



Stock Code: 6277

**ATEN International Co., LTD.**

**Handbook for the 2023 Annual Meeting of  
Shareholders**

**【Translation】**

Meeting Date: June 15, 2023

Venue: 5F., 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.)



## **Table of Contents**

I. Meeting Procedure.....	2
II. Meeting Agenda.....	3
III. Report Items.....	4
IV. Adoption Matters.....	19
V. Election.....	30
VI. Discussion.....	33
VII. Questions and Motions.....	39
Appendix 1 : Articles of Incorporation	40
Appendix 2 : Rules of Procedure for General Shareholders' Meetings (Before the amendment)	46
Appendix 3 : Rules for the Election of Directors	51
Appendix 4 : Current Shareholding of Directors	54



**ATEN International Co., LTD.**

## **Procedure for the 2023 Annual Meeting of Shareholders**

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



ATEN International Co., LTD.  
Year 2023  
Agenda of Annual Meeting of Shareholders

**Time:** June 15, 2023 (Thursday) at 9 a.m.

**Place:** ATEN Headquarter (5F., No.125, Sec. 2, Datong Rd. Sijhih District., New Taipei City, Taiwan)

**1. Report Items**

- (1).2022 Business Report
- (2).2022 Audit Committee's Review Report
- (3).2022 Employees' Compensation and Directors' Remuneration Report
- (4).2022 Distribution of Cash Dividends from Profits Report

**2. Adoption Matters**

- (1). Adoption of the Fiscal 2022 Business Report and Financial Statements
- (2).Adoption of the Proposal for Distribution of 2022 Profits

**3. Election**

To elect directors

**4. Discussion**

- (1). Amendments to Rules of Procedure for Shareholders' Meetings
- (2). To Release the Prohibition on Directors from Participation in Competitive Business

**5. Questions and Motions**

**6. Adjournment**

# Report Items

## **Item No. 1**

2022 Business Reports

### **Explanation:**

The 2022 Business Report is attached as page 5-6

# **ATEN International Co., LTD.**

## **2022 Business Report**

Companies across the globe were affected by several factors such as the shortage of materials, delays in transportation, and the Russo-Ukrainian conflict in 2022. These factors have increased the difficulties of corporate operations in the first half of the year but ATEN demonstrated corporate resilience and overcame these difficulties in the second half of the year to deliver impressive results. The Company benefited from the strong growth of high-end remote management products, racks, and power distribution unit products and attained an annual consolidated revenue of NT\$5.403 billion, which was a record high and a 5% increase from the same period in the previous year. The consolidated gross margin was 58.5%; net operating profit for the period was NT\$851 million; net income after tax for the period was NT\$733 million; and earnings per share after tax was NT\$6.11.

In terms of products and R&D, the manufacturing industry's shift to automated factories, sensor technologies, and artificial intelligence has powered cloud edge-computing solutions and increased opportunities for remote and off-site operations. ATEN will focus on the development of high-performance KVM-as-RCM (remote control & monitoring) management solutions and use secure KVM over IP deployment, flexible user settings, information security management, and priority restriction mechanisms to attain centralized control, maintain safe operations, and increase production capacity and production line efficiency. ATEN has integrated its product line resources in response to shifts in market trends toward low-contact hybrid settings. They include KVM switches, professional audio/video products, USB peripheral products, and the launch of comprehensive hybrid smart office solutions with high-definition screen resolution, intuitive boundless switching, USB peripheral sharing, dual-display output, and Video DynaSync™ features which help customers operate their devices smoothly and enhance the efficiency of multi-tasking between computers and different devices. ATEN's hybrid conference room solution includes the conference room booking system, integrated BYOD and all-in-one professional audio/video presentation switches, and ATEN Control System Gen. It is also equipped with the professional audio system (amplifier and ceiling loudspeaker) which satisfy the needs for collaboration and cooperation in the conference room and make office life easier. In terms of green energy and rack products, ATEN has launched the brand-new three-phase power distribution unit (PDU), which supports IT equipment with high power and high energy consumption. It enhances energy conservation and capacity and satisfies the demand for high-density racks in data centers. ATEN focuses on customized quiet racks with functional and aesthetic designs to target small-setting markets such as offices and auditoriums. In response to the rapid growth of business opportunities in the audio market, ATEN has launched a brand-new AI Chinese speech synthesis service called ATEN AI Voice. It provides AI-based text to speech (TTS) services and uses independently developed AI algorithms and acoustic technologies to create clear, natural, and smooth AI speech synthesis and effectively mitigate rigid robotic accents. ATEN AI Voice can also help companies and brands save immense recording costs. With instantaneous speech synthesis, companies no longer need to spend a fortune on finding voice actors and renting a recording studio. They only need to type text to produce the optimal AI-generated human voices. In addition, to ensure information security of cloud services, ATEN AI Voice offers competitive advantages in the form of instantaneous speech synthesis on hardware, instead of focusing on cloud services like mainstream competitors. This feature prevents possible leaks of companies' speech synthesis data and protects customers' information security.

In terms of the sales strategy, when COMPUTEX reverted to in-person exhibitions last year,

ATEN also actively participated in the exhibition and showcased a series of hybrid smart office solutions of the future. The main applications include Podcast AI digital sound mixing studio, hybrid online and offline conference room, smart manufacturing and future control room, office applications, flexible work hours, and AI speech synthesis, which can quickly satisfy customer demand and respond to market changes. The Company attended the SEMICON Taiwan 2022 international semiconductor exhibition in September and showcased the latest smart manufacturing solutions for machinery, including the information security management mechanisms, priority access controls, and tri-color signal communication. In addition to showcasing ATEN's signal control and transmission of related technologies, we also focused on user demand as the basis of development. We completed the digital transformation in the existing plant environment of high-tech plant users and created real benefits for the management and onsite OP personnel. The product awards received by ATEN in the past year included Computex 2022 Best Choice Award, Good Design Award 2022, 2022 Innovative Product Awards, 2022 Best of Show InfoComm, and Taiwan Excellence Award. ATEN was also placed in the "Innovative R&D Category" of the first "New Taipei City Enterprise Classic Award" in 2022, and it fully demonstrated the Company's outstanding capacity for product R&D and innovation.

ATEN received the "National No.1 Award" in the 19th National Brand Yushan Award Outstanding Enterprise Category last year and was the only company in the computer and peripheral device category to win the award. It was a testament to the Company's sustainable brand vision, outstanding product quality, global brand development, and excellent innovation and R&D technologies, and recognition of ATEN's success in the global market and creation of an international brand. In terms of sustainable development, ATEN placed fifth in the Medium-sized Enterprises section of CommonWealth magazine's Corporate Citizenship Award, marking the 14th time that ATEN has won this award, which represents valued external recognition of ATEN's ESG efforts. In terms of social participation, ATEN has for many years now emphasized social participation and charitable activities. 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. In terms of its corporate commitment, ATEN is committed to providing a high level of care and creating a friendly workplace environment for employees. The Company received the award for Best Companies to Work for in Asia 2022 and WeCare Most Caring Companies Award 2022, and was rated as an excellent company for "family friendliness and work balance" by New Taipei City Government. 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 implement CSR measures. In response to the challenges of climate change, ATEN sets its target for attaining net zero emissions by 2050 and plans to reduce carbon emissions at the Taiwan headquarters and Xizhi production site by 50% by 2030, so as to bring about the ongoing extension of this "virtuous cycle," and to help build a better future.

ATEN International Co., LTD.

Chairman : Sun-Chung Chen

President : Sun-Chung Chen

Chief Accountant : Wayne Tyan

**Item No. 2****Audit Committee's Review Report on the 2022 Financial Statements****Explanation:**

- (1). The 2022 Financial Statements were audited by CPA and approved by the Audit Committee.
- (2). The 2022 Audit Committee's Review Report is attached as page 8.
- (3). CPA Audit Report is attached as page 9-16.

ATEN International Co., LTD.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 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 2023 General Shareholders Meeting of ATEN International Co., LTD.

ATEN International Co., LTD.

Chairman of the Audit Committee : Wei-Jen Chu

March 14, 2023

## **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, 2022 and 2021, 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, 2022 and 2021, 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 Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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, 2022. 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(m) 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 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 the Audit Committee) 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 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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 14, 2023

#### **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, 2022 and 2021, 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, 2022 and 2021, 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 Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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, 2022. 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(n) and 6(q) 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, 2022 and 2021, 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 the Audit Committee) 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 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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 14, 2023

#### **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****2022 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 2022 employees' compensation totaling NT\$ 149,727,207 and directors' remuneration totaling NT\$ 11,978,177. The amount is both distributed in cash.

#### Item No. 4

#### Distribution of Cash Dividends from Profits in 2022

#### 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 2022 quarterly cash dividends approved by the Board of Directors are demonstrated in the table below:

2022	Approval Date (year/month/date)	Payment Date (year/month/date)	Cash Dividends Per Share (NT\$)	Total Amount (NT\$)
First Quarter	2022/05/05		0.0	0
Second Quarter	2022/08/04	2022/12/14	2.4	286,730,798
Third Quarter	2022/11/03		0.0	0
Fourth Quarter	2023/03/14		3.3	394,254,848
Total			5.7	680,985,646

# **Adoption Matters**

**1.**

**Proposed by the Board**

**Proposal:**

Adoption of the 2022 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 14, 2023.
- (2). The 2022 Business Report, independent auditors' audit report, and Financial Statements are attached as page 5-6, page 9-16 and page 20-27, respectively.

**Resolution:**

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)  
**ATEN INTERNATIONAL CO., LTD.**  
**Balance Sheets**  
**December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

		<u>December 31, 2022</u>		<u>December 31, 2021</u>				<u>December 31, 2022</u>		<u>December 31, 2021</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>			<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
	<b>Assets</b>						<b>Liabilities and Equity</b>				
11xx	<b>Current assets:</b>					21xx	<b>Current liabilities:</b>				
1100	Cash and cash equivalents (note 6(a))	\$ 516,127	8	936,655	15	2100	Short-term borrowings (note 6(i))	\$ 65,808	1	91,543	2
1110	Financial assets at fair value through profit or loss — current (note 6(b))	608,690	10	483,863	8	2120	Financial liabilities at fair value through profit or loss — current (note 6(b))	9,197	-	398	-
1120	Financial assets at fair value through other comprehensive income — current (note 6(c))	6,371	-	6,941	-	2150	Notes payable	92	-	67	-
1170	Accounts receivable, net (note 6(d))	96,162	1	175,990	3	2170	Accounts payable	278,468	5	197,548	3
1180	Accounts receivable—related parties, net (notes 6(d) and 7)	677,924	11	503,602	8	2180	Accounts payable—related parties (note 7)	75,879	1	129,775	2
130x	Inventories (note 6(e))	743,178	12	500,601	8	2200	Other payables (notes 6(l) and (q))	382,691	6	372,927	6
1410	Prepayments	12,050	-	22,304	-	2220	Other payables—related parties (note 7)	195,691	3	198,216	3
1470	Other current assets	24,259	-	20,771	-	2230	Current tax liabilities	148,211	2	230,444	4
	<b>Total current assets</b>	<u>2,684,761</u>	<u>42</u>	<u>2,650,727</u>	<u>42</u>	2250	Provisions — current (note 6(j))	27,052	1	25,680	-
15xx	<b>Non-current assets:</b>					2280	Current lease liabilities (note 6(k))	2,480	-	2,677	-
1517	Financial assets at fair value through other comprehensive income — non-current (note 6(c))	27,617	-	21,617	-	2399	Other current liabilities	18,360	-	11,626	-
1550	Investments accounted for under equity method (note 6(f))	1,381,633	22	1,365,140	22		<b>Total current liabilities</b>	<u>1,203,929</u>	<u>19</u>	<u>1,260,901</u>	<u>20</u>
1600	Property, plant and equipment (notes 6(g) and 7)	1,970,294	31	1,992,647	32	25xx	<b>Non-Current liabilities:</b>				
1755	Right-of-use assets (note 6(h))	4,873	-	5,624	-	2560	Non-current tax liabilities	26,580	-	89,550	2
1840	Deferred income tax assets (note 6(m))	143,732	3	118,896	2	2570	Deferred income tax liabilities (note 6(m))	127,302	2	126,024	2
1920	Refundable deposits	934	-	917	-	2580	Non-current lease liabilities (note 6(k))	2,228	-	2,709	-
1980	Other financial assets — non-current (notes 8 and 9)	105,587	2	105,546	2	2640	Net defined benefit liabilities — non-current (note 6(l))	78,092	2	87,918	1
	<b>Total non-current assets</b>	<u>3,634,670</u>	<u>58</u>	<u>3,610,387</u>	<u>58</u>	2645	Deposits received	905	-	730	-
						2650	Credit in investments accounted for under equity method (note 6(f))	42,078	1	-	-
						2670	Other non-current liabilities	13,489	-	11,012	-
							<b>Total non-current liabilities</b>	<u>290,674</u>	<u>5</u>	<u>317,943</u>	<u>5</u>
						2xxx	<b>Total liabilities</b>	<u>1,494,603</u>	<u>24</u>	<u>1,578,844</u>	<u>25</u>
							<b>Equity (note 6(n)):</b>				
						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	-
								<u>316,963</u>	<u>5</u>	<u>316,963</u>	<u>5</u>
						3300	Retained earnings:				
						3310	Legal reserve	1,493,727	24	1,493,727	24
						3320	Special reserve	228,910	3	189,465	3
						3350	Unappropriated retained earnings	1,780,024	28	1,716,314	27
								<u>3,502,661</u>	<u>55</u>	<u>3,399,506</u>	<u>54</u>
						3400	Other equity interest:				
						3410	Financial statements translation differences for foreign operations	(171,173)	(3)	(211,146)	(3)
						3420	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(18,334)	-	(17,764)	-
								<u>(189,507)</u>	<u>(3)</u>	<u>(228,910)</u>	<u>(3)</u>
						3xxx	<b>Total equity</b>	<u>4,824,828</u>	<u>76</u>	<u>4,682,270</u>	<u>75</u>
						2-3xxx	<b>Total liabilities and equity</b>	<u>\$ 6,319,431</u>	<u>100</u>	<u>\$ 6,261,114</u>	<u>100</u>
	<b>Total assets</b>	<u>\$ 6,319,431</u>	<u>100</u>	<u>6,261,114</u>	<u>100</u>						

(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, 2022 and 2021

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

		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(p) and 7)	\$ 3,764,197	100	3,366,103	100
5000	Operating costs (notes 6(e), (g), (h), (j), (k), (l), (q) and 7)	1,764,703	47	1,575,830	47
5900	Gross profit from operations	1,999,494	53	1,790,273	53
5920	Add: Changes in unrealized profit	(100,897)	(3)	50,929	2
5900	Gross profit	1,898,597	50	1,841,202	55
6000	Operating expenses (notes 6(g), (h), (k), (l), (q) and 7):				
6100	Selling expenses	397,914	10	366,775	11
6200	Administrative expenses	315,303	8	293,852	9
6300	Research and development expenses	517,614	14	498,696	15
	Total operating expenses	1,230,831	32	1,159,323	35
6900	Operating profit	667,766	18	681,879	20
7000	Non-operating income and expenses (notes 6(f), (k), (r) and 7):				
7100	Interest income	4,548	-	896	-
7010	Other income	57,025	2	49,490	1
7020	Other gains and losses	17,591	-	(10,330)	-
7050	Finance costs	(1,370)	-	(2,433)	-
7375	Share of profit of subsidiaries and associates accounted for under equity method	90,916	2	101,112	3
	Total non-operating income and expenses	168,710	4	138,735	4
7900	Profit from continuing operations before tax	836,476	22	820,614	24
7950	Less: Income tax expenses (note 6(m))	106,976	3	183,301	5
	Net income	729,500	19	637,313	19
8300	Other comprehensive income (notes 6(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	8,191	-	(5,298)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(570)	-	(1,338)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	1,704	-	(1,699)	-
	Components of other comprehensive income that will not be reclassified to profit or loss	5,917	-	(4,937)	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	39,973	1	(103,988)	(3)
8380	Share of other comprehensive income of subsidiaries and associates accounted for using equity method	365	-	(155)	-
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	40,338	1	(104,143)	(3)
8300	Other comprehensive income	46,255	1	(109,080)	(3)
8500	Total comprehensive income	\$ 775,755	20	528,233	16
9750	Basic earnings per share (in New Taiwan dollars) (note 6(o))	\$ 6.11		5.33	
9850	Diluted earnings per share (in New Taiwan dollars) (note 6(o))	\$ 5.99		5.25	

(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, 2022 and 2021**

**(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, 2021	A1	\$ 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
Appropriation and distribution of retained earnings:											
Special reserve appropriated	B3	-	-	-	39,445	(39,445)	-	-	-	-	-
Cash dividends of ordinary share	B5	-	-	-	-	(633,197)	(633,197)	-	-	-	(633,197)
Net income	D1	-	-	-	-	729,500	729,500	-	-	-	729,500
Other comprehensive income	D3	-	-	-	-	6,852	6,852	39,973	(570)	39,403	46,255
Total comprehensive income	D5	-	-	-	-	736,352	736,352	39,973	(570)	39,403	775,755
Balance at December 31, 2022	Z1	\$ 1,194,711	316,963	1,493,727	228,910	1,780,024	3,502,661	(171,173)	(18,334)	(189,507)	4,824,828

(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, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

		<b>2022</b>	<b>2021</b>
AAAA	<b>Cash flows from operating activities:</b>		
A10000	<b>Net income before tax</b>	\$ 836,476	820,614
A20000	<b>Adjustments:</b>		
A20010	Adjustments to reconcile profit and loss		
A20100	Depreciation expense	57,993	57,767
A20900	Interest expenses	1,370	2,433
A21200	Interest income	(4,548)	(896)
A21300	Dividend income	(592)	(532)
A22400	Share of profit of associates accounted for under equity method	(90,916)	(101,112)
A22500	Gains on disposal of property, plant and equipment	(118)	(251)
A22600	Property, plant and equipment transferred to expenses	69	11
A23900	Unrealized gains (losses) from sales	100,897	(50,929)
A2990-1	Gains on lease modification	(49)	874
A2990-2	Others	(210)	-
A20010	Total adjustments to reconcile profit and loss	63,896	(92,635)
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	(124,827)	1,316,272
A31150	Accounts receivable	79,828	(16,644)
A31160	Accounts receivable—related parties	(174,322)	5,288
A31200	Inventories	(242,638)	(66,551)
A31230	Prepayments	10,254	(13,776)
A31240	Other current assets	(3,024)	652
A31000	Total changes in operating assets, net	(454,729)	1,225,241
A32000	Net changes in operating liabilities:		
A32110	Financial liabilities held for trading	8,799	(6,636)
A32130	Notes payable	25	(166)
A32150	Accounts payable	80,920	36,549
A32160	Accounts payable—related parties	(53,896)	53,356
A32180	Other payable	9,764	(54,591)
A32190	Other payable—related parties	(2,525)	(2,931)
A32200	Provisions	1,372	403
A32230	Other current liabilities	6,734	2,371
A32240	Net defined benefit liabilities	(1,635)	(8,969)
A32990	Other non-current liabilities	2,477	5,769
A32000	Total changes in operating liabilities, net	52,035	25,155
A30000	Total changes in operating assets / liabilities, net	(402,694)	1,250,396
A20000	Total adjustments	(338,798)	1,157,761
A33000	Cash provided by operating activities	497,678	1,978,375
A33200	Dividends received	70,683	66,705
A33500	Payment of income tax	(277,441)	(64,108)
AAAA	<b>Net cash provided by operating activities</b>	290,920	1,980,972
BBBB	<b>Cash flows from investing activities:</b>		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(6,000)	-
B01800	Acquisition of investments accounted for using equity method	(14,026)	(177,724)
B02700	Acquisition of property, plant and equipment	(33,584)	(359,779)
B02800	Proceeds from disposal of property, plant and equipment	611	568
B03700	Increase in refundable deposits	(17)	(469)
B06500	Decrease (increase) in other financial assets—non-current	(41)	965
B07500	Interest received	4,548	896
BBBB	<b>Net cash used in investing activities</b>	(48,509)	(535,543)
CCCC	<b>Cash flows from financing activities:</b>		
C00100	Decrease in short-term borrowings	(26,570)	(138,431)
C03000	Increase (decrease) in deposits received	175	(385)
C04020	Payment of lease liabilities	(2,812)	(2,899)
C04500	Cash dividends paid	(633,197)	(633,197)
C05600	Interest paid	(1,370)	(2,433)
CCCC	<b>Net cash used in financing activities</b>	(663,774)	(777,345)
DDDD	<b>Effect of exchange rate changes on cash and cash equivalents</b>	835	(3,273)
EEEE	<b>Net increase (decrease) in cash and cash equivalents</b>	(420,528)	664,811
E00100	<b>Cash and cash equivalents at beginning of period</b>	936,655	271,844
E00200	<b>Cash and cash equivalents at end of period</b>	<b>\$ 516,127</b>	<b>936,655</b>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
**Consolidated Balance Sheets**  
**December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

Assets		December 31, 2022		December 31, 2021		Liabilities and Equity		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
11xx	<b>Current assets:</b>					21xx	<b>Current liabilities:</b>				
1100	Cash and cash equivalents (note 6(a))	\$ 1,225,659	17	1,565,739	22	2100	Short-term borrowings (notes 6(j) and 8)	\$ 622,189	9	541,731	7
1110	Financial assets at fair value through profit or loss — current (note 6(b))	700,969	10	606,829	9	2322	Current portion of long-term borrowings (notes 6(j) and 8)	5,236	-	5,012	-
1120	Financial assets at fair value through other comprehensive income — current (note 6(c))	6,371	-	6,941	-	2120	Financial liabilities at fair value through profit or loss — current (note 6(b))	10,869	-	696	-
1140	Contract assets — current (note 6(q))	5,990	-	8,678	-	2150	Notes payable	1,366	-	2,146	-
1150	Notes receivable, net (notes 6(d) and (q))	7,136	-	8,282	-	2170	Accounts payable	466,549	6	432,706	6
1170	Accounts receivable, net (notes 6(d) and (q))	733,627	10	862,120	12	2219	Other payable (notes 6(m) and (r))	586,893	8	571,739	8
1200	Other receivables (note 6(e))	20,842	-	17,150	-	2230	Current tax liabilities	189,492	3	257,803	4
130x	Inventories (note 6(f))	1,497,000	21	1,021,449	14	2250	Provisions — current (note 6(k))	27,052	-	25,680	-
1410	Prepayments	86,797	1	92,720	1	2280	Current lease liabilities (note 6(l))	65,809	1	101,947	1
1470	Other current assets	14,112	-	14,394	-	2399	Other current liabilities	101,687	1	112,399	2
	<b>Total current assets</b>	4,298,503	59	4,204,302	58		<b>Total current liabilities</b>	2,077,142	28	2,051,859	28
15xx	<b>Non-current assets:</b>					25xx	<b>Non-Current liabilities:</b>				
1517	Financial assets at fair value through other comprehensive income — non-current (note 6(c))	27,617	-	21,617	-	2540	Long-term borrowings (notes 6(j) and 8)	-	-	5,014	-
1600	Property, plant and equipment (notes 6(g), 7, 8 and 9)	2,583,668	35	2,586,485	35	2560	Non-current tax liabilities	26,580	-	89,550	1
1755	Right-of-use assets (note 6(h))	109,301	1	180,389	3	2570	Deferred income tax liabilities (note 6(n))	179,995	3	177,909	3
1780	Intangible assets (note 6(i))	6,949	-	10,314	-	2580	Non-current lease liabilities (note 6(l))	47,483	1	84,894	1
1840	Deferred income tax assets (note 6(n))	179,858	3	152,944	2	2640	Net defined benefit liabilities — non current (note 6(m))	79,880	1	90,318	1
1915	Prepayments for equipment	5,805	-	2,145	-	2645	Deposits received	905	-	730	-
1920	Refundable deposits	31,005	-	26,816	-	2670	Other non-current liabilities	53,287	1	48,758	1
1980	Other financial assets — non-current (notes 8 and 9)	105,587	2	105,546	2		<b>Total non-current liabilities</b>	388,130	6	497,173	7
1990	Other non-current assets	2,161	-	2,271	-	2xxx	<b>Total liabilities</b>	2,465,272	34	2,549,032	35
	<b>Total non-current assets</b>	3,051,951	41	3,088,527	42		<b>Equity attributable to shareholders of the company (note 6(o)):</b>				
						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	1,493,727	20
						3320	Special reserve	228,910	3	189,465	3
						3350	Unappropriated retained earnings	1,780,024	24	1,716,314	24
								3,502,661	47	3,399,506	47
						3400	Other equity interest:				
						3410	Financial statements translation differences for foreign operations	(171,173)	(2)	(211,146)	(3)
						3420	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(18,334)	-	(17,764)	-
								(189,507)	(2)	(228,910)	(3)
							<b>Total equity attributable to shareholders of the company</b>	4,824,828	65	4,682,270	64
						36xx	<b>Non-controlling interests</b>	60,354	1	61,527	1
						3xxx	<b>Total equity</b>	4,885,182	66	4,743,797	65
						2-3xxx	<b>Total liabilities and equity</b>	\$ 7,350,454	100	\$ 7,292,829	100
	<b>Total assets</b>	\$ 7,350,454	100	7,292,829	100						

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		<b>2022</b>		<b>2021</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue (note 6(q))</b>	\$ 5,403,167	100	5,163,691	100
5000	<b>Operating costs (notes 6(f), (g), (h), (k), (l), (m) and (r))</b>	2,239,803	41	2,155,200	42
5900	<b>Gross profit</b>	3,163,364	59	3,008,491	58
6000	<b>Operating expenses (notes 6(d), (g), (h), (i), (l), (m), (r) and 7):</b>				
6100	Selling expenses	1,273,916	24	1,221,588	24
6200	Administrative expenses	527,265	10	487,707	9
6300	Research and development expenses	512,511	9	493,622	10
6450	Impairment loss (reversal of impairment loss) determined in accordance with IFRS 9	(1,030)	-	201	-
	<b>Total operating expenses</b>	2,312,662	43	2,203,118	43
6900	<b>Operating profit</b>	850,702	16	805,373	15
7000	<b>Non-operating income and expenses (notes 6(j), (l) and (s)):</b>				
7100	Interest income	6,077	-	1,675	-
7010	Other income	30,781	1	98,368	2
7020	Other gains and losses	25,219	-	(19,481)	-
7050	Finance costs	(21,532)	-	(17,744)	-
	<b>Total non-operating income and expenses</b>	40,545	1	62,818	2
7900	<b>Profit from continuing operations before tax</b>	891,247	17	868,191	17
7950	<b>Less: Income tax expenses (note 6(n))</b>	158,356	3	223,893	5
	<b>Net income</b>	732,891	14	644,298	12
8300	<b>Other comprehensive income (note 6(o)):</b>				
8310	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>				
8311	Gains (losses) on remeasurements of defined benefit plans	8,804	-	(5,557)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(570)	-	(1,338)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	1,704	-	(1,699)	-
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>	6,530	-	(5,196)	-
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	41,081	-	(106,713)	(2)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>	41,081	-	(106,713)	(2)
8300	<b>Other comprehensive income</b>	47,611	-	(111,909)	(2)
8500	<b>Total comprehensive income</b>	<b>\$ 780,502</b>	<b>14</b>	<b>532,389</b>	<b>10</b>
8600	<b>Net income attributable to:</b>				
8610	Shareholders of the parent	\$ 729,500	14	637,313	12
8620	Non-controlling interests	3,391	-	6,985	-
		<b>\$ 732,891</b>	<b>14</b>	<b>644,298</b>	<b>12</b>
8700	<b>Total comprehensive income attributable to:</b>				
8710	Shareholders of the parent	\$ 775,755	14	528,233	10
8720	Non-controlling interests	4,747	-	4,156	-
		<b>\$ 780,502</b>	<b>14</b>	<b>532,389</b>	<b>10</b>
	<b>Basic earnings per share(in New Taiwan dollars) (note 6(p))</b>				
9750	Basic earnings per share	<b>\$ 6.11</b>		<b>5.33</b>	
9850	Diluted earnings per share	<b>\$ 5.99</b>		<b>5.25</b>	

(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, 2022 and 2021**  
**(Expressed in Thousands of New Taiwan Dollars)**

	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, 2021	A1	\$	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
Appropriation and distribution of retained earnings:														
Special reserve appropriated	B3		-	-	-	39,445	(39,445)	-	-	-	-	-	-	-
Cash dividends of ordinary share	B5		-	-	-	-	(633,197)	(633,197)	-	-	-	(633,197)	(5,920)	(639,117)
Net income	D1		-	-	-	-	729,500	729,500	-	-	-	729,500	3,391	732,891
Other comprehensive income	D3		-	-	-	-	6,852	6,852	39,973	(570)	39,403	46,255	1,356	47,611
Total comprehensive income	D5		-	-	-	-	736,352	736,352	39,973	(570)	39,403	775,755	4,747	780,502
Balance at December 31, 2022	Z1	\$	1,194,711	316,963	1,493,727	228,910	1,780,024	3,502,661	(171,173)	(18,334)	(189,507)	4,824,828	60,354	4,885,182

(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, 2022 and 2021**  
(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
AAAA <b>Cash flows from operating activities:</b>		
A10000 <b>Net income before tax</b>	\$ 891,247	868,191
A20000 <b>Adjustments:</b>		
A20010 Adjustments to reconcile profit and loss		
A20100 Depreciation expense	214,544	210,521
A20200 Amortization expense	3,365	3,366
A20300 Impairment loss (reversal of impairment loss) determined in accordance with IFRS9	(1,030)	201
A20900 Interest expenses	21,532	17,744
A21200 Interest income	(6,077)	(1,675)
A21300 Dividend income	(592)	(532)
A22500 Losses on disposal of property, plant and equipment	357	1,249
A22600 Property, plant and equipment transferred to expenses	69	31
A2990-1 Long-term borrowings transferred to other income	-	(62,861)
A2990-2 Prepayments for equipment transferred to expenses	3,058	433
A2990-3 Losses (gains) on lease modification	(89)	2
A20010 Total adjustments to reconcile profit and loss	235,137	168,479
A30000 <b>Changes in assets / liabilities relating to operating activities:</b>		
A31000 <b>Net changes in operating assets:</b>		
A31115 Financial assets at fair value through profit or loss	(94,140)	1,326,334
A31125 Contract assets	2,688	(7,146)
A31130 Notes receivable	1,146	1,292
A31150 Accounts receivable	129,440	(104,069)
A31180 Other receivable	(3,692)	(15,244)
A31200 Inventories	(479,918)	(6,838)
A31230 Prepayments	5,923	(25,076)
A31240 Other current assets	658	18,253
A31000 Total changes in operating assets, net	(437,895)	1,187,506
A32000 <b>Net changes in operating liabilities:</b>		
A32110 Financial liabilities held for trading	10,173	(7,162)
A32130 Notes payable	(780)	273
A32150 Accounts payable	33,843	81,839
A32180 Other payable	15,154	(39,195)
A32200 Provisions	1,372	403
A32230 Other current liabilities	(10,712)	42,631
A32240 Net defined benefit liabilities	(1,634)	(8,969)
A32990 Other non-current liabilities	4,529	(643)
A32000 Total changes in operating liabilities, net	51,945	69,177
A30000 Total changes in operating assets / liabilities, net	(385,950)	1,256,683
A20000 <b>Total adjustments</b>	(150,813)	1,425,162
A33000 <b>Cash provided by operating activities</b>	740,434	2,293,353
A33200 Dividends received	592	532
A33500 Payment of income tax	(316,169)	(97,510)
AAAA <b>Net cash provided by operating activities</b>	424,857	2,196,375
BBBB <b>Cash flows from investing activities:</b>		
B00010 Acquisition of financial assets at fair value through other comprehensive income	(6,000)	-
B02700 Acquisition of property, plant and equipment	(83,299)	(528,685)
B02800 Proceeds from disposal of property, plant and equipment	1,162	1,483
B03700 Decrease (increase) in refundable deposits	(4,189)	968
B06500 Decrease (increase) in other financial assets — non-current	(41)	965
B06700 Decrease (increase) in other non-current assets	110	(1,953)
B07100 Increase in prepayments for equipment	(7,289)	(4,552)
B07500 Interest received	6,077	1,675
BBBB <b>Net cash used in investing activities</b>	(93,469)	(530,099)
CCCC <b>Cash flows from financing activities:</b>		
C00100 Increase (decrease) in short-term borrowings	79,623	(236,775)
C01600 Proceeds from long-term debt	-	31,178
C01700 Repayment of long-term borrowings	(5,016)	(15,165)
C03000 Increase (decrease) in deposits received	175	(385)
C04020 Payment of lease liabilities	(109,282)	(101,847)
C04500 Cash dividends paid	(639,117)	(639,533)
C05600 Interest paid	(21,532)	(17,744)
CCCC <b>Net cash used in financing activities</b>	(695,149)	(980,271)
DDDD <b>Effect of exchange rate changes on cash and cash equivalents</b>	23,681	(62,168)
EEEE <b>Increase in cash and cash equivalents for the period</b>	(340,080)	623,837
E00100 <b>Cash and cash equivalents at beginning of period</b>	1,565,739	941,902
E00200 <b>Cash and cash equivalents at end of period</b>	<b>\$ 1,225,659</b>	<b>1,565,739</b>

**2.**

**Proposed by the Board**

**Proposal:**

Adoption of the Proposal for Distribution of 2022 Profits

**Explanation:**

- (1). The Board has adopted a Proposal for Distribution of 2022 Profits in accordance with the Articles of Incorporation. Beginning retained earnings is NT\$ 1,330,402,912. After adding net profit after tax of NT\$ 729,499,510, subtracting the legal reserve of NT\$ 72,949,951 and adding the special reserve of NT\$ 39,403,463 and other adjustment items of NT\$ 6,851,967, the retained earnings available for distribution is NT\$ 2,033,207,901 and the proposed cash dividend to shareholders is NT\$ 680,985,646.
- (2). Profit Distribution Table is attached as page 29.

**Resolution:**

**ATEN International Co., LTD.**  
**PROFIT DISTRIBUTION TABLE**

**Year 2022**

( Unit: NTD \$ )

Items	Amount
Beginning retained earnings	1,330,402,912
Add : 2022 net profit after tax	729,499,510
Less : 10% legal reserve	72,949,951
Add : Reverse Special earnings reserves on reductions to shareholders' equity (Note1)	39,403,463
Add : Current change in remeasurements of defined benefit liability	6,486,858
Add : Share of other equity interest accounted for under equity method	365,109
<b>Distributable net profit</b>	<b>2,033,207,901</b>
Distributable items :	
Resolved distribution of interim earnings in 2022 (Note1)	286,730,798
Annual earnings as held for distribution (NT 3.3 per share)	394,254,848
<b>Unappropriated retained earnings</b>	<b>1,352,222,255</b>

Note1 : In the second quarter of 2022, due to the interim earnings distribution : the special reserve totaling NT 817,054 and the resolved cash dividend totaling NT 286,730,798 (NT 2.4 per share).

# **Election**

**Proposed by the Board**

## **Proposal:**

Director election

## **Explanation:**

1. The tenure of all ATEN directors expired on June 15, 2023. The company proposes to duly elect new Board members at this year's Annual General Shareholders' Meeting in accordance with Article 195 of the Company Act.
2. The Board of Directors resolved that 10 directors (including 4 independent directors) will be elected at this Annual General Shareholders' Meeting with a term of three years in accordance with Article 14 of the Articles of Incorporation. The tenure of newly elected directors shall commence on June 15, 2023 and expire on June 14, 2026. The company will set up an audit committee to replace the supervisors, and the audit committee will be composed of all independent directors.
3. The election of directors is conducted under the "candidate nomination system" in accordance with the regulations and the Articles of Incorporation. The roster of the nominated directors has been reviewed by the Board meeting on March 14, 2023. The directors shall be elected from the nominated candidates. The independent and non-independent directors shall be elected at the same time, but in separately calculated numbers. Personal information of the nominee is attached as page 31.
4. Rules for the Election of Directors is attached as page 51-53. (Appendix 3)

## **Election:**

## ATEN International Co., LTD.

### List of Director (Including Independent Director) Candidates

Title	Name	Shareholdings (share)	Education & Experience	Whether or not he/she has served as an independent director for three consecutive terms.
Director	Sun-Chung Chen	4,049,087	<ul style="list-style-type: none"> <li>• EMBA, Business Administration, National Taiwan University</li> <li>• Electronic Engineer Department, Vanung University</li> <li>• Factory Director, ATEN International</li> <li>• R&amp;D Manager, ATEN International</li> </ul>	NA
Director	Shang-Jen Chen	6,789,342	<ul style="list-style-type: none"> <li>• Bachelor, Computer Science Department, National Chiao Tung University</li> <li>• Director and President, ATECH Peripherals INC.</li> </ul>	NA
Director	Yung-Da Lin	6,000	<ul style="list-style-type: none"> <li>• EMBA, International Business Management, National Taiwan University</li> <li>• Master, Electronic Engineering Department, National Taiwan University</li> <li>• Bachelor, Electronic Engineering Department, National Taiwan University</li> <li>• Product Director , Aver Media</li> <li>• R&amp;D Director, Aver media</li> </ul>	NA
Director	Shiu-Ta Liao	1,807,897	<ul style="list-style-type: none"> <li>• Bachelor, Business Administration Department, Feng Chia University</li> <li>• Consultant of Tatungchinaware Co., Ltd.</li> </ul>	NA
Director	Se-Se Chen	1,261,416	<ul style="list-style-type: none"> <li>• Kai Ping Senior High School</li> </ul>	NA
Director	Chen-Lin Kuo	0	<ul style="list-style-type: none"> <li>• Bachelor, Business Department, National Taiwan University</li> <li>• Master, Business Management Department, New Mexico Highlands University</li> <li>• Specialist, Tax Reform Committee, Executive Yuan</li> <li>• Deputy Director, Fiscal Information Agency, Ministry of Finance</li> <li>• Associate Professor, Management Sciences Department, Tamkang University</li> </ul>	NA
Independent Director	Ching-Jen Chang	0	<ul style="list-style-type: none"> <li>• EMBA, Accounting and Management Decision-Making, National Taiwan University</li> <li>• Bachelor, Accounting Department, National Chengchi University</li> <li>• T N Soong &amp; Co</li> <li>• Deloitte &amp; Touche</li> </ul>	No

Title	Name	Shareholdings (share)	Education & Experience	Whether or not he/she has served as an independent director for three consecutive terms.
Independent Director	Chung-Jen Chen	0	<ul style="list-style-type: none"> <li>• PhD, Rensselaer Polytechnic Institute</li> <li>• Associate Dean, Office of Research and Development, National Taiwan University</li> <li>• Administration Department, National Taiwan University</li> <li>• Associate Professor, Business Administration Department, National Cheng Kung University</li> <li>• Assistant Professor, Business Administration Department, National Cheng Kung University</li> <li>• Vice Engineer, CTCI</li> </ul>	Yes/ Taking into consideration of the nominee's rich academic and industrial experience and appropriate advice and guidance on company operations and business analysis, the Company believes the nominee can continue to supervise the operation of the company and has obvious benefits to it.
Independent Director	Chun-Chung Chen	0	<ul style="list-style-type: none"> <li>• PhD, International Business Administration, University of Texas at Dallas</li> <li>• Associate Professor, International Business Department, National Taiwan University</li> <li>• Associate Professor, International Business Department, Yuan Ze University</li> <li>• Assistant Professor, International Business Department , National Chi Nan University</li> </ul>	No
Independent Director	Wei-Jen Chu	0	<ul style="list-style-type: none"> <li>• Master, Accounting Department, National Chengchi University</li> <li>• PhD, Management of Jinan University in Guangzhou</li> <li>• Commissioner, CPA Professional Liability of Auditing Examination Committee, National Federation of CPA Associations of the R.O.C.</li> <li>• Executive Director, National Federation of CPA Association of the R.O.C.</li> <li>• Senior Partner of Candor Taiwan CPAs</li> <li>• Executive Director, Taipei CPA Association</li> <li>• Executive Supervisor, Taipei CPA Association</li> <li>• Commissioner, Discipline Committee, Taiwan Provincial CPA Association</li> <li>• Adjunct Instructor, Fu Jen Catholic University</li> <li>• Adjunct Instructor, Chinese Culture University</li> </ul>	Yes/Taking into consideration of the nominee's financial and accounting profession and corporate governance expertise and appropriate advice and guidance on company operations and business analysis, the Company believes the nominee can continue to supervise the operation of the company and has obvious benefits to it.

# Discussion

1.

**Proposed by the Board**

**Discussion:**

Amendments to Rules of Procedure for Shareholders' Meetings. Please proceed to discuss.

**Explanation:**

- (1). In accordance with the rule No. 11100042501 issued by the Taiwan Stock Exchange Corporation on March 8, 2022 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 Rules of Procedure for Shareholders' Meetings.
- (2). The Comparison Table for the Amendments to the "Rules of Procedure for Shareholders' Meetings" is attached as page 34-36. Please proceed to discuss.

**Resolution:**

## ATEN INTERNATIONAL CO., LTD.

### The Comparison Table for the Amendments to the “Rules of Procedure for Shareholders’ Meetings”

	Original Articles	Amended Articles	Notes
1	<p>Article 2</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Article 2</p> <p>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, <u>and the shares checked in on the virtual meeting platform</u>, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>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.</p> <p>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. <u>In the event of a virtual shareholders meeting, the Company shall also declare the meeting failed to be convened at the virtual meeting platform.</u></p> <p>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</p>	<p>Amend the article according to the regulation. Relevant regulations on the virtual shareholders meetings had been added.</p>

	Original Articles	Amended Articles	Notes
	<p>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.</p>	<p>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.  <u>In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company two business days before the date of the General Shareholders' Meeting.</u></p> <p>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.</p>	
2	<p>Article 4</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</p> <p>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.</p> <p>Where an institutional shareholder has appointed two or more representatives to attend the General Shareholders'</p>	<p>Article 4</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</p> <p>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.</p> <p>Where an institutional shareholder has appointed two or more representatives to attend the General Shareholders'</p>	<p>Amend the article according to the regulation. Relevant regulations on the virtual shareholders meetings had been added.</p>

	Original Articles	Amended Articles	Notes
	<p>Meeting, only one representative may speak per proposal.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>	<p>Meeting, only one representative may speak per proposal.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p> <p><u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 6 do not apply.</u></p>	
3	<p>Article 13</p> <p><u>Matters not specified in these Rules shall be handled in accordance with the Company Act.</u></p>	<p>Article 13</p> <p><u>In the event of a virtual shareholders meeting, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u></p>	<p>1. Delete duplicate regulation.</p> <p>2. Amend the article according to the regulation. Relevant regulations on the virtual shareholders meetings had been added.</p>
4	<p>Article 16</p> <p>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.</p>	<p>Article 16</p> <p>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.</p> <p><u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.</u></p>	<p>Amend the article according to the regulation. Relevant regulations on the virtual shareholders meetings had been added.</p>

**2.**

**Proposed by the Board**

**Discussion:**

Proposal to release the Prohibition on Directors from Participation in Competitive Business. Please proceed to discuss.

**Explanation:**

- (1).According to the Company Act article 209, a director who acts for himself or on behalf of another person that is within the scope of the company's business, shall clarify the essential content of his act to the meeting of shareholders and secure annual shareholders' meeting's approval.
- (2).For the newly elected board of directors, it is proposed to request to release the prohibition on directors from participation in competitive business.
- (3). The details of director (including independent director) candidates holding other company positions are attached as page 38. Please proceed to discuss.

**Resolution:**

## ATEN INTERNATIONAL CO., LTD.

The details of director candidates holding other company positions

Serial number	Account numbers	Name	Concurrent Positions Held at Other Companies
1	7	Sun-Chung Chen	Chairman, Xiufeng Elementary School Education Foundation Chairman and President, Aten Technology Inc. Chairman and President, Aten New Jersey Inc. Chairman, Aten Korea Co., Ltd. Chairman, Aten Computer Products Co., Ltd. Director, Vision Factory Co., LTD
2	6	Shang-Jen Chen	Chairman and President, Vision Factory Co., LTD Chairman, The Ching-Tang Education Foundation
3	46822	Yung-Da Lin	Director, Aten Technology Inc. Director, Aten New Jersey Inc. Director, Aten Korea Co., Ltd.
4	*	Chung-Jen Chen	Independent Director, USUN Technology Co., LTD Independent Director, Solteam Incorporation
5	*	Wei-Jen Chu	Independent Director, International Games System Co., Ltd.

## **Questions and Motions**

### **Adjournment**

## Appendix 1 : Articles of Incorporation

### 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.
- 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.
- 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.  
The twenty-ninth amendment thereto was made on June 17, 2022.

## **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 : Rules for the Election of Directors**

- Article 1 Except as otherwise provided by laws and regulations or by the Company's articles of incorporation, elections of directors of the Company shall be conducted in accordance with these Rules.
- Article 2 The cumulative voting method shall be used for the election of directors at the Company. Each share will have voting rights in number equal to the directors to be elected and may be cast for a single candidate or split among multiple candidates.
- Article 3 Directors of the Company are elected by the shareholders from the director candidate roster. In addition, the number of directors shall be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest number of voting rights will be elected sequentially according to their respective number of votes. Where two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 4 If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "Candidate column" of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity certificate number. However, where the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. Where there are multiple representatives, the names of each respective representative shall be entered.
- Article 5 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 6 A ballot shall be deemed invalid under any of the following circumstances:
- I. The ballot provided by the board of directors is not used.
  - II. A blank ballot is placed in the ballot box.

- III. The writing is unclear and indecipherable or has been altered.
- IV. The candidate whose name is entered in the ballot is a shareholder and his/her account name and shareholder account number does not conform with the shareholder registry, or the candidate whose name is entered in the ballot is not a shareholder and does not conform with the name and identity certificate number provided.
- V. Other words or marks are entered in addition to the candidate's account name (name) or shareholder account number (or identity certificate number) and the number of voting rights allotted.
- VI. Where the account name of the candidate entered on the ballot is identical to that of another shareholder, but no shareholder account number or identity certificate number is provided on the ballot to identify such individual.

Article 7 The qualification and election of independent directors of the Company shall comply with the provisions of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”. Elections of directors shall be conducted in accordance with the candidate nomination system and procedures prescribed in Article 192-1 of the Company Act, and review of their qualifications, educational background, working experience, and the existence of any matters prescribed in Article 30 of the Company Act shall be conducted. Supporting documents for other additional qualifications shall not be listed arbitrarily.

Article 8 The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. Each board member shall have the necessary knowledge, skill and quality to perform their duties; the overall abilities that must be present in the board as a whole shall comply with the Corporate Governance Best Practice Principles for the selection of board members.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of the Company shall consider adjusting the composition of the board members based on the performance evaluation results.

Article 9 The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of

voting shareholders.

Article 10 The voting rights shall be calculated on-site immediately after the end of the poll, and the result of the list of persons elected as directors and their respective number of voting rights won shall be announced by the chair on-site. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 11 Any matters not specified in these Rules shall be handled in accordance with the Company Act and relevant laws and regulations.

Article 12 These Rules shall take effect after the approval of the shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

## Appendix 4 : 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 17, 2023, the shareholding of directors is below:

Record date: April 17, 2023

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	6,000	0.01%
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		15,345,303	12.85%