



Stock Code: 6277

**ATEN International Co., LTD**

**Handbook for the 2014 Annual Meeting of  
Shareholders**

**【Translation】**

**Meeting Time: June 17, 2014**

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

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

### **Procedure for the 2014 Annual Meeting of Shareholders**

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

ATEN International Company, Ltd.

Year 2014

## Agenda of Annual Meeting of Shareholders

**Time:** June 17, 2014 (Tuesday) at 9 a.m.

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

### **1. Report Items**

- (1). 2013 Business Report
- (2). Supervisor's Review Report on the 2013 Financial Statements

### **2. Proposals**

- (1). Adoption of the Fiscal 2013 Business Report and Financial Statements
- (2). Adoption of the Proposal for Distribution of 2013 Profits

### **3. Discussion**

- (1). Amendment to the Articles of Incorporation
- (2). Amendment to the Operational Procedures for Acquisition and Disposal of Assets
- (3). Directors and Supervisors Election
- (4). Proposal for Release the Prohibition on Directors from Participation in Competitive Business

### **4. Questions and Motions**

### **5. Adjournment**

# Report Item

## **Item No. 1**

2013 Business Reports

### **Explanation:**

The 2013 Business Report is attached as page 5-6.

# **ATEN International Co., LTD**

## **2013 Business Report**

FY2013 saw a gradual improvement in the state of the global economy. Thanks to the combined efforts of all ATEN employees, both in Taiwan and overseas, ATEN posted impressive earnings performance in FY2013, with consolidated net sales revenue rising to a record high. Consolidated net sales revenue for the whole of FY2013 was NT\$4,571 million, 6.9% up on FY2012. ATEN's operating margin for the full year was NT\$2,652 million, giving a gross profit margin of 58%. Operating expenses fell by 11% (compared to FY2012) to NT\$1,751 million. Consolidated earnings after tax in FY2013 came to NT\$741 million, representing an annual increase of 54.8%; ATEN's after-tax earnings per share (EPS) in FY2013 were NT\$6.20 per share.

The past year has seen impressive achievements in the development of all three of ATEN's main product lines: IT Infrastructure Access Management Solutions, Professional Audio & Video Product Solutions, and Green Energy Business. In the IT Infrastructure Access Management Solutions segment, besides developing remote management devices that are compatible with new types of video interface and which support a larger number of ports, ATEN has also been developing centralized management software that enables IT personnel to implement centralized management of multiple different devices that are in different locations and operating on different platforms, while also handling user authorization and incident recording. In addition, ATEN has been developing CCVSR (Control Center Video Session Recorder) software solutions that make it possible for business enterprises to perform follow-up on IT incidents and monitor users' accessing of servers, while also supporting compliance management and auditing operations. Benefiting from the trends towards integrated hardware/software management, process automation, IP-based remote management, more rigorous separation of internal networks from the public Internet on the part of corporate customers, etc., ATEN has continued to grow its market share in both the enterprise-class and consumer market segments. In the Professional Audio & Video Product Solution segment, in response to the shift from analog to digital interfaces in recent years, the growing market for digital electronic signage, rising demand for long-distance transmission, and the growth in HDMI and "4k2k" ultra-high-definition multimedia transmission, etc., ATEN has rolled out new HDMI matrix switch solutions, 4k2k video splitters, fiber optic signal extenders, etc., which are able to provide superior image quality in a wide range of different usage environments, including government offices, airports, military facilities, schools and colleges, factories (for monitoring purposes), and large-scale convention centers. ATEN has already established itself as a leading provider of Professional Audio & Video Product Solutions in the corporate and educational market segments; in the future, ATEN will continue to expand into other industry sectors. In its Green Energy Business product line, ATEN provides a full range of energy-saving solutions, including a

comprehensive range of “green energy” PDUs (Power Distribution Units”) and energy-saving “eco-PDU” sensor solutions, which can help to optimize energy usage, enhance overall operating performance, and create environmentally-friendly control rooms. Besides energy intelligence rack PDU and eco sensor software, ATEN also produces “Energy Boxes” that make it possible for business enterprises to rapidly upgrade their existing IT resources, thereby cutting costs and achieving efficient, energy-saving power management.

ATEN received numerous awards and honors in FY2013 in recognition of its achievements in R&D and in the promotion of sustainable operation. Having been awarded Taiwan Excellence in a row, last year ATEN was also the recipient of the Best Choice Award gold medal and of the d&i (Design & Innovation) award at the Computex exhibition in Taipei; these awards have helped to showcase ATEN’s outstanding technology innovation and industrial design capabilities. As regards our company’s commitment to protecting the environment, ATEN recently “adopted” a stretch of beach, and encourages company employees to participate in beach clean-up activities. For Earth Day, ATEN took part in a “Green Arts and Crafts Fair,” the purpose of which was to educate the public about the importance of environmental sustainability. As part of its corporate social responsibility (CSR) activities, ATEN was involved in a charity walk activity organized by the Syin-Lu Social Welfare Foundation, helping the Foundation to achieve its fund-raising goals. ATEN has also been involved in helping to improve the quality of education in disadvantaged areas, for example by donating equipment to Gukeng Elementary School in Taiwan’s Yunlin County to improve the school’s learning environment. Last year, ATEN ranked third in *CommonWealth* magazine’s Corporate Citizenship Awards list of the best corporate citizens in Taiwan. All of these activities and awards are a reflection of ATEN’s commitment to sustainable, responsible operation.

ATEN’s impressive sales performance, financial performance, and CSR achievements in FY2013 reflected the valued support that ATEN has received from customers, investors, shareholders and the general public. In the future, ATEN will continue to adhere to its corporate philosophy, which emphasizes putting the customer first, developing innovative technologies, and providing high-quality service. Besides achieving and maintaining the status of a world-leading provider of connector and management solutions, ATEN will also be maintaining rigorous corporate governance through efficiency enhancement and cost control, while participating in corporate social responsibility and environmental protection activities, and continuing to build corporate value and benefit shareholders.

ATEN International Co., LTD

Chairman : Kevin Chen

President : Kevin Chen

Chief Accountant : Stephen Chen

**Item No. 2**

## Supervisor's Review Report on the 2013 Financial Statements

**Explanation:**

- (1). The 2013 Supervisor's Review Report is attached as page 8.
- (2). CPA Audit Report is attached as page 9-12.

## ATEN International Co., LTD

### Supervisors Audit Report

The Board of Directors has prepared the Company's Financial Statements. ATEN International Financial Statements have been audited and certified by Po-Shu Huang, CPA, and Lin 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 considered to be complied with relevant rules by the undersigned, the supervisor of ATEN International. According to Article 219 of the Company act, I hereby submit this report.

ATEN International Co., LTD

Supervisor : Se-Se Chen  
Shiu-Ta Liao  
Chen- Lin Kuo

March 18, 2014

## **Independent Auditors' Report**

The Board of Directors  
ATEN International Co., Ltd.:

We have audited the accompanying balance sheets of ATEN INTERNATIONAL CO., LTD. (the Company) as of December 31, 2013 and 2012, and January 1, 2012, and the related statements of comprehensive income as well as the statements of changes in stockholders' equity and of cash flows for the years ended December 31, 2013 and 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of certain investees accounted for under the equity method. These long-term equity investments amounted to \$364,586 thousand, \$52,069 thousand and \$90,153 thousand as of December 31, 2013 and 2012, and January 1, 2012, and constituted to 8%, 1% and 2% of total assets in each year, respectively. Their related net investment gain was \$125,396 thousand and \$22,610 thousand and constituted to 15% and 4% of net income before tax for the year then ended.

We conducted our audits in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and auditing standards generally accepted in the Republic of China. Those regulations and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentations. We believe that our audits and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial positions of the Company as of December 31, 2013 and 2012, and January 1, 2012 and the results of its operations and its cash flows for the years ended December 31, 2013 and 2012, in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

KPMG

March 18, 2014

**Note to Readers**

The accompanying financial statements are intended only to present the financial position, results of operations, and cash flows in accordance with the International Financial Reporting Standards approved by the R.O.C. Financial Supervisory Commission. The standards, procedures and practices to review such financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying 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 auditors' report and financial statements, the Chinese version shall prevail.

## **Independent Auditors' Report**

The Board of Directors

ATEN INTERNATIONAL CO., LTD.:

We have audited the accompanying consolidated balance sheets of ATEN INTERNATIONAL CO., LTD. and subsidiaries (the Group) as of December 31, 2013 and 2012, and January 1, 2012, and the related consolidated statements of comprehensive income as well as the consolidated statements of changes in stockholders' equity and of cash flows for the years ended December 31, 2013 and 2012. These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of certain investees accounted for under the equity method. These long term equity investments amounted to \$71,986 thousand and \$52,069 thousand as of December 31, 2013 and 2012, and constituted to 1% of consolidated total assets in both years. Their related net investment gain were \$15,477 thousand and \$22,610 thousand and constituted to 2% and 4% of consolidated net income before tax for the years then ended. The financial statements of these companies were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts for these companies, is based solely on the reports of the other auditors. The consolidated total assets for these investees amounted to \$807,034 thousand as of December 31, 2013 and constituted to 15% of consolidated total assets. Their net revenues for the years then ended amounted to \$1,359,209 thousand, constituted 30% of consolidated net revenues.

We conducted our audits in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and auditing standards generally accepted in the Republic of China. Those regulations and standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentations. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the consolidated financial positions of the Group as of December 31, 2013 and 2012, and January 1, 2012 and the consolidated results of its operations and its cash flows for the years ended December 31, 2013 and 2012, in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed by the R.O.C. Financial Supervisory Commission.

We have also audited the standalone financial statements of ATEN INTERNATIONAL CO., LTD. as of December 31, 2013 and 2012, and January 1, 2012, and the related consolidated statements of comprehensive income as well as the consolidated statements of changes in stockholders' equity and of cash flows for the years ended December 31, 2013 and 2012, on which we have issued a modified unqualified audit report.

KPMG

March 18, 2014

**Note to Readers**

The accompanying consolidated financial statements are intended only to present the financial position, results of operations, and cash flows in accordance with the International Financial Reporting Standards approved by the R.O.C. Financial Supervisory Commission. The standards, procedures and practices to review such financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying 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 auditors' report and financial statements, the Chinese version shall prevail.

# Proposals

**1.**

## **Proposed by the Board**

### **Proposal:**

Adoption of the 2013 Business Report and Financial Statements

### **Explanation:**

- ( 1 ) The Company's Financial Statements, including the balance sheet, income statement, statement of changes in shareholders' equity, and statement of cash flows, were audited by independent auditors, Po-Shu Huang and Lin Wu of KPMG Firm. Also Business Report and Financial Statements have been approved by the Board.
- ( 2 ) The 2013 Business Report, independent auditors' audit report, and the above-mentioned Financial Statements are attached as page 5-6, page 9-12 and page 14-21, respectively.

### **Resolution:**

**ATEN INTERNATIONAL CO., LTD.**  
**Balance Sheets**  
**December 31, 2013 and 2012, and January 1, 2012**  
(Expressed in thousands of New Taiwan dollars)

Assets	December 31, 2013		December 31, 2012		January 1, 2012		Liabilities and Stockholders' Equity	December 31, 2013		December 31, 2012		January 1, 2012	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>Current assets:</b>							<b>Current liabilities:</b>						
Cash and cash equivalents (note 6(a))	\$ 314,677	7	206,652	5	267,119	7	Short-term borrowings (note 6(j))	\$ 224,625	5	101,976	3	136,305	3
Financial assets at fair value through profit or loss — current (note 6(b))	586,872	12	178,830	5	113,415	3	Financial liabilities at fair value through profit or loss — current (note 6(b))	3,835	-	2,541	-	483	-
Available-for-sale financial assets — current (note 6(c))	8,982	-	8,068	-	12,707	-	Notes payable	3,868	-	5,282	-	3,905	-
Notes receivable, net (note 6(d))	-	-	295	-	208	-	Accounts payable	190,092	4	159,737	4	188,947	5
Accounts receivable, net (note 6(d))	127,610	3	116,595	3	117,163	3	Accounts payable — related parties (note 7)	82,537	2	58,013	1	252,966	6
Accounts receivable — related parties, net (notes 6(d) and 7)	512,902	11	411,675	10	515,679	13	Other payables (note 6(n))	333,575	7	306,691	8	263,390	7
Other receivables (note 6(d))	11,652	-	2,684	-	4,472	-	Other payables — related parties (note 6(l))	190,735	4	189,483	5	-	-
Inventories (note 6(e))	268,980	6	234,489	6	251,976	6	Current tax liabilities (note 6(m))	70,488	2	28,724	1	58,076	2
Prepayments	31,338	1	42,385	1	3,974	-	Provisions — current (note 6(k))	13,704	-	10,457	-	7,681	-
Other current assets	9,616	-	9,266	-	11,347	-	Other current liabilities	8,681	-	10,858	-	6,668	-
<b>Total current assets</b>	<b>1,872,629</b>	<b>40</b>	<b>1,210,939</b>	<b>30</b>	<b>1,298,060</b>	<b>32</b>	<b>Total current liabilities</b>	<b>1,122,140</b>	<b>24</b>	<b>873,762</b>	<b>22</b>	<b>918,421</b>	<b>23</b>
<b>Non-current assets:</b>							<b>Non-current liabilities:</b>						
Financial assets carried at cost — non-current (note 6(f))	14,280	-	14,280	-	14,280	-	Deferred income tax liabilities (note 6(m))	124,010	3	90,344	2	78,077	2
Investments accounted for under equity method (note 6(g))	881,996	19	871,664	22	700,325	18	Accrued pension liabilities (note 6(l))	145,790	3	140,902	3	130,480	3
Property, plant and equipment (note 6(h))	1,640,941	35	1,658,400	41	1,674,957	42	Deposits received	724	-	1,230	-	1,015	-
Goodwill (note 6(i))	-	-	44,304	1	51,304	1	Long-term equity investment with credit balance (note 6(g))	-	-	25,274	1	-	-
Deferred income tax assets (note 6(m))	135,536	3	103,483	3	98,373	3	Other non-current liabilities	510	-	157	-	-	-
Refundable deposits	328	-	328	-	230	-	<b>Total non-current liabilities</b>	<b>271,034</b>	<b>6</b>	<b>257,907</b>	<b>6</b>	<b>209,572</b>	<b>5</b>
Other financial assets — non-current (notes 8 and 9)	140,154	3	132,507	3	153,860	4	<b>Total liabilities</b>	<b>1,393,174</b>	<b>30</b>	<b>1,131,669</b>	<b>28</b>	<b>1,127,993</b>	<b>28</b>
Other non-current assets	-	-	14,450	-	15,642	-	<b>Equity attributable to shareholders of the parent (notes 6(l), 6(m), 6(n) and 6(o)):</b>						
<b>Total non-current assets</b>	<b>2,813,235</b>	<b>60</b>	<b>2,839,416</b>	<b>70</b>	<b>2,708,971</b>	<b>68</b>	Common stock	1,194,711	25	1,194,711	29	1,194,711	30
							Capital surplus:						
							Additional paid-in capital	316,913	7	316,913	8	316,913	8
							Donated assets received	50	-	50	-	50	-
							Changes in equity of associates accounted for using equity method	16,157	-	-	-	-	-
								<b>333,120</b>	<b>7</b>	<b>316,963</b>	<b>8</b>	<b>316,963</b>	<b>8</b>
							Retained earnings:						
							Legal reserve	741,851	16	693,674	17	642,090	16
							Special reserve	33,091	1	14,581	-	10,006	-
							Unappropriated retained earnings	989,368	21	718,669	18	721,577	18
								<b>1,764,310</b>	<b>38</b>	<b>1,426,924</b>	<b>35</b>	<b>1,373,673</b>	<b>34</b>
							Other equity:						
							Financial statements translation differences for foreign operations	4,200	-	(15,347)	-	-	-
							Unrealized gain (loss) on available-for-sale financial assets	(3,651)	-	(4,565)	-	(6,309)	-
								<b>549</b>	<b>-</b>	<b>(19,912)</b>	<b>-</b>	<b>(6,309)</b>	<b>-</b>
							<b>Total equity</b>	<b>3,292,690</b>	<b>70</b>	<b>2,918,686</b>	<b>72</b>	<b>2,879,038</b>	<b>72</b>
<b>Total assets</b>	<b>\$ 4,685,864</b>	<b>100</b>	<b>4,050,355</b>	<b>100</b>	<b>4,007,031</b>	<b>100</b>	<b>Total liabilities and stockholders' equity</b>	<b>\$ 4,685,864</b>	<b>100</b>	<b>4,050,355</b>	<b>100</b>	<b>4,007,031</b>	<b>100</b>

**ATEN INTERNATIONAL CO., LTD.**  
**Statements of Comprehensive Income**  
**For the years ended December 31, 2013 and 2012**  
**(Expressed in thousands of New Taiwan dollars)**

	<b>2013</b>		<b>2012</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Operating revenue (notes 6(q) and 7)</b>	\$ 3,055,391	100	2,801,272	100
<b>Operating costs (notes 6(e), 6(k), 6(l), 6(n) and 7)</b>	1,534,988	50	1,406,867	50
<b>Gross Profit</b>	1,520,403	50	1,394,405	50
Less: Unrealized profit (loss) from sales	64,755	2	(15,646)	-
<b>Gross Profit, net</b>	1,455,648	48	1,410,051	50
<b>Operating expenses (notes 6(d), 6(l), 6(n) and 7):</b>				
Selling expenses	264,672	9	310,036	11
Administrative expenses	264,500	9	337,722	12
Research and development expenses	373,738	12	344,169	12
<b>Total operating expenses</b>	902,910	30	991,927	35
<b>Operating profit</b>	552,738	18	418,124	15
<b>Non-operating income and expenses (notes 6(g), 6(i) and 6(r) and 7):</b>				
Other income	87,873	3	30,618	1
Other gains and losses	(14,542)	-	(15,127)	-
Financial costs	(688)	-	(1,091)	-
Share of profit of associates accounted for under equity method	205,801	6	126,843	4
<b>Total non-operating income and expenses</b>	278,444	9	141,243	5
<b>Net income before tax</b>	831,182	27	559,367	20
<b>Less: income tax expenses (note 6(m))</b>	89,909	3	80,527	3
<b>Net income</b>	741,273	24	478,840	17
<b>Other comprehensive income (loss) (notes 6(l) and 6(n)):</b>				
Financial statements translation differences for foreign operations	19,547	1	(15,347)	(1)
Unrealized gain on valuation of available-for-sale financial assets	914	-	1,744	-
Actuarial gains (losses) on defined benefit plans	(11,424)	-	(6,925)	-
Share of other comprehensive income of subsidiaries accounted for under equity method	(107)	-	-	-
Less: income tax expense relating to components of other comprehensive income (loss)	(1,899)	-	(1,188)	-
<b>Other comprehensive income (loss), net of tax</b>	10,829	1	(19,340)	(1)
<b>Total comprehensive income</b>	<b>\$ 752,102</b>	<b>25</b>	<b>459,500</b>	<b>16</b>
<b>Basic earnings per share (in New Taiwan dollars) (note 6(p))</b>	<b>\$ 6.20</b>		<b>4.01</b>	
<b>Diluted earnings per share (in New Taiwan dollars) (note 6(p))</b>	<b>\$ 6.08</b>		<b>3.92</b>	

**ATEN INTERNATIONAL CO., LTD.**  
**Statements of Changes in Equity**  
**For the years ended December 31, 2013 and 2012**  
**(Expressed in thousands of New Taiwan dollars)**

	Common stock	Capital surplus	Legal reserve	Retained earnings		Total	Other equity adjustments		Total	Total Equity
				Special reserve	Unappropriated earnings		Financial statements translation differences for foreign operations	Unrealized gain (loss) on valuation of available-for-sale financial assets		
<b>Balance at January 1, 2012</b>	\$ 1,194,711	316,963	642,090	10,006	721,577	1,373,673	-	(6,309)	(6,309)	2,879,038
Appropriations and distributions (note 1) (6(m)):										
Legal reserve	-	-	51,584	-	(51,584)	-	-	-	-	-
Special reserve	-	-	-	4,575	(4,575)	-	-	-	-	-
Cash dividends	-	-	-	-	(418,149)	(418,149)	-	-	-	(418,149)
Net income	-	-	-	-	478,840	478,840	-	-	-	478,840
Other comprehensive income (loss)	-	-	-	-	(5,737)	(5,737)	(15,347)	1,744	(13,603)	(19,340)
Total comprehensive income (loss)	-	-	-	-	473,103	473,103	(15,347)	1,744	(13,603)	459,500
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	-	(1,703)	(1,703)	-	-	-	(1,703)
<b>Balance at December 31, 2012</b>	1,194,711	316,963	693,674	14,581	718,669	1,426,924	(15,347)	(4,565)	(19,912)	2,918,686
Appropriations and distributions (note 2) (6(m)):										
Legal reserve	-	-	48,177	-	(48,177)	-	-	-	-	-
Special reserve	-	-	-	18,510	(18,510)	-	-	-	-	-
Cash dividends	-	-	-	-	(394,255)	(394,255)	-	-	-	(394,255)
Changes in equity of associates accounted for under equity method	-	16,157	-	-	-	-	-	-	-	16,157
Net income	-	-	-	-	741,273	741,273	-	-	-	741,273
Other comprehensive income (loss)	-	-	-	-	(9,632)	(9,632)	19,547	914	20,461	10,829
Total comprehensive income (loss)	-	-	-	-	731,641	731,641	19,547	914	20,461	752,102
<b>Balance at December 31, 2013</b>	\$ 1,194,711	333,120	741,851	33,091	989,368	1,764,310	4,200	(3,651)	549	3,292,690

Note 1: Compensation to directors and supervisors of \$9,484 and employee benefits of \$94,834 have been deducted from the statements of comprehensive income.

Note 2: Compensation to directors and supervisors of \$8,302 and employee benefits of \$83,018 have been deducted from the statements of comprehensive income.

**ATEN INTERNATIONAL CO., LTD.**  
**Statements of Cash Flows**  
**For the years ended December 31, 2013 and 2012**  
**(Expressed in thousands of New Taiwan dollars)**

	2013	2012
<b>Cash flows from operating activities:</b>		
Net income before tax	\$ 831,182	559,367
<b>Adjustments:</b>		
Adjustments to reconcile profit and loss		
Depreciation	50,095	41,541
Amortization	-	5,346
Provision (reversal of provision) for bad debt expense	(32)	32
Interest expenses	688	1,091
Interest income	(1,543)	(1,382)
Dividend income	(202)	(108)
Share of profit of associates accounted for under equity method	(205,801)	(126,843)
Gains on disposal of property, plant and equipment	(250)	(30)
Property, plant and equipment transferred to expense	-	37
Gains on disposal of investments	(4,362)	(421)
Impairment loss on non-financial instruments	44,304	7,000
Unrealized profit (loss) on affiliated transactions	64,755	(15,646)
Total adjustments to reconcile profit and loss	<u>(52,348)</u>	<u>(89,383)</u>
Changes in assets / liabilities relating to operating activities:		
Net changes in operating assets:		
Financial assets held for trading	(408,042)	(65,415)
Notes receivable	295	(87)
Accounts receivable	(10,983)	536
Accounts receivable—related parties	(101,227)	104,004
Other receivable	(8,968)	1,788
Inventories	(34,491)	17,487
Prepayments	11,047	(38,411)
Other current assets	(350)	2,081
Total changes in operating assets, net	<u>(552,719)</u>	<u>21,983</u>
Net changes in operating liabilities:		
Financial liabilities held for trading	1,294	2,058
Notes payable	(1,414)	1,377
Accounts payable	30,355	(29,210)
Accounts payable—related parties	24,524	(5,470)
Other payable	26,884	43,301
Other payables—related parties	1,252	-
Provisions	3,247	2,776
Other current liabilities	(2,177)	4,190
Accrued pension liabilities	(6,536)	3,497
Other non-current liabilities	353	157
Total changes in operating liabilities, net	<u>77,782</u>	<u>22,676</u>
Total changes in operating assets / liabilities, net	<u>(474,937)</u>	<u>44,659</u>
Total adjustments	<u>(527,285)</u>	<u>(44,724)</u>
Cash provided by operating activities	303,897	514,643
Dividends received	139,881	14,296
Payment of income tax	(44,633)	(101,428)
<b>Net cash provided by operating activities</b>	<u>399,145</u>	<u>427,511</u>
<b>Cash flows from investing activities:</b>		
Proceeds from disposal of available-for-sale financial assets	-	6,804
Increase in long-term investments accounted for under equity method	-	(34,920)
Proceeds from disposal of investments accounted for under equity method	5,720	-
Acquisition of property, plant and equipment	(18,315)	(24,439)
Proceeds from disposal of property, plant and equipment	379	30
Increase in refundable deposits	-	(98)
Decrease (increase) in other financial assets—non-current	(7,647)	21,353
Increase in other non-current assets	-	(4,736)
Interest received	1,543	1,382
<b>Net cash used in investing activities</b>	<u>(18,320)</u>	<u>(34,624)</u>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowings	122,649	(34,329)
Increase (decrease) in deposits received	(506)	215
Cash dividends paid	(394,255)	(418,149)
Interest paid	(688)	(1,091)
<b>Net cash used in financing activities</b>	<u>(272,800)</u>	<u>(453,354)</u>
Increase (decrease) in cash and cash equivalents for the period	108,025	(60,467)
Cash and cash equivalents at beginning of period	206,652	267,119
Cash and cash equivalents at end of period	<u>\$ 314,677</u>	<u>206,652</u>

**ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
**Consolidated Balance Sheets**  
**December 31, 2013 and 2012, and January 1, 2012**  
(Expressed in thousands of New Taiwan dollars)

Assets	December 31, 2013		December 31, 2012		January 1, 2012		Liabilities and Stockholders' Equity	December 31, 2013		December 31, 2012		January 1, 2012	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>Current assets:</b>							<b>Current liabilities:</b>						
Cash and cash equivalents (note 6(a))	\$ 852,231	16	850,608	17	674,783	14	Short-term borrowings (notes 6(j) and 8)	\$ 554,684	10	434,649	9	447,929	9
Financial assets at fair value through profit or loss – current (note 6(b))	626,011	12	178,830	4	113,415	2	Current portion of long-term borrowings (notes 6(j) and 8)	20,977	-	23,318	-	17,065	1
Available-for-sale financial assets – current (note 6(c))	9,016	-	8,101	-	12,738	-	Financial liabilities at fair value through profit or loss – current (note 6(b))	3,835	-	2,541	-	483	-
Notes receivable, net (note 6(d))	9,120	-	13,301	-	18,341	1	Notes payable	11,499	-	12,820	-	12,195	-
Accounts receivable, net (notes 6(d) and 8)	530,803	10	467,759	10	518,838	11	Accounts payable (note 7)	405,474	8	334,221	7	398,979	8
Accounts receivable – related parties, net (notes 6(d) and 7)	-	-	-	-	4,064	-	Other payables (note 6(n))	443,753	8	462,157	10	342,186	7
Other receivables (note 6(d))	15,568	-	3,926	-	5,924	-	Current tax liabilities	100,236	2	75,243	2	95,463	2
Inventories (notes 6(e) and 8)	717,988	13	621,347	13	665,961	14	Provisions – current (note 6(k))	14,178	-	10,892	-	8,079	-
Prepayments	95,258	2	75,161	2	51,370	1	Other current liabilities	32,414	1	53,431	1	69,796	2
Other current assets	15,577	-	15,337	-	14,618	-	<b>Total current liabilities</b>	<b>1,587,050</b>	<b>29</b>	<b>1,409,272</b>	<b>29</b>	<b>1,392,175</b>	<b>29</b>
<b>Total current assets</b>	<b>2,871,572</b>	<b>53</b>	<b>2,234,370</b>	<b>46</b>	<b>2,080,052</b>	<b>43</b>	<b>Non-current liabilities:</b>						
<b>Non-current assets:</b>							Long-term borrowings (notes 6(j) and 8)	134,065	2	151,734	3	159,466	3
Financial assets carried at cost – non-current (note 6(f))	19,280	-	14,280	-	14,280	-	Deferred income tax liabilities (note 6(m))	163,883	4	130,223	3	115,476	2
Investments accounted for under equity method (note 6(g))	71,986	1	52,069	1	90,153	2	Accrued pension liabilities (note 6(l))	147,812	3	143,031	3	132,671	3
Property, plant and equipment (notes 6(h) and 8)	2,102,103	39	2,120,865	44	2,175,208	46	Deposits received	1,736	-	2,754	-	2,226	-
Goodwill (note 6(i))	2,756	-	47,060	1	54,060	1	Other non-current liabilities	18,052	-	20,114	-	19,840	1
Deferred income tax assets (note 6(m))	212,958	4	199,756	4	197,688	4	<b>Total non-current liabilities</b>	<b>465,548</b>	<b>9</b>	<b>447,856</b>	<b>9</b>	<b>429,679</b>	<b>9</b>
Prepayments for equipment	3,779	-	34,913	1	15	-	<b>Total liabilities</b>	<b>2,052,598</b>	<b>38</b>	<b>1,857,128</b>	<b>38</b>	<b>1,821,854</b>	<b>38</b>
Refundable deposits	6,699	-	6,900	-	5,690	-	<b>Equity attributable to shareholders of the parent (notes 6(m), 6(n) and 6(o)):</b>						
Other financial assets – non-current (notes 8 and 9)	140,154	3	132,507	3	153,860	3	Common stock	1,194,711	22	1,194,711	25	1,194,711	25
Other non-current assets	2,695	-	15,963	-	18,227	1	Capital surplus:						
<b>Total non-current assets</b>	<b>2,562,410</b>	<b>47</b>	<b>2,624,313</b>	<b>54</b>	<b>2,709,181</b>	<b>57</b>	Additional paid-in capital	316,913	6	316,913	6	316,913	7
							Donated assets received	50	-	50	-	50	-
							Changes in equity of associates accounted for using equity method	16,157	-	-	-	-	-
								<b>333,120</b>	<b>6</b>	<b>316,963</b>	<b>6</b>	<b>316,963</b>	<b>7</b>
							<b>Retained earnings:</b>						
							Legal reserve	741,851	13	693,674	14	642,090	13
							Special reserve	33,091	1	14,581	-	10,006	-
							Unappropriated retained earnings	989,368	18	718,669	15	721,577	15
								<b>1,764,310</b>	<b>32</b>	<b>1,426,924</b>	<b>29</b>	<b>1,373,673</b>	<b>28</b>
							<b>Other equity:</b>						
							Financial statements translation differences for foreign operations	4,200	-	(15,347)	-	-	-
							Unrealized gain (loss) on available-for-sale financial assets	(3,651)	-	(4,565)	-	(6,309)	-
								549	-	(19,912)	-	(6,309)	-
							<b>Total Equity attributable to shareholders of the parent</b>	<b>3,292,690</b>	<b>60</b>	<b>2,918,686</b>	<b>60</b>	<b>2,879,038</b>	<b>60</b>
							<b>Non-controlling interests</b>	<b>88,694</b>	<b>2</b>	<b>82,869</b>	<b>2</b>	<b>88,341</b>	<b>2</b>
							<b>Total equity</b>	<b>3,381,384</b>	<b>62</b>	<b>3,001,555</b>	<b>62</b>	<b>2,967,379</b>	<b>62</b>
<b>Total assets</b>	<b>\$ 5,433,982</b>	<b>100</b>	<b>4,858,683</b>	<b>100</b>	<b>4,789,233</b>	<b>100</b>	<b>Total liabilities and stockholders' equity</b>	<b>\$ 5,433,982</b>	<b>100</b>	<b>4,858,683</b>	<b>100</b>	<b>4,789,233</b>	<b>100</b>

**ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the years ended December 31, 2013 and 2012**

**(Expressed in thousands of New Taiwan dollars)**

	<b>2013</b>		<b>2012</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Operating revenue (notes 6(q) and 7)</b>	\$ 4,571,012	100	4,275,862	100
<b>Operating costs (notes 6(e), 6(h), 6(k), 6(l), 6(n) and 7)</b>	<u>1,919,202</u>	42	<u>1,823,146</u>	43
<b>Gross profit</b>	2,651,810	58	2,452,716	57
<b>Operating expenses (notes 6(d), 6(h), 6(i), 6(l), 6(n) and 7):</b>				
Selling expenses	908,746	20	1,057,209	25
Administrative expenses	455,642	10	553,757	13
Research and development expenses	<u>386,893</u>	8	<u>357,927</u>	8
<b>Total operating expenses</b>	<u>1,751,281</u>	38	<u>1,968,893</u>	46
<b>Operating profit</b>	<u>900,529</u>	20	<u>483,823</u>	11
<b>Non-operating income and expenses (notes 6(f), 6(g), 6(i) and 6(r)):</b>				
Other income	66,911	2	32,067	1
Other gains and losses	(28,986)	(1)	111,631	2
Finance costs	(14,499)	-	(16,266)	-
Share of profit of associates accounted for under equity method	<u>15,477</u>	-	<u>22,610</u>	-
<b>Total non-operating income and expenses</b>	<u>38,903</u>	1	<u>150,042</u>	3
<b>Net income before tax</b>	939,432	21	633,865	14
<b>Less: income tax expenses (note 6(m))</b>	<u>183,227</u>	4	<u>149,206</u>	3
<b>Net income</b>	<u>756,205</u>	17	<u>484,659</u>	11
<b>Other comprehensive income (loss) (notes 6(m) and 6(n)):</b>				
Financial statements translation differences for foreign operations	21,915	-	(15,996)	-
Unrealized gain on valuation of available-for-sale financial assets	914	-	1,744	-
Actuarial gains (losses) on defined benefit plans	(11,550)	-	(7,218)	-
Less: income tax expense relating to components of other comprehensive income (loss)	<u>(1,899)</u>	-	<u>(914)</u>	-
<b>Other comprehensive income (loss), net of tax</b>	<u>13,178</u>	-	<u>(20,556)</u>	-
<b>Total comprehensive income</b>	<u>\$ 769,383</u>	17	<u>\$ 464,103</u>	11
<b>Net income attributable to:</b>				
Shareholders of the parent	\$ 741,273	17	478,840	11
Non-controlling interests	<u>14,932</u>	-	<u>5,819</u>	-
	<u>\$ 756,205</u>	17	<u>\$ 484,659</u>	11
<b>Total comprehensive income attributable to:</b>				
Shareholders of the parent	\$ 752,102	17	459,500	11
Non-controlling interests	<u>17,281</u>	-	<u>4,603</u>	-
	<u>\$ 769,383</u>	17	<u>\$ 464,103</u>	11
<b>Basic earnings per share (in New Taiwan dollars) (note 6(p))</b>	<u>\$ 6.20</u>		<u>\$ 4.01</u>	
<b>Diluted earnings per share (in New Taiwan dollars) (note 6(p))</b>	<u>\$ 6.08</u>		<u>\$ 3.92</u>	

ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2013 and 2012

(Expressed in thousands of New Taiwan dollars)

	Equity attributable to shareholders of the parent						Other equity adjustments			Total equity attributable to shareholders of the parent	Non-controlling interests	Total Equity
	Retained earnings					Total	Financial statements translation differences for foreign operations	Unrealized gain (loss) on valuation of available-for-sale financial assets	Total			
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings							
<b>Balance at January 1, 2012</b>	\$ 1,194,711	316,963	642,090	10,006	721,577	1,373,673	-	(6,309)	(6,309)	2,879,038	88,341	2,967,379
Appropriations and distributions:												
Legal reserve	-	-	51,584	-	(51,584)	-	-	-	-	-	-	-
Special reserve	-	-	-	4,575	(4,575)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(418,149)	(418,149)	-	-	-	(418,149)	(11,778)	(429,927)
Net income	-	-	-	-	478,840	478,840	-	-	-	478,840	5,819	484,659
Other comprehensive income (loss)	-	-	-	-	(5,737)	(5,737)	(15,347)	1,744	(13,603)	(19,340)	(1,216)	(20,556)
Total comprehensive income (loss)	-	-	-	-	473,103	473,103	(15,347)	1,744	(13,603)	459,500	4,603	464,103
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	-	(1,703)	(1,703)	-	-	-	(1,703)	1,703	-
<b>Balance at December 31, 2012</b>	1,194,711	316,963	693,674	14,581	718,669	1,426,924	(15,347)	(4,565)	(19,912)	2,918,686	82,869	3,001,555
Appropriations and distributions:												
Legal reserve	-	-	48,177	-	(48,177)	-	-	-	-	-	-	-
Special reserve	-	-	-	18,510	(18,510)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(394,255)	(394,255)	-	-	-	(394,255)	(11,446)	(405,701)
Changes in equity of associates accounted for under equity method	-	16,157	-	-	-	-	-	-	-	16,157	-	16,157
Net income	-	-	-	-	741,273	741,273	-	-	-	741,273	14,932	756,205
Other comprehensive income (loss)	-	-	-	-	(9,632)	(9,632)	19,547	914	20,461	10,829	2,349	13,178
Total comprehensive income (loss)	-	-	-	-	731,641	731,641	19,547	914	20,461	752,102	17,281	769,383
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(10)	(10)
<b>Balance at December 31, 2013</b>	\$ 1,194,711	333,120	741,851	33,091	989,368	1,764,310	4,200	(3,651)	549	3,292,690	88,694	3,381,384

**ATEN INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2013 and 2012**  
**(Expressed in thousands of New Taiwan dollars)**

	2013	2012
<b>Cash flows from operating activities:</b>		
<b>Consolidated net income before tax</b>	<b>\$ 939,432</b>	<b>633,865</b>
<b>Adjustments:</b>		
Adjustments to reconcile profit and loss		
Depreciation	94,140	80,376
Amortization	-	6,795
Provision (reversal of provision) for bad debt expense	865	(1,225)
Interest expenses	14,499	16,266
Interest income	(3,503)	(3,294)
Dividend income	(202)	(108)
Share of profit of associates accounted for under equity method	(15,477)	(22,610)
Gains on disposal of property, plant and equipment	(39)	(419)
Property, plant and equipment transferred to expenses	-	46
Gains on disposal of investments	(4,362)	(125,724)
Impairment loss on non-financial instruments	44,304	7,000
Total adjustments to reconcile profit and loss	<u>130,225</u>	<u>(42,897)</u>
<b>Changes in assets / liabilities relating to operating activities:</b>		
<b>Net changes in operating assets:</b>		
Financial assets held for trading	(447,181)	(65,415)
Notes receivable	4,181	5,040
Accounts receivable	(64,078)	52,619
Accounts receivable – related parties	-	4,064
Other receivable	(11,642)	1,998
Inventories	(97,288)	45,453
Prepayments	(20,097)	(23,707)
Other current assets	(240)	(719)
Total changes in operating assets, net	<u>(636,345)</u>	<u>19,333</u>
<b>Net changes in operating liabilities:</b>		
Financial liabilities held for trading	1,294	2,058
Notes payable	(1,321)	625
Accounts payable	119,633	(113,138)
Other payable	(66,784)	168,351
Provisions	3,247	2,830
Other current liabilities	(21,027)	(16,365)
Accrued pension liabilities	(6,769)	3,142
Other non-current liabilities	(2,062)	274
Total changes in operating liabilities, net	<u>26,211</u>	<u>47,777</u>
Total changes in operating assets / liabilities, net	<u>(610,134)</u>	<u>67,110</u>
<b>Total adjustments</b>	<b>(479,909)</b>	<b>24,213</b>
<b>Cash provided by operating activities</b>	<b>459,523</b>	<b>658,078</b>
<b>Dividends received</b>	<b>10,561</b>	<b>14,558</b>
<b>Payment of income tax</b>	<b>(134,324)</b>	<b>(156,812)</b>
<b>Net cash provided by operating activities</b>	<b>335,760</b>	<b>515,824</b>
<b>Cash flows from investing activities:</b>		
Proceeds from disposal of available-for-sale financial assets	-	6,804
Acquisition of financial assets at cost	(5,000)	-
Proceeds from disposal of investments accounted for under equity method	5,720	171,440
Acquisition of property, plant and equipment	(31,478)	(46,185)
Proceeds from disposal of property, plant and equipment	463	1,833
Decrease (increase) in refundable deposits	201	(1,210)
Decrease (increase) in other financial assets – non-current	(7,647)	21,353
Increase in other non-current assets	(1,865)	(5,268)
Increase in prepayments for equipment	(3,779)	(34,898)
Interest received	3,503	3,294
<b>Net cash provided by (used in) investing activities</b>	<b>(39,882)</b>	<b>117,163</b>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowings	120,035	(13,280)
Proceeds from long-term borrowings	-	22,000
Repayment of long-term borrowings	(19,659)	(16,248)
Increase (decrease) in deposits received	(1,018)	528
Cash dividends paid	(405,701)	(429,927)
Interest paid	(14,499)	(16,266)
<b>Net cash used in financing activities</b>	<b>(320,842)</b>	<b>(453,193)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>26,587</b>	<b>(3,969)</b>
<b>Increase in cash and cash equivalents for the period</b>	<b>1,623</b>	<b>175,825</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>850,608</b>	<b>674,783</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 852,231</b>	<b>850,608</b>

2.

**Proposed by the Board**

**Proposal:**

Adoption of the Proposal for Distribution of 2013 Profits

**Explanation:**

(1) The Board has adopted a Proposal for Distribution of 2013 Profits in accordance with Articles of Incorporation.

I. The proposed cash dividend to shareholders is NT\$ 597,355,830 (NT\$5.0 per share) based on the number of actual shares outstanding on the record date for distribution.

II. The cash dividend is distributed in accordance with the number of issued and outstanding shares registered on the Common Stockholders' Roster on the record date. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date and pay date.

(2) Profit Distribution Table is attached as page 23.

**Resolution:**

**ATEN International Company, Ltd.**  
**PROFIT DISTRIBUTION TABLE**  
**Year 2013**

( Unit: NTD \$ )

Items	Amount
Beginning retained earnings(ROC GAAP)	293,090,369
Less: Adjustments to the first-time adoption of IFRS	26,688,783
Less: Adjustments to 2012 net income from ROC GAAP to IFRS	2,938,157
Less: Adjustments to actuarial loss in defined benefit plans in 2012	5,735,939
Beginning retained earnings(IFRS)	257,727,490
Less: Adjustments to actuarial loss in defined benefit plans in 2013	9,525,837
Less: Adjustments to other comprehensive income (loss) for changes in investees' equity	106,729
Add: Special earnings reserves on reductions to shareholders' equity	33,090,801
Adjusted undistributed earnings	281,185,725
Add: 2013 net profit after tax	741,272,843
Less: 10% legal reserve	74,127,284
<b>Distributable net profit</b>	<b>948,331,284</b>
Distributable items:	
Cash Dividend to shareholders(NT\$5.0 per share)	597,355,830
<b>Unappropriated retained earnings</b>	<b>350,975,454</b>
Notes:	
Compensation of directors and supervisors: 14,004,727	
Employee bonus sharing: 140,047,272	

# Discussion and Election

1.

**Proposed by the Board**

**Discussion:**

Amendment to the Articles of Incorporation. Please proceed to discuss.

**Explanation:**

- (1). In order to fulfill the practical operation, the company hereby proposes to amend the Articles of Incorporation.
- (2). Please refer to the Chinese version of the Handbook for details.

**Resolution:**

2.

**Proposed by the Board**

**Discussion:**

Amendment to the Operational Procedures for Acquisition and Disposal of Assets. Please proceed to discuss.

**Explanation:**

- (1). In order to conform to amendments to related commercial laws, the company hereby proposes to amend the Operational Procedures for Acquisition and Disposal of Assets. Please proceed to discuss.
- (2). Please refer to the Chinese version of the Handbook for details.

**Resolution:**

**3.****Proposed by the Board****Proposal:**

Director and Supervisor election

**Explanation:**

1. The tenure of all ATEN directors and supervisors expired on June 14, 2014. The company proposes to duly elect new Board members at this year's Annual General Shareholders' Meeting.
2. According to Article 14 of the Articles of Incorporation, The Board of Directors resolved that 7 directors (including 2 independent directors) and 3 supervisors will be elected at this Annual General Shareholders' Meeting. The tenure of newly elected directors shall commence on June 17, 2014 and expire on June 16, 2017.
3. The election of independent directors is conducted under the "candidate nomination system". The independent directors shall be elected from the nominated candidates. The qualification of the nominated independent directors has been reviewed by the Board meeting. Personal information of the nominee is as follows:

Name	Education	Present position and Experience	Shareholding
Wei-Jen Chu	Master in Accounting, NCCU	Commissioner of National Federation of CPA Association of the R.O.C. Senior Partner of Candor Taiwan CPAs Commissioner in Chief of the Board of Professional General director of Taipei City CPA Association General supervisor of Taipei City CPA Association	0

Name	Education	Present position and Experience	Shareholding
		Adjunct Instructor, Fu Jen Catholic University Adjunct Instructor, Chinese Culture University	
Chung-Jen Chen	PhD, Rensselaer Polytechnic Institute	Associate Professor, Business Administration Department, NTU Associate Professor, Business Administration Department, NCKU Assistant Professor, Business Administration Department, NCKU Vice Engineer, CTCI	0

### Voting Results

#### 4. **Proposed by the Board**

##### **Proposal**

Proposal for Release the Prohibition on Directors from Participation in Competitive Business

##### **Explanation:**

1. According to the Article 209 of Company Act, a director who acts for himself or on behalf of another person that is within the scope of the company's business, shall secure approval for such at the meeting of shareholders.
2. Due to business development, for the newly elected board of directors, it is proposed to request to release the prohibition on directors from participation in competitive business.

##### **Resolution:**

# **Questions and Motions**

## **Adjournment**

## Appendix : Current Shareholding of Directors and Supervisors

### ATEN International Co, LTD Shareholding of Directors and Supervisors

Record date: April 19, 2014

Title	Name	Current Shareholding	Percentage
Chairman	Kevin Chen	4,049,087	3.39%
Director	Shang-Jen Chen	6,779,342	5.67%
Director	CDIB EQUITY INC.	65,660	0.05%
Director	Lung-Chi Tsai	395,584	0.33%
Independent Director	Wei-Jen Chu	0	0.00%
Independent Director	Chung-Jen Chen	0	0.00%
Supervisor	Se-Se Chen	1,261,416	1.06%
Supervisor	Shiu-Ta Liao	1,807,897	1.51%
Supervisor	Chen-Lin Kuo	0	0.00%

**Note 1:** The minimum required combined shareholding of all directors by law:  
8,000,000 shares.

The combined shareholding of all directors on the book closure date, April 19, 2014: 11,289,673 shares.

**Note 2:** The minimum required combined shareholding of all supervisors by law:  
800,000 shares.

The combined shareholding of all supervisors on the book closure date, April 19, 2014: 3,069,313 shares.

**Note 3:** The shares held by independent directors and independent supervisors shall not be counted in the calculation of director and supervisor shareholdings.