



**ATEN International Co., LTD. (“The Company”)
Minutes of 2022 Annual General Shareholders’ Meeting
(Translation)**

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

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

III. Attendance: 74,340,064 shares were represented by the shareholders and proxies present, which amounted to 62.22% of the Company’s 119,471,166 issued and outstanding shares.

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

IV. Chairman: Sun-Chung Chen, Chairman of the Board of Directors

Recorder: Jian-Nan Chen

Board Members Present: Sun-Chung Chen, Shang-Jen Chen, Chung-Jen Chen, Wei-Jen Chu, Yung-Da Lin, Chun-Chung Chen, Kun-Yu Chao, Chen-Lin Kuo, Shiu-Ta Liao, Se-Se Chen

V. Chairman Remarks (Omitted)

VI. Report Items

1. 2021 Business Report (Please refer to the Attachment 1)
2. Audit Committee’s Review Report on the 2021 Financial Statements (Please refer to the Attachment 2)
 - (1). The Company’s Financial Statements have been audited and certified by CPA and reviewed by Audit Committee. An audit report and Audit Committee’s review report relating to the Financial Statements has been issued, respectively.

- (2). About Audit Committee's review report and audit report, please refer to the Attachment 2 and Attachment 3.
3. 2021 Employees' Compensation and Directors' Remuneration Report
- (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). BOD resolved to approve 2021 employees' compensation totaling NT\$ 129,874,405 and directors' remuneration totaling NT\$ 11,544,392. The amount is both distributed in cash.
4. Distribution of Cash Dividends from Profits in 2021
- According to Article 23 of the Article of Incorporation, the Board of Directors is authorized to approve quarterly cash dividends after the close of each quarter. The amounts and payment dates of 2021 quarterly cash dividends approved by the Board of Directors are demonstrated in the table below:

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

VII. Adoption Matters

1.

Proposed by the Board

Proposal:

Adoption of the Fiscal 2021 Business Report and Financial Statements

Explanation:

- (1). The Company's Financial Statements, including the balance sheet, statement of comprehensive income, statement of changes in equity, and statement of

cash flows, were audited by independent auditors, Po-Shu Huang and Chung-Shun Wu of KPMG Firm. Also Business Report and Financial Statements have been approved by the Board on March 8, 2022.

- (2). The Fiscal 2021 Business Report and the Financial Statements are attached hereto as Attachments 1 and Attachment 3, respectively. Please acknowledge.

Resolution: The number of voting rights for approval is 68,868,347, the number of voting rights for rejection is 4,705, the number of voting rights for invalidity is 0, the number of voting rights for abstention is 4,991,556, and 93.23% of the total voting rights voted for approval when votes were cast. The above proposal was submitted as proposed.

2.

Proposed by the Board

Proposal:

Adoption of the Proposal for Distribution of 2021 Profits

Explanation:

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

Resolution: The number of voting rights for approval is 68,886,847, the number of voting rights for rejection is 21,205, the number of voting rights for invalidity is 0, the number of voting rights for abstention is 4,956,556 and 93.26% of the total voting rights voted for approval when votes were cast. The above proposal was submitted as proposed.

VIII. Discussion

1.

Proposed by the Board

Proposal:

Amendments to Articles of Incorporation. Please proceed to discuss.

Explanation:

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

ATEN INTERNATIONAL CO., LTD.

The Comparison Table for the Amendments to the "Articles of Incorporation"

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

| | Original Articles | Amended Articles | Notes |
|--|---|---|-------|
| | <p>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, 1900. The twelfth amendment thereto was made on October 15, 1900. 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.</p> | <p>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, 1900. The twelfth amendment thereto was made on October 15, 1900. 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. <u>The twenty-ninth amendment thereto was made on June 17, 2022.</u></p> | |

Resolution: The number of voting rights for approval is 67,829,035, the number of voting rights for rejection is 817,717, the number of voting rights for invalidity is 0, the number of voting rights for abstention is 5,217,856, and 91.82% of the total voting rights voted for approval when votes were cast. The above proposal was submitted as

proposed.

2.

Proposed by the Board

Proposal:

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

Explanation:

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

ATEN INTERNATIONAL CO., LTD.

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

| | Original Articles | Amended Articles | Notes |
|---|---|---|---|
| 1 | <p>Article 6 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> | <p>Article 6 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> | <p>Amend the article according to the regulation.</p> |

| | Original Articles | Amended Articles | Notes |
|---|--|--|---|
| | <p>2. May not be a related party or de facto related party of any party to the transaction.</p> <p>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>A. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>B. When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>C. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy, and reasonableness</u> of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>D. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>reasonable and accurate</u>, and that they have complied with applicable laws and regulations.</p> | <p>2. May not be a related party or de facto related party of any party to the transaction.</p> <p>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-discipline standards of the Company's associations and the</u> following:</p> <p>A. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>B. When <u>conducting</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>C. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>D. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable, and that they have complied with applicable laws and regulations.</p> | |
| 2 | Article 8 Procedures for acquisition or disposal of real property, equipment or right-of-use assets thereof | Article 8 Procedures for acquisition or disposal of real property, equipment or right-of-use assets thereof | <p>1. Revise wording.</p> <p>2. Amend the article</p> |

| | Original Articles | Amended Articles | Notes |
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| | <p>1. Assessment and operating procedures Acquisition or disposal of real property, equipment or right-of-use assets thereof of the Company shall be handled according to these Procedures and relevant internal regulations of the Company.</p> <p>2. Procedures for determining transaction terms and limits of authority delegation A. For acquisition or disposal of real property or right-of-use assets, the publicly announced current value, assessed value, actual transaction price of neighboring real properties etc. In addition, where the amount of each transaction is not over than NT\$ 100 million, it may be approved by the President; where the amount exceeds NT\$ 100 million but not over than NT\$ 200 million, it shall be approved by the Chairman; where the amount exceeds NT\$ 200 million, the transaction terms and transaction price shall be approved through resolution, and analysis report shall be prepared for submitting to the board of directors' meeting for approval in order to execute the transaction accordingly.</p> <p>B. For acquisition or disposal of real property or right-of-use assets, one of the methods of price inquiry, price comparison, price negotiation or tender invitation shall be selected for execution. In addition, where the amount of each transaction is not over than NT\$ 100 million, it may be approved by the President; where the amount exceeds NT\$ 100 million but not over than NT\$ 200 million, it shall be approved by the Chairman; where the amount exceeds NT\$ 200 million, it shall be submitted to the board of directors for approval in order to execute the transaction accordingly.</p> <p>3. Executing Units A. Acquisition or disposal of real properties, such as lands and houses</p> | <p>1. Assessment and operating procedures Acquisition or disposal of real property, equipment or right-of-use assets thereof of the Company shall be handled according to these Procedures and relevant internal regulations of the Company.</p> <p>2. Procedures for determining transaction terms and limits of authority delegation A. For acquisition or disposal of real property or right-of-use assets, the publicly announced current value, assessed value, actual transaction price of neighboring real properties etc. In addition, where the amount of each transaction is not over than NT\$ 100 million, it may be approved by the President; where the amount exceeds NT\$ 100 million but not over than NT\$ 200 million, it shall be approved by the Chairman; where the amount exceeds NT\$ 200 million, the transaction terms and transaction price shall be approved through resolution, and analysis report shall be prepared for submitting to the board of directors' meeting for approval in order to execute the transaction accordingly.</p> <p>B. For acquisition or disposal of real property or right-of-use assets, one of the methods of price inquiry, price comparison, price negotiation or tender invitation shall be selected for execution. In addition, where the amount of each transaction is not over than NT\$ 100 million, it may be approved by the President; where the amount exceeds NT\$ 100 million but not over than NT\$ 200 million, it shall be approved by the Chairman; where the amount exceeds NT\$ 200 million, it shall be submitted to the board of directors for approval in order to execute the transaction accordingly</p> <p>3. Executing Units A. Acquisition or disposal of real properties, such as lands and houses</p> | <p>according to the regulation. Considering that the execution procedure of accountants' issuance of opinions has been included in the amended Article 6 which requires external experts to comply with the self-discipline standards of their associations in the issuance of an opinion, the wording is deleted.</p> |

| | Original Articles | Amended Articles | Notes |
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| | <p>etc., or the right-of-use assets thereof: Shall be handled by the Administration Department.</p> <p>B. Acquisition or disposal of equipment or the right-of-use assets thereof: Shall be handled by the Requesting Unit together with the <u>Administration Department</u>.</p> <p>4. Appraisal Report of Real Property or Equipment In acquiring or disposing of real property, equipment or right-of-use assets thereof, where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions.</p> <p>A. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>B. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>C. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the</p> | <p>etc., or the right-of-use assets thereof: Shall be handled by the Administration Department.</p> <p>B. Acquisition or disposal of equipment or the right-of-use assets thereof: Shall be handled by the Requesting Unit together with <u>other related units</u>.</p> <p>4. Appraisal Report of Real Property or Equipment In acquiring or disposing of real property, equipment or right-of-use assets thereof, where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions.</p> <p>A. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>B. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>C. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a</p> | |

| | Original Articles | Amended Articles | Notes |
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| | <p>transaction amount, a certified public accountant shall be engaged to perform the appraisal <u>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF)</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>D. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>E. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>The calculation of the transaction amounts shall be performed according to Subparagraph (8) of Paragraph 1 of Article 15, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained according to these Procedures need not be counted toward the transaction amount.</p> | <p>certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>D. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>E. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>The calculation of the transaction amounts shall be performed according to Subparagraph (8) of Paragraph 1 of Article 15, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained according to these Procedures need not be counted toward the transaction amount.</p> | |

| | Original Articles | Amended Articles | Notes |
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| 3 | <p>Article 9 Procedures for Acquisition or Disposal of Securities Investment</p> <ol style="list-style-type: none"> 1. Assessment and operating procedures Purchase and sale of long or short term securities of the Company shall be handled according to these Procedures and relevant internal regulations of the Company. 2. Procedures for determining transaction terms and limits of authority delegation <ol style="list-style-type: none"> A. For the acquisition or disposal of securities traded at the centralized securities exchange market or OTC, it shall be determined based on the market fair price at that time. B. For acquisition or disposal of securities not traded at the centralized securities exchange market or OTC, the net asset value per share, profitability, future development potential shall be considered for the price and the trading price at that time or opinions of securities analysis experts on the reasonableness of the transaction amount shall be considered for determination of the price of such securities. C. Regarding the authorization limit for the transactions described in the preceding subparagraphs, In addition, for the acquisition or disposal of securities of single subject matter, where the amount of each transaction is not over than NT\$ 100 million, it may be approved by the President; where the amount exceeds NT\$ 100 million but not over than NT\$ 200 million, it shall be approved by the Chairman; where the amount exceeds NT\$ 200 million, it shall be submitted to the board of directors for approval in order to execute the transaction accordingly. Where the accumulated amount of the acquisition or disposal of securities of one single subject matter exceeds NT\$ 200 million, it shall be submitted to the board of directors for approval in order to execute the | <p>Article 9 Procedures for Acquisition or Disposal of Securities Investment</p> <ol style="list-style-type: none"> 1. Assessment and operating procedures Purchase and sale of long or short term securities of the Company shall be handled according to these Procedures and relevant internal regulations of the Company. 2. Procedures for determining transaction terms and limits of authority delegation <ol style="list-style-type: none"> A. For the acquisition or disposal of securities traded at the centralized securities exchange market or OTC, it shall be determined based on the market fair price at that time. B. For acquisition or disposal of securities not traded at the centralized securities exchange market or OTC, the net asset value per share, profitability, future development potential shall be considered for the price and the trading price at that time or opinions of securities analysis experts on the reasonableness of the transaction amount shall be considered for determination of the price of such securities. C. Regarding the authorization limit for the transactions described in the preceding subparagraphs, In addition, for the acquisition or disposal of securities of single subject matter, where the amount of each transaction is not over than NT\$ 100 million, it may be approved by the President; where the amount exceeds NT\$ 100 million but not over than NT\$ 200 million, it shall be approved by the Chairman; where the amount exceeds NT\$ 200 million, it shall be submitted to the board of directors for approval in order to execute the transaction accordingly. Where the accumulated amount of the acquisition or disposal of securities of one single subject matter exceeds NT\$ 200 million, it shall be submitted to the board of directors for approval in order to execute the | <p>Considering that the execution procedure of accountants' issuance of opinions has been included in the amended Article 6 which requires external experts to comply with the self-discipline standards of their associations in the issuance of an opinion, the wording is deleted.</p> |

| | Original Articles | Amended Articles | Notes |
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| | <p>transaction accordingly. Regarding the transactions of securities and bonds under repurchase or the transactions of domestic monetary market funds etc. for the purpose of capital movement, since the risk of the subject matter is extremely low and due to the consideration of the timing for capital movement, the President is authorized for approval in order to execute such transactions accordingly.</p> <p>D. For the statement of changes (including acquisition or disposal) of the transactions described in the preceding subparagraphs, the responsible unit shall prepare such statement based on the information of the settlement date of the most recent month, and the statement of the most recent period shall be submitted to the board of directors for review.</p> <p>3. Executing Units When the Company invests in long or short term securities, such investments shall be approved according to the approval authority described in the preceding paragraph, and the subsequent transactions and executions shall be handled by the Department of Finance and other relevant units.</p> <p>4. Obtaining Expert Opinion A. The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage CPA, prior to the date of occurrence of the event, to provide an opinion with respect to the reasonableness of the transaction price. <u>If the CPA needs to use the</u></p> | <p>transaction accordingly. Regarding the transactions of securities and bonds under repurchase or the transactions of domestic monetary market funds etc. for the purpose of capital movement, since the risk of the subject matter is extremely low and due to the consideration of the timing for capital movement, the President is authorized for approval in order to execute such transactions accordingly.</p> <p>D. For the statement of changes (including acquisition or disposal) of the transactions described in the preceding subparagraphs, the responsible unit shall prepare such statement based on the information of the settlement date of the most recent month, and the statement of the most recent period shall be submitted to the board of directors for review.</p> <p>3. Executing Units When the Company invests in long or short term securities, such investments shall be approved according to the approval authority described in the preceding paragraph, and the subsequent transactions and executions shall be handled by the Department of Finance and other relevant units.</p> <p>4. Obtaining Expert Opinion A. The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage CPA, prior to the date of occurrence of the event, to provide an opinion with respect to the reasonableness of the transaction price. This requirement does not</p> | |

| | Original Articles | Amended Articles | Notes |
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| | <p><u>report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF).</u></p> <p>This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>B. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>The calculation of the transaction amounts shall be performed according to Subparagraph (8) of Paragraph 1 of Article 15, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained according to these Procedures need not be counted toward the transaction amount.</p> | <p>apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>B. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>The calculation of the transaction amounts shall be performed according to Subparagraph (8) of Paragraph 1 of Article 15, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained according to these Procedures need not be counted toward the transaction amount.</p> | |
| 4 | <p>Article 10 Procedures for acquisition or disposal of assets from or to related party</p> <p>1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to handling relevant resolution procedures and assessing the reasonableness of transaction terms according to Articles 8, 9, 11 and this Article of these Procedures, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion.</p> <p>The calculation of the transaction amounts shall be performed according to Subparagraph (8) of Paragraph 1 of Article 15, and “within the preceding</p> | <p>Article 10 Procedures for acquisition or disposal of assets from or to related party</p> <p>1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to handling relevant resolution procedures and assessing the reasonableness of transaction terms according to Articles 8, 9, 11 and this Article of these Procedures, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion.</p> <p>The calculation of the transaction amounts shall be performed according to Subparagraph (8) of Paragraph 1 of Article 15, and “within the preceding</p> | <p>1. Revise wording.</p> <p>2. Amend the article according to the regulation.</p> <p>3. Due to operating needs, the authorized amount will be increased.</p> |

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| | <p>year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained according to these Procedures need not be counted toward the transaction amount.</p> <p>In addition, when judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>2. Assessment and operating procedures When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and have been submitted to the board of directors for approval through resolution:</p> <p>A. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>B. The reason for choosing the related party as a transaction counterparty.</p> <p>C. With respect to the acquisition of real property or right-of-use assets thereof from a related party, relevant information with respect to the appraisal of the reasonableness of the preliminary transaction terms in accordance with Subparagraph (1) to</p> | <p>year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained according to these Procedures need not be counted toward the transaction amount.</p> <p>In addition, when judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>2. Assessment and operating procedures When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches <u>the materiality standards</u> (20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more), except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until <u>the competent authority have executed in accordance with the regulations of internal control within the company and</u> the following matters have been approved by the Audit Committee and have been submitted to the board of directors for approval through resolution:</p> <p>A. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>B. The reason for choosing the related party as a transaction counterparty.</p> <p>C. With respect to the acquisition of real property or right-of-use assets thereof from a related party, relevant</p> | |

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| | <p>Subparagraph (4) and Subparagraph (6) of Paragraph 3 of this Article.</p> <p>D. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>E. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>F. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Paragraph 1 of this Article.</p> <p>G. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts shall be performed according to Subparagraph (8) of Paragraph 1 of Article 15, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items already approved by the Audit Committee and submitted to the board of directors with approval according to these Procedures need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and subsidiaries, or between subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or authorized capital, the board of directors may delegate the Chairman to decide such matters when the transaction is <u>not over than 20 percent of the paid-in capital</u> and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>A. Acquisition or disposal of equipment or right-of-use assets thereof held for</p> | <p>information with respect to the appraisal of the reasonableness of the preliminary transaction terms in accordance with Subparagraph (1) to Subparagraph (4) and Subparagraph (6) of Paragraph 3 of this Article.</p> <p>D. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>E. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>F. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Paragraph 1 of this Article.</p> <p>G. Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>If the Company or its subsidiary that is not a domestic public offering company conducts a transaction outlined in paragraph 2 of this article, and the transaction amount reaches 10% or more of the Company’s total assets, the Company shall submit the materials listed in paragraph 2 of this article to the shareholders meeting for approval before it may sign the transaction contract and make payments. However, transactions between the Company and its subsidiaries or between its subsidiaries shall not be subject to this provision.</u></p> <p>The calculation of the transaction amounts shall be performed according to Subparagraph (8) of Paragraph 1 of Article 15, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items already approved by <u>the shareholders meeting and the Audit Committee</u> and submitted</p> | |

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

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| | | herein refer to the actual number of persons currently holding those positions. | |
| 5 | <p>Article 11 Procedures for acquisition or disposal of intangible assets or right-of-use assets thereof or memberships</p> <p>1. Assessment and operating procedures Where the Company acquires or disposes intangible assets or right-of-use- assets thereof or memberships, it shall consider the market fair price or expert's assessment report in order to determine the transaction terms and transaction price, and shall also prepare analysis report for submission to the President <u>for approval</u>.</p> <p>2. Procedures for determining limits of authority delegation</p> <p>A. For acquisition or disposal of memberships, where the amount is less than NT\$ 3 million, it shall be submitted to the Chairman for approval and shall be reported to the most recent board of directors' meeting after the acquisition or disposal; where the amount reaches NT\$ 3 million or more, it shall be reported to the board of directors' meeting for approval through resolution before executing the acquisition or disposal.</p> <p>B. For acquisition or disposal of intangible assets or right-of-use assets thereof, where the amount is less than NT\$ 20 million, it shall be submitted to the Chairman for approval and shall be reported to the most recent board of directors' meeting after the acquisition or disposal; where the amount reaches NT\$ 20 million or more, it shall be reported to the board of directors' meeting for approval through resolution before executing the acquisition or disposal.</p> <p>3. Executing Units When the Company acquires or disposes</p> | <p>Article 11 Procedures for acquisition or disposal of intangible assets or right-of-use assets thereof or memberships</p> <p>1. Assessment and operating procedures Where the Company acquires or disposes intangible assets or right-of-use- assets thereof or memberships, it shall consider the market fair price or expert's assessment report in order to determine the transaction terms and transaction price, and shall also prepare analysis report for submission to the President.</p> <p>2. Procedures for determining limits of authority delegation</p> <p>A. For acquisition or disposal of memberships, where the amount is less than NT\$ 3 million, it shall be submitted to the Chairman for approval and shall be reported to the most recent board of directors' meeting after the acquisition or disposal; where the amount reaches NT\$ 3 million or more, it shall be reported to the board of directors' meeting for approval through resolution before executing the acquisition or disposal.</p> <p>B. For acquisition or disposal of intangible assets or right-of-use assets thereof, where the amount is less than NT\$ 20 million, it shall be submitted to the Chairman for approval and shall be reported to the most recent board of directors' meeting after the acquisition or disposal; where the amount reaches NT\$ 20 million or more, it shall be reported to the board of directors' meeting for approval through resolution before executing the acquisition or disposal.</p> <p>3. Executing Units When the Company acquires or disposes intangible assets or right-of-use assets</p> | <p>1.Delete wording.</p> <p>2. Considering that the execution procedure of accountants' issuance of opinions has been included in the amended Article 6 which requires external experts to comply with the self-discipline standards of their associations in the issuance of an opinion, the wording is deleted.</p> |

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| | <p>intangible assets or right-of-use assets thereof or memberships, it is necessary to proceed with the report for approval according to the delegation of authority described in the preceding paragraph, followed which the use unit and the Administration Department shall be responsible for the execution thereof.</p> <p>4. Expert assessment opinion report for intangible assets or right-of-use assets thereof or memberships</p> <p>Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p> <p>The calculation of the transaction amounts shall be performed according to Subparagraph (8) of Paragraph 1 of Article 15, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained according to these Procedures need not be counted toward the transaction amount.</p> | <p>thereof or memberships, it is necessary to proceed with the report for approval according to the delegation of authority described in the preceding paragraph, followed which the use unit and the Administration Department shall be responsible for the execution thereof.</p> <p>4. Expert assessment opinion report for intangible assets or right-of-use assets thereof or memberships</p> <p>Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p> <p>The calculation of the transaction amounts shall be performed according to Subparagraph (8) of Paragraph 1 of Article 15, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained according to these Procedures need not be counted toward the transaction amount.</p> | |
| 6 | <p>Article 15 Procedures for public disclosure of information</p> <p>1. Required announcement and report items and standards for announcement and report</p> <p>A. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other</p> | <p>Article 15 Procedures for public disclosure of information</p> <p>1. Required announcement and report items and standards for announcement and report</p> <p>A. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other</p> | Amend the article according to the regulation. |

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| | <p>than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>B. Merger, demerger, acquisition, or transfer of shares.</p> <p>C. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>D. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>(1) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>(2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>E. Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a</p> | <p>than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>B. Merger, demerger, acquisition, or transfer of shares.</p> <p>C. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>D. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>(1) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>(2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>E. Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a</p> | |

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| | <p>related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>F. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million or more.</p> <p>G. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds.</p> <p>(2) Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(3) Trading of bonds under repurchase and resale agreements,</p> | <p>related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>F. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million or more.</p> <p>G. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds <u>or foreign bonds with credit rating no less than the sovereign credit rating of Taiwan.</u></p> <p>(2) Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds, or of</u> ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or</u> <u>subscription or redemption of exchange traded note,</u> or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities</p> | |

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

Resolution: The number of voting rights for approval is 65,527,789, the number of voting rights for rejection is 3,118,963, the number of voting rights for invalidity is 0, the number of voting rights for abstention is 5,217,856, and 88.71% of the total voting rights voted for approval when votes were cast. The above proposal was submitted as

proposed.

IX. Questions and Motions: None

X. Adjournment

Please note that the above is an English translation version. If there is any discrepancy between the original Chinese version and this English translation, the Chinese version shall prevail.

ATEN International Co., LTD.

2021 Business Report

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

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

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

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

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

In 2021, ATEN was included in the Best Taiwan Global Brands for the fourth consecutive year. We have been marketing our products under the ATEN brand all over the world for more than 40 years, continuing to impress customers with the brand value of Simply Better Connections, and our inclusion in the Best Taiwan Global Brands represents ongoing recognition of ATEN's commitment to developing global markets and building an international brand. Going forward, ATEN will continue our efforts to not only enhance profitability but also contribute toward the realization of the

United Nations' 17 Sustainable Development Goals (SDGs), working together with other business enterprises throughout the world to help achieve sustainable development for the global village.

ATEN International Co., LTD.

Chairman : Sun-Chung Chen

President : Sun-Chung Chen

Chief Accountant : Jian-Nan Chen

Attachment 2

ATEN International Co., LTD.

Audit Committee's Review Report

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

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

ATEN International Co., LTD.

Chairman of the Audit Committee : Wei-Jen Chu

March 3, 2022

Independent Auditors' Report

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

Opinion

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

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

2. Inventory measurement

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

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

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company' s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management' s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company' s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor' s report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor' s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG

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

Notes to Readers

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

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

Independent Auditors' Report

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

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

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How the matter was addressed in our audit:

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

Other Matter

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)

March 8, 2022

Notes to Readers

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

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

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

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

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

See accompanying notes to parent company only financial statements.

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

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

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

ATEN INTERNATIONAL CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

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

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

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

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

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

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

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

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

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

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

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

ATEN International Co., LTD.
PROFIT DISTRIBUTION TABLE
Year 2021

(Unit: NTD \$)

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

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