

## ASMedia Technology Inc.

### Meeting Minutes of the Annual General Shareholders Meeting for 2021

1. Time : 9:00am on July 23, 2021 (Friday)
2. Venue : No. 219-2, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City (The Koos Hotel Conference Room)
3. Attendance : The total number of shares issued by the Company was 69,222,861, and the total number of voting shares was 69,222,861. The total number of shares represented by the attending shareholders and proxies was 61,689,422, of which 44,029,580 shares were electronically attended to exercise voting rights, representing an attendance rate of 89.11%.  
Company : Che-Wei Lin, Representative of Corporate Director, Ted Hsu, Representative of Corporate Director (video attendance), Chien-Ping Hsieh, Convenor of Audit Committee, Jerry Wang, Head of Legal Affairs, Eddie Zhang, Manager of Pwc Taiwan.
4. Chairman : Jerry Shen; Meeting Recorder : Martin Pan
5. Chairman's Statements : None
6. Report Items  
Report No. : 1  
Item : Business Report of 2020  
Explanation : Please refer to attachment for the Company's 2020 Business Report.  
  
Report No. : 2  
Item : Audit Committee's Review Report on 2020 Financial Statements  
Explanation : Please refer to attachment for the Audit Committee's Review Report.  
  
Report No. : 3  
Item : Report of Employees' and Director's Remuneration for 2020

- Explanation :
1. The Company's profit before the appropriation of employees and directors remuneration in 2020 was NT\$3,169,653,201. According to Article 24 of Company's Articles of Incorporation, the profit allocated to the Employees' remuneration was NT\$231,076,578. The profit allocated to Directors' remuneration was NT\$10,665,073. The above-mentioned will be paid in cash.
  2. There is no difference between the amount approved by the Board of Directors and the amount recognized as expense in 2020.

Report No. : 4

Item : The Earnings Distribution of Cash Dividends for 2020.

- Explanation :
1. The Board of Directors is authorized to decide the distribution of partial or full dividends in cash, and report the decision to the shareholders meeting in accordance with Article 24-1 of the Articles of Incorporation.
  2. The proposed distribution of cash dividends amounting to NT\$1,661,348,664 were distributed to shareholders at NT\$24 per share and will be paid in cash under the resolution by the Board of Directors on March 15, 2021. Shareholder cash dividend that is less than NT\$1 should be rounded to the nearest integer; also, fractional dividends will be claimed by the Company as other income. The Board of Directors is authorized to resolve the ex-dividend record date and other relevant issues.
  3. If the dividend ratio of the earnings distribution is changed and must be adjusted as a result of a change in the number of outstanding shares, the Board of Directors is authorized to arrange necessary adjustments.

Report No. : 5

Item : Report on Estimated Benefits for Share Exchange Cooperation with WT Microelectronics Co. Ltd.

- Explanation :
1. The exchange of common shares with WT was been approved by the Financial Supervisory Commission (FSC) per Letter No. 1090337528 and becomes effective from Apr 17, 2020.
  2. The benefits of share exchange cooperation with WT has been explained in the following:

Unit: US\$ Million

Item	Share Exchange of Mutual Benefits for 2020		Explanation
	Actual	Estimated	
Operating Revenue	18.58	20.66	After the strategic alliance between the Company and WT, the strategic revenue brought to the Company has reached US\$18.58 million with gross profit of US\$11.24 million. Both the revenue and margin has achieved 90% and 108% as compared to estimated figures. Thus, the benefits received from WT is progressing well.
Gross Profit	11.24	10.44	

## 7. Adoption Items

Adoption No. 1: (Proposed by the Board of Directors)

Item: To adopt 2020 Business Report and Financial Statements

Explanation: The 2020 Business Report and financial statements for ASMedia Technology Inc. were approved by the ASMedia Board of Directors and audited by CPA Shih-Jung Weng and CPA Chun-Yao Lin of PWC Taiwan, who have concluded that the 2020 financial status and operating results have been presented fairly. The aforementioned financial statements and Business Reports were reviewed by the Audit Committee of ASMedia Technology with review report submitted. Please refer to attachment for Review Report.

Resolution: Voting results of this motion - 61,689,422 votes were cast by shareholders present at the time of voting (of which 44,029,580 votes were exercised electronically); 59,904,571 votes were cast in favor (of which 42,244,729 votes were exercised electronically) and 4,461 votes were cast against (of which 4,461 votes were exercised electronically). There were 1,780,390 abstentions and non-votes (of which 1,780,390 abstentions were exercised electronically). The number of affirmative votes exceeded the legal limit, and the case was approved as originally proposed.

Adoption No. 2: (Proposed by the Board of Directors)

Item: To adopt the proposal for distribution of 2020 profits

Explanation: 1. In 2020, the net income after tax was NT\$2,927,911,550, the distributable legal reserve is NT\$292,791,155 and reversal of special reserve is NT\$11,840,763. After take into consideration of the unappropriated earnings of prior year NT\$342,490,968, the total distributable surplus for 2020 is NT\$2,989,452,126.

2. Please refer to attachment for the Distribution of 2020 Earnings.

Resolution: Voting results of this motion - 61,689,422 (of which 44,029,580 were exercised electronically); 59,898,531 (of which 42,238,689 were exercised electronically); 20,490 (of which 20,490 were exercised electronically); and 1,770,401 abstentions and non-votes (of which 1,770,401 abstentions were exercised electronically). The number of affirmative votes exceeded the legal limit, and the case was approved as originally proposed.

## 8. Discussion Items

Discussion No. 1: (Proposed by the Board of Directors)

Item: To approve the issuance of restricted stock awards (RSA) for employees

Explanation: 1. The Company aims to attract and retain talents, encourage

employees and enhance their cohesion in accordance with Article 267 of the Company Act and the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers” by Financial Supervisory Commission (FSC) for the issuance of restricted stock awards (for employees).

2. The main reasons of issuing restricted stock awards (RSA) for employees are described in the following:

(1) Total amount issued: A total monetary amount of NT\$1,500,000 with a par value of NT\$10 per share for a total of 150,000 common shares will be issued as RSA for employees. The issuance period is within one year since the date of receipt for notice of the competent authority’s approval and effectiveness; issued at once or in tranches depending on actual demands. The Chairman is authorized by the Board of Directors to determine the actual issue date.

(2) Terms of issuance:

(a) Issuance price: None.

(b) Issuance type: Shares of the Company’s common stock.

(3) Vested conditions:

RSA received by employees in accordance with these guidelines must fulfill the vesting conditions as following.

(a) An employee who remains employed after 1 year has elapsed since receiving the RSA will be eligible for vesting of 30% of the shares.

(b) An employee who remains employed after 2 consecutive years have elapsed since receiving the RSA will be eligible for vesting of 40% of the shares.

(c) An employee who remains employed after 3 consecutive years have elapsed since receiving the RSA will be eligible for vesting of 30% of the shares.

If the issuance date happened to fall on a holiday, the RSA will be processed in advance to the previous business working day.

(4) Measures to be taken when employees fail to meet the vesting conditions:

For employee whom are eligible to subscribe for RSA, however, failed to meet the vesting conditions, the RSA shares (including stock dividends) will be redeemed by the Company without charge and will be canceled.

- (5) Employee's eligibility criteria and the number of RSA to be granted
  - (a) Eligibility for RSA is restricted to full-time employees of the Company.
  - (b) The actual number of employees eligible to receive RSA shall be determined by seniority, position, performance, overall contribution, specific achievements, and in consideration of Company business needs and sales strategic development necessary for management. The aforementioned shall be reviewed by the Chairman and then submitted to the Board of Directors for approval. However, for employees who are managerial officers or directors, approval by the Remuneration Committee and Board of Directors must be obtained first.
  - (c) The cumulative number of shares a single employee can subscribe for by exercising the options granted to him/her by the Company under Paragraph 1, Article 56-1 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", in combination with the cumulative number of new RSA obtained by such employee, shall not exceed 0.3% of the total issued shares. The above, in combination with the cumulative number of shares such employee can subscribe for by exercising the stock warrants granted under Paragraph 1, Article 56 shall not exceed 1% of the total issued shares.
- (6) The necessary reason of the current issuance of RSA:  
To attract and retain talents, encourage employees and enhance their cohesion, jointly create higher benefits for the Company and shareholders.
- (7) Calculated expense amount, dilution of the Company's earnings per share (EPS) and other matters affecting shareholder's equity:
  - (a) Calculated expense amount:

The calculated expense amount for 150,000 shares of RSA is approximately NT\$189,000,000 based on the average market closing price of NT\$1,260 for each common share during April, 2021.

- (b) Dilution of the Company's EPS and other matters affecting the shareholder's equity:

Based on the number of common shares to be granted as RSA of three years and the Company's current number of shares outstanding, the dilution of the Company's EPS caused by the aforementioned expense is approx. \$0.18 to \$1.20. Upon the overall assessment, there is a limited dilution of the Company's EPS, and therefore has no major impact on shareholder's equity.

The implementation details of the aforementioned explained item (1) to (5) will be handled in accordance with the Company's "Procedures to Issue Restricted Stock Awards (RSA) for Employees 2021".

Resolution: The voting results of this motion - 61,689,422 votes were cast by shareholders present at the time of voting (of which 44,029,580 votes were exercised electronically); 51,837,138 votes were cast in favor of the motion (of which 34,177,296 votes were exercised electronically); 7,375,037 votes were cast against the motion (of which 7,375,037 votes were exercised electronically). There were 2,477,247 abstention and non-votes (of which 2,477,247 abstentions were exercised electronically). The number of affirmative votes exceeded the legal limit, and the case was approved as originally proposed.

9. Extemporary Motion : None

10. Meeting Adjourned : After the Chairman asked the shareholders present if there was any extemporary motion, the Chairman declared the meeting adjourned.

(The minutes of the shareholders' meeting are only the gist of the meeting and the details are subject to the audio-visual recording of the meeting)

## Attachment

### Business Report

In 2020, the global economy suffered an unprecedented impact at the beginning of the COVID-19 pandemic, with countries adopting measures such as city closures and stay-home regulations to prevent the spread of the epidemic, as well as repeated trade conflicts between the US and China causing sharp declines in the global economy. However, with the stimulus policies to revitalize the economy, the epidemic has driven the development of telecommuting and digital transformation business opportunities, accelerating the transitions of global supply chains, and driving Taiwan's semiconductor industry to become one of the few countries with positive economic growth due to favorable export and production conditions.

On the industry side, in addition to the original USB3.2 10G/20G and other high-speed host controller chips in Intel and AMD high-end platforms still maintain momentum. Last year, the demand for external storage device controller ICs also maintained its growth trend due to the strong demand from the PC industry, which was unexpectedly driven by remote demand. Under the imbalance of supply and demand in the market and the tight supply in the upstream, the management's strategy is well planned and has deployed in advance to maintain revenue growth in 2020.

In terms of operating performance, the revenue for 2020 is NT\$6.987 billion, an increase of approximately 87% compared to 2019, while operating gross profit for 2020 is NT\$3.628 billion, an increase of approximately 95% compared to 2019, with an average annual gross margin of 52%. The operating profit is NT\$2.473 billion, an increase of 111% compared to 2019. The net income is NT\$2.928 billion with net income ratio of 42%, and diluted earnings per share of NT\$44.16, an increase of 203% compared to 2019.

From the observation of product development, artificial intelligence and high-performance computing applications have become the mainstream of the market, and the market demand for high-resolution image editing, Big Data transmission, storage backup, and high-end gaming continues to grow. In addition, demand for application-specific



integrated circuit (ASIC) chips, other USB applications, and expansion of AIoT's edge computing nodes and high-speed connectivity in the 5G era are also emerging. At the same time, the tension of trade and technological competition between the US and China has also created demands and market opportunities to incorporate non-US technology to China. We will continue to expand our existing SATA products and diversify applications, join the development of new generation PCIe products and expand their applications in different fields. At the same time, we will continue to lead in the USB product line, providing customers with complete solutions from 5G, 10G, 20G and the future USB4.0. In addition, we continue to promote the demand of signal enhancers and amplifiers for high-speed transmission, and provide customers with high-speed signal design solutions. As a result, we continue to maintain a key leadership position among global makers of high-end motherboard, laptop and desktop PC, consumer electronics, data storage application and major hard drive suppliers. In addition to our proprietary IP and development capabilities for high-speed transmission, we are also committed to the development of customized product lines and hope to provide a variety of customized solutions and services in the market to create a win-win situation with all our partners.

As a leader in high-speed interfaces, ASMedia will continue to focus on innovation and development to keep up with each generation of specification changes, and will also actively expand its market by focusing on the development of customized products and markets other than personal computers, such as industrial computers, network storage servers, video surveillance devices, and connectivity controller chips for China's self-developed processors. We have been focusing on the development of custom products and the development of markets other than PC. We will continue to develop our business in all related fields to provide growth momentum for our operations and to strengthen our company for long-term development.

Looking ahead to 2021, countries will continue their loose monetary and fiscal policies, while the battle between the U.S. and China has not yet stopped and the tight production capacity of semiconductors has not yet been relieved, various uncertainties will still influence the global economic development. We will continue to invest in cultivating professional R&D talents to innovate and advance in high-speed technology products, and maintain close cooperation with international manufacturers and related

supply chains, so that we can achieve more outstanding performance in our operations and product development and applications. In addition, the company will continue to strive to improve operational performance, pursue sustainable development goals, and implement corporate governance and corporate social responsibility to reward the support and love of shareholders.

Chairman : Jerry Shen

General Manager : Che-Wei Lin

Chief Accountant : Martin Pan



## **ASMedia Technology Inc.** **Audit Committee's Review Report of 2020**

The Board of Directors has prepared the ASMedia Technology Inc. ("the Company") 2020 Business Report, financial statements, and proposal for earnings distribution. The CPA Shih-Jung Weng and CPA Chun-Yao Lin of PwC Taiwan have both audited the Company's financial statements and issued an unqualified audit report relating to financial statements. The above Business Report, financial statements, and earnings distribution proposals have been examined and determined to be correct and accurate by the Audit Committee of ASMedia Technology Inc. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report for inspection.

Annual General Shareholders Meeting for 2021 by ASMedia Technology Inc.

Covenor of the Audit Committee: Chien-Ping Hsieh

March 15, 2021

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of ASMEDIA TECHNOLOGY INC.

### ***Opinion***

We have audited the accompanying balance sheets of ASMedia Technology Inc. (the “Company”) as at December 31, 2020 and 2019, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, 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 and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

### ***Basis for opinion***

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

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2020 financial statements. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2020 financial statements are stated as follows:

#### **Acquisition of material associates**

##### Description

Refer to Note 4(12) for accounting policy on the investments accounted for using the equity method and Note 6(5) for details of investments accounted for using the equity method.

The Company conducted a share swap with WT MICROELECTRONICS CO., LTD. on April 21, 2020 and increased capital by issuing 9 million ordinary shares in exchange for 171 million ordinary shares of WT MICROELECTRONICS CO., LTD. The share swap ratio was one share of the Company for 19 shares of WT MICROELECTRONICS CO., LTD. As of December 31, 2020, the balance of the Company's investments in WT MICROELECTRONICS CO., LTD. accounted for using the equity method was NT\$9,946,611 thousand, constituting 63% of the total assets.

Management has engaged an external appraiser to issue the purchase price allocation report on the aforesaid transaction. The external appraiser conducted the tangible and intangible assets valuation based on the financial statements of WT MICROELECTRONICS CO., LTD. on the stock exchange effective date, the acquisition price, and WT MICROELECTRONICS CO., LTD.'s internal and industrial factors. Given the valuation of fair value of the acquired identifiable intangible assets in the purchase price allocation report involves various key assumptions and the amounts are material, we consider the acquisition of material associates a key audit matter.

##### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Interviewed the management to obtain an understanding on the purpose, evaluation process and determination of the share exchange ratio of this equity transaction, reviewed the Equity Interest Transfer Agreement and the meeting minutes of the Board of Directors' Meeting to verify that the matters resolved in the meeting are consistent with the terms stipulated in the Equity Interest Transfer Agreement.

2. Evaluated the competency and objectivity of the external appraiser engaged by the management.
3. Reviewed the reasonableness of key assumptions and original data adopted in the purchase price allocation report issued by the external appraiser to measure the acquired identifiable intangible assets. The procedures we and our internal appraiser conducted are as follows:
  - (1) Reviewed the valuation method and calculation formulas used by the external appraiser.
  - (2) Reviewed the estimated growth rate and gross rate used and compared it with historical data.
  - (3) Reviewed the discount rates used and compared it with similar return on assets in the market.
  - (4) Assessed the basis used in measuring the useful lives of acquired identifiable intangible assets.
4. Reviewed the accounting treatment of this transaction and the presentation and disclosure in the financial statements.

### **Existence of revenues from top 10 customers**

#### Description

Refer to Note 4(24) for accounting policy on revenue recognition.

The Company is primarily engaged in the design, development, production, manufacture and sale of high-speed analogue circuit products. Given the transaction amounts from the top 10 customers are material to the financial statements which required further audits on the relevant internal control procedures and reasonableness of the transactions, we consider the existence of revenues from top 10 customers a key audit matter.

#### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the revenue cycle and performed tests to determine that the Company's revenue process during the reporting period is conducted in accordance with the internal control procedures.
2. Checked the related industry background in respect of the top 10 customers.
3. Obtained and selected samples to verify related vouchers of the sales revenue from the top 10 customers.

### ***Responsibilities of management and those charged with governance for the financial statements***

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

### ***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 generally accepted auditing standards 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 financial statements.

As part of an audit in accordance with the generally accepted auditing standards 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 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 Company 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Weng, Shih-Jung

Lin, Chun-Yao

For and on behalf of PricewaterhouseCoopers, Taiwan

March 15, 2021

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The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ASMEDIA TECHNOLOGY INC.  
BALANCE SHEETS  
DECEMBER 31, 2020 AND 2019  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2020		December 31, 2019		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 2,615,534	17	\$ 1,823,202	53
1110	Financial assets at fair value through profit or loss - current	6(2)	209,186	1	117,924	4
1170	Accounts receivable, net	6(3)	367,993	3	556,587	16
1180	Accounts receivable - related parties	7	48,213	-	-	-
1200	Other receivables		48,062	-	19,859	1
130X	Inventory	6(4)	1,048,304	7	289,238	8
1410	Prepayments		328,345	2	13,593	-
11XX	<b>Total current assets</b>		<u>4,665,637</u>	<u>30</u>	<u>2,820,403</u>	<u>82</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	-	-	120,000	3
1517	Financial assets at fair value through other comprehensive income - non- current	6(6)	638,512	4	95,960	3
1550	Investments accounted for using equity method	6(5)	9,946,611	63	-	-
1600	Property, plant and equipment	6(7)	251,156	2	227,746	7
1755	Right-of-use assets	6(8)	45,107	-	40,436	1
1780	Intangible assets	6(9)	90,270	1	97,852	3
1840	Deferred income tax assets	6(23)	42,615	-	34,907	1
1900	Other non-current assets	8	10,621	-	13,785	-
15XX	<b>Total non-current assets</b>		<u>11,024,892</u>	<u>70</u>	<u>630,686</u>	<u>18</u>
1XXX	<b>Total assets</b>		<u>\$ 15,690,529</u>	<u>100</u>	<u>\$ 3,451,089</u>	<u>100</u>

(Continued)

**ASMEDIA TECHNOLOGY INC.**  
**BALANCE SHEETS**  
**DECEMBER 31, 2020 AND 2019**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and equity	Notes	December 31, 2020		December 31, 2019		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2130	Contract liabilities-current	6(17)	\$ 20,092	-	\$ 26,007	1
2150	Notes payable		-	-	144	-
2170	Accounts payable		364,759	3	239,143	7
2200	Other payables	6(10)	794,391	5	476,065	14
2220	Other payables - related parties	7	372	-	366	-
2230	Current income tax liabilities		328,315	2	81,917	2
2280	Lease liabilities - current		20,649	-	15,429	-
2300	Other current liabilities		35,117	-	5,241	-
21XX	<b>Total current liabilities</b>		<u>1,563,695</u>	<u>10</u>	<u>844,312</u>	<u>24</u>
<b>Non-current liabilities</b>						
2570	Deferred income tax liabilities	6(23)	1	-	-	-
2580	Lease liabilities - non-current		24,345	-	25,134	1
2600	Other non-current liabilities		911	-	155	-
25XX	<b>Total non-current liabilities</b>		<u>25,257</u>	<u>-</u>	<u>25,289</u>	<u>1</u>
2XXX	<b>Total liabilities</b>		<u>1,588,952</u>	<u>10</u>	<u>869,601</u>	<u>25</u>
<b>Equity attributable to owners of parent</b>						
Share capital						
3110	Common stock	6(13)	692,229	4	600,379	18
Capital surplus						
3200	Capital surplus	6(14)	8,401,988	54	450,995	13
Retained earnings						
3310	Legal reserve	6(15)	350,683	2	254,162	7
3320	Special reserve		11,841	-	11,841	-
3350	Unappropriated retained earnings		3,270,403	21	1,267,534	37
Other equity interest						
3400	Other equity interest		1,374,433	9	(3,423)	-
3XXX	<b>Total equity</b>		<u>14,101,577</u>	<u>90</u>	<u>2,581,488</u>	<u>75</u>
Significant contingent liabilities and unrecorded contract commitments						
Significant events after the balance sheet date						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 15,690,529</u>	<u>100</u>	<u>\$ 3,451,089</u>	<u>100</u>

The accompanying notes are an integral part of these financial statements.

**ASMEDIA TECHNOLOGY INC.**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

(Expressed in thousands of New Taiwan dollars, except earnings per share data)

				Year ended December 31			
				2020		2019	
Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(16) and 7	\$ 6,987,470	100	\$ 3,746,124	100	
5000	Operating costs	6(4)(21)	( 3,343,785)	( 48)	( 1,881,155)	( 50)	
5900	Gross profit		3,643,685	52	1,864,969	50	
5910	Unrealised profit from sales		( 15,544)	-	-	-	
5950	Net operating margin		3,628,141	52	1,864,969	50	
	Operating expenses	6(21)(22) and 7					
6100	Selling expenses		( 98,174)	( 2)	( 70,514)	( 2)	
6200	General and administrative expenses		( 159,862)	( 2)	( 90,395)	( 3)	
6300	Research and development expenses		( 897,393)	( 13)	( 534,869)	( 14)	
6000	Total operating expenses		( 1,155,429)	( 17)	( 695,778)	( 19)	
6900	Operating profit		2,472,712	35	1,169,191	31	
	Non-operating income and expenses						
7100	Interest income	6(17)	8,545	-	13,187	-	
7010	Other income	6(18)	384,115	6	2,944	-	
7020	Other gains and losses	6(19)	( 112,140)	( 2)	( 23,167)	-	
7050	Finance costs	6(20)	( 1,320)	-	( 520)	-	
7060	Share of profit of associates and joint ventures accounted for using equity method	6(5)	593,007	9	-	-	
7000	Total non-operating income and expenses		872,207	13	( 7,556)	-	
7900	<b>Profit before income tax</b>		3,344,919	48	1,161,635	31	
7950	Income tax expense	6(23)	( 417,007)	( 6)	( 196,428)	( 5)	
8200	<b>Profit for the year</b>		\$ 2,927,912	42	\$ 965,207	26	
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>						
8311	Actuarial loss on defined benefit plan	6(11)	( \$ 755)	-	( \$ 203)	-	
8316	Unrealised loss on investments in equity instruments at fair value through other comprehensive income	6(6)	22,552	-	8,620	-	
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss	6(5)	1,750,065	25	-	-	
8310	Other comprehensive income that will not be reclassified to profit or loss		1,771,862	25	8,417	-	
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>						
8370	Share of other comprehensive loss of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss		( 337,579)	( 5)	-	-	
8500	<b>Total comprehensive income for the year</b>		\$ 4,362,195	62	\$ 973,624	26	
	Earning per share (in dollars)	6(24)					
9750	Basic earnings per share		\$ 44.16		\$ 16.08		
9850	Diluted earnings per share		\$ 43.98		\$ 16.04		

The accompanying notes are an integral part of these financial statements.

ASMEDIA TECHNOLOGY INC.  
STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained Earnings					Other Equity Interest				Total equity
		Share capital - common stock	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Losses on remeasurements of defined benefit plan	Other equity, others	
<u>Year ended December 31, 2019</u>											
Balance at January 1, 2019		\$ 600,379	\$ 450,995	\$ 158,577	\$ 767	\$ 1,129,440	\$ -	(\$ 11,660)	(\$ 180)	\$ -	\$ 2,328,318
Profit for the year		-	-	-	-	965,207	-	-	-	-	965,207
Other comprehensive income (loss)		-	-	-	-	-	-	8,620	(203)	-	8,417
Total comprehensive income (loss)		-	-	-	-	965,207	-	8,620	(203)	-	973,624
Appropriations of 2018 retained earnings	6(15)										
Legal reserve		-	-	95,585	-	(95,585)	-	-	-	-	-
Special reserve		-	-	-	11,074	(11,074)	-	-	-	-	-
Cash dividends		-	-	-	-	(720,454)	-	-	-	-	(720,454)
Balance at December 31, 2019		\$ 600,379	\$ 450,995	\$ 254,162	\$ 11,841	\$ 1,267,534	\$ -	(\$ 3,040)	(\$ 383)	\$ -	\$ 2,581,488
<u>Year ended December 31, 2020</u>											
Balance at January 1, 2020		\$ 600,379	\$ 450,995	\$ 254,162	\$ 11,841	\$ 1,267,534	\$ -	(\$ 3,040)	(\$ 383)	\$ -	\$ 2,581,488
Profit for the year		-	-	-	-	2,927,912	-	-	-	-	2,927,912
Other comprehensive income (loss)		-	-	-	-	-	(337,579)	1,772,617	(755)	-	1,434,283
Total comprehensive income (loss)		-	-	-	-	2,927,912	(337,579)	1,772,617	(755)	-	4,362,195
Appropriations of 2019 retained earnings	6(15)										
Legal reserve		-	-	96,521	-	(96,521)	-	-	-	-	-
Cash dividends of ordinary share		-	-	-	-	(828,522)	-	-	-	-	(828,522)
Share-based payments	6(12)										
Issuance of employee restricted stocks		1,850	(1,850)	-	-	-	-	-	-	-	-
Compensation cost of employee restricted stocks		-	107,978	-	-	-	-	-	-	(56,427)	51,551
Issuance of new shares for shares in other company	6(13)	90,000	6,534,000	-	-	-	-	-	-	-	6,624,000
Changes in equity of associates and joint ventures accounted for using equity method	6(5)	-	1,310,865	-	-	-	-	-	-	-	1,310,865
Balance at December 31, 2020		\$ 692,229	\$ 8,401,988	\$ 350,683	\$ 11,841	\$ 3,270,403	(\$ 337,579)	\$ 1,769,577	(\$ 1,138)	(\$ 56,427)	\$ 14,101,577

The accompanying notes are an integral part of these financial statements.

ASMEDIA TECHNOLOGY INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 3,344,919	\$ 1,161,635
Adjustments to reconcile net income to net cash generated from operating activities			
Income and expenses having no effect on cash flows			
Depreciation	6(7)(8)(21)	152,023	129,649
Amortisation	6(9)(21)	50,900	45,425
Net gain on financial assets and liabilities at fair value through profit or loss		( 3,886 )	( 20 )
Interest expense	6(20)	1,320	520
Interest income	6(17)	( 8,545 )	( 13,187 )
Share-based payments	6(12)	51,551	-
Share of profit of associates and joint ventures accounted for using equity method	6(5)	( 593,007 )	-
Gain recognised in bargain purchase transaction	6(18)	( 378,940 )	-
Unrealised profit from sales	6(5)	15,544	-
Loss on disposal of investments	6(19)	2,624	-
Loss on lease modification	6(8)	40	-
Changes in operating assets and liabilities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		-	( 30,000 )
Accounts receivable, net		188,594	257,940
Accounts receivable - related parties, net		( 48,213 )	-
Other receivables		( 29,177 )	5,881
Inventory		( 759,066 )	121,826
Prepayments		( 314,752 )	3,632
Net changes in liabilities relating to operating activities			
Contract liabilities - current		( 5,915 )	( 30,130 )
Accounts payable		125,616	33,679
Notes payable		( 144 )	( 8,419 )
Other payables		341,518	39,027
Other payables - related parties		6	( 308 )
Other current liabilities		29,876	3,888
Other non-current liabilities		1	( 48 )
Cash inflow generated from operations		2,162,887	1,720,990
Income tax paid		( 178,316 )	( 277,821 )
Interest received		9,519	13,195
Dividends received		357,143	-
Interest paid		( 1,320 )	( 520 )
Net cash flows provided by operating activities		2,349,913	1,455,844
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of financial assets at fair value through profit or loss		( 90,000 )	( 120,000 )
Acquisition of financial assets at fair value through other comprehensive income		( 400,000 )	-
Acquisition of property, plant and equipment	6(25)	( 147,717 )	( 163,982 )
Acquisition of intangible assets	6(25)	( 75,780 )	( 39,970 )
Decrease (increase) in refundable deposits		3,164	( 14 )
Decrease in other non-current assets		-	47
Net cash flows used in investing activities		( 710,333 )	( 323,919 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liabilities	6(8)(26)	( 18,726 )	( 18,137 )
Cash dividends paid	6(15)	( 828,522 )	( 720,454 )
Net cash flows used in financing activities		( 847,248 )	( 738,591 )
Net increase in cash and cash equivalents		792,332	393,334
Cash and cash equivalents at beginning of year		1,823,202	1,429,868
Cash and cash equivalents at end of year		\$ 2,615,534	\$ 1,823,202

The accompanying notes are an integral part of these financial statements.



**ASMedia Technology Inc.**  
**Earning Distribution Table of 2020**

Unit: NT\$

Account	Amount	Note
Unappropriated earnings – beginning	342,490,968	
Add: Retained Earnings Adjustments	0	
Adjust unappropriated earnings at beginning (accumulated deficit)	342,490,968	
Add: 2020 net income	2,927,911,550	
Less: Legal reserve (10%)	(292,791,155)	
Less: Reversal of special reserve	11,840,763	
Accumulated distributable earnings at end of 2020	2,989,452,126	
Distributed Items:		
Cash Dividends	1,661,348,664	NT\$24 per share
Stock Dividends		
Unappropriated earnings – ending	1,328,103,462	

Note: Earnings distribution of the year is appropriated from the 2020 after-tax distributable earnings.

Chairman:

General Manager:

Chief Accountant :