1. Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of ASUSTEK COMPUTER INC.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of ASUSTEK COMPUTER INC. to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause ASUSTEK COMPUTER INC. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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



Chou, Chien-Hung



Lin, Chun-Yao

For and on behalf of PricewaterhouseCoopers, Taiwan

March 10, 2023

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The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice.

As the separate 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, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS	NOTES	DECEMBER 31, 2022		DECEMBER 31, 2021	
		AMOUNT	%	AMOUNT	%
<u>Current assets</u>					
Cash and cash equivalents	6(1)	\$ 2,431,001	1	\$ 6,154,766	2
Financial assets at fair value through profit or loss - current	6(2)	148,552	-	93,965	-
Financial assets at fair value through other comprehensive income - current	6(3)	794,533	-	1,620,358	-
Trade receivables	6(4)(5)	6,444,509	2	9,030,619	2
Trade receivables - related parties	6(4) and 7	49,339,581	14	66,474,396	18
Other receivables	7	851	-	3,031,234	1
Inventories	6(6)	70,521,790	21	84,719,338	22
Prepayments		2,420,852	1	2,163,384	1
Other current assets		51,607	-	48,392	-
Total current assets		<u>132,153,276</u>	<u>39</u>	<u>173,336,452</u>	<u>46</u>
<u>Non-current assets</u>					
Financial assets at fair value through profit or loss - non-current	6(2)	23,297	-	28,139	-
Financial assets at fair value through other comprehensive income - non-current	6(3)	62,839,832	19	72,117,244	19
Investments accounted for under equity method	6(7)	119,854,368	35	105,064,226	28
Property, plant and equipment	6(8)	11,737,430	3	11,803,802	3
Right-of-use assets	6(9)	139,969	-	118,893	-
Investment property		4,344,503	1	4,348,117	1
Intangible assets		118,273	-	174,903	-
Deferred income tax assets	6(22)	6,087,861	2	6,457,546	2
Other non-current assets	8 and 9	2,098,983	1	2,213,374	1
Total non-current assets		<u>207,244,516</u>	<u>61</u>	<u>202,326,244</u>	<u>54</u>
<u>TOTAL ASSETS</u>		<u>\$ 339,397,792</u>	<u>100</u>	<u>\$ 375,662,696</u>	<u>100</u>

(Continued)

ASUSTEK COMPUTER INC.  
SEPARATE BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

LIABILITIES AND EQUITY	NOTES	DECEMBER 31, 2022		DECEMBER 31, 2021	
		AMOUNT	%	AMOUNT	%
<u>Current liabilities</u>					
Current borrowings	6(10)(24)	\$ 37,940,000	11	\$ -	-
Financial liabilities at fair value through profit or loss - current	6(2)	76,328	-	85,889	-
Contract liabilities - current	6(17)	464,234	-	1,679,718	-
Notes and trade payables	6(5) and 7	44,430,468	13	87,965,460	23
Other payables - accrued expenses		18,933,356	6	24,947,020	7
Current income tax liabilities		1,986,447	1	7,294,910	2
Provisions for liabilities - current	6(12) and 9	3,316,799	1	2,947,257	1
Lease liabilities - current	6(24)	33,308	-	21,986	-
Other current liabilities	7	566,757	-	495,586	-
Total current liabilities		<u>107,747,697</u>	<u>32</u>	<u>125,437,826</u>	<u>33</u>
<u>Non-current liabilities</u>					
Contract liabilities - non-current	6(17)	922,221	-	-	-
Deferred income tax liabilities	6(22)	18,104,816	5	17,106,002	5
Lease liabilities - non-current	6(24)	109,150	-	97,339	-
Other non-current liabilities		133,428	-	690,311	-
Total non-current liabilities		<u>19,269,615</u>	<u>5</u>	<u>17,893,652</u>	<u>5</u>
Total liabilities		<u>127,017,312</u>	<u>37</u>	<u>143,331,478</u>	<u>38</u>
<u>Equity</u>					
Share capital - common shares	6(13)	7,427,603	2	7,427,603	2
Capital surplus	6(14)	11,744,485	4	9,839,911	3
Retained earnings	6(15)				
Legal reserve		43,977,035	13	39,274,878	10
Special reserve		693,928	-	693,928	-
Unappropriated retained earnings		113,873,089	34	135,085,474	36
Other equity interest	6(16)	34,664,340	10	40,009,424	11
Total equity		<u>212,380,480</u>	<u>63</u>	<u>232,331,218</u>	<u>62</u>
<u>TOTAL LIABILITIES AND EQUITY</u>		<u>\$ 339,397,792</u>	<u>100</u>	<u>\$ 375,662,696</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.



ASUSTEK COMPUTER INC.  
SEPARATE STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2022 AND 2021

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

ITEMS	NOTES	YEAR ENDED DECEMBER 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
Operating revenue	6(17) and 7	\$ 413,208,379	100	\$ 457,320,576	100
Operating costs	6(6)(8)(9)(11)(20) (21) and 7	( 390,536,659 )	( 95 )	( 404,445,956 )	( 88 )
Gross profit		22,671,720	5	52,874,620	12
Unrealized (profit) loss from sales		3,999,886	1	( 6,046,755 )	( 1 )
Gross profit		26,671,606	6	46,827,865	11
Operating expenses	6(8)(9)(11)(20) (21), 7 and 9				
Selling expenses		( 3,606,025 )	( 1 )	( 4,679,724 )	( 1 )
General and administrative expenses		( 2,550,990 )	( 1 )	( 3,711,882 )	( 1 )
Research and development expenses		( 14,423,128 )	( 3 )	( 13,841,322 )	( 3 )
Total operating expenses		( 20,580,143 )	( 5 )	( 22,232,928 )	( 5 )
Operating profit		6,091,463	1	24,594,937	6
Non-operating income and expenses					
Interest income		10,783	-	23,389	-
Other income	6(18)	3,218,674	1	2,944,375	-
Other gains (losses)	6(2)(19)	2,891,561	1	3,891,989	1
Finance costs	6(9)(10)	( 420,045 )	-	( 867 )	-
Share of profit (loss) of subsidiaries, associates and joint ventures accounted for under equity method	6(7)	6,400,599	1	21,385,208	5
Total non-operating income and expenses		12,101,572	3	28,244,094	6
Profit before income tax		18,193,035	4	52,839,031	12
Income tax expenses	6(22)	( 3,502,250 )	( 1 )	( 8,289,233 )	( 2 )
Profit for the year		\$ 14,690,785	3	\$ 44,549,798	10
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(16)	( \$ 10,120,755 )	( 2 )	\$ 6,057,678	1
Share of other comprehensive income (loss) of associates and joint ventures accounted under equity method	6(7)(16)	( 1,411,645 )	-	416,687	-
Items that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations	6(16)	10,781,528	3	( 2,556,625 )	-
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	6(7)(16)	( 2,601,525 )	( 1 )	783,142	-
Income tax relating to items that will be reclassified to profit or loss	6(16)(22)	( 1,997,768 )	( 1 )	571,981	-
Other comprehensive income (loss) for the year, net of income tax		( \$ 5,350,165 )	( 1 )	\$ 5,272,863	1
Total comprehensive income (loss) for the year		\$ 9,340,620	2	\$ 49,822,661	11
Basic earnings per share	6(23)	\$ 19.78		\$ 59.98	
Diluted earnings per share	6(23)	\$ 19.62		\$ 59.21	

The accompanying notes are an integral part of the parent company only financial statements.

ASUSTEK COMPUTER INC.  
SEPARATE STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Retained Earnings			Other Equity Interest				Total equity	
	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments		Remeasurements of defined benefit plan
Year ended December 31, 2022									
Balance at January 1, 2022	\$ 9,839,911	\$ 39,274,878	\$ 693,928	\$ 135,085,474	(\$ 8,894,860)	\$ 48,589,975	\$ 436,783	(\$ 122,474)	\$ 232,331,218
Appropriations of 2021 earnings (Note 6(15))	-	-	-	( 4,702,157 )	-	-	-	-	-
Legal reserve	-	4,702,157	-	-	-	-	-	-	-
Cash dividends	-	-	-	( 31,195,932 )	-	-	-	-	( 31,195,932 )
Profit for the year	-	-	-	14,690,785	-	-	-	-	14,690,785
Other comprehensive income (loss) for the year	-	-	-	-	8,532,495	( 11,583,289 )	( 2,350,333 )	50,962	( 5,350,165 )
Change in associates and joint ventures accounted for under equity method	1,841,709	-	-	-	-	-	-	-	1,841,709
Recognition of changes in ownership interest in subsidiaries	53,710	-	-	-	-	-	-	-	53,710
Difference between consideration and carrying amount of subsidiaries acquired or disposed	9,647	-	-	-	-	-	-	-	9,647
Disposal of financial assets at fair value through other comprehensive income	-	-	-	( 5,081 )	-	5,081	-	-	-
Group reorganization	( 492 )	-	-	-	-	-	-	-	( 492 )
Balance at December 31, 2022	\$ 11,744,485	\$ 43,977,035	\$ 693,928	\$ 113,873,089	(\$ 362,365)	\$ 37,011,767	(\$ 1,913,550)	(\$ 71,512)	\$ 212,380,480
Year ended December 31, 2021									
Balance at January 1, 2021	\$ 9,784,103	\$ 36,620,905	\$ 693,928	\$ 110,029,647	(\$ 6,447,186)	\$ 44,600,953	(\$ 809,406)	(\$ 136,031)	\$ 201,764,516
Appropriations of 2020 earnings (Note 6(15))	-	-	-	( 2,653,973 )	-	-	-	-	-
Legal reserve	-	2,653,973	-	-	-	-	-	-	-
Cash dividends	-	-	-	( 19,311,767 )	-	-	-	-	( 19,311,767 )
Profit for the year	-	-	-	44,549,798	-	-	-	-	44,549,798
Other comprehensive income (loss) for the year	-	-	-	-	( 2,447,674 )	6,460,791	1,246,189	13,557	5,272,863
Change in associates and joint ventures accounted for under equity method	55,381	-	-	-	-	-	-	-	55,381
Recognition of changes in ownership interest in subsidiaries	427	-	-	2,471,769	-	( 2,471,769 )	-	-	427
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-
Balance at December 31, 2021	\$ 9,839,911	\$ 39,274,878	\$ 693,928	\$ 135,085,474	(\$ 8,894,860)	\$ 48,589,975	\$ 436,783	(\$ 122,474)	\$ 232,331,218

The accompanying notes are an integral part of the parent company only financial statements.

ASUSTEK COMPUTER INC.  
SEPARATE STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	YEAR ENDED DECEMBER 31	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	\$ 18,193,035	\$ 52,839,031
Income and expenses that results in non-cash flows		
Depreciation (including investment property and right-of-use assets)	405,977	407,362
Amortization	257,171	215,376
Expected credit impairment (gains) losses	( 60,785 )	249,879
Net (gains) losses on financial assets or liability at fair value through profit or loss	( 3,251,818 )	( 559,987 )
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	( 6,400,599 )	( 21,385,208 )
Interest income	( 10,783 )	( 23,389 )
Dividend income	( 3,102,638 )	( 2,831,193 )
Interest Expense	420,045	867
Unrealized loss from sales	( 3,999,886 )	6,046,755
Impairment loss	194,921	-
Others	37,643	31,744
Changes in assets/liabilities relating to operating activities		
Financial assets at fair value through profit or loss	6,361,889	15,386,807
Trade receivables	2,646,895	( 2,848,888 )
Trade receivables - related parties	17,134,815	( 36,845,454 )
Inventories	14,197,548	( 35,802,978 )
Prepayments	( 304,933 )	( 2,128,146 )
Other current assets	( 3,202 )	20,084
Financial liabilities at fair value through profit or loss	( 139,398 )	( 218,376 )
Contract liabilities	( 293,263 )	1,586,331
Notes and trades payable	( 43,534,992 )	39,163,242
Other payables - accrued expenses	( 5,906,699 )	5,579,369
Provisions for liabilities	369,542	( 171,135 )
Other current liabilities	73,017	32,823
Receipt of interest	11,175	22,855
Payment of interest	( 389,941 )	( 867 )
Payment of income tax	( 9,436,208 )	( 2,985,049 )
Net cash flows provided by (used in) operating activities	<u>( 16,531,472 )</u>	<u>15,781,855</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of financial assets at fair value through other comprehensive income	2,170	2,755,506
Acquisition of investments accounted for under equity method	( 1,468,447 )	( 1,944,475 )
Acquisition of property, plant and equipment	( 378,788 )	( 326,820 )
Acquisition of intangible assets	( 100,581 )	( 78,064 )
Changes in other non-current assets	( 53,003 )	( 50,941 )
Dividends received	8,111,568	6,755,617
Others	( 19,337 )	32,836
Net cash flows provided by (used in) investing activities	<u>6,093,582</u>	<u>7,143,659</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings	37,940,000	-
Payment of cash dividends	( 31,195,932 )	( 19,311,767 )
Redemption of lease liabilities	( 26,833 )	( 14,139 )
Others	( 3,110 )	16,294
Net cash flows provided by (used in) financing activities	<u>6,714,125</u>	<u>( 19,309,612 )</u>
Net increase (decrease) in cash and cash equivalents	( 3,723,765 )	3,615,902
Cash and cash equivalents at beginning of year	6,154,766	2,538,864
Cash and cash equivalents at end of year	<u>\$ 2,431,001</u>	<u>\$ 6,154,766</u>

The accompanying notes are an integral part of the parent company only financial statements.

ASUSTEK COMPUTER INC.  
NOTES TO SEPARATE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,  
EXCEPT AS OTHERWISE INDICATED)

**1. HISTORY AND ORGANISATION**

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

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

These separate financial statements were authorized for issuance by the Board of Directors on March 10, 2023.

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

- (1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

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

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1, “Disclosure of accounting policies”	January 1, 2023
Amendments to IAS 8, “Definition of accounting estimates”	January 1, 2023
Amendments to IAS 12, “Deferred tax related to assets and liabilities arising from a single transaction”	January 1, 2023

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, “Sale or contribution of assets between an investor and its associate or joint venture”	To be determined by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
IFRS 17, “Insurance contracts”	January 1, 2023
Amendments to IFRS 17, “Insurance contracts”	January 1, 2023
Amendments to IFRS 17, “Initial application of IFRS 17 and IFRS 9 - comparative information”	January 1, 2023
Amendments to IAS 1, “Classification of liabilities as current or non-current”	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024

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

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

These separate financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers.

(2) Basis of preparation

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

(A) Financial assets and financial liabilities (including derivative instruments) at fair value through

profit or loss.

(B) Financial assets at fair value through other comprehensive income.

(C) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

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

(3) Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The separate financial statements are presented in "New Taiwan Dollars (NTD)", which is the Company's functional and presentation currency.

A. Foreign currency transactions and balances

(A) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(B) Monetary assets and liabilities denominated in foreign currencies are re-translated at the exchange rates prevailing at the end of the financial reporting period. Exchange differences arising upon re-translation are recognized in profit or loss.

(C) Non-monetary assets and liabilities denominated in foreign currencies at fair value through profit or loss are re-translated at the exchange rates prevailing at the end of the financial reporting period. The translation differences are recognized in profit or loss as part of the fair value gain or loss. Non-monetary assets and liabilities at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the end of the financial reporting period. The translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(D) All foreign exchange gains and losses are presented in the statement of comprehensive income within "other gains (losses)".

B. Translation of foreign operations

(A) The operating results and financial position of all the subsidiaries and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a. Assets and liabilities for each balance sheets presented are translated at the closing exchange rate at the end of the financial reporting period;

- b. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
  - c. All resulting exchange differences are recognized in other comprehensive income.
- (B) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Company still retains partial interests in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (C) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, if the Company still retains partial interests in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in these foreign operations.

(4) Classification of current and non-current items

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

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

Otherwise they are classified as non-current assets.

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

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

Otherwise they are classified as non-current liabilities.

(5) Cash equivalents

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

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
- D. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

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

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



(B) The changes in fair value of debt instruments that were recognized in other comprehensive income. Before derecognition, impairment gains or losses, interest revenue and foreign exchange gains and losses are recognized in profit or loss. When the debt instruments are derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(8) Accounts and notes receivable

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

(9) Impairment of financial assets

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

(10) Derecognition of financial assets

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

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

(11) Leasing arrangements (lessor) – operating leases

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

(12) Inventories

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

(13) Investments accounted for under equity method

- A. Subsidiaries are all entities (including structured entity) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Unrealized gains on transactions between the Company and its subsidiaries are eliminated to the extent of the Company's interest in the subsidiaries. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company should continue to recognize losses in proportion to its ownership.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transaction with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if all the related assets or liabilities were disposed of. That is, other comprehensive income in relation to the subsidiary should be reclassified to profit or loss.
- F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20% or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- G. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- H. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of

the associate, the Company recognizes change in ownership interests in the associate in “capital surplus” in proportion to its ownership.

- I. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company’s interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- J. In the case that an associate issues new shares or buys treasury stocks (including the Company does not acquire or dispose shares proportionately), which results in a change in the Company’s ownership percentage of the associate but maintains significant influence on the associate, then “capital surplus” and “investments accounted for under equity method” shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company’s ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- K. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.
- L. Upon loss of significant influence over an associate, the amounts previously recognized in other comprehensive income and as capital surplus in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it still retains significant influence over this associate, then the amounts previously recognized in other comprehensive income and as capital surplus in relation to the associate are reclassified to profit or loss proportionately.
- M. According to Regulations Governing the Preparation of Financial Reports by Securities Issuers, profit and other comprehensive income in the separate financial statements should be the same as profit and other comprehensive income attributable to shareholders of the parent in the consolidated financial statements, and the equity in the separate financial statements should be the same as the equity attributable to shareholders of the parent in the consolidated financial statements.

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

- C. Except for land which is not depreciated, other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it should be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each end of the financial reporting period. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of the buildings are 10~50 years, machinery and equipment are 3~6 years and miscellaneous equipment are 1~15 years.

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

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payment, less any lease incentives receivable. The Company subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
  - (A) The amount of the initial measurement of lease liability;
  - (B) Any lease payments made at or before the commencement date; and
  - (C) Any initial direct costs incurred by the lessee.

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

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

(16) Investment property

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

(17) Intangible assets

Computer software is amortized on a straight-line basis over its estimated useful life of 1~5 years.

(18) Impairment of non-financial assets

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

(19) Borrowings

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

(20) Notes and trade payables

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

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

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

(22) Derecognition of financial liabilities

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

(23) Offsetting financial assets and financial liabilities

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

(24) Non-hedging derivatives

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

(25) Provisions for liabilities

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

(26) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(A) Defined contribution plan

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

(B) Defined benefit plan

a. The liability recognized in the balance sheets in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the financial reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present

value of the defined benefit obligation is determined by discounting the estimated future cash flow using interest rates of government bonds or interest rates of return of high quality investments that have terms to maturity approximating to the terms of the related pension liability.

- b. Remeasurements arising on defined benefit plan are recognized in other comprehensive income in the period in which they arise and are recorded as other equity.
- c. Past service costs are recognized immediately in profit or loss.

#### C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognizes expense when it can no longer withdraw an offer of termination benefits or it recognizes related restructuring cost, whichever is earlier. Benefits that are expected to be due more than 12 months after financial reporting date shall be discounted to their present value.

#### D. Employees' compensation and directors' remuneration

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

### (27) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the financial reporting period in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.
- C. Deferred income tax is recognized, using the balance sheets liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a

business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the financial reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

- D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At the end of the financial reporting period, unrecognized and recognized deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheets when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheets when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(28) Dividends

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

(29) Revenue recognition

Sales of goods

- A. The Company is engaged in the selling of 3C products. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.



- B. Revenue from the sale of 3C products is recognized based on the price specified in the contract, net of the estimated volume discounts and sales discounts. Historical experience is usually used to estimate the discounts and returns. The sales are made mainly with a credit term of open account 30 to 180 days. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.
- C. The Company's obligation to provide a repair for faulty products under the standard warranty terms is recognized as a provision.
- D. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

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

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

Evaluation of inventories

Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value at the end of the financial reporting period, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be a difference against actual result.

As of December 31, 2022, the carrying amount of inventories was \$70,521,790.

**6. DETAILS OF SIGNIFICANT ACCOUNTS**

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and petty cash	\$ 495	\$ 495
Checking accounts and demand deposits	2,430,506	393,271
Time deposits	-	5,761,000
	<u>\$ 2,431,001</u>	<u>\$ 6,154,766</u>

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

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial assets mandatorily measured at fair value through profit or loss - current:		
Listed and OTC stocks	\$ 73,998	\$ 76,647
Derivatives	74,554	17,318
	<u>\$ 148,552</u>	<u>\$ 93,965</u>
Financial assets mandatorily measured at fair value through profit or loss - non-current:		
Beneficiary certificates	<u>\$ 23,297</u>	<u>\$ 28,139</u>
Financial liabilities held for trading - current:		
Derivatives	<u>\$ 76,328</u>	<u>\$ 85,889</u>

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

	<u>Years Ended</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Equity instruments	(\$ 2,649)	(\$ 13,507)
Beneficiary certificates	( 4,789)	11,581
Derivatives	3,259,256	561,913
	<u>\$ 3,251,818</u>	<u>\$ 559,987</u>

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

	<u>December 31, 2022</u>			<u>December 31, 2021</u>		
	<u>Contract amount</u>	<u>Maturity</u>		<u>Contract amount</u>	<u>Maturity</u>	
	<u>(in thousands)</u>	<u>period</u>		<u>(in thousands)</u>	<u>period</u>	
Derivative financial assets:						
Forward exchange contracts						
-NTD/USD	USD 353,000	2023/02		USD 190,000	2022/04	
Derivative financial liabilities:						
Forward exchange contracts						
-NTD/USD	USD 185,000	2023/02		USD 658,000	2022/04	

Forward exchange contracts

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

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

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Equity instruments - current:		
Listed and OTC stocks	\$ 282,573	\$ 284,742
Valuation adjustment	511,960	1,335,616
	<u>\$ 794,533</u>	<u>\$ 1,620,358</u>
Equity instruments - non-current:		
Listed and OTC stocks	\$ 26,106,847	\$ 26,106,847
Unlisted and non-OTC stocks	257,752	238,065
	26,364,599	26,344,912
Valuation adjustment	36,475,233	45,772,332
	<u>\$ 62,839,832</u>	<u>\$ 72,117,244</u>

- A. The Company has elected to classify above investments that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$63,634,365 and \$73,737,602 as of December 31, 2022 and 2021, respectively.
- B. The Company sold ADVANTECH investment with a fair value of \$2,754,909 in September 2021, and the difference on disposal amounting to \$2,400,905 was transferred from accumulated other comprehensive income to retained earnings.
- C. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>Years Ended</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Reclassified from other equity to retained earnings due to disposal	\$ -	\$ 2,422,569
Dividends from investments recognized in profit or loss held at end of the year	\$ 3,099,458	\$ 2,829,074

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

(4) Trade receivables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Trade receivables (including related parties)	\$ 56,025,391	\$ 75,807,101
Less: Loss allowance	( 241,301)	( 302,086)
	<u>\$ 55,784,090</u>	<u>\$ 75,505,015</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Not past due	\$ 55,290,674	\$ 74,933,745
Less than 90 days past due	598,232	602,311
Between 91 and 180 days past due	19,070	174,549
More than 181 days past due	117,415	96,496
	<u>\$ 56,025,391</u>	<u>\$ 75,807,101</u>

B. As of December 31, 2022, December 31, 2021 and January 1, 2021, the balances of receivables from contracts with customers amounted to \$56,025,391, \$75,807,101, and \$36,112,759, respectively.

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

D. As of December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's trade receivables were \$55,784,090 and \$75,505,015, respectively.

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

(5) Offsetting financial assets and financial liabilities

A. The Company has assets (fair value of \$27,082,362 and \$52,022,442 as of December 31, 2022 and 2021, respectively) and liabilities (fair value of \$30,204,760 and \$63,802,497 as of December 31, 2022 and 2021, respectively) with certain companies that meet the offsetting criteria in paragraph 42 of IAS 32, resulting in the presentation of a net amount for trade receivables and notes and trade payables.

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

<u>Trade receivables, notes payables and trade payables with offsetting right</u>						
	Gross amount of financial assets (before offsetting)	Gross amount of financial liabilities (before offsetting)	Offsetting amount	Net amount of financial assets (after offsetting)	Net amount of financial liabilities (after offsetting)	Net set off in the balance sheet: collateral (received) / provided
December 31, 2022	\$ 27,082,362	(\$ 30,204,760)	(\$ 26,209,458)	\$ 872,904	(\$ 3,995,302)	-
December 31, 2021	52,022,442	( 63,802,497)	( 50,782,866)	1,239,576	( 13,019,631)	-

(6) Inventories

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Raw materials	\$ 62,404,323	\$ 77,060,189
Work in process	2,518,801	1,451,638
Finished goods	2,036,894	1,235,621
Merchandise inventories	3,478,790	3,313,805
Inventories in transit	82,982	1,658,085
	<u>\$ 70,521,790</u>	<u>\$ 84,719,338</u>

Except for cost of goods sold, the Company recognized in expenses and losses of inventories in the amount of \$10,793,560 and \$2,240,372, of which \$10,783,538 and \$2,234,635 pertain to the decline (recovery) in value of inventories for the years ended December 31, 2022 and 2021, respectively.

(7) Investments accounted for under equity method

	<u>December 31, 2022</u>		<u>December 31, 2021</u>
Subsidiaries:			
ASGL	\$ 53,284,667	\$	49,928,352
AIL	41,895,604		34,654,377
ASMEDIA	5,456,229		5,730,945
AAEON	3,833,219		3,617,383
Others	8,874,990		7,135,273
	<u>113,344,709</u>		<u>101,066,330</u>
Associates:			
Others	6,509,659		3,997,896
	<u>\$ 119,854,368</u>	<u>\$</u>	<u>105,064,226</u>

A. Subsidiaries

Information about the Company's subsidiaries is provided in Note 4(3) of the 2022 consolidated financial statements.

B. Associates

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

	<u>Years Ended</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Profit (loss) for the year	\$ 509,564	\$ 401,378
Other comprehensive income (loss) for the year (net of income tax)	88,858 (	18,990)
Total comprehensive income (loss) for the year	<u>\$ 598,422</u>	<u>\$ 382,388</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Fair value of associates	<u>\$ 5,020,616</u>	<u>\$ 18,866,977</u>

D. The Company is the single largest shareholder of ASUSTOR, UPI and LELTEKH with a 40.31%, 25.57% and 22.78% equity interest, respectively. Given that the degree of other shareholders involvement in prior stockholders' meeting and record of voting rights for major proposals, which indicates that the Company has no substantial ability to direct the relevant activities, the Company has no control, but only has significant influence, over the companies.

(8) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Miscellaneous equipment</u>	<u>Construction in progress and equipment under installation</u>	<u>Total</u>
January 1, 2022						
Cost	\$ 5,636,758	\$ 6,610,754	\$ 1,450,106	\$ 779,485	\$ 55,730	\$ 14,532,833
Accumulated depreciation and impairment	-	( 1,097,468)	( 1,092,929)	( 538,634)	-	( 2,729,031)
	<u>\$ 5,636,758</u>	<u>\$ 5,513,286</u>	<u>\$ 357,177</u>	<u>\$ 240,851</u>	<u>\$ 55,730</u>	<u>\$ 11,803,802</u>
January 1, 2022	\$ 5,636,758	\$ 5,513,286	\$ 357,177	\$ 240,851	\$ 55,730	\$ 11,803,802
Acquisitions	-	-	98,066	39,728	201,720	339,514
Disposals	( 218)	( 7,450)	-	( 317)	-	( 7,985)
Depreciation	-	( 170,132)	( 132,631)	( 70,710)	-	( 373,473)
Reclassifications	-	-	8,527	7,924	( 40,879)	( 24,428)
December 31, 2022	<u>\$ 5,636,540</u>	<u>\$ 5,335,704</u>	<u>\$ 331,139</u>	<u>\$ 217,476</u>	<u>\$ 216,571</u>	<u>\$ 11,737,430</u>
December 31, 2022						
Cost	\$ 5,636,540	\$ 6,580,254	\$ 1,529,127	\$ 794,583	\$ 216,571	\$ 14,757,075
Accumulated depreciation and impairment	-	( 1,244,550)	( 1,197,988)	( 577,107)	-	( 3,019,645)
	<u>\$ 5,636,540</u>	<u>\$ 5,335,704</u>	<u>\$ 331,139</u>	<u>\$ 217,476</u>	<u>\$ 216,571</u>	<u>\$ 11,737,430</u>
					<u>Construction in progress and equipment under installation</u>	
	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Miscellaneous equipment</u>	<u>equipment under installation</u>	<u>Total</u>
January 1, 2021						
Cost	\$ 5,905,192	\$ 6,692,558	\$ 1,250,164	\$ 810,614	\$ 52,059	\$ 14,710,587
Accumulated depreciation and impairment	-	( 930,222)	( 959,477)	( 536,645)	-	( 2,426,344)
	<u>\$ 5,905,192</u>	<u>\$ 5,762,336</u>	<u>\$ 290,687</u>	<u>\$ 273,969</u>	<u>\$ 52,059</u>	<u>\$ 12,284,243</u>
January 1, 2021	\$ 5,905,192	\$ 5,762,336	\$ 290,687	\$ 273,969	\$ 52,059	\$ 12,284,243
Acquisitions	-	-	199,620	42,433	27,854	269,907
Disposals	-	-	-	( 2,751)	-	( 2,751)
Depreciation	-	( 172,815)	( 145,591)	( 72,800)	-	( 391,206)
Reclassifications	( 268,434)	( 76,235)	12,461	-	( 24,183)	( 356,391)
December 31, 2021	<u>\$ 5,636,758</u>	<u>\$ 5,513,286</u>	<u>\$ 357,177</u>	<u>\$ 240,851</u>	<u>\$ 55,730</u>	<u>\$ 11,803,802</u>
December 31, 2021						
Cost	\$ 5,636,758	\$ 6,610,754	\$ 1,450,106	\$ 779,485	\$ 55,730	\$ 14,532,833
Accumulated depreciation and impairment	-	( 1,097,468)	( 1,092,929)	( 538,634)	-	( 2,729,031)
	<u>\$ 5,636,758</u>	<u>\$ 5,513,286</u>	<u>\$ 357,177</u>	<u>\$ 240,851</u>	<u>\$ 55,730</u>	<u>\$ 11,803,802</u>

The Company has no property, plant and equipment pledged to others.

(9) Leasing arrangements - lessee

A. The Company leases various assets including buildings and other equipment. Rental contracts are typically made for periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Right-of-use-assets

	<u>Buildings</u>	<u>Other equipment</u>	<u>Total</u>
January 1, 2022	\$ 118,893	\$ -	\$ 118,893
Acquisitions	49,966	-	49,966
Depreciation	( 28,890)	-	( 28,890)
December 31, 2022	<u>\$ 139,969</u>	<u>\$ -</u>	<u>\$ 139,969</u>

	<u>Buildings</u>	<u>Other equipment</u>	<u>Total</u>
January 1, 2021	\$ 2,753	\$ 845	\$ 3,598
Acquisitions	130,724	-	130,724
Disposals	-	( 845)	( 845)
Depreciation	( 14,584)	-	( 14,584)
December 31, 2021	<u>\$ 118,893</u>	<u>\$ -</u>	<u>\$ 118,893</u>

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

	<u>Years Ended</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,399	\$ 694
Expense on short-term lease contracts	5,149	19,523
Gain on lease modification	-	10

D. For the years ended December 31, 2022 and 2021, the Company's total cash outflow for leases were \$33,381 and \$34,357, respectively.

(10) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Credit borrowings	<u>\$ 37,940,000</u>	1.40%~1.75%	-

For the year ended December 31, 2021 : None.

A. The Company recognized interest expense in profit or loss amounted to \$418,484 and \$0 for the years ended December 31, 2022 and 2021, respectively.

(11) Pensions

A. (A) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contribution for the deficit by next March. In addition, except for a few foreign employees, the Company had settled its financial obligations to its employees on December 31, 2007.

(B) The Company contributes 2% of the employees' monthly salaries and wages for a few foreign employees in accordance with R.O.C. Labor Standards Law to an independent retirement trust fund. The pension costs under the above pension plan were \$1,552 and \$1,352 for the years ended December 31, 2022 and 2021, respectively.

(C) Expected contribution to the defined benefit pension plan of the Company for the year ending December 31, 2023 is \$1,732.

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (New Plan) under the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan were \$399,951 and \$349,156 for the years ended December 31, 2022 and 2021, respectively.

(12) Provisions for liabilities

	Provisions for warranty	Provisions for legal claims and royalty	Total
January 1, 2022	\$ 95,864	\$ 2,851,393	\$ 2,947,257
Recognition (reversal)	24,066	65,466	89,532
Used	( 24,159)	-	( 24,159)
Net exchange differences	-	304,169	304,169
December 31, 2022	<u>\$ 95,771</u>	<u>\$ 3,221,028</u>	<u>\$ 3,316,799</u>



	Provisions for warranty	Provisions for legal claims and royalty	Total
January 1, 2021	\$ 123,677	\$ 2,994,715	\$ 3,118,392
Recognition (reversal)	1,432	( 63,949)	( 62,517)
Used	( 29,245)	-	( 29,245)
Net exchange differences	-	( 79,373)	( 79,373)
December 31, 2021	<u>\$ 95,864</u>	<u>\$ 2,851,393</u>	<u>\$ 2,947,257</u>

Analysis of total provisions:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current	<u>\$ 3,316,799</u>	<u>\$ 2,947,257</u>

A. Provisions for warranty

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

B. Provisions for legal claims and royalty

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

(13) Common shares

A. As of December 31, 2022, the Company's authorized capital was \$47,500,000, consisting of 4,750,000,000 shares of common stock (including 50,000,000 shares which were reserved for employee stock options), and the paid-in capital was \$7,427,603 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

The number of the Company's ordinary shares outstanding at the beginning and ending for the years ended December 31, 2022 and 2021 is 742,760,280 shares for both years.

B. As of December 31, 2022, the Company issued Global Depositary Receipts (GDRs), of which 3,918,000 units of the GDRs are now listed on the Luxembourg Stock Exchange. Per unit of GDR represents 5 shares of the Company's common stock and total GDRs represent 19,591,000 shares of the Company's common stock. The terms of GDR are as follows:

(A) Voting rights

GDR holders may, pursuant to the Depositary Agreement and the relevant laws and regulations of R.O.C., exercise the voting rights pertaining to the underlying common shares represented by the GDRs.

(B) Dividends, stock warrants and other rights

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

(14) Capital surplus

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Share premium	\$ 4,227,474	\$ 4,227,966
Difference between consideration and carrying amount of subsidiaries acquired or disposed	895,037	885,390
Recognition of changes in ownership interest in subsidiaries	4,022,529	3,968,819
Changes in associates and joint ventures accounted for under equity method	2,599,445	757,736
	<u>\$ 11,744,485</u>	<u>\$ 9,839,911</u>

(15) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's profit after income tax, shall first be offset against prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. When such legal reserve amounts to the total authorized capital, the Company shall not be subject to this requirement. The Company may then appropriate or reverse a certain amount as special reserve according to the demand for the business or relevant regulations. After the distribution of earnings, the remaining earnings and prior year's undistributed earnings may be appropriated according to a resolution of the Board of Directors adopted in the shareholders' meeting.
- B. The dividend policies of the Company are as follows: Considering the rapid changing industrial environment the Company faces, long-term financial plan and the satisfaction of the demand for cash by the shareholders, the Company should distribute cash dividends of not less than 10% of the total dividends declared each year.
- C. Except for covering accumulated deficit, increasing capital or payment of cash in proportion to ownership percentage, the legal reserve shall not be used for any other purpose. The amount capitalized or the cash payment shall be limited to the portion of legal reserve which exceeds 25% of the paid-in capital.
- D. (A) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the end of the financial reporting period before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (B) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

- E. As resolved by the shareholders on June 8, 2022, the Company distributed cash dividends to owners amounting to \$31,195,932 (\$42 (in dollars) per share) for the appropriation of 2021 earnings. On July 30, 2021, the shareholders resolved to distribute cash dividends amounting to \$19,311,767 (\$26 (in dollars) per share) for the appropriation of 2020 earnings.
- F. The appropriations of 2022 earnings had been proposed by the Board of Directors on March 10, 2023. Details are summarized as follows:

	<u>Year Ended December 31, 2022</u>	
	<u>Amount</u>	<u>Dividends per share (in dollars)</u>
Cash dividends	\$ 11,141,404	\$ 15.00

As of March 10, 2023, the appropriations of 2022 earnings stated above has not yet been resolved by the shareholders.

(16) Other equity

	Gains (losses) on hedging instruments	Unrealized gains (losses) on valuation of financial assets at fair value through other comprehensive income	Financial statements translation differences of foreign operations	Remeasurement of defined benefit plan	Total
January 1, 2022	\$ 436,783	\$ 48,589,975	(\$ 8,894,860)	(\$ 122,474)	\$ 40,009,424
-The Company	-	( 10,120,755)	8,783,760	-	( 1,336,995)
-Subsidiaries	( 2,350,333)	( 441,775)	( 731,381)	48,919	( 3,474,570)
-Associates	-	( 1,015,678)	480,116	2,043	( 533,519)
December 31, 2022	<u>(\$ 1,913,550)</u>	<u>\$ 37,011,767</u>	<u>(\$ 362,365)</u>	<u>(\$ 71,512)</u>	<u>\$ 34,664,340</u>

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

(17) Operating revenue

	<u>Years Ended</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Revenue from contracts with customers	\$ 413,208,379	\$ 457,320,576

A. Disaggregation of revenue from contracts with customers

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

<u>Year Ended December 31, 2022</u>	<u>3C products</u>	<u>Others</u>	<u>Total</u>
Revenue from contracts with customers	<u>\$ 407,289,002</u>	<u>\$ 5,919,377</u>	<u>\$ 413,208,379</u>
Timing of revenue recognition			
Revenue recognized at a point in time	<u>\$ 407,289,002</u>	<u>\$ 5,919,377</u>	<u>\$ 413,208,379</u>
<u>Year Ended December 31, 2021</u>	<u>3C products</u>	<u>Others</u>	<u>Total</u>
Revenue from contracts with customers	<u>\$ 450,613,447</u>	<u>\$ 6,707,129</u>	<u>\$ 457,320,576</u>
Timing of revenue recognition			
Revenue recognized at a point in time	<u>\$ 450,613,447</u>	<u>\$ 6,707,129</u>	<u>\$ 457,320,576</u>

#### B. Contract liabilities

(A) The Company recognized contract liabilities related to the contract revenue from sales amounting to \$1,386,455, \$1,679,718 and \$93,387 as of December 31, 2022, December 31, 2021 and January 1, 2021, respectively.

(B) The revenue recognized from the beginning balance of contract liability amounted to \$443,840 and \$75,477 for the years ended December 31, 2022 and 2021, respectively.

#### (18) Other income

	<u>Years Ended</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Rent income	\$ 116,036	\$ 113,182
Dividend income	3,102,638	2,831,193
	<u>\$ 3,218,674</u>	<u>\$ 2,944,375</u>

#### (19) Other gains (losses)

	<u>Years Ended</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Net gains (losses) on non-derivative financial instruments	(\$ 7,438)	(\$ 1,926)
Net gains (losses) on derivative financial instruments	3,259,256	561,913
Net currency exchange gains (losses)	( 282,549)	3,220,069
Impairment losses	( 194,921)	-
Other net gains (losses)	117,213	111,933
	<u>\$ 2,891,561</u>	<u>\$ 3,891,989</u>

#### (20) Costs and expenses by nature

	<u>Years Ended</u>					
	<u>December 31, 2022</u>			<u>December 31, 2021</u>		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefit expenses	\$ 666,783	\$ 11,572,962	\$12,239,745	\$ 676,165	\$ 14,505,778	\$15,181,943
Depreciation	50,681	351,682	402,363	61,307	344,483	405,790
Amortization	6,199	250,972	257,171	287	215,089	215,376

(21) Employee benefit expenses

	Years Ended	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Wages and salaries	\$ 10,724,554	\$ 13,730,631
Labor and health insurance	818,943	683,208
Pension (Note)	401,503	350,508
Directors' remuneration	61,063	171,635
Other personnel expenses	233,682	245,961
	<u>\$ 12,239,745</u>	<u>\$ 15,181,943</u>

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

- A. The Company's average headcount were 7,274 and 6,622 employees for the years ended December 31, 2022 and 2021, respectively. There were 9 and 8 non-employee directors for the years ended December 31, 2022 and 2021, respectively.
- B. (A) The Company's average employee benefit expense amounted to \$1,676 and \$2,269 for the years ended December 31, 2022 and 2021, respectively.
- (B) The Company's average wages and salaries amounted to \$1,476 and \$2,076 for the years ended December 31, 2022 and 2021, respectively.
- (C) Average wages and salaries increased by (28.90%).
- (D) The Company has established an audit committee in lieu of a supervisor and accordingly, the requirement for disclosure of information on supervisors' remuneration is not applicable.
- (E) The Company's salaries and wages policy:
- The overall salaries and wages level is based on external competitiveness and internal fairness that can effectively attract and retain talents.
  - Link performance and employee salaries and wages by the performance management system to provide employee development motivation and give the company a positive boost.
  - Link the Company's long-term and short-term goals, personal time devoted, positions held, and overall personal work performance together to achieve the purpose of motivating employees.
  - The Company established the compensation committee to effectively measure the whole salary compensation of directors and managers.
- C. According to the Articles of Incorporation of the Company, the current year's profit shall be used first to cover accumulated deficit, if any, and then the remaining balance shall be distributed as follows: no less than 1% as employees' compensation, and no more than 1% as directors' remuneration.
- D. For the years ended December 31, 2022 and 2021, employees' compensation was accrued at \$1,103,195 and \$3,204,069, respectively; directors' remuneration was accrued at \$58,063 and \$168,635, respectively. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on

no less than 1% and no more than 1% of profit of current year distributable for the year ended December 31, 2022.

The employees' compensation and directors' remuneration amounting to \$3,204,069 and \$168,635, respectively, for 2021 as resolved by the Board of Directors were in agreement with the amounts recognized in the 2021 financial statements. The employees' compensation and directors' remuneration were distributed in cash. Related information shall be inquired at the Market Observation Post System website.

(22) Income tax

A. Income tax expenses

(A) Components of income tax expenses:

	Years Ended	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current income tax:		
Current income tax on profits for the year	\$ 3,622,894	\$ 7,382,119
Additional income tax on unappropriated earnings	539,696	214,652
Difference between prior year's income tax estimation and assessed results	( 31,071)	( 193,019)
Total current income tax	<u>4,131,519</u>	<u>7,403,752</u>
Deferred income tax:		
Origination and reversal of temporary differences	( 629,269)	885,481
Total deferred income tax	<u>( 629,269)</u>	<u>885,481</u>
Income tax expenses	<u>\$ 3,502,250</u>	<u>\$ 8,289,233</u>

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

	Years Ended	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Currency translation differences	<u>\$ 1,997,768</u>	<u>(\$ 571,981)</u>

B. Reconciliation between income tax expenses and accounting profit:

	Years Ended	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Income tax calculated based on profit before tax and statutory tax rate	\$ 3,638,607	\$ 10,567,806
Tax exempt income by tax regulation	( 620,797)	( 575,693)
Effect of tax exemption on investment income	( 1,071,914)	( 724,363)
Difference between prior year's income tax estimation and assessed results	( 31,071)	( 193,019)
Additional income tax on unappropriated earnings	539,696	214,652
Effect of tax rate changes on unrealized profit from sales	( 131,209)	( 170,372)
Effect of exchange rate changes	1,132,473	( 768,402)
Others	46,465	( 61,376)
Income tax expenses	<u>\$ 3,502,250</u>	<u>\$ 8,289,233</u>

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

	2022			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences:				
- Deferred income tax assets:				
Unrealized profit from sales	\$ 2,256,451	(\$ 716,862)	\$ -	\$ 1,539,589
Decline in value of inventories	1,415,396	2,156,707	-	3,572,103
Unrealized expenses and provisions for royalty	653,875	13,094	-	666,969
Currency translation differences	2,067,341	-	( 1,997,768)	69,573
Impairment loss on assets	-	38,984	-	38,984
Unrealized exchange loss	-	130,051	-	130,051
Others	64,483	6,109	-	70,592
Subtotal	<u>6,457,546</u>	<u>1,628,083</u>	<u>( 1,997,768)</u>	<u>6,087,861</u>
- Deferred income tax liabilities:				
Investment income from foreign investees	( 16,834,556)	( 1,270,260)	-	( 18,104,816)
Unrealized exchange gains	( 271,446)	271,446	-	-
Subtotal	<u>( 17,106,002)</u>	<u>( 998,814)</u>	<u>-</u>	<u>( 18,104,816)</u>
Total	<u>(\$ 10,648,456)</u>	<u>\$ 629,269</u>	<u>(\$ 1,997,768)</u>	<u>(\$ 12,016,955)</u>
			2021	
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences:				
- Deferred income tax assets:				
Unrealized profit from sales	\$ 677,746	\$ 1,578,705	\$ -	\$ 2,256,451
Unrealized purchase discounts	106,665	( 106,665)	-	-
Decline in value of inventories	968,469	446,927	-	1,415,396
Unrealized expenses and provisions for royalty	668,399	( 14,524)	-	653,875
Currency translation differences of foreign operations	1,495,360	-	571,981	2,067,341
Others	54,355	10,128	-	64,483
Subtotal	<u>3,970,994</u>	<u>1,914,571</u>	<u>571,981</u>	<u>6,457,546</u>
- Deferred income tax liabilities:				
Investment income from foreign investees	( 14,086,842)	( 2,747,714)	-	( 16,834,556)
Unrealized exchange gains	( 219,108)	( 52,338)	-	( 271,446)
Subtotal	<u>( 14,305,950)</u>	<u>( 2,800,052)</u>	<u>-</u>	<u>( 17,106,002)</u>
Total	<u>(\$ 10,334,956)</u>	<u>(\$ 885,481)</u>	<u>\$ 571,981</u>	<u>(\$ 10,648,456)</u>

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

(23) Earnings per share

	Years Ended	
	December 31, 2022	December 31, 2021
Profit:		
Profit for the year	\$ 14,690,785	\$ 44,549,798
Number of shares (shares in thousands):		
Weighted average number of shares outstanding - basic	742,760	742,760
Basic earnings per share (in dollars):		
Profit for the year	\$ 19.78	\$ 59.98

	Years Ended	
	December 31, 2022	December 31, 2021
Profit:		
Profit for the year	\$ 14,690,785	\$ 44,549,798
Number of shares (shares in thousands):		
Weighted average number of shares outstanding - basic	742,760	742,760
The effect of dilutive potential common shares - employees' compensation	5,923	9,696
Weighted average number of shares outstanding - diluted	748,683	752,456
Diluted earnings per share (in dollars):		
Profit for the year	\$ 19.62	\$ 59.21

(24) Changes in liabilities arising from financing activities

	January 1, 2022	Cash flow	Non-cash changes Others (Note)	December 31, 2022
	Short-term borrowings	\$ -	\$ 37,940,000	\$ -
Lease liabilities	119,325	(26,833)	49,966	142,458
	<u>\$ 119,325</u>	<u>\$ 37,913,167</u>	<u>\$ 49,966</u>	<u>\$ 38,082,458</u>
	January 1, 2021	Cash flow	Non-cash changes Others (Note)	December 31, 2021
	Lease liabilities	\$ 3,595	(\$ 14,139)	\$ 129,869

Note: Others are leases modifications.



## 7. **RELATED PARTY TRANSACTIONS**

### (1) Parent and ultimate controlling party

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

### (2) Names of related parties and relationship

Names of related parties	Relationship with the Company
ASUS GLOBAL PTE. LTD. (ASGL)	Subsidiary
ACBZ IMPORTACAO E COMERCIO LTDA. (ACBZ)	Subsidiary
ASUS COMPUTER INTERNATIONAL (ACI)	Subsidiary
ASUS TECHNOLOGY PTE. LIMITED (ASTP)	Subsidiary
ASUS INDIA PRIVATE LIMITED (ASIN)	Subsidiary
ASUS JAPAN INCORPORATION (ACJP)	Subsidiary
PT. ASUS TECHNOLOGY INDONESIA BATAM (ACBT)	Subsidiary
ASUS CZECH SERVICE S.R.O. (ACCZS)	Subsidiary
UNIMAX ELECTRONICS INCORPORATION (UEI)	Subsidiary
ASKEY COMPUTER CORP. (ASKEY)	Subsidiary
AAEON TECHNOLOGY INC. (AAEON)	Subsidiary
ASMEDIA TECHNOLOGY INC. (ASMEDIA)	Subsidiary
JOGEEK TECHNOLOGY LTD. (JOGEEK)	Subsidiary
ASUS TECHNOLOGY (SUZHOU) CO., LTD. (ACSZ)	Subsidiary
ASUS CLOUD CORPORATION (ASUSCLOUD)	Subsidiary
ASUS TECHNOLOGY INCORPORATION (ASUTC)	Subsidiary
SHINEWAVE INTERNATIONAL INC. (SWI)	Subsidiary
ASUS TECHNOLOGY (HONG KONG) LIMITED (ACHK)	Subsidiary
TAIWAN WEB SERVICE CORPORATION (TWS)	Subsidiary
ASUS TECHNOLOGY LICENSING (ATL)	Subsidiary
MEDUS TECHNOLOGY INC. (MEDUS)	Subsidiary
SHINYOPTICS CORP. (SHINYOPTICS)	Subsidiary
ASUS METAVERSE INC. (AMV)	Subsidiary
ASUS MAAS CORPORATION (ASUSMAAS)	Subsidiary
WT MICROELECTRONICS CO., LTD. (WT)	Associate
ASUSTOR INC. (ASUSTOR)	Associate
I-WAYLINK (IWAYLINK)	Associate
IBASE TECHNOLOGY INC. (IBASE)	Associate
MORRIHAN INTERNATIONAL CORP. (MORRIHAN)	Associate
LELTEK INC. (LELTEK)	Associate
PORTWELL INC. (PORTWELL)	Associate
Others	Other related party

(3) Significant transactions and balances with related parties

A. Sales of goods

	Years Ended	
	December 31, 2022	December 31, 2021
Sales of goods		
-ASGL	\$ 380,881,969	\$ 422,707,167
-Other subsidiaries	24,253,954	24,950,177
-Associates	16,889	5,971
	<u>\$ 405,152,812</u>	<u>\$ 447,663,315</u>

The sales prices of transactions with related parties were decided on the basis of the economic environment and market competition in each sales area. The terms of the transactions are due 30 to 180 days after the date of delivery or open account 30 to 60 days. The terms of the above transactions are similar to those for third parties.

B. Purchases of goods and expenses

	Years Ended	
	December 31, 2022	December 31, 2021
Purchases of goods		
-Subsidiaries	\$ 600,301	\$ 748,671
-Associates	2,352,628	2,101,568
-Others	92,756	100,563
	<u>3,045,685</u>	<u>2,950,802</u>
Purchases of services and other expenditures		
-Subsidiaries	62,304	71,933
-Associates	21,638	11,512
-Others	21,901	35,473
	<u>105,843</u>	<u>118,918</u>
	<u>\$ 3,151,528</u>	<u>\$ 3,069,720</u>

Purchase terms are due 30 to 90 days after the date of acceptance or open account 30 to 60 days, which were similar to those for third parties.

C. Trade receivables

	December 31, 2022	December 31, 2021
		<u>December 31, 2022</u>
Trade receivables		
-ASGL	\$ 46,272,331	\$ 63,819,459
-Other subsidiaries	3,066,999	2,649,542
-Associates	251	5,395
	<u>49,339,581</u>	<u>66,474,396</u>
Other receivables		
-Associates	-	12
	<u>\$ 49,339,581</u>	<u>\$ 66,474,408</u>

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

D. Notes and trade payables and other items of current liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes and trade payables		
-Subsidiaries	\$ 117,961	\$ 94,987
-Associates	1,061,918	835,652
-Others	39,179	34,098
	<u>1,219,058</u>	<u>964,737</u>
Other items of current liabilities		
-Subsidiaries	60,086	87,582
-Associates	23,758	8,270
-Others	6,901	-
	<u>90,745</u>	<u>95,852</u>
	<u>\$ 1,309,803</u>	<u>\$ 1,060,589</u>

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

(4) Key management compensation

	<u>Years Ended</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Salaries and other short-term employee benefits	\$ 763,471	\$ 1,439,672
Post-employment benefits	6,777	6,374
	<u>\$ 770,248</u>	<u>\$ 1,446,046</u>

8. **PLEDGED ASSETS**

<u>Pledged assets</u>	<u>Item</u>	<u>Book Value</u>		<u>Purpose</u>
		<u>December 31, 2022</u>	<u>December 31, 2021</u>	
Other non-current assets	Pledged restricted deposits	\$ 223,200	\$ 203,200	Pledged for lodgment for security by court deposits decisions, customs duties guarantee, etc.

9. **SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS**

(1) Contingencies

Lawsuits for infringement of intellectual property rights

A. Several patentees filed lawsuits or investigations for patent infringement including MP3 function for desktop computer and notebook, display and projector products, monitor product with local dimming against the Company. These lawsuits or investigations are currently under investigation in California and Texas. The Company cannot presently determine the ultimate outcome of these lawsuits but has already recognized the possible loss in the financial statements.

B. Several patentees filed lawsuits or investigations for patent infringement including cellphone and tablet products, AP and Router products supporting MU-MIMO, notebook, LED for cellphone products, wireless network communication products that support IEEE 802.11ac communication standard, after-sales service, cellphone and tablet products with MPEG2-TS transportation stream function, various products using LVDS technology processors, router, wireless base station, notebook, cellphone supporting MU-MIMO, circuit board design, router, notebook, desktop,

motherboard, Mini PC and cellphone supporting Wi-Fi 6, notebooks and monitors with backlight display, cellphone supporting LTE, Notebook products with built-in AMD CPU, various products supporting H.264, H.265 and screen rotation, keyboard structure of optical mechanical switch gaming keyboard TUF-K7, products using Nvidia GPU, cellphone products, products that support Bluetooth function, notebooks using Panjit MOSFET, touch UI for VivoWatch/ ZenWatch series smart watches, against the Company. These lawsuits or investigations are currently under investigation in the courts in Texas, California, Alabama, at the United States International Trade Commission, Japan, Brazil, Malaysia, at the Italian Competition Authority, Germany and China. The Company cannot presently determine the ultimate outcome and effect of these lawsuits.

(2) Commitments

The Company signed a long-term supply cooperation contract with the supplier, stipulating that a certain amount of purchase must be reached every year. The contract is valid from March 1, 2021 to December 31, 2024. In addition, prepayment of USD 75,000 thousand has been paid by the Company in accordance with the contract. As of December 31, 2022, the prepayment mentioned above amounting to \$345,425 is included under prepayments and \$1,735,450 is included under other non-current assets.

10. **SIGNIFICANT DISASTER LOSS**

None.

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

None.

12. **OTHERS**

(1) Capital management

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

During 2022, the Company's strategy was to maintain the liability ratio within reasonable security range, which was unchanged from 2021. The liability ratios are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Total liabilities	\$ 127,017,312	\$ 143,331,478
Total assets	\$ 339,397,792	\$ 375,662,696
Liability ratio	37.42%	38.15%

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 171,849	\$ 122,104
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	63,634,365	73,737,602
Financial assets at amortized cost		
Cash and cash equivalents	2,431,001	6,154,766
Trade receivables	55,784,090	75,505,015
Other receivables	851	3,031,234
Refundable deposits	229,860	224,213
	<u>\$ 122,252,016</u>	<u>\$ 158,774,934</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ 76,328	\$ 85,889
Financial liabilities at amortized cost		
Short-term borrowings	37,940,000	-
Notes and trade payables	44,430,468	87,965,460
Other payables - accrued expenses	18,933,356	24,947,020
Deposits received	65,907	69,016
Lease liabilities	142,458	119,325
	<u>\$ 101,588,517</u>	<u>\$ 113,186,710</u>

B. Financial risk management policies

- (A) The Company's operating activities expose the Company to a variety of financial risks, including market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. To minimize any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are used to hedge certain exchange rate risk, and derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.
- (B) The Company's key financial plans are all reviewed by the Board of Directors under the related principles and internal control system. When executing the financial plans, the Company's treasury departments will follow the financial operating procedures in accordance with the overall financial risk management and proper segregation of duties.
- (C) Information about derivative financial instruments that are used to hedge financial risk are provided in Note 6(2).

C. Nature and degree of significant financial risks

(A) Market risk

Foreign exchange risk

- a. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities.
- b. The management has set up the policy to require the organisation to manage the foreign exchange risk against the functional currency. The organisation is required to hedge its entire foreign exchange risk exposure with the Company's treasury. Exchange rate risk is measured through a forecast of highly probably USD expenditures. Forward foreign exchange contracts are adopted to minimize the volatility of the exchange rate affecting recognition of revenue of forecast sale.
- c. The Company hedges foreign exchange rate by using forward exchange contracts. However, the Company does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).
- d. The Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.
- e. The Company's businesses involve some non-functional currency operations (the Company's functional currency is NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2022					
	Foreign currency amount (in dollars)	Exchange rate	Book value (NTD)	Sensitivity Analysis		
				Extent of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 1,765,447,627	30.710	\$54,216,897	1%	\$ 542,169	\$ -
<u>Non-Monetary items</u>						
USD:NTD	3,480,827,825	30.710	106,896,223	-	-	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	1,821,970,574	30.710	55,952,716	1%	559,527	-

December 31, 2021						
	Foreign currency amount (in dollars)	Exchange rate	Book value (NTD)	Sensitivity Analysis		
				Extent of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$ 2,660,246,158	27.680	\$73,635,614	1%	\$ 736,356	\$ -
<u>Non-Monetary items</u>						
USD:NTD	3,402,040,720	27.680	94,168,487	-	-	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	3,575,528,470	27.680	98,970,628	1%	989,706	-

f. Net currency exchange (losses) gains arising from foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2022 and 2021 amounted to (\$282,549) and \$3,220,069, respectively.

#### Price risk

- a. The Company's equity instruments, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity instruments, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- b. The Company mainly invests in equity instruments comprised of shares and open-end funds issued by the domestic companies. The value of equity instruments are susceptible to market price risk arising from uncertainties about future performance of equity markets. Assuming a hypothetical increase of 1% in the price of the aforementioned financial assets at fair value through profit or loss while the other conditions remain unchanged could increase the Company's non-operating revenue for the years ended December 31, 2022 and 2021 by \$740 and \$766, respectively. A change of 1% in the price of the aforementioned financial assets at fair value through other comprehensive income could increase the Company's other comprehensive income for the years ended December 31, 2022 and 2021 by \$636,344 and \$737,376, respectively.

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

- a. The Company's main interest rate risk arises from short-term borrowings with variable rates which expose the Company to cash flow interest rate risk but is partially offset by cash and cash equivalents held at variable rates. During the year ended December 31, 2022, the Company's borrowings at variable rates were denominated in NTD and USD.

- b. At December 31, 2022 , if interest rates on borrowings had been 1 basis point (0.01%) higher with all other variables held constant, non-operating expenses for the year ended December 31, 2022 would have been \$4,185 higher, mainly as a result of higher interest expense on floating rate borrowings.

(B) Credit risk

- a. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- b. The Company manages its credit risk taking into consideration the entire company's concern. For banks and financial institutions, only independently rated parties with a minimum rating of "A" class above as evaluated by an independent party are accepted as counterparties. According to the Company's credit policy, each operating entity in the Company is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors, and the utilization of credit limits is regularly monitored.
- c. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- d. The Company adopts the assumption under IFRS 9, that is, for most operating entities, the default occurs when the contract payments are past due over 90 days.
- e. The Company classifies customer's accounts receivable in accordance with customer types. The Company applies the simplified approach using the provision matrix and loss rate method to estimate expected credit loss.
- f. The Company writes off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. On December 31, 2022 and 2021, the Company has no written-off financial assets that are still under recourse procedures.
- g. (a) The expected loss rate for the excellent credit quality clients is 0%, and the total carrying amount of trade receivables and loss allowance amounted to \$49,339,581, \$0, and \$66,474,396, \$0 as of December 31, 2022 and 2021, respectively.  
(b) The Company refers to the forecast ability of global economic indicators to adjust the loss rate which is based on historical and current information when assessing the future default possibility of trade receivables. The provision matrix as of December 31, 2022 and 2021 is as follows:



December 31, 2022	Not past due	Less than 90 days past due	More than 91 days past due	Total
Total book value	\$ 5,962,230	\$ 587,095	\$ 136,485	\$ 6,685,810
Loss allowance	\$ 13,643	\$ 111,537	\$ 116,121	\$ 241,301
Expected loss rate	0.00%~6.43%	0.00%~30.83%	50.00%~100%	

December 31, 2021	Not past due	Less than 90 days past due	More than 91 days past due	Total
Total book value	\$ 8,459,497	\$ 602,162	\$ 271,046	\$ 9,332,705
Loss allowance	\$ 11,844	\$ 88,374	\$ 201,868	\$ 302,086
Expected loss rate	0.14%	11.30%~59.29%	50.00%~100%	

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

	Years Ended	
	2022	2021
January 1	\$ 302,086	\$ 52,207
Recognition (Write-offs)	( 60,785)	249,879
December 31	\$ 241,301	\$ 302,086

For provisioned loss for the years ended December 31, 2022 and 2021, the net impairment loss arising from customer's contract was (\$60,785) and \$249,879, respectively.

### (C) Liquidity risk

- a. Cash flow forecasting is performed in the various departments of the Company and aggregated by the Company treasury. The Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's cash flow plans and compliance with internal balance sheets ratio targets.
- b. The Company treasury invests surplus cash in demand deposits, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. As of December 31, 2022 and 2021, the Company held financial assets at fair value through profit or loss of \$73,998 and \$76,647, respectively, that are expected to readily generate cash inflows for managing liquidity risk.
- c. The table below analyses the Company's non-derivative financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the financial reporting period to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	December 31, 2022				
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
<u>Non-derivative</u>					
<u>financial liabilities:</u>					
Short-term borrowings	\$37,940,000	\$ -	\$ -	\$ -	\$37,940,000
Notes and trade payables	44,430,468	-	-	-	44,430,468
Other payables	18,933,356	-	-	-	18,933,356
- accrued expenses					
Lease liabilities	34,640	34,336	28,189	48,887	146,052
<u>Derivative financial liabilities:</u>					
Forward exchange contracts	76,328	-	-	-	76,328
	December 31, 2021				
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
<u>Non-derivative</u>					
<u>financial liabilities:</u>					
Notes and trade payables	\$87,965,460	\$ -	\$ -	\$ -	\$87,965,460
Other payables	24,947,020	-	-	-	24,947,020
- accrued expenses					
Lease liabilities	23,028	21,889	21,774	56,144	122,835
<u>Derivative financial liabilities:</u>					
Forward exchange contracts	85,889	-	-	-	85,889

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

### (3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, trade receivables, other receivables, refundable deposits, short-term borrowings, notes and trade payables, other payables - accrued expenses, other current liabilities, lease liabilities and guarantee deposits received are reasonably approximate to the fair values.

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

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

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 73,998	\$ -	\$ -	\$ 73,998
Beneficiary certificates	-	23,297	-	23,297
Forward exchange contracts	-	74,554	-	74,554
Financial assets at fair value through other comprehensive income				
Equity securities	<u>63,426,951</u>	<u>204,923</u>	<u>2,491</u>	<u>63,634,365</u>
	<u>\$ 63,500,949</u>	<u>\$ 302,774</u>	<u>\$ 2,491</u>	<u>\$ 63,806,214</u>
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 76,328</u>	<u>\$ -</u>	<u>\$ 76,328</u>
December 31, 2021				
	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 76,647	\$ -	\$ -	\$ 76,647
Beneficiary certificates	-	28,139	-	28,139
Forward exchange contracts	-	17,318	-	17,318
Financial assets at fair value through other comprehensive income				
Equity securities	<u>73,522,226</u>	<u>200,763</u>	<u>14,613</u>	<u>73,737,602</u>
	<u>\$ 73,598,873</u>	<u>\$ 246,220</u>	<u>\$ 14,613</u>	<u>\$ 73,859,706</u>
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 85,889</u>	<u>\$ -</u>	<u>\$ 85,889</u>

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

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

	Listed and OTC stocks	Open-end fund
Market quoted price	Closing price	Net asset value

- b. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the financial reporting date.
- c. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- d. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the separate balance sheets. The pricing and inputs information used during valuation are carefully assessed and adjusted based on current market conditions.

D. For the years ended December 31, 2022 and 2021, there was no transfer between Level 1 and Level 2.

E. The movement of Level 3 is as follows:

	Equity instruments	
	2022	2021
January 1	\$ 14,613	\$ 139,856
Reclassifications	-	( 108,094)
Recognition in other comprehensive (loss) income (Note)	( 12,122)	( 17,149)
December 31	<u>\$ 2,491</u>	<u>\$ 14,613</u>

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

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

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

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

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Equity instruments: Unlisted and non- OTC stocks	\$ 2,491	Discounted cash flow method	Note 1	Not applicable	Note 2
	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Equity instruments: Unlisted and non- OTC stocks	\$ 14,613	Discounted cash flow method	Note 1	Not applicable	Note 2

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

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

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

### 13. **SUPPLEMENTARY DISCLOSURES**

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

A. Financings provided: Please refer to table 1.

B. Endorsements and guarantees provided: None.

C. Marketable securities held at the ended of period (excluding investments in subsidiaries, associates and joint ventures): Please refer to table 2.

- D. Marketable securities acquired and disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital: Please refer to table 3.
- E. Acquisition of real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital: None.
- F. Disposal of real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- G. Total purchases from or sales to related parties of at least \$100 million or 20% of the paid-in capital: Please refer to table 4.
- H. Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital: Please refer to table 5.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to 6(2).
- J. Intercompany relationships and significant intercompany transactions: Please refer to table 6.

(2) Information on investees

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

(3) Information on investments in mainland China

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

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

(4) Major shareholders information

Major shareholders information: None.

14. **OPERATING SEGMENT INFORMATION**

Not applicable.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
FINANCING PROVIDED  
YEAR ENDED DECEMBER 31, 2022

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

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate (%)	Nature for Financing (Note 1)	Transaction Amounts	Reason for Financing	Loss allowance	Collateral		Financing Limits for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)	Note
													Item	Value			
1	ASUS	ASKEY	Other receivables	Yes	1,000,000	1,000,000	-	1.00	b	-	Need for operations	-	-	-	31,857,072	42,476,096	
2	ASTP	ASGL	Other receivables and Other non-current assets	Yes	30,710,000 (USD 1,000,000)	30,710,000 (USD 1,000,000)	29,635,150 (USD 965,000)	0.24 ~ 2.29	b	-	Need for operations	-	-	-	42,583,768 (USD 1,386,642)	42,583,768 (USD 1,386,642)	
3	ASTP	QCS	Other non-current assets	Yes	460,725 (SEK 156,709)	-	-	0.50	b	-	Need for operations	-	-	-	42,583,768 (USD 1,386,642)	42,583,768 (USD 1,386,642)	

Note 1 : Nature for Financing : a. Business transaction calls for a loan arrangement.

b. The need for short-term financing.

Note 2 : Limit of total financing amount : a. According to Procedures for Lending of ASUS, limit of total financing amount shall not exceed 20% of the net worth of ASUS as of the period.

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

Limit financing amount for individual counterparty : a. According to Procedures for Lending of ASUS, limit of financing amount for individual counterparty shall not exceed 15% of the net worth of ASUS as of the period.

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
MARKETABLE SECURITIES HELD  
(EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)  
DECEMBER 31, 2022

Table 2

(Amounts in thousands of New Taiwan dollars)

Held Company Name	Marketable Securities		Relationship with the Company (Note 1)	Financial Statement Account (Note 2)	December 31, 2022				Note
	Type	Name			Shares/Units	Carrying Value	Percentage (%)	Fair Value	
ASUS	Stock	SPORTON	-	a	353,213	73,998	0.36	73,998	
ASUS	Stock	GLOBALWAFERS	-	c	1,626,626	695,383	0.37	695,383	
ASUS	Stock	JMC	-	c	830,000	24,900	1.00	24,900	
ASUS	Stock	ENE	b	c	444,364	12,376	0.98	12,376	
ASUS	Stock	ALCOR MICRO	-	c	905,879	27,176	1.00	27,176	
ASUS	Stock	AZUREWAVE	-	c	934,745	18,134	0.61	18,134	
ASUS	Stock	LEDLINK	-	c	718,607	16,564	1.53	16,564	
ASUS	Fund	TNP	-	b	100	4,976	2.06	4,976	
ASUS	Fund	TNP LIGHT	-	b	190	18,321	3.67	18,321	
ASUS	Stock	EMPASS	-	d	1,316,139	34,483	15.77	34,483	
ASUS	Stock	ADVANTECH	-	d	103,177,983	34,152,256	13.26	34,152,256	
ASUS	Stock	PEGA	-	d	448,506,484	28,480,162	16.81	28,480,162	
ASUS	Stock	FREEDOM SYSTEMS	-	d	787,500	25,992	10.00	25,992	
ASUS	Stock	NANOLUX	-	d	536	61,327	10.30	61,327	
ASUS	Stock	APTOS	-	d	125,040	-	0.21	-	
ASUS	Stock	94BOT	-	d	100,000	-	4.80	-	
ASUS	Stock	A-WEI TECH	-	d	301,876	507	1.83	507	
ASUS	Stock	AISTORM	-	d	178,784	2,491	0.69	2,491	
ASUS	Stock	EOSTEK	-	d	1,600,000	4,815	14.94	4,815	
ASUS	Stock	AMTRUST	b	d	7,500,000	77,799	7.81	77,799	
ASMEDIA	Fund	FUH HWA RMB MONEY MARKET	-	a	531,862	29,675	-	29,675	
ASMEDIA	Fund	MEGA DIAMOND MONEY MARKET	-	a	23,739,799	302,583	-	302,583	
ASMEDIA	Fund	CAPITAL MONEY MARKET	-	a	17,226,216	282,250	-	282,250	
ASMEDIA	Stock	AUGENTIX	-	d	1,600,000	13,136	10.56	13,136	
ASMEDIA	Stock	ICATCH TECHNOLOGY	-	d	5,500,000	220,000	5.78	220,000	
ASMEDIA	Stock	WT PREFERRED STOCK	a	d	8,000,000	382,000	-	382,000	
ASMEDIA	Stock	LERAIN	-	d	1,200,000	8,868	3.99	8,868	
ASMEDIA	Stock	TA SHEE RESORT	-	d	1	25,000	0.00	25,000	
ASMEDIA	Stock	TELETRX	-	d	5,230,486	63,341	16.00	63,341	
ASKEY	Stock	CIPHERMAX	-	b	9,234	-	0.00	-	
ASKEY	Stock	RETI	-	b	80,700	-	3.32	-	
MIC	Stock	BROADCOM	-	b	90	1,546	0.00	1,546	
MIC	Stock	ZARLINK SEMI-CONDUCTOR	-	b	44,775	-	0.04	-	
DIC	Stock	FORTE MEDIA	-	b	200,000	-	0.30	-	
HCVC	Stock	LEDLINK	-	c	336,546	7,757	0.72	7,757	
HCVC	Stock	APAQ TECHNOLOGY	b	d	10,668,012	444,323	11.99	444,323	
HCVC	Stock	A-WEI TECH	-	d	301,876	507	1.83	507	
HMI	Stock	APAQ TECHNOLOGY	-	d	3,210,015	133,697	3.61	133,697	
HMI	Stock	A-WEI TECH	-	d	174,417	293	1.06	293	
AAEON	Stock	ADVANTECH	-	a	802	265	0.00	265	
AAEON	Fund	MEGA DIAMOND MONEY MARKET	-	a	2,091,070	26,652	-	26,652	
AAEON	Stock	MACHVISION TECHNOLOGY	b	a	1,180,198	154,016	2.64	154,016	
AAEON	Stock	ATECH OEM TECHNOLOGY	b	a	214	3	0.00	3	
AAEON	Stock	INSYNERGER TECHNOLOGY	-	b	1,710,000	19,360	15.05	19,360	
AAEON	Stock	UNITECH ELECTRONICS	-	a	259,657	5,830	0.35	5,830	
AAEON	Stock	LILIEE SYSTEMS PREFERRED STOCK	-	a	468,750	-	-	-	
AAEON	Stock	ALLIED BIOTECH	b	a	300,000	4,209	0.31	4,209	
AAEON	Stock	TELEION WIRELESS PREFERRED STOCK	-	a	149,700	-	-	-	
AAEON	Stock	V-NET AAEON	-	b	29	9,187	14.50	9,187	
AAEONI	Convertible Bond	IBASE 6	b	a	1,000,000	108,400	-	108,400	
AAEONI	Stock	SUNENGINE	b	a	156,903	1,089	2.75	1,089	
ONYX	Stock	MELTEN CONNECTED HEALTHCARE	-	d	4,193,548	2,381	6.61	2,381	
ONYX	Stock	MACHVISION TECHNOLOGY	b	a	18,716	2,443	0.04	2,443	
ONYX	Stock	INNO FUND III	-	b	3,000,000	26,956	13.04	26,956	
ONYX	Stock	TOP UNION ELECTRONICS	-	a	199,927	4,768	0.16	4,768	
ONYX	Stock	PROTECLIFE INTERNATIONAL BIOMEDICAL	-	d	750,000	25,155	6.30	25,155	
ASGL	Fund	USD TERM LIQUIDITY (USD370A)	-	a	959,903	3,157,660	-	3,157,660	
ASGL	Bond	AAC TECHNOLOGIES HOLDINGS	-	e	1,900,000	58,736	-	53,723	
ASGL	Bond	ABBVIE	-	e	1,750,000	57,129	-	50,784	
ASGL	Bond	ADANI TRANSMISSION	-	e	1,850,000	58,178	-	50,739	
ASGL	Bond	AERCAP IRELAND CAPITAL DAC/ AERCAP GLOBAL AVIATION TRUST	-	e	3,700,000	121,577	-	108,920	
ASGL	Bond	AFRICA FINANCE	-	e	3,690,000	117,715	-	106,621	
ASGL	Bond	AIB GROUP	-	e	1,800,000	57,688	-	53,351	
ASGL	Bond	AIR LEASE	-	e	3,900,000	120,190	-	104,172	
ASGL	Bond	AIRCASTLE	-	e	3,580,000	117,391	-	103,389	
ASGL	Bond	ALCON FINANCE	-	e	1,500,000	48,498	-	42,203	
ASGL	Bond	ALLY FINANCIAL	-	e	1,670,000	55,888	-	51,054	
ASGL	Bond	APT PIPELINE	-	e	1,640,000	53,098	-	48,663	
ASGL	Bond	ARCELORMITTAL	-	e	1,900,000	62,350	-	56,491	
ASGL	Bond	ARDAGH PACKAGING FINANCE / ARDAGH MP HOLDINGS USA	-	e	1,140,000	35,546	-	33,341	
ASGL	Bond	AUSTRALIA AND NEW ZEALAND BANKING GROUP	-	e	3,460,000	115,705	-	102,133	
ASGL	Bond	AVIATION CAPITAL GROUP	-	e	3,920,000	120,491	-	104,965	
ASGL	Bond	AVOLON HOLDINGS FUNDING	-	e	4,250,000	138,330	-	123,513	
ASGL	Bond	BANCO BTG PACTUAL OF CAYMAN ISLANDS	-	e	2,420,000	72,393	-	69,767	
ASGL	Bond	BANCO LATINOAMERICANO DE COMERCIO EXTERIOR	-	e	3,820,000	119,191	-	107,047	
ASGL	Bond	BANCO SANTANDER	-	e	3,400,000	114,708	-	102,802	
ASGL	Bond	BANK OF AMERICA	-	e	3,430,000	115,087	-	103,299	
ASGL	Bond	BANK OF NOVA SCOTIA	-	e	1,670,000	55,985	-	50,309	
ASGL	Bond	BARCLAYS	-	e	3,410,000	113,741	-	101,930	
ASGL	Bond	BAYER US FINANCE II	-	e	3,530,000	116,897	-	105,151	
ASGL	Bond	BERRY GLOBAL	-	e	3,740,000	118,560	-	110,418	
ASGL	Bond	BHARTI PETROLEUM	-	e	1,840,000	57,778	-	54,150	
ASGL	Bond	BHARTI AIRTEL	-	e	2,110,000	67,129	-	63,000	
ASGL	Bond	BNP PARIBAS	-	e	3,520,000	117,042	-	103,109	
ASGL	Bond	BOC AVIATION	-	e	3,860,000	119,929	-	109,334	
ASGL	Bond	BPCE	-	e	3,420,000	115,312	-	100,065	
ASGL	Bond	CHENIERE CORPUS CHRISTI HOLDINGS	-	e	1,690,000	55,349	-	52,194	
ASGL	Bond	CHOUZHOU INTERNATIONAL INVESTMENT	-	e	3,820,000	118,354	-	111,517	
ASGL	Bond	CIT BANK, N.A.	-	e	1,880,000	58,938	-	54,605	
ASGL	Bond	CITIGROUP	-	e	1,680,000	56,310	-	50,775	
ASGL	Bond	CNH INDUSTRIAL CAPITAL	-	e	1,940,000	59,665	-	54,082	
ASGL	Bond	COLORADO INTERSTATE GAS / COLORADO INTERSTATE ISSUING	-	e	1,940,000	63,819	-	56,724	
ASGL	Bond	COMMONWEALTH BANK OF AUSTRALIA	-	e	1,700,000	56,232	-	51,065	
ASGL	Bond	CONAGRA BRANDS	-	e	1,680,000	56,075	-	50,883	
ASGL	Bond	CONTEMPRY RUIDNG DEVELOP	-	e	1,000,000	27,452	-	26,541	



Held Company Name	Marketable Securities		Relationship with the Company (Note 1)	Financial Statement Account (Note 2)	December 31, 2022				Note
	Type	Name			Shares/Units	Carrying Value	Percentage (%)	Fair Value	
ASGL	Bond	COOPERATIEVE RABOBANK U.A.	-	e	3,570,000	117,820	-	103,223	
ASGL	Bond	COX COMMUNICATION	-	e	1,750,000	57,459	-	50,308	
ASGL	Bond	CREDIT SUISSE GROUP	-	e	3,440,000	115,478	-	93,276	
ASGL	Bond	CROWN AMERICAS / CROWN AMERICAS CAPITAL V	-	e	2,240,000	71,625	-	65,597	
ASGL	Bond	CVS HEALTH	-	e	1,780,000	57,716	-	51,123	
ASGL	Bond	DELL INTERNATIONAL / EMC	-	e	3,310,000	113,737	-	102,269	
ASGL	Bond	DEUTSCHE BANK	-	e	3,700,000	115,228	-	108,478	
ASGL	Bond	DISCOVER BANK	-	e	1,760,000	57,303	-	49,842	
ASGL	Bond	GENTING NY / GENNY CAP	-	e	3,940,000	121,076	-	105,923	
ASGL	Bond	GLENCORE FUNDING	-	e	1,960,000	60,065	-	54,526	
ASGL	Bond	GLOBAL PAYMENTS	-	e	1,660,000	56,045	-	49,698	
ASGL	Bond	GLP	-	e	3,710,000	116,869	-	92,291	
ASGL	Bond	GOLDMAN SACHS GROUP	-	e	3,550,000	113,352	-	106,546	
ASGL	Bond	GXO LOGISTICS	-	e	1,590,000	43,224	-	41,858	
ASGL	Bond	HARBOR ENERGY	-	e	1,200,000	32,202	-	33,024	
ASGL	Bond	HCA	-	e	1,650,000	55,792	-	50,081	
ASGL	Bond	HEWLETT PACKARD	-	e	2,130,000	65,585	-	58,816	
ASGL	Bond	HKMA FINANCE USA	-	e	3,780,000	118,899	-	107,651	
ASGL	Bond	HSBC HOLDINGS	-	e	800,000	23,405	-	23,653	
ASGL	Bond	HYATT HOTELS	-	e	3,600,000	117,323	-	108,702	
ASGL	Bond	ICICI BANK OF DUBAI	-	e	1,830,000	58,164	-	53,445	
ASGL	Bond	INTERNATIONAL FLAVORS & FRAGRANCES	-	e	1,510,000	42,881	-	40,983	
ASGL	Bond	INTERNATIONAL GAME TECHNOLOGY	-	e	1,200,000	37,508	-	34,370	
ASGL	Bond	IQVIA	-	e	2,330,000	71,420	-	68,311	
ASGL	Bond	JERSEY CENTRAL POWER & LIGHT	-	e	1,800,000	59,251	-	53,358	
ASGL	Bond	KAZMU NAJGAZ	-	e	200,000	5,868	-	5,942	
ASGL	Bond	KEYBANK NATIONAL ASSOCIATION OF CLEVELAND, OHIO	-	e	1,700,000	55,855	-	49,021	
ASGL	Bond	KOHL'S	-	e	2,100,000	67,127	-	60,460	
ASGL	Bond	LENNAR	-	e	3,390,000	114,834	-	104,457	
ASGL	Bond	LEVIATHAN BOND	-	e	2,230,000	70,317	-	67,156	
ASGL	Bond	LLOYDS BANKING GROUP	-	e	3,460,000	114,054	-	102,228	
ASGL	Bond	LUMIN ENERGY FINANCE BV	-	e	3,910,000	120,638	-	106,196	
ASGL	Bond	LYB INTERNATIONAL FINANCE III	-	e	981,000	30,156	-	26,901	
ASGL	Bond	MACQUARIE BANK	-	e	3,490,000	114,825	-	104,916	
ASGL	Bond	MARATHON PETROLEUM	-	e	1,760,000	57,171	-	53,263	
ASGL	Bond	MEITUAN	-	e	1,490,000	44,571	-	40,541	
ASGL	Bond	MEXICO CITY AIRPORT TRUST	-	e	3,600,000	117,081	-	105,443	
ASGL	Bond	MICROCHIP TECHNOLOGY	-	e	1,000,000	31,674	-	29,836	
ASGL	Bond	MITSUBISHI UFJ FINANCIAL GROUP	-	e	1,760,000	57,210	-	49,408	
ASGL	Bond	MIZUHO FINANCIAL GROUP	-	e	1,882,000	61,890	-	54,569	
ASGL	Bond	MPT OPERATING PARTNERSHIP / MPT FINANCE	-	e	2,050,000	63,498	-	57,337	
ASGL	Bond	NATIONWIDE BUILDING SOCIETY	-	e	3,510,000	116,565	-	98,101	
ASGL	Bond	NORTHRIVER MIDSTREAM FINANCE	-	e	2,330,000	71,525	-	67,768	
ASGL	Bond	NXP / NXP FUNDING	-	e	1,630,000	55,684	-	49,822	
ASGL	Bond	OCCIDENTAL PETROLEUM	-	e	2,400,000	67,457	-	68,618	
ASGL	Bond	ONEOK	-	e	3,340,000	112,953	-	103,903	
ASGL	Bond	ONGC VIDEH VANKORNEFT	-	e	3,700,000	116,815	-	106,201	
ASGL	Bond	OVINTIV EXPLORATION	-	e	1,240,000	37,201	-	37,824	
ASGL	Bond	PACIFIC GAS AND ELECTRIC	-	e	3,830,000	118,497	-	108,016	
ASGL	Bond	PHILLIPS 66	-	e	3,580,000	117,259	-	103,249	
ASGL	Bond	PRIME SECURITY SERVICES BORROWER / PRIME FINANCE	-	e	2,190,000	70,194	-	64,540	
ASGL	Bond	PT BANK MANDIRI (PERSERO)	-	e	1,740,000	56,161	-	52,401	
ASGL	Bond	PULTEGROUP	-	e	1,570,000	53,682	-	48,419	
ASGL	Bond	ROYALTY PHARMA	-	e	1,960,000	59,818	-	53,914	
ASGL	Bond	SABINE PASS LIQUEFACTION	-	e	1,640,000	55,959	-	50,960	
ASGL	Bond	SANTANDER UK GROUP HOLDINGS	-	e	3,720,000	121,715	-	109,140	
ASGL	Bond	SHINHAN BANK	-	e	3,540,000	116,089	-	101,540	
ASGL	Bond	SHINHAN FINANCIAL GROUP	-	e	1,950,000	59,976	-	53,549	
ASGL	Bond	SK HYNIX	-	e	660,000	20,071	-	17,584	
ASGL	Bond	SOCIETE GENERALE	-	e	3,520,000	115,036	-	100,864	
ASGL	Bond	SOFTBANK GROUP	-	e	1,140,000	34,310	-	30,276	
ASGL	Bond	SOLVAY FINANCE AMERICA	-	e	1,680,000	55,796	-	49,966	
ASGL	Bond	SOUTHWESTERN ENERGY	-	e	2,240,000	72,446	-	67,586	
ASGL	Bond	STANDARD CHARTERED	-	e	3,530,000	116,362	-	104,536	
ASGL	Bond	SUMITOMO MITSUI FINANCIAL GROUP	-	e	1,760,000	57,008	-	49,655	
ASGL	Bond	SYNCHRONY FINANCIAL	-	e	3,800,000	121,725	-	107,482	
ASGL	Bond	SYNGENTA FINANCE	-	e	3,550,000	116,348	-	105,668	
ASGL	Bond	TECHNIPMC	-	e	2,210,000	70,256	-	65,867	
ASGL	Bond	TENGZICHEVROIL FINANCE INTERNATIONAL	-	e	3,800,000	117,888	-	100,332	
ASGL	Bond	T-MOBILE USA	-	e	1,930,000	59,353	-	53,153	
ASGL	Bond	TRINITY ACQUISITION	-	e	1,680,000	56,553	-	50,100	
ASGL	Bond	TURKCELL ILETISIM HIZMETLERI	-	e	1,200,000	34,380	-	34,580	
ASGL	Bond	UBS GROUP	-	e	1,660,000	55,776	-	48,955	
ASGL	Bond	UTAH ACQUISITION SUB	-	e	3,260,000	107,504	-	93,704	
ASGL	Bond	VICI PROPERTIES / VICI NOTE	-	e	1,150,000	35,844	-	33,860	
ASGL	Bond	VISTRA OPERATIONS	-	e	2,520,000	75,133	-	75,665	
ASGL	Bond	VMWARE	-	e	1,690,000	55,363	-	50,932	
ASGL	Bond	WESTERN DIGITAL	-	e	2,400,000	74,996	-	69,407	
ASGL	Bond	WESTERN MIDSTREAM OPERATING	-	e	2,300,000	70,667	-	66,937	
ASGL	Bond	WOODSIDE FINANCE	-	e	2,020,000	64,483	-	58,072	
ASGL	Bond	XP US EQUITY	-	e	1,620,000	46,849	-	44,714	
AIL	Fund	PRODIGY STRATEGY INVESTMENT XIV	-	a	3,530	147,110	-	147,110	
AIL	Stock	EONEX	-	d	31,733	-	2.70	-	
AIL	Stock	ISTAGING	-	d	988,889	9,047	2.15	9,047	
AIL	Stock	PTSN	-	d	260,977,800	98,484	4.91	98,484	
AIL	Fund	ASIA PACIFIC GENESIS C	-	b	-	-	9.00	-	
UEI	Fund	CAPITAL MONEY MARKET	-	a	3,345,699	54,819	-	54,819	

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

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION  
OR 20% OF THE PAID-IN CAPITAL  
YEAR ENDED DECEMBER 31, 2022

Table 3 (Amounts in thousands of New Taiwan dollars)

Company Name	Marketable Securities		Financial Statement Account (Note 1)	Counter-party	Nature of Relationship	Beginning Balance		Acquisition			Disposal			Ending Balance			
	Type	Name				Shares/Units	Amount	Shares/Units	Amount	(Note 2)	Shares/Units	Amount	Carrying Value	(Note 2)	Gains/Losses on Disposal	Shares/Units	Amount
ASUS	Fund	UNION MONEY MARKET	a	-	-	-	-	224,464,499	2,995,696	a	224,464,499	2,996,629	2,995,696	a	933	-	-
ASUS	Fund	SINOPAC TWD MONEY MARKET	a	-	-	-	-	73,627,552	1,034,283	a	73,627,552	1,034,696	1,034,283	a	413	-	-
ASUS	Stock	PORTWELL	e	POSIFLEX	-	29,493,170	1,563,796	14,746,585	825,000 237,522 134,128	a d h	-	-	132,719	e	-	44,239,755	2,627,727
ASGL	Fund	USD TERM LIQUIDITY (USD185A3)	a	-	-	952,519	2,778,557	-	304,155	c	952,519	2,996,758	3,071,000 11,712	a b	4,991	-	-
ASUTC	Fund	NOMURA TAIWAN MONEY MARKET	a	-	-	-	-	117,391,164	1,934,659	a	117,391,164	1,935,258	1,934,659	a	599	-	-
HCVC	Stock	UPI	e	-	-	3,753,937	331,888	-	44,471 164 224,678	d g f	751,000	441,012	65,021 22,507	a e	375,991	3,002,937	513,673

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

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

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

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

e. Investments accounted for under equity method.

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

b. Revaluation.

c. Recognized in effect of exchange rate changes.

d. Recognized in investment gains or losses under equity investment.

e. Recognized in cash dividends under equity investment.

f. Recognized in capital surplus under equity investment.

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

h. Recognized changes in equity under equity investment

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
YEAR ENDED DECEMBER 31, 2022

Table 4

(Amounts in thousands of New Taiwan dollars)

Company Name	Related Party	Nature of Relationship (Note 1)	Transaction Details			Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchases/ (Sales)	Amount	Percentage of Total Purchases/ (Sales) amount (%)	Payment Terms	Unit Price	Payment Terms	Ending Balance	
ASUS	ASUTC	b	(Sales)	( 22,288,251)	( 5.39)	OA 90	-	-	2,646,921	4.74
ASUS	ASGL	b	(Sales)	( 380,881,969)	( 92.18)	OA 180	-	-	46,272,331	82.88
ASUS	AAEON	b	(Sales)	( 1,362,974)	( 0.33)	Month-end 30 days	-	-	90,758	0.16
ASUS	UEI	b	(Sales)	( 469,563)	( 0.11)	OA 30	-	-	267,437	0.48
ASUS	ASKEY	b	Purchases	119,040	0.03	Month-end 60 days	-	-	( 25,523)	( 0.06)
ASUS	ASMEDIA	b	Purchases	464,035	0.13	Month-end 30 days	-	-	( 90,305)	( 0.20)
ASUS	WT	c	Purchases	2,280,081	0.64	Month-end 60 days	-	-	( 1,038,054)	( 2.34)
ASGL	ACCQ	b	(Sales)	( 12,158,693)	( 2.44)	OA 180	-	-	3,511,591	3.11
ASGL	ACI	b	(Sales)	( 76,017,240)	( 15.26)	OA 180	-	-	29,986,968	26.53
ASGL	ACSH	b	(Sales)	( 81,599,144)	( 16.38)	OA 180	-	-	21,299,747	18.84
ASGL	ACJP	b	(Sales)	( 7,435,451)	( 1.49)	OA 120	-	-	1,434,624	1.27
ASGL	ASIN	b	(Sales)	( 14,780,843)	( 2.97)	OA 180	-	-	7,673,164	6.79
ASGL	ACMH	b	(Sales)	( 3,693,840)	( 0.74)	OA 180	-	-	2,429,466	2.15
ASGL	ACNL	b	(Sales)	( 18,075,282)	( 3.63)	OA 180	-	-	5,606,040	4.96
ASGL	ACJK	b	(Sales)	( 15,764,977)	( 3.16)	OA 180	-	-	8,406,199	7.44
ASGL	ACG	b	(Sales)	( 463,063)	( 0.09)	OA 90	-	-	131,515	0.12
ASGL	ACBT	b	(Sales)	( 359,518)	( 0.07)	OA 180	-	-	335,155	0.30
ASGL	ACH	b	(Sales)	( 100,868)	( 0.02)	OA 90	-	-	33,294	0.03
ASMEDIA	WT	c	(Sales)	( 563,714)	( 10.71)	Month-end 30 days	-	-	27,418	3.28
ASKEY	ASKEYI	b	(Sales)	( 12,471,757)	( 40.77)	Month-end 90 days	-	-	1,540,550	24.69
ASKEY	SILIGENCE	b	(Sales)	( 244,687)	( 0.80)	Month-end 90 days	-	-	-	-
ASKEY	ASKEYJS	b	(Sales)	( 4,751,461)	NA (Note 2)	Month-end 90 days	-	-	934,657	14.98
ASKEY	ASKEYJS	b	Purchases	13,981,942	47.11	Month-end 90 days	Based on cost of finished goods plus related expenditure of related party	-	( 5,042,907)	( 62.71)
ASKEY	WT	c	Purchases	241,354	0.81	OA 120	-	-	( 40,300)	( 0.50)
ASKEYJS	WT	c	Purchases	214,462	1.93	OA 120	-	-	( 76,101)	( 2.73)
AAEON	AAEONEU	b	(Sales)	( 1,723,085)	( 29.00)	Net 60	-	-	340,909	39.28
AAEON	AAEONEI	b	(Sales)	( 1,468,511)	( 24.72)	Net 60	-	-	193,279	22.27
AAEON	AAEONSZ	b	(Sales)	( 291,742)	( 4.91)	Month-end 60 days	-	-	71,797	8.27
ONYX	ONYXHU	b	(Sales)	( 392,845)	( 29.55)	Month-end 90 days	-	-	88,426	36.88

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

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
DECEMBER 31, 2022

Table 5 (Amounts in thousands of New Taiwan dollars)

Company Name	Related Party	Nature of Relationship (Note)	Ending Balance	Turnover (Times)	Overdue		Amounts Received in Subsequent Period	Loss allowance
					Amount	Action Taken		
ASUS	ASUTC	b	2,646,921	8.73	-	-	2,014,763	-
ASUS	ASGL	b	46,272,331	6.92	-	-	43,138,974	-
ASUS	UEI	b	267,437	3.35	-	-	218,279	-
ASGL	ACCQ	b	3,511,591	5.82	-	-	3,003,173	-
ASGL	ACI	b	29,986,968	2.14	3,560,044	-	13,310,268	-
ASGL	ACSH	b	21,299,747	3.39	-	-	9,689,444	-
ASGL	ACJP	b	1,434,624	4.29	-	-	1,266,157	-
ASGL	ASIN	b	7,673,164	2.09	2,477,360	-	2,488,788	-
ASGL	ACMH	b	2,429,466	2.03	654,304	-	339,951	-
ASGL	ACNL	b	5,606,040	2.99	-	-	2,751,623	-
ASGL	ACJK	b	8,406,199	2.21	560,037	-	3,624,867	-
ASGL	ACG	b	131,515	2.87	-	-	120,387	-
ASGL	ACBT	b	335,155	1.40	-	-	140,885	-
ASGL	ACIN	b	105,197	0.15	-	-	68,352	-
ASKEY	ASKEYI	b	1,540,550	8.13	-	-	732,765	-
ASKEY	ASKEYJS	b	934,657	5.88	-	-	221,139	-
AAEON	AAEONEU	b	340,909	6.12	-	-	212,552	-
AAEON	AAEONEI	b	193,279	7.10	-	-	153,523	-
ASKEYJS	ASKEY	b	5,042,907	2.55	-	-	540,826	-

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
(ONLY TRANSACTIONS AMOUNTING TO AT LEAST NT\$100 MILLION ARE DISCLOSED)  
YEAR ENDED DECEMBER 31, 2022

Table 6-1

(Amounts in thousands of New Taiwan dollars)

No. (Note 1)	Company Name	Related Party	Nature of Relationship (Note 2)	Intercompany Transactions			Percentage of Consolidated Net Revenue or Total Assets (%)
				Financial Statements Account	Amount	Terms	
0	ASUS	ASUTC	a	Sales	22,288,250	OA 90	4.15
0	ASUS	ASGL	a	Sales	380,881,969	OA 180	70.90
0	ASUS	AAEON	a	Sales	1,362,975	Month-end 30 days	0.25
0	ASUS	UEI	a	Sales	469,563	OA 30	0.09
1	ASMEDIA	ASUS	b	Sales	464,035	Month-end 30 days	0.09
2	ASGL	ACCQ	c	Sales	12,158,693	OA 180	2.26
2	ASGL	ACI	c	Sales	76,017,240	OA 180	14.15
2	ASGL	ACSH	c	Sales	81,599,144	OA 180	15.19
2	ASGL	ACJP	c	Sales	7,435,451	OA 120	1.38
2	ASGL	ASIN	c	Sales	14,780,843	OA 180	2.75
2	ASGL	ACMH	c	Sales	3,693,840	OA 180	0.69
2	ASGL	ACNL	c	Sales	18,075,282	OA 180	3.36
2	ASGL	ACJK	c	Sales	15,764,977	OA 180	2.93
2	ASGL	ACBT	c	Sales	359,518	OA 180	0.07
2	ASGL	ACG	c	Sales	463,063	OA 90	0.09
2	ASGL	ACH	c	Sales	100,868	OA 90	0.02
3	ASKEY	ASUS	b	Sales	119,040	Month-end 60 days	0.02
3	ASKEY	ASKEYI	c	Sales	12,471,757	Month-end 90 days	2.32
3	ASKEY	SILIGENCE	c	Sales	244,687	Month-end 90 days	0.05
3	ASKEY	ASKEYJS	c	Sales	4,751,461	Month-end 90 days	0.88
4	ASKEYJS	ASKEY	c	Sales	13,981,942	Month-end 90 days	2.60
5	AAEON	AAEONEU	c	Sales	1,723,085	Net 60	0.32
5	AAEON	AAEONEI	c	Sales	1,468,511	Net 60	0.27
5	AAEON	AAEONSZ	c	Sales	291,742	Month-end 60 days	0.05
6	ONYX	ONYXHU	c	Sales	392,845	Month-end 90 days	0.07
7	ACH	ASGL	c	Service revenue	371,619	Pay on delivery	0.07
8	ACAE	ASGL	c	Service revenue	219,753	Pay on delivery	0.04
9	ACI	ASGL	c	Service revenue	842,502	Pay on delivery	0.16
10	ACCZS	ASGL	c	Service revenue	657,177	Pay on delivery	0.12
11	ACF	ASGL	c	Service revenue	387,241	Pay on delivery	0.07
12	ACG	ASGL	c	Service revenue	411,764	Pay on delivery	0.08
13	ACHK	ASGL	c	Service revenue	170,327	Pay on delivery	0.03
14	ACIN	ASGL	c	Service revenue	235,846	Pay on delivery	0.04
15	ACKR	ASGL	c	Service revenue	103,379	Pay on delivery	0.02
16	ACPL	ASGL	c	Service revenue	137,956	Pay on delivery	0.03
17	ACTH	ASGL	c	Service revenue	100,823	Pay on delivery	0.02
18	ACTR	ASGL	c	Service revenue	106,664	Pay on delivery	0.02
19	ACUK	ASGL	c	Service revenue	245,839	Pay on delivery	0.05
20	ACVN	ASGL	c	Service revenue	154,356	Pay on delivery	0.03
21	ACCQ	ASGL	c	Service revenue	131,197	Pay on delivery	0.02
22	ACSH	ASGL	c	Service revenue	175,647	Pay on delivery	0.03
23	ACSZ	ASGL	c	Service revenue	2,280,776	Pay on delivery	0.42
24	ACAU	ASGL	c	Service revenue	231,007	Pay on delivery	0.04
25	ACN	ASGL	c	Service revenue	312,578	Pay on delivery	0.06
26	ACIT	ACNL	c	Service revenue	223,503	Pay on delivery	0.04
27	ACIB	ACNL	c	Service revenue	391,484	Pay on delivery	0.07
28	ACS	ASGL	c	Service revenue	222,465	Pay on delivery	0.04

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
(ONLY TRANSACTIONS AMOUNTING TO AT LEAST NT\$100 MILLION ARE DISCLOSED)  
DECEMBER 31, 2022

Table 6-2 (Amounts in thousands of New Taiwan dollars)

No. (Note 1)	Company Name	Related Party	Nature of Relationship (Note 2)	Intercompany Transactions			Percentage of Consolidated Net Revenue or Total Assets (%)
				Financial Statements Account	Amount	Terms	
0	ASUS	ASUTC	a	Trade receivables	2,646,921	OA 90	0.45
0	ASUS	ASGL	a	Trade receivables	46,272,331	OA 180	7.93
0	ASUS	UEI	a	Trade receivables	267,437	OA 30	0.05
2	ASGL	ACCQ	c	Trade receivables	3,511,591	OA 180	0.60
2	ASGL	ACI	c	Trade receivables	29,986,968	OA 180	5.14
2	ASGL	ACSH	c	Trade receivables	21,299,747	OA 180	3.65
2	ASGL	ACJP	c	Trade receivables	1,434,624	OA 120	0.25
2	ASGL	ASIN	c	Trade receivables	7,673,164	OA 180	1.31
2	ASGL	ACMH	c	Trade receivables	2,429,466	OA 180	0.42
2	ASGL	ACNL	c	Trade receivables	5,606,040	OA 180	0.96
2	ASGL	ACJK	c	Trade receivables	8,406,199	OA 180	1.44
2	ASGL	ACBT	c	Trade receivables	335,155	OA 180	0.06
2	ASGL	ACG	c	Trade receivables	131,515	OA 90	0.02
2	ASGL	ACIN	c	Trade receivables	105,197	OA 150	0.02
3	ASKEY	ASKEYI	c	Trade receivables	1,540,550	Month-end 90 days	0.26
3	ASKEY	ASKEYJS	c	Trade receivables	934,657	Month-end 90 days	0.16
4	ASKEYJS	ASKEY	c	Trade receivables	5,042,907	Month-end 90 days	0.86
5	AAEON	AAEONEU	c	Trade receivables	340,909	Net 60	0.06
5	AAEON	AAEONEI	c	Trade receivables	193,279	Net 60	0.03
7	ACH	ASGL	c	Trade receivables	226,952	Pay on delivery	0.04
9	ACI	ASGL	c	Trade receivables	251,637	Pay on delivery	0.04
10	ACCZS	ASGL	c	Trade receivables	230,401	Pay on delivery	0.04
11	ACF	ASGL	c	Trade receivables	104,046	Pay on delivery	0.02
12	ACG	ASGL	c	Trade receivables	219,143	Pay on delivery	0.04
23	ACSZ	ASGL	c	Trade receivables	1,232,927	Pay on delivery	0.21
24	ACAU	ASGL	c	Trade receivables	201,365	Pay on delivery	0.03

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

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

Note 2 : Transactions are categorized as follows:

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE  
(EXCLUDING INFORMATION ON INVESTMENTS IN MAINLAND CHINA)  
YEAR ENDED DECEMBER 31, 2022

Table 7

(Amounts in thousands of New Taiwan dollars)

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2022			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership (%)	Carrying Value			
ASUS	ACI	U.S.A	Selling of 3C products in North America	13,320	13,320	50,000	100.00	1,182,489	248,145	248,145	Note 2
ASUS	ASUTC	Taiwan	Selling of 3C products in Taiwan	204,244	204,244	19,000,000	100.00	-	82,069	82,069	Note 1, 2 and 3
ASUS	ACH	Netherlands	Repairing of 3C products	155,336	155,336	10,800,000	100.00	352,182	12,041	12,041	Note 2
ASUS	AIL	Cayman Islands	Investing in 3C and computer peripheral business	3,281,057	3,281,057	89,730,042	100.00	41,895,604	2,764,522	2,764,522	Note 1 and 2
ASUS	DEEP	Taiwan	Researching, developing and selling of AI medical related software	45,030	45,030	674,908	21.74	35,645	( 21,719)	( 4,754)	Note 2
ASUS	ASGL	Singapore	Selling of 3C products	838,070	838,070	28,000,000	100.00	53,284,667	2,010,381	1,001,597	Note 2
ASUS	ASKEY	Taiwan	Designing, manufacturing, repairing and selling of communication products and computer peripheral spare parts	5,021,108	5,021,108	480,000,000	100.00	959,767	149,989	150,561	Note 2
ASUS	HCVC	Taiwan	Investing in computer peripherals business	1,100,000	1,100,000	114,500,000	100.00	3,353,870	684,509	684,509	Note 2
ASUS	HMI	Taiwan	Investing in computer peripherals business	680,000	680,000	68,000,000	100.00	1,587,867	200,799	200,799	Note 2
ASUS	QCI	Singapore	Servicing of information technology	25,290	25,290	830,001	100.00	49,208	1,196	1,196	Note 2
ASUS	ASUSCLOUD	Taiwan	Selling and consulting of internet service	736,678	596,678	37,645,558	96.53	85,261	( 81,881)	( 78,142)	Note 2
ASUS and ASUSCLOUD	ASUSLC	Taiwan	Selling of internet information service	9,000	5,000	900,000	90.00	532	1,601	612	Note 2
ASUS and HCVC	SHINYOPTICS	Taiwan	Researching, developing, manufacturing and selling virtual image optical engines and vehicle head-up displays	36,987	-	1,232,900	83.30	34,769	( 2,613)	( 2,216)	Note 2
ASUS	ATL	Taiwan	Researching, developing and authorizing of communication technology	120,000	-	12,000,000	100.00	30,051	( 89,949)	( 89,949)	Note 2
ASUS	AMV	Taiwan	Selling of metaverse services	20,000	-	2,000,000	100.00	19,723	( 277)	( 277)	Note 2
ASUS	UEI	Taiwan	Manufacturing and selling of automotive electronics and computer peripherals	66,354	66,354	21,300,000	100.00	186,437	( 29,840)	( 29,840)	Note 2
ASUS	GAIUS	Cayman Islands	Investing in electric motor tricycle industry	310,400	310,400	16,386,481	33.94	190,579	( 138,231)	( 47,588)	Note 2
ASUS	TWS	Taiwan	Servicing of AI computing	540,000	299,000	54,000,000	80.60	278,089	( 178,206)	( 163,299)	Note 2
ASUS	PORTWELL	Taiwan	Manufacturing and selling of computers and computer peripherals and servicing information software	2,325,000	1,500,000	44,239,755	45.00	2,627,727	713,395	237,522	Note 2
ASUS	LELTEKH	Cayman Islands	Researching, developing, selling of handheld ultrasound solutions	136,054	136,054	8,418,740	22.78	138,136	( 13,409)	( 3,054)	Note 2
ASUS	ASUSTOR	Taiwan	Researching, developing and selling of cloud computing service	93,933	-	6,046,350	40.31	115,285	54,125	-	Note 2
ASUS and HCVC	ACJK	Indonesia	Selling of 3C products in Indonesia	259,576	259,576	8,500	100.00	192,063	( 5,436)	( 5,436)	Note 2
ASUS and HCVC	IMOTION	Taiwan	Investing in AI and IPC peripherals business	330,000	270,000	33,000,000	30.00	95,365	( 108,459)	( 27,657)	Note 2
ASUS and HCVC	ACBT	Indonesia	Selling of 3C products in Indonesia	1,126,979	1,126,979	4,211,100	100.00	16,663	( 85,567)	( 85,567)	Note 2
ASUS and HCVC	SWI	Taiwan	Researching, developing, selling and consulting of information system software	72,146	72,146	5,469,750	51.00	83,048	13,731	7,003	Note 2
ASUS and HCVC	IUT	Taiwan	Researching, developing, manufacturing and selling of ink-jet print heads and ink-jet digital image output technology	177,743	177,743	11,323,682	69.25	134,323	14,505	10,045	Note 2
ASUS and HCVC	MEDUS	Taiwan	Servicing of information system technology	25,500	-	2,550,000	51.00	30,638	10,075	5,138	Note 2
ASUS · HCVC and HMI	ASMEDIA	Taiwan	Designing, researching, developing and manufacturing of high-speed analog circuit	342,673	342,673	31,775,315	45.94	7,088,716	2,617,361	925,863	Note 2
ASUS · HCVC and HMI	EMC	Taiwan	Designing, manufacturing and selling of computer peripheral spare parts	81,060	81,060	6,359,548	17.72	320,514	569,739	35,729	Note 2
ASUS · HCVC and HMI	AAEON	Taiwan	Manufacturing and selling of industrial computers and computer peripherals	3,357,568	3,357,568	60,474,000	40.53	5,299,781	1,074,460	314,727	Note 2
ASUS · HCVC and HMI	JPX	Taiwan	Designing and selling of computer peripheral spare parts	20,000	20,000	2,000,000	12.82	6,382	( 28,185)	( 2,040)	Note 2
ASUS and HCVC	UPI	Taiwan	Designing, researching, developing and selling of integrated circuits	427,761	452,526	23,138,905	29.39	3,718,290	1,159,080	298,194	Note 2
ASUS · HMI and AAEON	ONYX	Taiwan	Designing, manufacturing and selling of medical computers	245,386	146,376	18,313,405	55.06	753,191	202,963	10,535	Note 2 and 4
HMI	JOGEEK	Taiwan	Selling and repairing of information software and electronic information materials	30,000	30,000	3,000,000	100.00	25,077	249	-	Note 2
ASKEY	ASKEYI	U.S.A	Selling and servicing of communication products	307,607	307,607	10,000,000	100.00	112,359	84,467	-	Note 2
ASKEY	DIC	British Virgin Islands	Investing in communication business	271,695	271,695	8,160,172	100.00	85,181	( 26,140)	-	Note 2
ASKEY	MIC	British Virgin Islands	Investing in communication business	3,752,306	3,752,306	114,942,014	100.00	3,449,098	395,631	-	Note 2
ASKEY	ECOLAND	Taiwan	Planning and design integration of ecology, architecture and energy	21,840	21,840	780,000	33.91	-	( 714)	-	Note 2 and 3

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2022			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership (%)	Carrying Value			
ASKEY	ASKEYDT	Taiwan	Selling and servicing of communication products	30,000	30,000	3,000,000	100.00	30,186	87	-	Note 2
ASKEY	WONDA	Taiwan	Manufacturing and designing of wired and wireless communication, electronic parts products, etc.	65,344	65,344	9,242,232	100.00	50,491	1,565	-	Note 2
ASKEY	ASKEYUK	U.K.	Selling and servicing of communication products	37,740	37,740	1,000,000	100.00	30,674	(1,321)	-	Note 2
ASKEY and MIC	ASKEYBR	Brazil	Selling and servicing of communication products	31,805	28,667	3,700,000	100.00	6,823	214	-	Note 2
DIC	WISE	Hong Kong	Investing in communication business	41,505	37,410	1,600,000	100.00	12,952	203	-	Note 2
MIC	MAGICOM	Cayman Islands	Investing in communication business	2,795,531	2,519,710	91,030,000	100.00	3,531,427	388,943	-	Note 2
MIC	ASKEYCG	Germany	Selling and servicing of communication products	4,019	3,622	100,000	100.00	1,160	(801)	-	Note 2
MIC	ASKEYTH	Thailand	Selling and servicing of communication products	1,925	1,735	20,000	100.00	1,251	80	-	Note 2
MIC	ASKEYJP	Japan	Selling and servicing of communication products	1,444	1,301	500,000	100.00	-	63	-	Note 2 and 3
ASKEY and WISE	SILIGENCE	France	Selling and servicing of communication products	178,153	174,071	4,623,090	95.95	76,575	1,252	-	Note 2
AAEON	AAEONEI	U.S.A	Selling of industrial computers and computer peripherals	150,479	135,632	490,000	100.00	286,987	49,514	-	Note 2
AAEON	AAEONTCL	British Virgin Islands	Investing in industrial computers and interface cards business	270,466	243,780	8,807,097	100.00	225,621	(15,729)	-	Note 2
AAEON	AAEONEU	Netherlands	Selling of industrial computers and computer peripherals	3,272	3,132	-	100.00	63,351	34,144	-	Note 2
AAEON	AAEONI	Taiwan	Investing in industrial computers and computer peripherals business	150,000	150,000	15,000,000	100.00	128,905	9,526	-	Note 2
AAEON	LITEMAX	Taiwan	Selling of computer peripherals	70,218	70,218	5,015,050	11.97	116,696	210,228	-	Note 2
AAEON	IBASE	Taiwan	Manufacturing and selling of industrial motherboard	3,498,501	3,498,501	52,921,856	28.61	3,420,216	1,135,052	-	Note 2
AAEON	AAEONSG	Singapore	Selling of industrial computers and computer peripherals	13,346	11,936	465,840	100.00	64,147	4,214	-	Note 2
AAEONEU	AAEONG	Germany	Selling of industrial computers and computer peripherals	982	940	-	100.00	20,850	915	-	Note 2
ONYX	ONYXHU	U.S.A	Selling of medical computers and peripherals	61,420	55,360	200,000	100.00	77,251	(20,292)	-	Note 2
ONYX	ONYXHE	Netherlands	Marketing support and repairing of medical computers and peripherals	3,272	3,132	100,000	100.00	13,255	164	-	Note 2
ONYX	IHELPER	Taiwan	Researching, developing and selling of medical robots	16,560	16,560	1,656,000	46.00	7,705	323	-	Note 2
ONYX	WINMATE	Taiwan	Bidding and distribution of liquid crystal display application equipment and modules	568,585	552,783	10,244,000	13.99	606,637	452,430	-	Note 2
ASUSCLOUD	ASUSCLOUDSG	Singapore	Investing in internet service business	24,853	24,853	-	100.00	633	(1,283)	-	Note 2
ASUSCLOUD	ASUSCLOUDLB	Luxembourg	Providing maintenance and operating service for information hardware	18,065	18,065	-	100.00	3,263	174	-	Note 2
ASUSCLOUD	ASUSMAAS	Taiwan	Leasing parking lots	10,000	-	1,000,000	100.00	3,044	(6,956)	-	Note 2
ASMEDIA	WT	Taiwan	Agent sales of semiconductor and electronic components	6,624,000	6,624,000	171,000,000	19.35	10,733,470	7,631,123	-	Note 2
AIL	CHANNEL	British Virgin Islands	Investing in 3C business	922,313	831,313	30,033,000	100.00	41,941,372	2,763,611	-	Note 2
CHANNEL	ASTP	Singapore	Investing in 3C business	921,377	830,469	44,419,424	100.00	42,583,768	151,614	-	Note 2
CHANNEL and ASTP	ACEG	Egypt	Providing support for 3C products in Egypt	-	-	-	100.00	1,476	829	-	Note 2
CHANNEL and ASTP	ACAE	United Arab Emirates	Providing support and repair for 3C products in Middle East	90,381	81,463	107	100.00	109,691	144	-	Note 2
CHANNEL and ASTP	ASID	Indonesia	Repairing of 3C products in Asia-pacific and America	46,065	41,520	1,500,000	100.00	47,891	4,700	-	Note 2
CHANNEL , ASTP and ACNL	ACTH	Thailand	Providing support for 3C products in Thailand	14,507	13,076	20,000	100.00	30,884	4,215	-	Note 2
CHANNEL , ASTP and ACNL	ASTH	Thailand	Repairing of 3C products in Thailand	5,823	5,248	60,000	100.00	11,923	3,852	-	Note 2
ASTP	ACG	Germany	Selling and providing support for 3C products in Germany	2,909	2,622	-	100.00	190,860	14,511	-	Note 2
ASTP	ACF	France	Providing support for 3C products in France	1,531	1,380	5,300	100.00	75,464	10,266	-	Note 2
ASTP	ACUK	U.K.	Providing support for 3C products in United Kingdom	2,771	2,498	50,000	100.00	71,037	6,925	-	Note 2
ASTP	ACHK	Hong Kong	Providing support and repair for 3C products in Hong Kong	1,976	1,781	500,000	100.00	28,451	12,250	-	Note 2
ASTP	ACKR	South Korea	Providing support and repair for 3C products in South Korea	10,624	9,576	158,433	100.00	53,591	3,192	-	Note 2
ASTP	ACIN	India	Providing support and repair for 3C products in India	253,894	228,843	20,134,400	100.00	362,498	45,960	-	Note 2
ASTP	ACNL	Netherlands	Selling of 3C products	17,879	16,115	375,000	100.00	1,896,278	121,536	-	Note 2
ASTP	ACVN	Vietnam	Providing support and repair for 3C products in Vietnam	2,457	2,214	-	100.00	38,348	6,618	-	Note 2
ASTP	ACIB	Spain	Providing support for 3C products in Spain	67,972	17	3,000	100.00	208,861	82,466	-	Note 2
ASTP	ACJP	Japan	Selling of 3C products in Japan	75,167	67,750	20,500	100.00	447,351	72,108	-	Note 2
ASTP	ASAU	Australia	Repairing of 3C products in Australia	29,644	26,719	950,000	100.00	79,084	10,796	-	Note 2
ASTP	ACAU	Australia	Providing support for 3C products in Australia	11,081	9,987	350,000	100.00	66,078	6,762	-	Note 2
ASTP	ACIL	Israel	Providing support for 3C products in Israel	399	360	50,000	100.00	18,034	6,056	-	Note 2



Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2022			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership (%)	Carrying Value			
ASTP	ACCO	Colombia	Providing support for 3C products in Colombia	921	830	74,489	100.00	5,330	1,574	-	Note 2
ASTP	ACZA	South Africa	Providing support and repair for 3C products in Africa	2	2	1,000	100.00	9,084	1,437	-	Note 2
ASTP	ACMY	Malaysia	Providing support and repair for 3C products in Malaysia	3,589	3,235	500,000	100.00	25,004	3,103	-	Note 2
ASTP	ACCL	Chile	Providing support for 3C products in Chile	53	48	1,000	100.00	5,642	1,704	-	Note 2
ASTP	ASPH	Philippines	Providing support and repair for 3C products in Philippines	6,480	5,545	1,119,998	100.00	9,274	881	-	Note 2
ASTP	APVN	Vietnam	Leasing and trading real estate	460,650	415,200	-	100.00	454,241	9,219	-	Note 2
ASTP and ACNL	A25	Russia	Selling of 3C products in Russia	4	4	-	100.00	20,360	14,109	-	Note 2
ASTP and ACNL	ACPE	Peru	Providing support for 3C products in Peru	38,841	35,030	4,195,740	100.00	36,447	1,733	-	Note 2
ASTP and ACNL	ACMH	Mexico	Selling of 3C products in Mexico	116,872	105,396	51,250	100.00	284,382	( 23,203)	-	Note 2
ASTP and ACNL	ACBZ	Brazil	Selling of 3C products in Brazil	6,053,264	5,456,036	549,469,000	100.00	3,910,934	281,502	-	Note 2
ASTP and ACNL	ASIN	India	Selling of 3C products in India	208,137	187,601	33,500,000	100.00	262,437	( 313,101)	-	Note 2
ACNL	ACHU	Hungary	Providing support for 3C products in Hungary	1,636	1,566	-	100.00	12,211	1,828	-	Note 2
ACNL	ACPT	Portugal	Providing support for 3C products in Portugal	982	940	30,000	100.00	16,913	1,684	-	Note 2
ACNL	ACCH	Switzerland	Providing support for 3C products in Switzerland	7,478	7,157	3,400	100.00	17,013	2,646	-	Note 2
ACNL	ACN	Sweden	Providing support for 3C products in North Europe	1,043	998	3,000	100.00	59,719	11,844	-	Note 2
ACNL	ACTR	Turkey	Providing support and repair for 3C products in Turkey	147,862	127,382	50,741	100.00	135,864	12,807	-	Note 2
ACNL	ACPL	Poland	Providing support for 3C products in Poland	47,632	45,592	1,000	100.00	61,418	4,999	-	Note 2
ACNL	ACIT	Italy	Providing support for 3C products in Italy	1,571	1,503	-	100.00	23,653	7,246	-	Note 2
ACNL	ACCZ	Czech Republic	Providing support for 3C products in Czech Republic	256	245	-	100.00	28,253	4,194	-	Note 2
ACNL	ACCZS	Czech Republic	Repairing of 3C products in Europe	120,959	6,560	-	100.00	277,319	18,644	-	Note 2
ACNL	QCS	Sweden	Servicing of information technology	153	146	500	100.00	614	44,677	-	Note 2
ACNL	ACUKR	Ukraine	Providing support for 3C products in Ukraine	9,607	9,196	-	100.00	10,852	2,264	-	Note 2

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

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

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

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES  
INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
YEAR ENDED DECEMBER 31, 2022

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

Investee Company	Main Businesses	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Beginning Balance of Accumulated Outflow of Investment from Taiwan	Investment Flows		Ending Balance Accumulated Outflow of Investment from Taiwan	Net Income (Loss) of the Investee Company	Percentage of Ownership (%)	Investment Income (Loss) Recognized in Current Period (Note 2 a and b)	Carrying Amount as of December 31, 2022 (Note 2 a and b)	Ending Balance of Accumulated Inward Remittance of Earnings	Note (Note 1 b)
					Outflow	Inflow							
ACSH	Selling of 3C products in China	1,477,151	b	1,477,151	-	-	1,477,151	205,490	100.00	205,490	-	-	ASTP Invested (Note 3)
ACS	Repairing of 3C products	61,420	b	61,420	-	-	61,420	6,245	100.00	6,245	86,690	-	ASTP Invested
ACSZ	Researching and developing of 3C products	1,504,790	b	1,504,790	-	-	1,504,790	166,949	100.00	166,949	1,996,899	-	ASTP Invested
ACCQ	Selling of 3C products in China	2,118,990	b	2,118,990	-	-	2,118,990	1,719,956	100.00	1,719,956	4,652,013	-	ASTP Invested
ACISZ	Leasing real estate	1,087,715	c	-	-	-	( 3,648)	100.00	( 3,648)	982,807	-	-	-
ASKEYSH	Researching, developing and selling of communication products	92,130	b	92,130	-	-	92,130	1,241	100.00	1,241	-	-	MIC Invested (Note 3)
ASKEYJS	Manufacturing and selling of communication products	2,763,900	b	2,763,900	-	-	2,763,900	276,071	100.00	276,071	3,493,196	-	MAGICOM Invested
AAEONSZ	Manufacturing and selling of industrial computers and interface cards	266,878	b	266,878	-	-	266,878	( 15,878)	100.00	( 15,878)	237,811	-	AAEONTCL Invested
ONYXSH	Selling of medical computers and peripherals	67,562	a	67,562	-	-	67,562	( 1,895)	100.00	( 1,895)	5,822	-	-
EMES	Selling and consulting of information system software	9,213	a	9,213	-	-	9,213	1,653	100.00	1,653	24,452	-	-
JSCD	Participating and promoting of professional eSports	673,900	a	673,900	-	-	673,900	( 73,601)	100.00	( 73,601)	242,277	-	-
JRCD	Participating and promoting of professional eSports	4,407	c	-	-	-	( 2,258)	100.00	( 2,258)	2,157	-	-	-
EOSTEK SHENZHEN	Smart TV and projector platform service	214,970	c	55,032	-	-	55,032	-	14.94	-	-	-	-

Company Name	Ending Balance of Accumulated Investment in Mainland China	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
ASUS	6,470,671 USD 210,702	6,667,215 USD 217,102	136,133,299
ASKEY	3,252,870 USD 105,922	3,252,870 USD 105,922	(Note 4)
AAEON	266,878 USD 8,690	266,878 USD 8,690	5,617,739
SWI	9,213 USD 300	10,441 USD 340	97,703
ONYX	67,562 USD 2,200	67,562 USD 2,200	840,533

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

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

Note 2 : The investment income (loss) recognized in current period:

Please specify no investment income (loss) has been recognized due to the investment is still during development stage.

The investment income (loss) were determined based on the following basis:

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

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

Note 4 : In accordance with the "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China", there is no upper limit on investment.

# ASUSTeK Computer Inc.

Chairman

*Jonney Shih*





## IN SEARCH OF INCREDIBLE

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