



Stock Code: 6277

ATEN International Co., LTD.

**Handbook for the 2022 Annual Meeting of
Shareholders**

【Translation】

Meeting Date: June 17, 2022

Venue: 4F., No.125, Sec. 2, Datong Rd. Sijhih District., New
Taipei City, Taiwan

Meeting Type: Physical Shareholders' Meeting

(This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)



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ATEN International Co., LTD.

Procedure for the 2022 Annual Meeting of Shareholders

1. Call the Meeting to Order
2. Chairman Remarks
3. Report Items
4. Adoption Matters
5. Discussion
6. Questions and Motions
7. Adjournment



ATEN International Co., LTD.
Year 2022
Agenda of Annual Meeting of Shareholders

Time: June 17, 2022 (Friday) at 9 a.m.

Place: ATEN Headquarter Museum (4F., No.125, Sec. 2, Datong Rd. Sijhih District., New Taipei City, Taiwan)

1. Report Items

- (1).2021 Business Report
- (2).2021 Audit Committee's Review Report
- (3).2021 Employees' Compensation and Directors' Remuneration Report
- (4).2021 Distribution of Cash Dividends from Profits Report

2. Adoption Matters

- (1).Adoption of the Fiscal 2021 Business Report and Financial Statements
- (2).Adoption of the Proposal for Distribution of 2021 Profits

3. Discussion

- (1).Amendments to Articles of Incorporation
- (2).Amendments to Procedures of Acquisition or Disposal of Assets

4. Questions and Motions

5. Adjournment

Report Items

Item No. 1

2021 Business Reports

Explanation:

The 2021 Business Report is attached as page 5-7

ATEN International Co., LTD.

2021 Business Report

Although in 2021 business enterprises throughout the world faced numerous challenges, such as supply chain disruption, rising transportation costs, congested ports, and the continuing impact of the COVID-19 pandemic, ATEN still managed to achieve impressive performance, thanks to a solid management strategy. In the vertically-integrated markets that ATEN has been focusing on - including smart manufacturing, government, education, and healthcare - the company has already seen a steady improvement in sales performance, and, as a result, ATEN posted consolidated net sales revenue of NT\$5,164 million, representing year-on-year growth of 7%, and a consolidated gross profit margin of 58.3%. Consolidated earnings after tax came to NT\$644 million, representing after-tax earnings per share (EPS) of NT\$5.33.

With regard to product development, in the Professional Video and Audio Products segment, ATEN has responded to the dramatic growth in demand for hybrid office working by introducing contactless meeting solutions, live-streaming educational solutions and hybrid work-space solutions to meet the needs of different scenarios. We have also integrated our audio technology to provide an optimal audiovisual experience for remote collaborative working, overcoming the constraints of distance. In the IT Infrastructure Access Management segment, we provide remote control & monitoring (RCM) solutions, vertically integrating our smart manufacturing service model and architecture (which benefits from economies of scale) with the advantages provided by our ability to realize horizontal collaboration across product lines, to build a comprehensive smart manufacturing ecosystem that can help our customers in the manufacturing sector to implement a digital transformation. Our new-generation remote computer management solutions use open architecture to meet the needs of network extension, 4K video and high-speed performance, realizing safe, highly efficient management and control of both virtual and physical IT infrastructure. In the Green Energy Management Solutions and Rack Products segment, ATEN has positioned smart power distribution units (PDUs) as our main product category. With latching relay, USB interface and LCD monitoring unit hot-swap functionality, these products offer enhanced power management efficiency and convenience. ATEN is aggressively developing sales of wall-mounted and soundproof rack products, optimized for small spaces, to achieve both efficient equipment storage and effective use of space. In the Consumer Products segment, ATEN has launched a wide range of portable docking stations, to meet the needs of mobile workers. Responding to the emergence of new lifestyles that emphasize agility and remote operation, as well as to the growing demand for live streaming, ATEN provides professional creative solutions that are innovative, intuitive and easy to use, enabling users to easily create outstanding audiovisual works.

As regards our sales strategy, ATEN utilizes multiple sales channels. Besides continuing to strengthen sales through e-commerce channels, we have also been responding to the current trend toward virtual trade shows. Between May 31 and June 30, 2021, ATEN took part in the COMPUTEX 2021 Virtual exhibition (also known as the Taipei International Information Technology Show, COMPUTEX is one of the world's best-known computer and technology trade shows). In the 5G communications and network products segment, ATEN offered customers outstanding product solutions for a wide range of applications, including control rooms, collaborative working spaces, remote management, data centers, small office / home office (SOHO), gaming peripherals and green energy. Over the course of the month, ATEN's virtual booth received more than 18,000 visitors, putting ATEN among COMPUTEX 2021 Virtual's top ten companies in

terms of the number of visitors. On December 28 - 30, 2021, ATEN attended the SEMICON Taiwan 2021 international semiconductor exhibition, which is a major annual event in the semiconductor industry. During this exhibition, ATEN showcased a range of smart manufacturing and Internet of Things (IoT) solutions, including robotic process automation (RPA) solutions, RCM solutions, optical character recognition (OCR) solutions, and multi-view mode monitoring solutions for production lines, etc. ATEN's booth enabled customers to see for themselves how hi-tech manufacturers that are seeking to realize a digital transformation can use digital twin technology to enhance production line capacity. With regard to market development and sales strategy, ATEN is working to strengthen the closeness of collaboration with strategic partners, and provides application scenario-based education and training materials to effectively bring across the corporate value that we provide. We are striving to improve market penetration in key industries and increase our ability to guide how the market develops. By promoting the packaged sale of high-end KVM products, professional video and audio products, energy management and rack products, we are driving the expansion of sales in the data center and central control room market, and increasing the scale of projects. We are also responding to the new forms taken by business transactions in the "New Normal," by building up solid, diversified sales channels and enhancing the effectiveness of our sales efforts. Last year, ATEN won the COMPUTEX 2021 Best Choice Award, the Best of Show Award Grand Prize and Special Prize at Japan's Interop 2021, Japan's Good Design Award, and the Taiwan Excellence award, in a tribute to ATEN's commitment to innovation and strong innovation capabilities. As regards production strategy, our new production facility in Thailand that was established in 2020 is gradually ramping up its operations, and going forward we will be integrating the production technology and resources of our factories in Yangmei (Taiwan), China and Thailand to improve efficiency through more dynamic, flexible production scheduling, optimize our product mix and adjust production capacity as necessary, in order to enhance value-added in manufacturing and operations.

In terms of sustainable development, ATEN placed fifth in the Medium-sized Enterprises section of CommonWealth magazine's Corporate Citizenship Award, marking the 13th time that ATEN has won this award, which represents valued external recognition of ATEN's CSR and ESG efforts. ATEN has for many years now emphasized social participation. We established the ATEN Volunteer Club to encourage ATEN employees to get involved in activities that embody concern for society, and ATEN was honored in the 15th National Cultural Benefactor Awards organized by Taiwan's Ministry of Culture. ATEN has demonstrated longstanding concern for the physical and mental wellbeing of our employees. We encourage employees to achieve personal growth and undertake lifelong learning, and we have made a real effort to create a high-quality, employee-friendly workplace. In 2021, ATEN was once again honored as one of the Best Companies to Work for in Asia, and we also received Exercise Enterprise certification from the Sports Administration, Ministry of Education. In the future, ATEN will maintain its commitment to the principles of sustainable corporate development and of realizing a mutually-beneficial relationship with stakeholders. While developing its core business areas to achieve outstanding operational performance, ATEN will also continue to fulfill its responsibilities to society, so as to bring about the ongoing extension of this "virtuous cycle," and to help build a better future.

In 2021, ATEN was included in the Best Taiwan Global Brands for the fourth consecutive year. We have been marketing our products under the ATEN brand all over the world for more than 40 years, continuing to impress customers with the brand value of Simply Better Connections, and our inclusion in the Best Taiwan Global Brands represents ongoing recognition of ATEN's commitment to developing global markets and building an international brand. Going forward, ATEN will

continue our efforts to not only enhance profitability but also contribute toward the realization of the United Nations' 17 Sustainable Development Goals (SDGs), working together with other business enterprises throughout the world to help achieve sustainable development for the global village.

ATEN International Co., LTD.

Chairman : Sun-Chung Chen

President : Sun-Chung Chen

Chief Accountant : Jian-Nan Chen

Item No. 2**Audit Committee's Review Report on the 2021 Financial Statements****Explanation:**

- (1). The 2021 Financial Statements were audited by CPA and approved by the Audit Committee.
- (2). The 2021 Audit Committee's Review Report is attached as page 9.
- (3). CPA Audit Report is attached as page 10-17.

ATEN International Co., LTD.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2021 Business Report, Financial Statements, and Earnings Distribution Proposal. ATEN International Financial Statements have been audited and certified by Po-Shu Huang, CPA, and Chung-Shun Wu, CPA, of KPMG and an audit report relating to the Financial Statements has been issued. The Business Report, Financial Statements and Earnings Distribution Proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of ATEN International. According to Article 14-4 of Securities and Exchange Act and Article 219 of the Company act, we hereby submit this report.

The 2022 General Shareholders Meeting of ATEN International Co., LTD.

ATEN International Co., LTD.

Chairman of the Audit Committee : Wei-Jen Chu

March 3, 2022

Independent Auditors' Report

To the Board of Directors of ATEN INTERNATIONAL CO., LTD.:

Opinion

We have audited the parent company only financial statements of ATEN INTERNATIONAL CO., LTD. ("the Company"), which comprise the balance sheet as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended 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 the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 parent company only financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Please refer to notes 4(n) and 6(p) for disclosure related to revenue recognition.

Description of key audit matter:

Revenue is the key indicator used by investors and management while evaluating the Company's financial or operating performance. The accuracy of the timing and amount of revenue recognized has significant impact on the financial statements, for which assumptions and judgment of revenue recognition relying on subjective judgment of management. Hence, we consider it as a key audit matter.

How the matter was addressed in our audit:

The key audit procedures performed included testing the effectiveness of the design and implementing the internal control (both manual and system control) of sales and collecting cycle; reviewing significant sales contracts to determine whether the key judgments and assumptions of revenue recognition are reasonable; analyzing the changes in top 10 customers from the most recent period and last year, and the changes in the price and quantity of each category of product line to determine whether if there are any significant misstatements; selecting sales transactions from a period of time before and after the balance sheet date, and verifying them with the vouchers to determine the accuracy of the timing and amounts of revenue recognized; understanding whether if there is a significant subsequent sales return or discount; and reviewing whether the disclosure of revenue made by the management is appropriate.

2. Inventory measurement

Please refer to notes 4(g), 5, and 6(e) for disclosure related to inventory measurement.

Description of key audit matter:

The inventory is measured at the lower of cost and net realizable value. Due to the update of technology, the inventory might be out of date or no longer meets the requirement of the market, which may result in a decline on the price of the product resulting in the cost of the inventory to be higher than the net realizable value. The measurement of inventory depends on the evaluation of the management based on several evidences. Therefore, we consider it as a key audit matter.

How the matter was addressed in our audit:

The key audit procedures performed is to understand the management's accounting policy of inventory measurement and determine whether it is reasonable and is being implement. The procedures include inspecting the method of inventory valuation assumption is consistently and evaluating whether the assumption is needed to be adjusted due to the operating and economic condition change. Obtaining the inventory valuation table, understanding the net realizable values by management and the variation of the prices, in the period after the reporting date, to ensure the appropriateness of the valuation price. Reviewing the reason and verifying the accuracy on past three years and current year's allowance of inventory. Assessing whether the disclosure of provision for inventory valuation is appropriate.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including Audit Committee or the supervisors) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only 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 investment in other entities accounted for using the equity method to express an opinion on the 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 parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Po-Shu Huang and Chung-Shun Wu.

KPMG

Taipei, Taiwan (Republic of China)
March 8, 2022

Notes to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

Independent Auditors' Report

To the Board of Directors of ATEN INTERNATIONAL CO., LTD.:

Opinion

We have audited the consolidated financial statements of ATEN INTERNATIONAL CO., LTD. and its subsidiaries, which comprise the consolidated balance sheet as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of ATEN INTERNATIONAL CO., LTD. and its subsidiaries as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of ATEN INTERNATIONAL CO., LTD. and its subsidiaries in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year end December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Please refer to notes 4(o) and 6(r) for disclosure related to revenue recognition.

Description of key audit matter:

Revenue is the key indicator used by investors and management while evaluating ATEN INTERNATIONAL CO., LTD. and its subsidiaries' financial or operating performance. The accuracy of the timing and amount of revenue recognized have significant impact on the financial statements, for which the assumptions and judgments of revenue recognition rely on subjective judgment of the management. Hence, we consider it as the key audit matter.

How the matter was addressed in our audit:

The key audit procedures performed included testing the effectiveness of the design and implementing the internal control (both manual and system control) of sales and collecting cycle; reviewing significant sales contract to determine whether the key judgments and assumptions of revenue recognition are reasonable; analyzing the changes in top 10 customers from the most recent period and last year, and the changes in the price and quantity of each category of product line to determine whether if there are any significant misstatements; selecting sales transactions from a period of time before and after the balance sheet date, and verifying them with the vouchers to determine the accuracy of the timing and amounts of revenue recognized; understanding whether if there is a significant subsequent sales return or discount; and reviewing whether the disclosure of revenue made by the management is appropriate.

2. Inventory measurement

Please refer to notes 4(h), 5, and 6(f) for disclosure related to inventory measurement.

Description of key audit matter:

The inventory is measured at the lower of cost and net realizable value. Due to the update of technology, the inventory might be out of date or no longer meets the requirement of the market, which may result in a decline on the price of the product resulting in the cost of the inventory to be higher than the net realizable value. The measurement of inventory depends on the evaluation of the management based on several evidences. Therefore, we consider it as a key audit matter.

How the matter was addressed in our audit:

The key audit procedures performed is to understand the management's accounting policy of inventory measurement and determine whether it is reasonable and is being implement. The procedures include inspecting the method of inventory valuation assumption is consistently and evaluating whether the assumption is needed to be adjusted due to the operating and economic condition change. Obtaining the inventory valuation table, understanding the net realizable values by management and the variation of the prices, in the period after the reporting date, to ensure the appropriateness of the valuation price. Reviewing the reason and verifying the accuracy on past three years and current year's allowance of inventory. Assessing whether the disclosure of provision for inventory valuation is appropriate.

Other Matter

ATEN INTERNATIONAL CO., LTD. has prepared its parent company only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unmodified opinion.

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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 ATEN INTERNATIONAL CO., LTD. and its subsidiaries' 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 ATEN INTERNATIONAL CO., LTD. and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including Audit Committee or the supervisors) are responsible for overseeing ATEN INTERNATIONAL CO., LTD. and its subsidiaries' financial reporting process.

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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ATEN INTERNATIONAL CO., LTD. and its subsidiaries' 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 ATEN INTERNATIONAL CO., LTD. and its subsidiaries' 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 ATEN INTERNATIONAL CO., LTD. and its subsidiaries 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 group 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 auditor's 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 report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement audit partners issuing this independent auditors' report are Po-Shu Huang and Chung-shun Wu.

KPMG

Taipei, Taiwan (Republic of China)

March 8, 2022

Notes to Readers

The accompanying consolidated financial statements are intended only to present the Consolidated financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

Item No. 3**2021 Employees' Compensation and Directors' Remuneration Report****Explanation:**

- (1). According to Article 24 of the Article of Incorporation, the Company's net income before tax before deducting remuneration to employees and directors and after making up for aggregated losses should be applied to pay remuneration to employees for an amount of 10-16% of the balance, and to directors for an amount not more than 2% of the balance.
- (2). Board of directors resolved to approve 2021 employees' compensation totaling NT\$ 129,874,405 and directors' remuneration totaling NT\$ 11,544,392. The amount is both distributed in cash.

Item No. 4**Distribution of Cash Dividends from Profits in 2021****Explanation:**

According to Article 23 of the Article of Incorporation, the Board of Directors is authorized to approve quarterly cash dividends after the close of each quarter. The amounts and payment dates of 2021 quarterly cash dividends approved by the Board of Directors are demonstrated in the table below:

2021	Approval Date (month/date/year)	Payment Date (month/date/year)	Cash Dividends Per Share (NT\$)	Total Amount (NT\$)
First Quarter	2021/05/05		0.0	0
Second Quarter	2021/08/06	2021/12/03	2.3	274,783,682
Third Quarter	2021/11/05		0.0	0
Fourth Quarter	2022/03/08		2.9	346,466,381
Total			5.2	621,250,063

Adoption Matters

1.

Proposed by the Board

Proposal:

Adoption of the 2021 Business Report and Financial Statements

Explanation:

- (1). The Company's Financial Statements, including the balance sheet, statement of comprehensive income, statement of changes in equity, and statement of cash flows, were audited by independent auditors, Po-Shu Huang and Chung-Shun Wu of KPMG Firm. Also Business Report and Financial Statements have been approved by the Board on March 8, 2022.
- (2). The 2021 Business Report, independent auditors' audit report, and Financial Statements are attached as page 5-7, page 10-17 and page 21-28, respectively.

Resolution:

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)
ATEN INTERNATIONAL CO., LTD.

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020				December 31, 2021		December 31, 2020	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
11xx	Current assets:					21xx	Current liabilities:				
1100	Cash and cash equivalents (note 6(a))	\$ 936,655	15	271,844	4	2100	Short-term borrowings (note 6(i))	\$ 91,543	2	233,247	4
1110	Financial assets at fair value through profit or loss—current (note 6(b))	483,863	8	1,800,135	28	2120	Financial liabilities at fair value through profit or loss—current (note 6(b))	398	-	7,034	-
1120	Financial assets at fair value through other comprehensive income—current (note 6(c))	6,941	-	5,116	-	2150	Notes payable	67	-	233	-
1170	Accounts receivable, net (note 6(d))	175,990	3	159,346	3	2170	Accounts payable	197,548	3	160,999	3
1180	Accounts receivable—related parties, net (notes 6(d) and 7)	503,602	8	508,890	8	2180	Accounts payable—related parties (note 7)	129,775	2	76,419	1
130x	Inventories (note 6(e))	500,601	8	433,993	7	2200	Other payables (notes 6(l) and (q))	372,927	6	421,857	7
1410	Prepayments	22,304	-	8,528	-	2220	Other payables—related parties (note 7)	198,216	3	201,147	3
1470	Other current assets	20,771	-	21,423	-	2230	Current tax liabilities	230,444	4	180,235	3
	Total current assets	2,650,727	42	3,209,275	50	2250	Provisions—current (note 6(j))	25,680	-	25,277	-
15xx	Non-current assets:					2280	Current lease liabilities (note 6(k))	2,677	-	1,933	-
1517	Financial assets at fair value through other comprehensive income—non-current (note 6(c))	21,617	-	24,780	-	2399	Other current liabilities	11,626	-	9,899	-
1550	Investments accounted for under equity method (note 6(f))	1,365,140	22	1,206,565	19		Total current liabilities	1,260,901	20	1,318,280	21
1600	Property, plant and equipment (notes 6(g) and 7)	1,992,647	32	1,683,422	27	25xx	Non-Current liabilities:				
1755	Right-of-use assets (note 6(h))	5,624	-	5,202	-	2560	Non-current tax liabilities	89,550	2	52,212	1
1840	Deferred income tax assets (note 6(m))	118,896	2	143,575	2	2570	Deferred income tax liabilities (note 6(m))	126,024	2	120,756	2
1920	Refundable deposits	917	-	448	-	2580	Non-current lease liabilities (note 6(k))	2,709	-	3,349	-
1980	Other financial assets—non-current (notes 8 and 9)	105,546	2	106,511	2	2640	Net defined benefit liabilities—non-current (note 6(l))	87,918	1	91,589	1
	Total non-current assets	3,610,387	58	3,170,503	50	2645	Deposits received	730	-	1,115	-
						2670	Other non-current liabilities	11,012	-	5,243	-
							Total non-current liabilities	317,943	5	274,264	4
						2xxx	Total liabilities	1,578,844	25	1,592,544	25
							Equity (note 6(n)):				
						3110	Common stock	1,194,711	19	1,194,711	19
						3200	Capital surplus:				
						3210	Additional paid-in capital	316,913	5	316,913	5
						3250	Donated assets received	50	-	50	-
								316,963	5	316,963	5
						3300	Retained earnings:				
						3310	Legal reserve	1,493,727	24	1,465,181	23
						3320	Special reserve	189,465	3	145,188	2
						3350	Unappropriated retained earnings	1,716,314	27	1,789,407	28
								3,399,506	54	3,399,776	53
						3400	Other equity interest:				
						3410	Financial statements translation differences for foreign operations	(211,146)	(3)	(107,158)	(2)
						3420	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(17,764)	-	(17,058)	-
								(228,910)	(3)	(124,216)	(2)
						3xxx	Total equity	4,682,270	75	4,787,234	75
1xxx	Total assets	\$ 6,261,114	100	6,379,778	100	2-3xxx	Total liabilities and equity	\$ 6,261,114	100	6,379,778	100

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)
ATEN INTERNATIONAL CO., LTD.
Statements of Comprehensive Income
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2021		2020	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (notes 6(p) and 7)	\$ 3,366,103	100	3,277,611	100
5000	Operating costs (notes 6(e), (g), (h), (j), (k), (l), (q) and 7)	<u>1,575,830</u>	<u>47</u>	<u>1,553,652</u>	<u>47</u>
5900	Gross profit from operations	1,790,273	53	1,723,959	53
5920	Add: Realized profit (loss) from sales	<u>50,929</u>	<u>2</u>	<u>789</u>	<u>-</u>
5900	Gross profit	<u>1,841,202</u>	<u>55</u>	<u>1,724,748</u>	<u>53</u>
6000	Operating expenses (notes 6(g), (h), (k), (l), (q) and 7):				
6100	Selling expenses	366,775	11	396,505	12
6200	Administrative expenses	293,852	9	313,672	10
6300	Research and development expenses	<u>498,696</u>	<u>15</u>	<u>493,496</u>	<u>15</u>
	Total operating expenses	<u>1,159,323</u>	<u>35</u>	<u>1,203,673</u>	<u>37</u>
6900	Operating profit	<u>681,879</u>	<u>20</u>	<u>521,075</u>	<u>16</u>
7000	Non-operating income and expenses (notes 6(f), (k), (r) and 7):				
7100	Interest income	896	-	1,192	-
7010	Other income	49,490	1	48,173	1
7020	Other gains and losses	(10,330)	-	1,060,825	32
7050	Finance costs	(2,433)	-	(4,320)	-
7375	Share of profit (loss) of subsidiaries and associates accounted for under equity method	<u>101,112</u>	<u>3</u>	<u>(14,510)</u>	<u>-</u>
	Total non-operating income and expenses	<u>138,735</u>	<u>4</u>	<u>1,091,360</u>	<u>33</u>
7900	Profit from continuing operations before tax	820,614	24	1,612,435	49
7950	Less: Income tax expenses (note 6(m))	<u>183,301</u>	<u>5</u>	<u>113,167</u>	<u>3</u>
	Net income	<u>637,313</u>	<u>19</u>	<u>1,499,268</u>	<u>46</u>
8300	Other comprehensive income (notes 6(f), (m) and (n)):				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	(5,298)	-	2,432	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(1,338)	-	(259)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>(1,699)</u>	<u>-</u>	<u>461</u>	<u>-</u>
	Components of other comprehensive income that will not be reclassified to profit or loss	<u>(4,937)</u>	<u>-</u>	<u>1,712</u>	<u>-</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(103,988)	(3)	3,120	-
8380	Share of other comprehensive income of subsidiaries and associates accounted for using equity method	(155)	-	131	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss	<u>(104,143)</u>	<u>(3)</u>	<u>3,251</u>	<u>-</u>
8300	Other comprehensive income	<u>(109,080)</u>	<u>(3)</u>	<u>4,963</u>	<u>-</u>
8500	Total comprehensive income	<u><u>\$ 528,233</u></u>	<u><u>16</u></u>	<u><u>1,504,231</u></u>	<u><u>46</u></u>
9750	Basic earnings per share (in New Taiwan dollars) (note 6(o))	<u><u>\$ 5.33</u></u>		<u><u>12.55</u></u>	
9850	Diluted earnings per share (in New Taiwan dollars) (note 6(o))	<u><u>\$ 5.25</u></u>		<u><u>12.30</u></u>	

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

ATEN INTERNATIONAL CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		Total other equity interest									
		Share capital		Retained earnings				Financial statements translation	Unrealized gain (loss) on financial assets measured at fair value		
		Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	differences for foreign operations	through other comprehensive income	Total	Total equity
Balance at January 1, 2020	A1	\$ 1,194,711	345,634	1,271,617	107,295	1,454,776	2,833,688	(110,346)	(16,799)	(127,145)	4,246,888
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	B1	-	-	193,564	-	(193,564)	-	-	-	-	-
Special reserve appropriated	B3	-	-	-	37,893	(37,893)	-	-	-	-	-
Cash dividends of ordinary share	B5	-	-	-	-	(931,875)	(931,875)	-	-	-	(931,875)
Changes in equity of associates accounted for using equity method	C7	-	885	-	-	-	-	-	-	-	885
Net income	D1	-	-	-	-	1,499,268	1,499,268	-	-	-	1,499,268
Other comprehensive income	D3	-	-	-	-	2,034	2,034	3,188	(259)	2,929	4,963
Total comprehensive income	D5	-	-	-	-	1,501,302	1,501,302	3,188	(259)	2,929	1,504,231
Disposal of investments accounted for using equity method	M3	-	(29,556)	-	-	-	-	-	-	-	(29,556)
Difference between consideration and carrying amount of subsidiaries acquired	M5	-	-	-	-	(3,339)	(3,339)	-	-	-	(3,339)
Balance at December 31, 2020	Z1	1,194,711	316,963	1,465,181	145,188	1,789,407	3,399,776	(107,158)	(17,058)	(124,216)	4,787,234
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	B1	-	-	28,546	-	(28,546)	-	-	-	-	-
Special reserve appropriated	B3	-	-	-	44,277	(44,277)	-	-	-	-	-
Cash dividends of ordinary share	B5	-	-	-	-	(633,197)	(633,197)	-	-	-	(633,197)
Net income	D1	-	-	-	-	637,313	637,313	-	-	-	637,313
Other comprehensive income	D3	-	-	-	-	(4,386)	(4,386)	(103,988)	(706)	(104,694)	(109,080)
Total comprehensive income	D5	-	-	-	-	632,927	632,927	(103,988)	(706)	(104,694)	528,233
Balance at December 31, 2021	Z1	\$ 1,194,711	316,963	1,493,727	189,465	1,716,314	3,399,506	(211,146)	(17,764)	(228,910)	4,682,270

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)
ATEN INTERNATIONAL CO., LTD.

Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	<u>2021</u>	<u>2020</u>
AAAA Cash flows from operating activities:		
A10000 Net income before tax	\$ 820,614	1,612,435
A20000 Adjustments:		
A20010 Adjustments to reconcile profit and loss		
A20100 Depreciation expense	57,767	49,307
A20900 Interest expenses	2,433	4,320
A21200 Interest income	(896)	(1,192)
A21300 Dividend income	(532)	(230)
A22400 Share of loss (profit) of associates accounted for under equity method	(101,112)	14,510
A22500 Gains on disposal of property, plant and equipment	(251)	(143)
A22600 Property, plant and equipment transferred to expenses	11	272
A23200 Gain on disposal of investments accounted for using equity method	-	(1,062,042)
A23900 Unrealized loss from sales	(50,929)	(789)
A2990-1 Others	874	-
A20010 Total adjustments to reconcile profit and loss	<u>(92,635)</u>	<u>(995,987)</u>
A30000 Changes in assets / liabilities relating to operating activities:		
A31000 Net changes in operating assets:		
A31115 Financial assets at fair value through profit or loss	1,316,272	(358,286)
A31150 Accounts receivable	(16,644)	4,863
A31160 Accounts receivable—related parties	5,288	78,289
A31200 Inventories	(66,551)	35,922
A31230 Prepayments	(13,776)	(2,654)
A31240 Other current assets	652	2,491
A31000 Total changes in operating assets, net	<u>1,225,241</u>	<u>(239,375)</u>
A32000 Net changes in operating liabilities:		
A32110 Financial liabilities held for trading	(6,636)	6,523
A32130 Notes payable	(166)	(242)
A32150 Accounts payable	36,549	(30,451)
A32160 Accounts payable—related parties	53,356	(27,765)
A32180 Other payable	(54,591)	39,987
A32190 Other payable—related parties	(2,931)	9,369
A32200 Provisions	403	487
A32230 Other current liabilities	2,371	(715)
A32240 Net defined benefit liabilities	(8,969)	(101)
A32990 Other non-current liabilities	5,769	1,236
A32000 Total changes in operating liabilities, net	<u>25,155</u>	<u>(1,672)</u>
A30000 Total changes in operating assets / liabilities, net	<u>1,250,396</u>	<u>(241,047)</u>
A20000 Total adjustments	<u>1,157,761</u>	<u>(1,237,034)</u>
A33000 Cash provided by operating activities	1,978,375	375,401
A33200 Dividends received	66,705	12,325
A33500 Payment of income tax	(64,108)	(24,539)
AAAA Net cash provided by operating activities	<u>1,980,972</u>	<u>363,187</u>
BBBB Cash flows from investing activities:		
B00010 Acquisition of financial assets at fair value through other comprehensive income	-	(3,000)
B00200 Proceeds from disposal of financial assets designated at fair value through profit or loss	-	918,133
B01800 Acquisition of investments accounted for using equity method	(177,724)	(517,446)
B01900 Proceeds from disposal of investments accounted for using equity method	-	205,688
B02700 Acquisition of property, plant and equipment	(359,779)	(118,971)
B02800 Proceeds from disposal of property, plant and equipment	568	316
B03700 Decrease (increase) in refundable deposits	(469)	121
B06500 Decrease in other financial assets—non-current	965	8,061
B07100 Decrease in prepayments for equipment	-	4,294
B07500 Interest received	896	1,192
BBBB Net cash (used in) provided by investing activities	<u>(535,543)</u>	<u>498,388</u>
CCCC Cash flows from financing activities:		
C00100 Increase (decrease) in short-term borrowings	(138,431)	2,400
C03000 Decrease in deposits received	(385)	-
C04020 Payment of lease liabilities	(2,899)	(2,096)
C04500 Cash dividends paid	(633,197)	(931,875)
C05600 Interest paid	(2,433)	(4,320)
CCCC Net cash used in financing activities	<u>(777,345)</u>	<u>(935,891)</u>
DDDD Effect of exchange rate changes on cash and cash equivalents	<u>(3,273)</u>	<u>(2,132)</u>
EEEE Net increase (decrease) in cash and cash equivalents	664,811	(76,448)
E00100 Cash and cash equivalents at beginning of period	271,844	348,292
E00200 Cash and cash equivalents at end of period	<u>\$ 936,655</u>	<u>271,844</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020				December 31, 2021		December 31, 2020	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
11xx	Current assets:					21xx	Current liabilities:				
1100	Cash and cash equivalents (note 6(a))	\$ 1,565,739	22	941,902	13	2100	Short-term borrowings (notes 6(k) and 8)	\$ 541,731	7	781,779	10
1110	Financial assets at fair value through profit or loss — current (note 6(b))	606,829	9	1,933,163	26	2322	Current portion of long-term borrowings (notes 6(k) and 8)	5,012	-	5,608	-
1120	Financial assets at fair value through other comprehensive income — current (note 6(c))	6,941	-	5,116	-	2120	Financial liabilities at fair value through profit or loss — current (note 6(b))	696	-	7,858	-
1140	Contract assets — current (note 6(r))	8,678	-	1,532	-	2150	Notes payable	2,146	-	1,873	-
1150	Notes receivable, net (notes 6(d) and (r))	8,282	-	9,574	-	2170	Accounts payable	432,706	6	350,867	5
1170	Accounts receivable, net (notes 6(d) and (r))	862,120	12	758,222	10	2219	Other payable (note 6(s))	571,739	8	610,934	8
1200	Other receivables (note 6(e))	17,150	-	1,906	-	2230	Current tax liabilities	257,803	4	192,811	3
130x	Inventories(note 6(f))	1,021,449	14	1,013,610	14	2250	Provisions — current (note 6(l))	25,680	-	25,277	-
1410	Prepayments	92,720	1	67,644	1	2280	Current lease liabilities (note 6(m))	101,947	1	62,373	1
1470	Other current assets	14,394	-	32,647	-	2399	Other current liabilities	112,399	2	70,232	1
	Total current assets	4,204,302	58	4,765,316	64		Total current liabilities	2,051,859	28	2,109,612	28
15xx	Non-current assets:					25xx	Non-Current liabilities:				
1517	Financial assets at fair value through other comprehensive income — non-current (note 6(c))	21,617	-	24,780	-	2540	Long-term borrowings (notes 6(k) and 8)	5,014	-	53,891	1
1600	Property, plant and equipment (notes 6(h), 7, 8 and 9)	2,586,485	35	2,210,053	29	2560	Non-current tax liabilities	89,550	1	52,212	1
1755	Right-of-use assets (note 6(i))	180,389	3	168,172	2	2570	Deferred income tax liabilities (note 6(o))	177,909	3	174,539	2
1780	Intangible assets(note 6(j))	10,314	-	13,680	-	2580	Non-current lease liabilities (note 6(m))	84,894	1	111,891	1
1840	Deferred income tax assets (note 6(o))	152,944	2	170,886	3	2640	Net defined benefit liabilities — non current (note 6(n))	90,318	1	93,730	1
1915	Prepayments for equipment	2,145	-	4,815	-	2645	Deposits received	730	-	1,115	-
1920	Refundable deposits	26,816	-	27,784	-	2670	Other non-current liabilities	48,758	1	44,384	1
1980	Other financial assets — non-current (notes 8 and 9)	105,546	2	106,511	2		Total non-current liabilities	497,173	7	531,762	7
1990	Other non-current assets	2,271	-	318	-	2xxx	Total liabilities	2,549,032	35	2,641,374	35
	Total non-current assets	3,088,527	42	2,726,999	36		Equity attributable to shareholders of the company (note 6(p)):				
						3110	Common stock	1,194,711	16	1,194,711	16
						3200	Capital surplus:				
						3210	Additional paid-in capital	316,913	4	316,913	4
						3250	Donated assets received	50	-	50	-
								316,963	4	316,963	4
						3300	Retained earnings:				
						3310	Legal reserve	1,493,727	20	1,465,181	19
						3320	Special reserve	189,465	3	145,188	2
						3350	Unappropriated retained earnings	1,716,314	24	1,789,407	24
								3,399,506	47	3,399,776	45
						3400	Other equity interest:				
						3410	Financial statements translation differences for foreign operations	(211,146)	(3)	(107,158)	(1)
						3420	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(17,764)	-	(17,058)	-
								(228,910)	(3)	(124,216)	(1)
							Total equity attributable to shareholders of the company	4,682,270	64	4,787,234	64
						36xx	Non-controlling interests	61,527	1	63,707	1
						3xxx	Total equity	4,743,797	65	4,850,941	65
1xxx	Total assets	\$ 7,292,829	100	7,492,315	100	2-3xxx	Total liabilities and equity	\$ 7,292,829	100	7,492,315	100

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (note 6(r))	\$ 5,163,691	100	4,823,613	100
5000	Operating costs (notes 6(f), (h), (i), (m), (n) and (s))	2,155,200	42	1,984,333	41
5900	Gross profit	3,008,491	58	2,839,280	59
6000	Operating expenses (notes 6(d), (h), (i), (j), (m), (n), (s) and 7):				
6100	Selling expenses	1,221,588	24	1,230,751	25
6200	Administrative expenses	487,707	9	512,333	11
6300	Research and development expenses	493,622	10	489,644	10
6450	Impairment loss (reversal of impairment loss) determined in accordance with IFRS 9	201	-	(1,798)	-
	Total operating expenses	2,203,118	43	2,230,930	46
6900	Operating profit	805,373	15	608,350	13
7000	Non-operating income and expenses (notes 6(g), (m) and (t)):				
7100	Interest income	1,675	-	3,475	-
7010	Other income	98,368	2	40,200	-
7020	Other gains and losses	(19,481)	-	1,056,906	22
7050	Finance costs	(17,744)	-	(21,186)	-
7060	Share of profit of associates accounted for under equity method	-	-	5,573	-
	Total non-operating income and expenses	62,818	2	1,084,968	22
7900	Profit from continuing operations before tax	868,191	17	1,693,318	35
7950	Less: Income tax expenses (note 6(o))	223,893	5	191,340	4
	Net income	644,298	12	1,501,978	31
8300	Other comprehensive income (notes 6(g), (o) and (p)):				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	(5,557)	-	2,475	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(1,338)	-	(259)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(1,699)	-	461	-
	Components of other comprehensive income that will not be reclassified to profit or loss	(5,196)	-	1,755	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(106,713)	(2)	2,679	-
8370	Share of other comprehensive income of associates accounted for using equity method	-	-	131	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	(106,713)	(2)	2,810	-
8300	Other comprehensive income	(111,909)	(2)	4,565	-
8500	Total comprehensive income	\$ 532,389	10	1,506,543	31
8600	Net income attributable to:				
8610	Shareholders of the parent	\$ 637,313	12	1,499,268	31
8620	Non-controlling interests	6,985	-	2,710	-
		\$ 644,298	12	1,501,978	31
8700	Total comprehensive income attributable to:				
8710	Shareholders of the parent	\$ 528,233	10	1,504,231	31
8720	Non-controlling interests	4,156	-	2,312	-
		\$ 532,389	10	1,506,543	31
	Basic earnings per share (in New Taiwan dollars) (note 6(q))				
9750	Basic earnings per share	\$ 5.33		12.55	
9850	Diluted earnings per share	\$ 5.25		12.30	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

		Equity attributable to owners of parent											
		Equity attributable to owners of parent						Total other equity interest					
								Financial statements translation differences for foreign operations	Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income	Total	Total equity		
											attributable to owners of parent	Non-controlling interests	Total equity
		Share capital		Retained earnings									
		Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total						
Balance at January 1, 2020	A1 \$	1,194,711	345,634	1,271,617	107,295	1,454,776	2,833,688	(110,346)	(16,799)	(127,145)	4,246,888	83,257	4,330,145
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	B1	-	-	193,564	-	(193,564)	-	-	-	-	-	-	-
Special reserve appropriated	B3	-	-	-	37,893	(37,893)	-	-	-	-	-	-	-
Cash dividends of ordinary share	B5	-	-	-	-	(931,875)	(931,875)	-	-	-	(931,875)	(5,955)	(937,830)
Changes in equity of associates accounted for using equity method	C7	-	885	-	-	-	-	-	-	-	885	-	885
Net income	D1	-	-	-	-	1,499,268	1,499,268	-	-	-	1,499,268	2,710	1,501,978
Other comprehensive income	D3	-	-	-	-	2,034	2,034	3,188	(259)	2,929	4,963	(398)	4,565
Total comprehensive income	D5	-	-	-	-	1,501,302	1,501,302	3,188	(259)	2,929	1,504,231	2,312	1,506,543
Disposal of investments accounted for using equity method	M3	-	(29,556)	-	-	-	-	-	-	-	(29,556)	-	(29,556)
Difference between consideration and carrying amount of subsidiaries acquired	M5	-	-	-	-	(3,339)	(3,339)	-	-	-	(3,339)	-	(3,339)
Changes in non-controlling interests	O1	-	-	-	-	-	-	-	-	-	-	(15,907)	(15,907)
Balance at December 31, 2020	Z1	1,194,711	316,963	1,465,181	145,188	1,789,407	3,399,776	(107,158)	(17,058)	(124,216)	4,787,234	63,707	4,850,941
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	B1	-	-	28,546	-	(28,546)	-	-	-	-	-	-	-
Special reserve appropriated	B3	-	-	-	44,277	(44,277)	-	-	-	-	-	-	-
Cash dividends of ordinary share	B5	-	-	-	-	(633,197)	(633,197)	-	-	-	(633,197)	(6,336)	(639,533)
Net income	D1	-	-	-	-	637,313	637,313	-	-	-	637,313	6,985	644,298
Other comprehensive income	D3	-	-	-	-	(4,386)	(4,386)	(103,988)	(706)	(104,694)	(109,080)	(2,829)	(111,909)
Total comprehensive income	D5	-	-	-	-	632,927	632,927	(103,988)	(706)	(104,694)	528,233	4,156	532,389
Balance at December 31, 2021	Z1 \$	1,194,711	316,963	1,493,727	189,465	1,716,314	3,399,506	(211,146)	(17,764)	(228,910)	4,682,270	61,527	4,743,797

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
AAAA Cash flows from operating activities:		
A10000 Net income before tax	\$ 868,191	1,693,318
A20000 Adjustments:		
A20010 Adjustments to reconcile profit and loss		
A20100 Depreciation expense	210,521	160,769
A20200 Amortization expense	3,366	2,243
A20300 Impairment loss (reversal of impairment loss) determined in accordance with IFRS9	201	(1,798)
A20900 Interest expenses	17,744	21,186
A21200 Interest income	(1,675)	(3,475)
A21300 Dividend income	(532)	(230)
A22300 Share of profit of associates accounted for under equity method	-	(5,573)
A22500 Losses on disposal of property, plant and equipment	1,249	352
A22600 Property, plant and equipment transferred to expenses	31	272
A23200 Gains on disposal of investments accounted for using equity method	-	(1,062,042)
A2990-1 Long-term borrowings transferred to other income	(62,861)	-
A2990-2 Prepayments for equipment transferred to expenses	433	-
A2990-3 Losses on lease modification	2	-
A20010 Total adjustments to reconcile profit and loss	168,479	(888,296)
A30000 Changes in assets / liabilities relating to operating activities:		
A31000 Net changes in operating assets:		
A31115 Financial assets at fair value through profit or loss	1,326,334	(342,156)
A31125 Contract assets	(7,146)	(1,532)
A31130 Notes receivable	1,292	(1,107)
A31150 Accounts receivable	(104,069)	(136,394)
A31180 Other receivable	(15,244)	1,219
A31200 Inventories	(6,838)	(27,808)
A31230 Prepayments	(25,076)	(2,239)
A31240 Other current assets	18,253	(99)
A31000 Total changes in operating assets, net	1,187,506	(510,116)
A32000 Net changes in operating liabilities:		
A32110 Financial liabilities held for trading	(7,162)	6,489
A32130 Notes payable	273	(2,075)
A32150 Accounts payable	81,839	(26,544)
A32180 Other payable	(39,195)	101,641
A32200 Provisions	403	487
A32230 Other current liabilities	42,631	5,734
A32240 Net defined benefit liabilities	(8,969)	(562)
A32990 Other non-current liabilities	(643)	6,340
A32000 Total changes in operating liabilities, net	69,177	91,510
A30000 Total changes in operating assets / liabilities, net	1,256,683	(418,606)
A20000 Total adjustments	1,425,162	(1,306,902)
A33000 Cash provided by operating activities	2,293,353	386,416
A33200 Dividends received	532	230
A33500 Payment of income tax	(97,510)	(45,343)
AAAA Net cash provided by operating activities	2,196,375	341,303
BBBB Cash flows from investing activities:		
B00010 Acquisition of financial assets at fair value through other comprehensive income	-	(3,000)
B00200 Proceeds from disposal of financial assets designated at fair value through profit or loss	-	918,133
B01900 Proceeds from disposal of investments accounted for under equity method	-	205,688
B02700 Acquisition of property, plant and equipment	(528,685)	(293,968)
B02800 Proceeds from disposal of property, plant and equipment	1,483	566
B03700 Decrease (increase) in refundable deposits	968	(9,984)
B04500 Acquisition of intangible assets	-	(13,167)
B06500 Decrease in other financial assets — non-current	965	10,655
B06700 Decrease (increase) in other non-current assets	(1,953)	231
B07100 Decrease (increase) in prepayments for equipment	(4,552)	2,091
B07500 Interest received	1,675	3,475
BBBB Net cash provided by (used in) investing activities	(530,099)	820,720
CCCC Cash flows from financing activities:		
C00100 Increase (decrease) in short-term borrowings	(236,775)	77,445
C01600 Proceeds from long-term debt	31,178	32,243
C01700 Repayment of long-term borrowings	(15,165)	(5,608)
C03000 Decrease in deposits received	(385)	-
C04020 Payment of lease liabilities	(101,847)	(69,039)
C04500 Cash dividends paid	(639,533)	(937,830)
C05400 Acquisition of ownership interests in subsidiaries	-	(19,246)
C05600 Interest paid	(17,744)	(21,186)
CCCC Net cash used in financing activities	(980,271)	(943,221)
DDDD Effect of exchange rate changes on cash and cash equivalents	(62,168)	(18,620)
EEEE Increase in cash and cash equivalents for the period	623,837	200,182
E00100 Cash and cash equivalents at beginning of period	941,902	741,720
E00200 Cash and cash equivalents at end of period	\$ 1,565,739	941,902

2.

Proposed by the Board

Proposal:

Adoption of the Proposal for Distribution of 2021 Profits

Explanation:

- (1). The Board has adopted a Proposal for Distribution of 2021 Profits in accordance with the Articles of Incorporation. Beginning retained earnings is NT\$ 1,423,418,961. After adding net profit after tax of NT\$ 637,312,563, and subtracting the special reserve of NT\$ 104,693,935 and other adjustment items of NT\$4,384,614, the retained earnings available for distribution is NT\$ 1,951,652,975 and the proposed cash dividend to shareholders is NT\$ 621,250,063.
- (2). Profit Distribution Table is attached as page 30.

Resolution:

ATEN International Co., LTD.
PROFIT DISTRIBUTION TABLE

Year 2021

(Unit: NTD \$)

Items	Amount
Beginning retained earnings	1,423,418,961
Add : 2021 net profit after tax	637,312,563
Less : Special earnings reserves on reductions to shareholders' equity (Note1)	104,693,935
Less : Current change in remeasurements of defined benefit plans	4,230,311
Less : Share of other comprehensive income accounted for under equity method	154,303
Distributable net profit	1,951,652,975
Distributable items :	
Resolved distribution of interim earnings in 2021 (Note1)	274,783,682
Annual earnings as held for distribution (NT 2.9 per share)	346,466,381
Unappropriated retained earnings	1,330,402,912

Note1 : In the second quarter of 2021, due to the interim earnings distribution : the special reserve totaling NT 65,249,594 and the resolved cash dividend totaling NT 274,783,682 (NT 2.3 per share).

Discussion

1.

Proposed by the Board

Discussion:

Amendments to Articles of Incorporation. Please proceed to discuss.

Explanation:

- (1). In accordance with the rule No.11000115851 and in response to that shareholders' meetings may be convened in means of visual communication or other methods to meet the needs of practical operations and changes in laws and regulations, the company hereby proposes to amend Articles of Incorporation.
- (2). The Comparison Table for the Amendments to the "Articles of Incorporation" is attached as page 32-33. Please proceed to discuss.

Resolution:

ATEN INTERNATIONAL CO., LTD.

The Comparison Table for the Amendments to the “Articles of Incorporation”

	Original Articles	Amended Articles	Notes
1	<p>Article 8</p> <p>The Company holds two types of shareholders' meetings: General Shareholders' Meetings and Extraordinary Shareholders' Meetings. General Shareholders' Meetings are convened by the Board of Directors once a year within six months after the end of each fiscal year. Extraordinary Shareholders' Meetings may be convened in accordance with relevant regulations whenever necessary.</p>	<p>Article 8</p> <p>The Company holds two types of shareholders' meetings: General Shareholders' Meetings and Extraordinary Shareholders' Meetings. General Shareholders' Meetings are convened by the Board of Directors once a year within six months after the end of each fiscal year. Extraordinary Shareholders' Meetings may be convened in accordance with relevant regulations whenever necessary.</p> <p><u>When the Company holds a shareholders' meeting, the meeting may be held by means of visual communication network, or other methods announced by the central competent authorities.</u></p>	Amend the article according to the regulation.
2	<p>Article 27</p> <p>These Articles of Incorporation were established on June 25, 1979. The first amendment thereto was made on May 6, 1982. The second amendment thereto was made on January 29, 1983. The third amendment thereto was made on November 24, 1983. The fourth amendment thereto was made on June 29, 1984. The fifth amendment thereto was made on March 18, 1985. The sixth amendment thereto was made on April 6, 1985. The seventh amendment thereto was made on July 14, 1987. The eighth amendment thereto was made on September 12, 1987. The ninth amendment thereto was made on September 20, 1988. The tenth amendment thereto was made on May 1, 1990. The eleventh amendment thereto was</p>	<p>Article 27</p> <p>These Articles of Incorporation were established on June 25, 1979. The first amendment thereto was made on May 6, 1982. The second amendment thereto was made on January 29, 1983. The third amendment thereto was made on November 24, 1983. The fourth amendment thereto was made on June 29, 1984. The fifth amendment thereto was made on March 18, 1985. The sixth amendment thereto was made on April 6, 1985. The seventh amendment thereto was made on July 14, 1987. The eighth amendment thereto was made on September 12, 1987. The ninth amendment thereto was made on September 20, 1988. The tenth amendment thereto was made on May 1, 1990. The eleventh amendment thereto was</p>	The number and date of this amendment are updated.

	Original Articles	Amended Articles	Notes
	<p>made on August 5, 1900.</p> <p>The twelfth amendment thereto was made on October 15, 1900.</p> <p>The thirteenth amendment thereto was made on May 15, 1998.</p> <p>The fourteenth amendment thereto was made on May 7, 1999.</p> <p>The fifteenth amendment thereto was made on May 15, 2000.</p> <p>The sixteenth amendment thereto was made on September 2, 2000.</p> <p>The seventeenth amendment thereto was made on May 17, 2002.</p> <p>The eighteenth amendment thereto was made on April 29, 2003.</p> <p>The nineteenth amendment thereto was made on April 29, 2004.</p> <p>The twentieth amendment thereto was made on June 14, 2006.</p> <p>The twenty-first amendment thereto was made on June 15, 2007.</p> <p>The twenty-second amendment thereto was made on June 13, 2008.</p> <p>The twenty-third amendment thereto was made on June 22, 2012.</p> <p>The twenty-fourth amendment thereto was made on June 17, 2014.</p> <p>The twenty-fifth amendment thereto was made on June 15, 2016.</p> <p>The twenty-sixth amendment thereto was made on June 15, 2017.</p> <p>The twenty-seventh amendment thereto was made on June 14, 2019.</p> <p>The twenty-eighth amendment thereto was made on June 16, 2020.</p>	<p>made on August 5, 1900.</p> <p>The twelfth amendment thereto was made on October 15, 1900.</p> <p>The thirteenth amendment thereto was made on May 15, 1998.</p> <p>The fourteenth amendment thereto was made on May 7, 1999.</p> <p>The fifteenth amendment thereto was made on May 15, 2000.</p> <p>The sixteenth amendment thereto was made on September 2, 2000.</p> <p>The seventeenth amendment thereto was made on May 17, 2002.</p> <p>The eighteenth amendment thereto was made on April 29, 2003.</p> <p>The nineteenth amendment thereto was made on April 29, 2004.</p> <p>The twentieth amendment thereto was made on June 14, 2006.</p> <p>The twenty-first amendment thereto was made on June 15, 2007.</p> <p>The twenty-second amendment thereto was made on June 13, 2008.</p> <p>The twenty-third amendment thereto was made on June 22, 2012.</p> <p>The twenty-fourth amendment thereto was made on June 17, 2014.</p> <p>The twenty-fifth amendment thereto was made on June 15, 2016.</p> <p>The twenty-sixth amendment thereto was made on June 15, 2017.</p> <p>The twenty-seventh amendment thereto was made on June 14, 2019.</p> <p>The twenty-eighth amendment thereto was made on June 16, 2020.</p> <p><u>The twenty-ninth amendment thereto was made on June 17, 2022.</u></p>	

2.

Proposed by the Board

Discussion:

Amendments to Procedures for Acquisition or Disposal of Assets. Please proceed to discuss.

Explanation:

- (1).In order to conform to the rule No.1110380465 issued by the Financial Supervisory Commission Bureau and in response to the needs of changes in laws and regulations and operational development, the company hereby proposes to amend the Procedures for Acquisition or Disposal of Assets.
- (2).The Comparison Table for the Amendments to the “Procedures for Acquisition or Disposal of Assets” is attached as page 35-49. Please proceed to discuss.

Resolution:

ATEN INTERNATIONAL CO., LTD.

The Comparison Table for the Amendments to the “Procedures for Acquisition or Disposal of Assets”

	Original Articles	Amended Articles	Notes
1	<p>Article 6 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> A. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. B. When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce 	<p>Article 6 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-discipline standards of the Company's associations and</u> the following:</p> <ol style="list-style-type: none"> A. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. B. When <u>conducting</u> a case, they shall appropriately plan and execute adequate 	Amend the article according to the regulation.

	Original Articles	Amended Articles	Notes
	<p>a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>C. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy</u>, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>D. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable <u>and accurate</u>, and that they have complied with applicable laws and regulations.</p>	<p>working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>C. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>D. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable, and that they have complied with applicable laws and regulations.</p>	
2	<p>Article 8 Procedures for acquisition or disposal of real property, equipment or right-of-use assets thereof</p> <p>1. Assessment and operating procedures Acquisition or disposal of real property, equipment or right-of-use assets thereof of the Company shall be handled according to these Procedures and relevant internal regulations of the Company.</p> <p>2. Procedures for determining transaction terms and limits of authority delegation A. For acquisition or disposal of real property or right-of-use assets, the publicly announced current value, assessed value, actual transaction price of neighboring real properties etc. In addition, where the amount of each transaction is not over than NT\$ 100 million, it may be approved by the President; where the amount exceeds NT\$ 100 million but not over than NT\$ 200 million, it shall be approved by the Chairman; where the amount exceeds NT\$ 200 million, the transaction terms and transaction price shall be approved through resolution, and analysis report</p>	<p>Article 8 Procedures for acquisition or disposal of real property, equipment or right-of-use assets thereof</p> <p>1. Assessment and operating procedures Acquisition or disposal of real property, equipment or right-of-use assets thereof of the Company shall be handled according to these Procedures and relevant internal regulations of the Company.</p> <p>2. Procedures for determining transaction terms and limits of authority delegation A. For acquisition or disposal of real property or right-of-use assets, the publicly announced current value, assessed value, actual transaction price of neighboring real properties etc. In addition, where the amount of each transaction is not over than NT\$ 100 million, it may be approved by the President; where the amount exceeds NT\$ 100 million but not over than NT\$ 200 million, it shall be approved by the Chairman; where the amount exceeds NT\$ 200 million, the transaction terms and transaction price shall be approved through resolution, and analysis report</p>	<p>1. Revise wording.</p> <p>2. Amend the article according to the regulation. Considering that the execution procedure of accountants' issuance of opinions has been included in the amended Article 6 which requires external experts to comply with the self-discipline standards of their</p>

	Original Articles	Amended Articles	Notes
	<p>shall be prepared for submitting to the board of directors' meeting for approval in order to execute the transaction accordingly.</p> <p>B. For acquisition or disposal of real property or right-of-use assets, one of the methods of price inquiry, price comparison, price negotiation or tender invitation shall be selected for execution. In addition, where the amount of each transaction is not over than NT\$ 100 million, it may be approved by the President; where the amount exceeds NT\$ 100 million but not over than NT\$ 200 million, it shall be approved by the Chairman; where the amount exceeds NT\$ 200 million, it shall be submitted to the board of directors for approval in order to execute the transaction accordingly.</p> <p>3. Executing Units</p> <p>A. Acquisition or disposal of real properties, such as lands and houses etc., or the right-of-use assets thereof: Shall be handled by the Administration Department.</p> <p>B. Acquisition or disposal of equipment or the right-of-use assets thereof: Shall be handled by the Requesting Unit together with the <u>Administration Department</u>.</p> <p>4. Appraisal Report of Real Property or Equipment</p> <p>In acquiring or disposing of real property, equipment or right-of-use assets thereof, where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions.</p>	<p>shall be prepared for submitting to the board of directors' meeting for approval in order to execute the transaction accordingly.</p> <p>B. For acquisition or disposal of real property or right-of-use assets, one of the methods of price inquiry, price comparison, price negotiation or tender invitation shall be selected for execution. In addition, where the amount of each transaction is not over than NT\$ 100 million, it may be approved by the President; where the amount exceeds NT\$ 100 million but not over than NT\$ 200 million, it shall be approved by the Chairman; where the amount exceeds NT\$ 200 million, it shall be submitted to the board of directors for approval in order to execute the transaction accordingly</p> <p>3. Executing Units</p> <p>A. Acquisition or disposal of real properties, such as lands and houses etc., or the right-of-use assets thereof: Shall be handled by the Administration Department.</p> <p>B. Acquisition or disposal of equipment or the right-of-use assets thereof: Shall be handled by the Requesting Unit together with <u>other related units</u>.</p> <p>4. Appraisal Report of Real Property or Equipment</p> <p>In acquiring or disposing of real property, equipment or right-of-use assets thereof, where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions.</p>	<p>associations in the issuance of an opinion, the wording is deleted.</p>

	Original Articles	Amended Articles	Notes
	<p>A. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>B. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>C. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal <u>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF)</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>D. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the</p>	<p>A. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>B. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>C. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>D. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>E. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may</p>	

	Original Articles	Amended Articles	Notes
	<p>original professional appraiser.</p> <p>E. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>The calculation of the transaction amounts shall be performed according to Subparagraph (8) of Paragraph 1 of Article 15, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained according to these Procedures need not be counted toward the transaction amount.</p>	<p>be substituted for the appraisal report or CPA opinion.</p> <p>The calculation of the transaction amounts shall be performed according to Subparagraph (8) of Paragraph 1 of Article 15, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained according to these Procedures need not be counted toward the transaction amount.</p>	
3	<p>Article 9 Procedures for Acquisition or Disposal of Securities Investment</p> <p>1. Assessment and operating procedures Purchase and sale of long or short term securities of the Company shall be handled according to these Procedures and relevant internal regulations of the Company.</p> <p>2. Procedures for determining transaction terms and limits of authority delegation</p> <p>A. For the acquisition or disposal of securities traded at the centralized securities exchange market or OTC, it shall be determined based on the market fair price at that time.</p> <p>B. For acquisition or disposal of securities not traded at the centralized securities exchange market or OTC, the net asset value per share, profitability, future development potential shall be considered for the price and the trading price at that time or opinions of securities analysis experts on the reasonableness of the transaction amount shall be considered for determination of the price of such securities.</p> <p>C. Regarding the authorization limit for the transactions described in the preceding subparagraphs, In addition, for the acquisition or disposal of securities of</p>	<p>Article 9 Procedures for Acquisition or Disposal of Securities Investment</p> <p>1. Assessment and operating procedures Purchase and sale of long or short term securities of the Company shall be handled according to these Procedures and relevant internal regulations of the Company.</p> <p>2. Procedures for determining transaction terms and limits of authority delegation</p> <p>A. For the acquisition or disposal of securities traded at the centralized securities exchange market or OTC, it shall be determined based on the market fair price at that time.</p> <p>B. For acquisition or disposal of securities not traded at the centralized securities exchange market or OTC, the net asset value per share, profitability, future development potential shall be considered for the price and the trading price at that time or opinions of securities analysis experts on the reasonableness of the transaction amount shall be considered for determination of the price of such securities.</p> <p>C. Regarding the authorization limit for the transactions described in the preceding subparagraphs, In addition, for the acquisition or disposal of securities of</p>	<p>Considering that the execution procedure of accountants' issuance of opinions has been included in the amended Article 6 which requires external experts to comply with the self-discipline standards of their associations in the issuance of an opinion, the wording is deleted.</p>

	Original Articles	Amended Articles	Notes
	<p>single subject matter, where the amount of each transaction is not over than NT\$ 100 million, it may be approved by the President; where the amount exceeds NT\$ 100 million but not over than NT\$ 200 million, it shall be approved by the Chairman; where the amount exceeds NT\$ 200 million, it shall be submitted to the board of directors for approval in order to execute the transaction accordingly. Where the accumulated amount of the acquisition or disposal of securities of one single subject matter exceeds NT\$ 200 million, it shall be submitted to the board of directors for approval in order to execute the transaction accordingly. Regarding the transactions of securities and bonds under repurchase or the transactions of domestic monetary market funds etc. for the purpose of capital movement, since the risk of the subject matter is extremely low and due to the consideration of the timing for capital movement, the President is authorized for approval in order to execute such transactions accordingly.</p> <p>D. For the statement of changes (including acquisition or disposal) of the transactions described in the preceding subparagraphs, the responsible unit shall prepare such statement based on the information of the settlement date of the most recent month, and the statement of the most recent period shall be submitted to the board of directors for review.</p> <p>3. Executing Units When the Company invests in long or short term securities, such investments shall be approved according to the approval authority described in the preceding paragraph, and the subsequent transactions and executions shall be handled by the Department of Finance and other relevant units.</p> <p>4. Obtaining Expert Opinion A. The Company acquiring or disposing of</p>	<p>single subject matter, where the amount of each transaction is not over than NT\$ 100 million, it may be approved by the President; where the amount exceeds NT\$ 100 million but not over than NT\$ 200 million, it shall be approved by the Chairman; where the amount exceeds NT\$ 200 million, it shall be submitted to the board of directors for approval in order to execute the transaction accordingly. Where the accumulated amount of the acquisition or disposal of securities of one single subject matter exceeds NT\$ 200 million, it shall be submitted to the board of directors for approval in order to execute the transaction accordingly. Regarding the transactions of securities and bonds under repurchase or the transactions of domestic monetary market funds etc. for the purpose of capital movement, since the risk of the subject matter is extremely low and due to the consideration of the timing for capital movement, the President is authorized for approval in order to execute such transactions accordingly.</p> <p>D. For the statement of changes (including acquisition or disposal) of the transactions described in the preceding subparagraphs, the responsible unit shall prepare such statement based on the information of the settlement date of the most recent month, and the statement of the most recent period shall be submitted to the board of directors for review.</p> <p>3. Executing Units When the Company invests in long or short term securities, such investments shall be approved according to the approval authority described in the preceding paragraph, and the subsequent transactions and executions shall be handled by the Department of Finance and other relevant units.</p> <p>4. Obtaining Expert Opinion A. The Company acquiring or disposing of</p>	

	Original Articles	Amended Articles	Notes
	<p>securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage CPA, prior to the date of occurrence of the event, to provide an opinion with respect to the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF).</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>B. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>The calculation of the transaction amounts shall be performed according to Subparagraph (8) of Paragraph 1 of Article 15, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained according to these Procedures need not be counted toward the transaction amount.</p>	<p>securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage CPA, prior to the date of occurrence of the event, to provide an opinion with respect to the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>B. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>The calculation of the transaction amounts shall be performed according to Subparagraph (8) of Paragraph 1 of Article 15, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained according to these Procedures need not be counted toward the transaction amount.</p>	
4	<p>Article 10 Procedures for acquisition or disposal of assets from or to related party</p> <p>1. When the Company engages in any acquisition or disposal of assets from or to a</p>	<p>Article 10 Procedures for acquisition or disposal of assets from or to related party</p> <p>1. When the Company engages in any acquisition or disposal of assets from or to a</p>	<p>1. Revise wording.</p> <p>2. Amend the article according to</p>

	Original Articles	Amended Articles	Notes
	<p>related party, in addition to handling relevant resolution procedures and assessing the reasonableness of transaction terms according to Articles 8, 9, 11 and this Article of these Procedures, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion.</p> <p>The calculation of the transaction amounts shall be performed according to Subparagraph (8) of Paragraph 1 of Article 15, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained according to these Procedures need not be counted toward the transaction amount.</p> <p>In addition, when judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>2. Assessment and operating procedures When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and have been submitted to the board of directors for</p>	<p>related party, in addition to handling relevant resolution procedures and assessing the reasonableness of transaction terms according to Articles 8, 9, 11 and this Article of these Procedures, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion.</p> <p>The calculation of the transaction amounts shall be performed according to Subparagraph (8) of Paragraph 1 of Article 15, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained according to these Procedures need not be counted toward the transaction amount.</p> <p>In addition, when judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>2. Assessment and operating procedures When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches <u>the materiality standards</u> (20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more), except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until <u>the competent authority have executed in accordance with the regulations of internal</u></p>	<p>the regulation. 3. Due to operating needs, the authorized amount will be increased.</p>

	Original Articles	Amended Articles	Notes
	<p>approval through resolution:</p> <p>A. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>B. The reason for choosing the related party as a transaction counterparty.</p> <p>C. With respect to the acquisition of real property or right-of-use assets thereof from a related party, relevant information with respect to the appraisal of the reasonableness of the preliminary transaction terms in accordance with Subparagraph (1) to Subparagraph (4) and Subparagraph (6) of Paragraph 3 of this Article.</p> <p>D. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>E. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>F. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Paragraph 1 of this Article.</p> <p>G. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts shall be performed according to Subparagraph (8) of Paragraph 1 of Article 15, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items already approved by the Audit Committee and submitted to the board of directors with approval according to these Procedures need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between</p>	<p><u>control within the company and the following matters have been approved by the Audit Committee and have been submitted to the board of directors for approval through resolution:</u></p> <p>A. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>B. The reason for choosing the related party as a transaction counterparty.</p> <p>C. With respect to the acquisition of real property or right-of-use assets thereof from a related party, relevant information with respect to the appraisal of the reasonableness of the preliminary transaction terms in accordance with Subparagraph (1) to Subparagraph (4) and Subparagraph (6) of Paragraph 3 of this Article.</p> <p>D. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>E. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>F. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Paragraph 1 of this Article.</p> <p>G. Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>If the Company or its subsidiary that is not a domestic public offering company conducts a transaction outlined in paragraph 2 of this article, and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the materials listed in paragraph 2 of this article to the shareholders meeting for approval before it may sign the transaction contract and make payments. However, transactions between the Company and its subsidiaries</u></p>	

	Original Articles	Amended Articles	Notes
	<p>the Company and subsidiaries, or between subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or authorized capital, the board of directors may delegate the Chairman to decide such matters when the transaction is <u>not over than 20 percent of the paid-in capital</u> and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>A. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>B. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>When these Procedures are submitted for discussion in the board of directors' meeting according to Paragraph 2 of this Article, it is necessary take into full consideration of each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. For matters requiring approval of the Audit Committee, the consent of more than one-half of all members of the Audit Committee shall be obtained, and shall be submitted to the board of directors' meeting for resolution. In case where the consents of more than one-half of all members of the Audit Committee cannot be obtained, then the consents of more than two-thirds of all directors may be obtained, and records shall be made in the minutes of the board of directors' meeting. "All members" described herein refer to the actual number of persons currently holding those positions.</p>	<p><u>or between its subsidiaries shall not be subject to this provision.</u></p> <p>The calculation of the transaction amounts shall be performed according to Subparagraph (8) of Paragraph 1 of Article 15, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items already approved by <u>the shareholders meeting and the Audit Committee</u> and submitted to the board of directors with approval according to these Procedures need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and subsidiaries, or between subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or authorized capital, the board of directors may delegate the Chairman to decide such matters when the transaction is <u>under NT\$ 300 million</u> and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>A. Acquisition or disposal of equipment or right-of-use assets thereof held for business use <u>and the transaction amount reaches the materiality standards.</u></p> <p>B. Acquisition or disposal of real property right-of-use assets held for business use. <u>(No matter how much the transaction amount is.)</u></p> <p>When these Procedures are submitted for discussion in the board of directors' meeting according to Paragraph 2 of this Article, it is necessary take into full consideration of each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. For matters requiring approval of the Audit Committee, the consent of more than one-half of all members of the Audit Committee shall be obtained, and shall be submitted to the</p>	

	Original Articles	Amended Articles	Notes
		board of directors' meeting for resolution. In case where the consents of more than one-half of all members of the Audit Committee cannot be obtained, then the consents of more than two-thirds of all directors may be obtained, and records shall be made in the minutes of the board of directors' meeting. "All members" described herein refer to the actual number of persons currently holding those positions.	
5	<p>Article 11 Procedures for acquisition or disposal of intangible assets or right-of-use assets thereof or memberships</p> <p>1. Assessment and operating procedures Where the Company acquires or disposes intangible assets or right-of-use- assets thereof or memberships, it shall consider the market fair price or expert's assessment report in order to determine the transaction terms and transaction price, and shall also prepare analysis report for submission to the President <u>for approval</u>.</p> <p>2. Procedures for determining limits of authority delegation</p> <p>A. For acquisition or disposal of memberships, where the amount is less than NT\$ 3 million, it shall be submitted to the Chairman for approval and shall be reported to the most recent board of directors' meeting after the acquisition or disposal; where the amount reaches NT\$ 3 million or more, it shall be reported to the board of directors' meeting for approval through resolution before executing the acquisition or disposal.</p> <p>B. For acquisition or disposal of intangible assets or right-of-use assets thereof, where the amount is less than NT\$ 20 million, it shall be submitted to the Chairman for approval and shall be reported to the most recent board of directors' meeting after the acquisition or disposal; where the amount reaches NT\$ 20 million or more, it shall be reported to the board of directors'</p>	<p>Article 11 Procedures for acquisition or disposal of intangible assets or right-of-use assets thereof or memberships</p> <p>1. Assessment and operating procedures Where the Company acquires or disposes intangible assets or right-of-use- assets thereof or memberships, it shall consider the market fair price or expert's assessment report in order to determine the transaction terms and transaction price, and shall also prepare analysis report for submission to the President.</p> <p>2. Procedures for determining limits of authority delegation</p> <p>A. For acquisition or disposal of memberships, where the amount is less than NT\$ 3 million, it shall be submitted to the Chairman for approval and shall be reported to the most recent board of directors' meeting after the acquisition or disposal; where the amount reaches NT\$ 3 million or more, it shall be reported to the board of directors' meeting for approval through resolution before executing the acquisition or disposal.</p> <p>B. For acquisition or disposal of intangible assets or right-of-use assets thereof, where the amount is less than NT\$ 20 million, it shall be submitted to the Chairman for approval and shall be reported to the most recent board of directors' meeting after the acquisition or disposal; where the amount reaches NT\$ 20 million or more, it shall be reported to the board of directors'</p>	<p>1.Delete wording.</p> <p>2. Considering that the execution procedure of accountants' issuance of opinions has been included in the amended Article 6 which requires external experts to comply with the self-discipline standards of their associations in the issuance of an opinion, the wording is deleted.</p>

	Original Articles	Amended Articles	Notes
	<p>meeting for approval through resolution before executing the acquisition or disposal.</p> <p>3. Executing Units When the Company acquires or disposes intangible assets or right-of-use assets thereof or memberships, it is necessary to proceed with the report for approval according to the delegation of authority described in the preceding paragraph, followed which the use unit and the Administration Department shall be responsible for the execution thereof.</p> <p>4. Expert assessment opinion report for intangible assets or right-of-use assets thereof or memberships</p> <p>Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p> <p>The calculation of the transaction amounts shall be performed according to Subparagraph (8) of Paragraph 1 of Article 15, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained according to these Procedures need not be counted toward the transaction amount.</p>	<p>meeting for approval through resolution before executing the acquisition or disposal.</p> <p>3. Executing Units When the Company acquires or disposes intangible assets or right-of-use assets thereof or memberships, it is necessary to proceed with the report for approval according to the delegation of authority described in the preceding paragraph, followed which the use unit and the Administration Department shall be responsible for the execution thereof.</p> <p>4. Expert assessment opinion report for intangible assets or right-of-use assets thereof or memberships</p> <p>Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p> <p>The calculation of the transaction amounts shall be performed according to Subparagraph (8) of Paragraph 1 of Article 15, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained according to these Procedures need not be counted toward the transaction amount.</p>	

	Original Articles	Amended Articles	Notes
6	<p>Article 15 Procedures for public disclosure of information</p> <p>1. Required announcement and report items and standards for announcement and report</p> <p>A. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>B. Merger, demerger, acquisition, or transfer of shares.</p> <p>C. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>D. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>(1) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>(2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>E. Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among</p>	<p>Article 15 Procedures for public disclosure of information</p> <p>1. Required announcement and report items and standards for announcement and report</p> <p>A. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>B. Merger, demerger, acquisition, or transfer of shares.</p> <p>C. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>D. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>(1) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>(2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>E. Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among</p>	Amend the article according to the regulation.

	Original Articles	Amended Articles	Notes
	<p>such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>F. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million or more.</p> <p>G. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds.</p> <p>(2) Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory</p>	<p>such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>F. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million or more.</p> <p>G. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds <u>or foreign bonds with credit rating no less than the sovereign credit rating of Taiwan.</u></p> <p>(2) Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds, or of ordinary</u> corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription or</u></p>	

	Original Articles	Amended Articles	Notes
	<p>recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>H. The amount of transactions described in the preceding Subparagraph (7) shall be calculated as follows, and the term of “within the preceding year” as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>(1) The amount of any individual transaction.</p> <p>(2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.</p> <p>(3) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>(4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p>	<p><u>redemption of exchange traded note,</u> or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>H. The amount of transactions described in the preceding Subparagraph (7) shall be calculated as follows, and the term of “within the preceding year” as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>(1) The amount of any individual transaction.</p> <p>(2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.</p> <p>(3) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>(4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p>	

Questions and Motions

Adjournment

Appendix 1 : Articles of Incorporation (Before the amendment)

Chapter 1 General Provisions

- Article 1 The Company is incorporated according to the Company Act and is named ATEN International Co., LTD.
- Article 2 The business scope of the Company is as follows:
- I. Computers and Peripheral Equipment Manufacturing, Processing, and Sale
 - II. CC01060 Wired Communication Mechanical Equipment Manufacturing
 - III. CC01070 Wireless Communication Mechanical Equipment Manufacturing
 - IV. CC01080 Electronics Components Manufacturing
 - V. CB01020 Affairs Machine Manufacturing
 - VI. F113070 Wholesale of Telecommunication Apparatus
 - VII. F113050 Wholesale of Clerical Machinery Equipment
 - VIII. F118010 Wholesale of Computer Software
 - IX. F119010 Wholesale of Electronic Materials
 - X. F213060 Retail Sale of Telecommunication Apparatus
 - XI. F218010 Retail Sale of Computer Software
 - XII. F219010 Retail Sale of Electronic Materials
 - XIII. F213030 Retail Sale of Clerical Machinery Equipment
 - XIV. F401021 Import of Controlled Telecommunications Radio-Frequency Devices and Materials
 - XV. F601010 Intellectual Property Rights
 - XVI. I301010 Information Software Services
 - XVII. I301020 Data Processing Services
 - XVIII. I301030 Electronic Information Supply Services
 - XIX. I501010 Product Designing
 - XX. C01050 Data Storage Media Units Manufacturing
 - XXI. CC01101 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing
 - XXII. All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The Company's investment amount is not subject to the restrictions specified in Article 13 of the Company Act.
- Article 4 The Company's Head Office is in New Taipei City, Taiwan, and may establish domestic or foreign branches subject to the Board of Directors' approval.
- Article 4-1 The Company may provide endorsement and guarantee to other companies. The process shall be handled in accordance with the Company's Operating Procedures of Endorsement/Guarantee.

Chapter 2 Shares

- Article 5 The Company's total authorized capital shall be in the amount of one billion

and five hundred million New Taiwan Dollars (NT\$1,500,000,000), divided into one hundred and fifty million (150,000,000) common shares with a par value of ten New Taiwan Dollars (NT\$10), and may be paid-up in installments if approved by the Board of Directors.

The Company has reserved seventy-five million New Taiwan Dollars (NT\$75,000,000), representing seven million and five hundred thousand (7,500,000) common shares with a par value of NT\$10, from the authorized capital mentioned in the previous paragraph to issue employee stock option certificates. Such certificates, if approved by the Board of Directors, may be issued in installments.

- Article 5-1 Where the Company wishes to issue employee stock option certificates with an exercise price lower than the closing price of the Company's common shares on the issuance date, such an issuance shall be approved by two-thirds of the voting rights present at the General Shareholders' Meeting attended by shareholders representing one-half or more of the total number of shares issued. Where the Company wishes to transfer shares to employees at a price lower than the repurchase price, such a transfer shall be approved in advance by two-thirds of the voting rights present at the nearest General Shareholders' Meeting attended by shareholders representing one-half or more of the total number of shares issued.
- Article 6 The Company's share certificates shall be registered ones, which shall be signed or have the seal affixed by directors representing the Company and may be issued only after they have been certified in the manner specified by law. The Company may elect not to print any certificates for the shares issued, provided that such shares shall be delivered to a centralized security depository institution for registration purposes.
- Article 7 Except when the requirements of other laws or securities rules apply, the Company's stock affairs including the transfer, inheritance, endowment, creation of pledge, and reporting of loss of shares, loss or change of specimen chop, and change of address shall be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.

Chapter 3 General Shareholders' Meetings

- Article 8 The Company holds two types of shareholders' meetings: General Shareholders' Meetings and Extraordinary Shareholders' Meetings. General Shareholders' Meetings are convened by the Board of Directors once a year within six months after the end of each fiscal year. Extraordinary Shareholders' Meetings may be convened in accordance with relevant regulations whenever necessary.
- Article 9 Where a shareholder cannot attend the General Shareholders' Meeting for any reason, such a shareholder may appoint a proxy to attend the meeting on their behalf by executing a proxy form printed by the Company stating therein the scope of power authorized to the proxy. Representation by proxy shall be governed by Article 177 of the Company Act, as well as by the "Regulations

Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.

- Article 10 Except in the circumstances set forth in the provisions of Article 179 under the Company Act, a shareholder shall have the right to one vote for each share in their possession.
- Article 11 Unless otherwise stipulated in the relevant regulations, any resolutions in a General Shareholders' Meeting shall be approved by a majority vote at a meeting attended by shareholders representing at least one half of the total number of shares issued.
- Article 12 General Shareholders' Meetings convened by the Chairman shall be chaired by the Chairman. If the Chairman is unable to perform such duties due to a leave of absence or any other reason, the Vice Chairman shall act in this capacity on the Chairman's behalf. If the Vice Chairman is also unable to perform such duties, the Chairman may appoint one of the directors to act on the Chairman's behalf. If the Chairman does not appoint a delegate, one shall be elected among the directors to act on the Chairman's behalf. If the General Shareholders' Meeting is convened by an entity that has the right to convene other than the Board of Directors, that convener shall be the chair. If there are two or more conveners, the chair shall be elected among them.
- Article 13 Resolutions of a General Shareholders' Meeting shall be compiled into minutes, which shall be signed or sealed by the meeting's chair and distributed to all shareholders within 20 days after the meeting. Distribution of the meeting minutes mentioned in the preceding paragraph shall be conducted in accordance with the Company Act.

Chapter 4 Directors and the Audit Committee

- Article 14 The Company shall have seven to ten directors. Among them, at least three shall be independent directors. The election of directors shall adopt the candidate nomination system as specified in Article 192-1 of the Company Act, i.e. directors shall be elected from among a list of candidates at the General Shareholders' Meeting for a tenure of three years, and may be reelected. When electing a director, each share is entitled to the right to a number of votes equal to the number of directors to be elected. Such a number of voting rights may be cast as a whole in favor of the same candidate, or be cast separately in favor of different candidates. Those who win more voting rights shall be the directors. The elections for directors and for independent directors shall be conducted simultaneously, and the number of winners calculated separately. The regulations set forth by the competent authority shall apply to the independent directors with respect to their professional qualifications, shareholdings, restrictions on concurrent posts, nomination, election, and other matters they are required to comply with. The Company shall adhere to the Securities and Exchange Act to establish an audit committee, which shall comprise all independent directors. The audit committee shall exercise its powers and duties in accordance with relevant laws and regulations as well as the Audit Committee Charter.

- Article 15 The elected directors shall form the Board of Directors, with the Chairman to be appointed from among the directors by approval of more than one-half of directors present at a meeting where more than two-thirds of the directors are present. The Chairman shall represent the Company in all its dealings with outsiders. A Vice Chairman may be appointed from among the directors in the same manner.
- Article 16 If the Chairperson is absent or unable to perform his/her duties, a person shall be selected in accordance with Article 208 of the Company Act to act on his/her behalf.
- Article 17 If a director is unable to attend a meeting of the Board of Directors in person, another director can be appointed to act on behalf of the absent director by producing a proxy form detailing the scope of delegated authority for each item on the agenda. One director can represent the presence of only one other director.
- Article 18 When the number of vacancies in the Board of Directors reaches one third of the total number of directors, or when all independent directors are discharged, the Board of Directors shall call, within sixty days, an Extraordinary Shareholders' Meeting to elect succeeding directors to fill the vacancies; each successor so elected shall hold office for the remaining term of the original director only.
- Article 19 Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be passed by a majority vote of the directors present at a board meeting attended by more than one-half of the total number of directors.
- Article 20 When performing duties, the directors shall adhere to laws and regulations, the Articles of Incorporation, and resolutions of the General Shareholders' Meeting. The convention of a Board of Directors meeting shall be notified to the directors at least 7 days before the meeting date. A meeting of the Board of Directors may be called at any time in the event of an emergency. In calling a meeting of the Board of Directors, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given in writing, by email, or by fax.
- Article 21 The Board of Directors is authorized to determine the level of directors' remuneration based on their extent of participation in and contribution to the Company's operations, and by reference to industry peers. The amount of transportation allowance for directors shall be determined through a resolution by the Board of Directors. The compensation shall be granted to directors for their performing their duties, regardless of the Company's profits or losses.

Chapter 5 Managers

- Article 22 The Company may set up a post of president. The appointment, dismissal, and remuneration of the president shall be made in compliance with Article 29 of the Company Act. The president shall be awarded reasonable remuneration in proportion to his/her extent of participation in the Company's operation and his/her contribution to the Company as a result of individual performance.

Chapter 6 Accounting

- Article 23 At the end of each fiscal year, the Board of Directors of the Company shall compile the following statements and reports, which shall be submitted to the Audit Committee for examination at least thirty days before the date of the General Shareholders' Meeting. Subsequently, the statements and reports shall be submitted by the Board of Directors, in the manner specified by law, to the General Shareholders' Meeting for acknowledgment.
- I. Business report
 - II. Financial statements
 - III. Proposals for the distribution of surplus earnings or offsetting of losses

The Company shall propose the surplus earning distribution or loss off-setting proposal at the close of each quarter. The company shall allocate earnings in the following order of priority: 1) estimate and reserve the amount to be paid for employee compensation, taxes and duties; 2) offset previous deficits; 3) set aside 10% of the remainder as a legal reserve until it equals the Company's paid-in capital; 4) provide or reverse special reserves according to law or the competent authority's regulations; and, 5) add the remainder, if any, to the accumulated undistributed earnings for the previous quarter to form the distributable earnings, with which the Board of Directors shall draft an earnings distribution proposal. Where the earnings are to be distributed in the form of new shares, they shall be distributed after being approved by the General Shareholders' Meeting. Where the earnings are to be distributed in the form of cash, they shall be distributed after being approved by the Board of Directors.

- Article 24 For each year, the Company's net income before tax before deducting remuneration to employees and directors and after making up for aggregated losses should be applied to pay remuneration to employees for an amount of 10-16% of the balance, and to directors for an amount not more than 2% of the balance.

The ratio of earnings to be distributed as remuneration to employees and directors as well as the manner in which earnings will be distributed, either in cash or in stocks, shall be determined through a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the General Shareholders' Meeting. Those receiving employee remuneration in stocks or cash include employees of subordinate companies meeting certain criteria.

The Company's annual earnings at the end of the fiscal year shall be first subject to taxation, reimbursement of previous losses, followed by a 10% provision of legal reserve, and a provision or reversal of special reserve as required by law. The Board of Directors shall draft distribution proposals for any remainder and submit such proposals for approval at the General Shareholders' Meeting.

Where the Company is obliged to distribute dividends and bonuses and required by law to appropriate its legal reserve and part or all of its capital

surplus, and the Company intends to distribute them in cash, such distribution may be made only after approval has been obtained by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the General Shareholders' Meeting.

- Article 25 The Company will consider the business environment and stage of growth for the Company, respond to future financing needs and long-term financial planning and satisfy shareholders' needs for cash flow and distribution. The Company will distribute 30% of the distributable surplus as dividends for shareholders, among which, the Company shall distribute no less than 10% of its current dividends in cash. These ratios may be raised in the future where earnings and available capital are higher.

Chapter 7 Supplemental Provisions

- Article 26 Matters not specified in these Articles of Incorporation shall be governed by the Company Act.

- Article 27 These Articles of Incorporation were established on June 25, 1979.
The first amendment thereto was made on May 6, 1982.
The second amendment thereto was made on January 29, 1983.
The third amendment thereto was made on November 24, 1983.
The fourth amendment thereto was made on June 29, 1984.
The fifth amendment thereto was made on March 18, 1985.
The sixth amendment thereto was made on April 6, 1985.
The seventh amendment thereto was made on July 14, 1987.
The eighth amendment thereto was made on September 12, 1987.
The ninth amendment thereto was made on September 20, 1988.
The tenth amendment thereto was made on May 1, 1990.
The eleventh amendment thereto was made on August 5, 1990.
The twelfth amendment thereto was made on October 15, 1990.
The thirteenth amendment thereto was made on May 15, 1998.
The fourteenth amendment thereto was made on May 7, 1999.
The fifteenth amendment thereto was made on May 15, 2000.
The sixteenth amendment thereto was made on September 2, 2000.
The seventeenth amendment thereto was made on May 17, 2002.
The eighteenth amendment thereto was made on April 29, 2003.
The nineteenth amendment thereto was made on April 29, 2004.
The twentieth amendment thereto was made on June 14, 2006.
The twenty-first amendment thereto was made on June 15, 2007.
The twenty-second amendment thereto was made on June 13, 2008.
The twenty-third amendment thereto was made on June 22, 2012.
The twenty-fourth amendment thereto was made on June 17, 2014.
The twenty-fifth amendment thereto was made on June 15, 2016.
The twenty-sixth amendment thereto was made on June 15, 2017.
The twenty-seventh amendment thereto was made on June 14, 2019.
The twenty-eighth amendment thereto was made on June 16, 2020.

Appendix 2 : Rules of Procedure for General Shareholders' Meetings

Article 1 Unless otherwise provided by laws and regulations or the Company's Articles of Incorporation, a General Shareholders' Meeting of the Company shall be conducted in accordance with these Rules.

Article 2 Attendance of the General Shareholders' Meeting shall be calculated by the number of shares represented at the meeting. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined period of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare that the meeting has failed to be convened due to the lack of a quorum.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; a notice shall be given to all shareholders to inform them of such a tentative resolution as well as of another General Shareholders' Meeting that shall be convened within one month.

When, prior to the closing of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the General Shareholders' Meeting pursuant to Article 174 of the Company Act.

Article 3 The agenda of General Shareholders' Meetings convened by the Board of Directors shall be set by the Board of Directors. All relevant proposals (including extraordinary motions and amendments to the contents of the original proposals) shall be voted on case-by-case. The meeting shall be conducted in accordance with its agenda, which may not be changed unless resolved during the General Shareholders' Meeting.

The above rule also applies *mutatis mutandis* if the General Shareholders' Meeting is convened by an entity that has the right to do so other than the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on items on the meeting agenda as mentioned in the paragraph preceding the preceding paragraph (including extraordinary motions), except by a resolution of the General Shareholders' Meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

After the meeting adjourns, shareholders may not elect a chair to resume the meeting at the original location or at any other premises.

Article 4 Shareholders who wish to speak during the meeting must produce statement slips detailing the topics and the shareholders' account numbers (or the attendance pass numbers). The order of shareholders' comments shall be determined by the chair.

Shareholders who submit statement slips without actually making statements are considered to have remained silent. If a shareholder's actual statement differs from that recorded on the statement slip, only the actual comments expressed shall be recorded.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and may not speak for more than 5 minutes each time.

If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

While a shareholder is speaking, other shareholders may not speak or interfere in any way, unless agreed to by the chair and the speaking shareholder. Violators shall be stopped by the chair.

Where an institutional shareholder has appointed two or more representatives to attend the General Shareholders' Meeting, only one representative may speak per proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 5 The Company shall furnish the attending shareholders or proxies (collectively referred to as "shareholders" hereinafter) with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with a meeting agenda book, an annual report, an attendance card, statement slips, voting slips, and other

meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

Shareholders shall present their attendance cards, sign-in cards, or other certificates of attendance to attend the General Shareholders' Meeting. Solicitors soliciting proxy forms shall also bring identification documents for verification.

When the government or an institution is a shareholder, it may be represented by more than one representative at a General Shareholders' Meeting. When an institutional shareholder is appointed to attend the General Shareholders' Meeting as a proxy, it may designate only one person to represent it in the meeting.

Article 6 For each General Shareholders' Meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company, which proxy form shall specify the scope of authority delegated to the proxy.

A shareholder may issue only one proxy form and appoint only one proxy for any given General Shareholders' Meeting, and shall deliver the proxy form to the Company five days before the date of the General Shareholders' Meeting. In case two or more proxy forms are received from the same shareholder, the one received earliest by the Company shall prevail. Exception applies for rescinded proxy forms.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 7 Voting at a General Shareholders' Meeting shall be calculated based on the number of shares represented at the meeting.

With respect to resolutions of the General Shareholders' Meeting, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, such a shareholder may not vote on that item, and may not exercise voting rights as a proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

Except for trust enterprises or stock agencies approved by the competent authority in charge of the securities business, when a person concurrently acts as the proxy

for two or more shareholders, the number of voting rights represented by him/her shall not exceed 3% of the total number of voting rights represented by the total number of issued shares, otherwise the portion in excess of 3% shall not be counted.

Article 8 A shareholder shall be entitled to one voting right for each share held; exception applies when the shares are restricted shares or are deemed non-voting shares under Article 179, Paragraph 2 of the Company Act.

Article 9 When discussing a proposal, the chair may announce the end of discussion at an appropriate time, and may also announce suspension of the discussion when necessary. After announcing the end or suspension of discussion on a proposal, the chair shall promptly put such a proposal to vote and arrange sufficient time for voting.

Article 10 The monitors and counters for voting on proposals shall be designated by the chair; however, a monitor must be a shareholder of the Company. Vote counting for General Shareholders' Meeting proposals or elections shall be conducted in public at the place of the General Shareholders' Meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 11 Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. If at the time of voting the chair consults all shareholders present about a proposed resolution and no objection is voiced, such a proposed resolution shall be deemed adopted and equally binding as if it had been adopted through voting. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If one of the proposals has been passed, the other proposals are deemed to be rejected and no further voting is required.

Article 12 While the General Shareholders' Meeting is in session, the chair may at his/her discretion allocate and announce time for breaks. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time, as appropriate, when the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the General Shareholders' Meeting may adopt a resolution to resume

the meeting at another venue.

A resolution may be adopted at a General Shareholders' Meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 13 Matters not specified in these Rules shall be handled in accordance with the Company Act.

Article 14 The meeting personnel handling the General Shareholders' Meeting shall bear identification cards or armbands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a General Shareholders' Meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings, and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 15 The recorded materials shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 16 The venue for a General Shareholders' Meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a General Shareholders' Meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 17 These Rules shall take effect after having been submitted to and approved by the General Shareholders' Meeting. Subsequent amendments thereto shall be effected in the same manner.

Appendix 3 : Current Shareholding of Directors

ATEN International Co., LTD.

The (minimum required) combined Shareholding of Directors

1. The minimum required combined shareholding of all directors by law is as follows :
Total issued shares: 119,471,166 shares.
The minimum required combined shareholding of all directors by law: 8,000,000 shares.
2. As of the record date April 19, 2022, the shareholding of directors is below:

Record date: April 19, 2022

Title	Name	Current Shareholding	Percentage
Chairman	Sun-Chung Chen	4,049,087	3.39%
Vice Chairman	Shang-Jen Chen	6,789,342	5.68%
Director	Yung-Da Lin	3,000	0.00%
Director	Kun-Yu Chao	1,431,561	1.20%
Director	Se-Se Chen	1,261,416	1.06%
Director	Shiu-Ta Liao	1,807,897	1.51%
Director	Chen-Lin Kuo	0	0.00%
Independent Director	Wei-Jen Chu	0	0.00%
Independent Director	Chung-Jen Chen	0	0.00%
Independent Director	Chun-Chung Chen	0	0.00%
The combined shareholding of all directors on the book closure date		15,342,303	12.84%