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the Chinese version shall prevail.)

Stock No. : **5269**

# ASMedia Technology Inc.

Annual General Shareholders Meeting for 2021

## Meeting Handbook

Date : Jun 11, 2021

Venue : The Koos Hotel, Xindian District, New Taipei City

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ASMedia Technology Inc.  
Meeting Procedure for  
2021 Annual General Shareholders Meeting

1. Call the Meeting to Order
2. Chairman's Statement
3. Report Items
4. Adoption Items
5. Discussion Items
6. Extempore Motions
7. Adjournment

# ASMedia Technology Inc.

## Agenda of the Annual General Stockholders Meeting for 2021

1. Time: 9:00am on June 11, 2021 (Friday)
2. Venue: No. 219-2, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City (The Koos Hotel Conference Room)
3. Chairman's Statements
4. Report Items
  - (1) Business Report of 2020.
  - (2) Audit Committee's Review Report of 2020.
  - (3) Report of Employees' and Directors' Remuneration for 2020.
  - (4) Report on the Earnings Distribution of Cash Dividends for 2020.
  - (5) Report on Estimated Benefits for Share Exchange Cooperation with WT Microelectronics Co. Ltd.
5. Adoption Items
  - (1) To adopt 2020 Business Reports and Financial Statements.
  - (2) To adopt the proposal for distribution of 2020 profits.
6. Discussion Items
  - (1) Issuance of restricted stock awards (for employees)
7. Extempore Motions
8. Adjournment

## 【Report Items】

### **Report No. 1:**

**Item:** Business Report of 2020

**Explanation:** Please refer to Appendix 1 for the Company's 2020 Business Report.

### **Report No. 2:**

**Item:** Audit Committee's Review Report on 2020 Financial Statements

**Explanation:** Please refer to Appendix 2 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	

## 【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 independent auditors, 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 Inc with review report submitted. Please refer to Appendix 1 for Business Report and Appendix 3 for Independent Audit Report.

**Resolution:**

**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 years NT\$342,490,968, the total distributable surplus for 2020 is NT\$2,989,452,126.  
2. Please refer to Appendix 4 for the Distribution of 2020 Earnings.

**Resolution:**

## 【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: Common shares of the Company.

(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:**

**【Extempore Motions】**

## **Appendix 1**

### **Business Report**

Looking back at 2020, with the beginning of the COVID-19 pandemic, the global economy has suffered an unprecedented impact. To prevent the spread of the epidemic, countries have adopted measures such as lockdowns and stay at home regulations. Other influential factors such as the repeated trade conflicts between the United States and China and geopolitical risks has led to a sharp decline in global economic growth. However, as economic stimulus policies have been released one after another, the epidemic has led to the development of remote distance and digital transformation business opportunities, accelerating the transitions of global supply chains. This also promoted favorable conditions for the export and production of Taiwan's semiconductor-related industries in becoming one of the very few countries with positive economic growth.

Regarding the industry, in addition to the Company's USB3.2 10G/20G and other high-speed host controllers that still maintain momentum on Intel and AMD high-end platforms. Last year, benefiting from the remote distance demand unexpectedly drove strong demand in the PC industry, the market demand for external storage device controllers also maintained a growth trend. Given the imbalance of market supply and demand and the tight upstream supply, proper strategic layout and planning and critical decision making led by the company management has sustained the momentum of revenue growth in the 2020.

In terms of operating performance, ASMedia's combined revenue in 2020 was NT\$6.987 billion, an increase of about 87% compared to 2019, and its gross profit in 2020 was NT\$3.628 billion, a growth of about 95% compared to 2019, with an average annual gross profit margin of 52%. Operating profit in 2020 is NT\$2.473 billion, an increase of 111% compared to 2019. The overall net profit was NT\$2.928 billion with a net profit ratio of 42%, and after-tax earnings per share was NT\$44.16, an increase of 203% from 2019.

From the observation of product development, artificial intelligence (AI) and high-performance computing (HPC) applications have become the mainstream of the market, while the market demand for high-resolution image editing, Big Data transmission, storage and backup, and high-end gaming are still in high expectation. In addition, application specific integrated circuit (ASIC) chips and other USB applications, and the need of node expansion of edge computing in AIoT and high-speed data communication in 5G era are also emerging. At the same time, the tension of trade and technology competition between US and China has also created demands and market opportunities to incorporate non-US technology to China. ASMedia will continue to expand the existing SATA in-house technology to derive new and diversified applications with the new generation of PCIe product development to expand its application environment in different fields. Meanwhile, it will also continue to lead in improving the research of USB product portfolio, providing customers with comprehensive solutions from 5G, 10G, 20G and future USB4.0. Furthermore, in the mass production of specific integrated IC and integrated Type-C device controller ICs, the demand of signal boosters and amplifiers for high-speed transmission were also been promoted, providing customers with relative solutions for high-speed signal design. Therefore, ASMedia continues to maintain a key leadership position among top brand of global high-end motherboard, notebook/laptop computers and desktop computer vendors, consumer electronics brand vendors, global data storage application vendors and major hard disk suppliers. ASMedia not only has in-house high-speed transmission intellectual property core (IP) and development capabilities, but also spares no effort in the development of customized product lines, hoping to provide diversified customized solutions and services in the market, and create a win-win situation with all of our partners.

In the continuous evolution of USB and PCIe interface specifications, ASMedia, as a leader in high-speed interfaces, not only continues to focus on innovative research and development and master each generation of specification changes, but also actively expands the market and focuses on customized product cooperation. Expansion and development of markets other than personal

computers, such as industrial computers, network storage servers, surveillance video recorders, and related controller linkage designs of China's self-developed processors are the focus of new business developments. ASMedia continues to work in various related fields to provide growing momentum in business operations and strengthen the core structure of the Company for long-term prosperity.

Looking forward to 2021, many countries have extended the usage of applying quantitative easing (QE) monetary and fiscal policies. With the US-China trade conflict continues to struggle, the global semiconductor production capacity is still uneasy with shortage widening, and various other factors will continue to influence the development of the global economy. In the meantime, ASMedia will continue to invest in cultivating professional R&D and technical personnel to strive for innovation and improvement in high-speed technology products, and maintain close cooperation with major international manufacturers and related supply chains to enable the Company to achieve solid and sustainable performance in terms of operation, product development and application. In addition, the Company will continue to work proactively to enhance operating performance, pursue sustainable development goals, and implement corporate governance and corporate social responsibility to embrace the support and care of the shareholders.

Chairman : Jerry Shen

General Manager : Chewei Lin

Chief Accountant : Martin Pan

## **Appendix 2**

### **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 firm of PwC was retained to audit the Company's financial statements and has issued an 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.

Chairman of the Audit Committee: Mr. Chien-Ping Hsieh

March 15, 2021

## Appendix 3

### 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	%
Current assets						
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	Total current assets		4,665,637	30	2,820,403	82
Non-current assets						
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	Total non-current assets		11,024,892	70	630,686	18
1XXX	Total assets		\$ 15,690,529	100	\$ 3,451,089	100

(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	%
Current liabilities						
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	Total current liabilities		1,563,695	10	844,312	24
Non-current liabilities						
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	Total non-current liabilities		25,257	-	25,289	1
2XXX	Total liabilities		1,588,952	10	869,601	25
Equity attributable to owners of parent						
	Share capital	6(13)				
3110	Common stock		692,229	4	600,379	18
	Capital surplus	6(14)				
3200	Capital surplus		8,401,988	54	450,995	13
	Retained earnings	6(15)				
3310	Legal reserve		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	Total equity		14,101,577	90	2,581,488	75
	Significant contingent liabilities and unrecorded contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 15,690,529	100	\$ 3,451,089	100

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			
Items	Notes		2020		2019	
			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>			<u>\$ 2,927,912</u>	<u>42</u>	<u>\$ 965,207</u>	<u>26</u>
<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>			<u>\$ 4,362,195</u>	<u>62</u>	<u>\$ 973,624</u>	<u>26</u>
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)

		Retained Earnings				Other Equity Interest					
	Notes	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	Total equity
<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)

		Year ended December 31	
	Notes	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 recieved		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.

## Appendix 4

### 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 :

## **Appendix 5**

### **ASMedia Technology Inc. Article of Incorporation**

#### **Chapter I            General**

- Article 1    The Company is incorporated as a company limited by shares under the Company Act with the name of ASMedia Technology Inc.
- Article 2    The scope of business of the Company shall be as follows:
1. F119010    Wholesale of Electronic Materials.
  2. I501010    Product Designing.
  3. F118010    Wholesale of Computer Software.
  4. I301010    Information Software Services.
  5. I301030    Electronic Information Supply Services.
  6. F401010    International Trade.
  7. I301020    Data Processing Services.
  8. ZZ99999    All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3    The Company may act as a guarantor for companies in the same industry according to its business needs.
- Article 4    The Company's total amount of investment in other businesses is permitted to exceed 40% of the Company's paid-in capital, and the board of directors is authorized to execute accordingly.
- Article 5    The Company is headquartered in New Taipei City; and when necessary, it may establish branches at appropriate locations domestically and abroad through a resolution of the board of directors.
- Article 6    The Company's public disclosure methods shall be in accordance with the Company Act and relevant laws and regulations.

#### **Chapter II           Shares**

- Article 7    The total capital of the Company shall be in the amount of NT\$1.2 billion, divided into 120 million shares at a par value of NT\$10 each share. The board of directors is empowered to issue the shares in installments in accordance with the Company Act and relevant laws and regulations.
- Of the total capital in the preceding paragraph, NT\$25 million is reserved for issuing employee stock options certificates, corporate bonds with warrants, preferred stocks with warrants, etc.
- Article 7-1   When the Company issues employee stock options certificates, restricted stocks, new shares subscribed by employees or treasury stocks in accordance with the law, the recipients of such issuance shall include the employees of the parents or subsidiaries of the Company who is deemed to meet certain specific criteria.
- Article 8    The Company's shares shall be signed by or affixed with seals of the

directors representing the Company and shall be certified or authenticated by a certification organization approved by the competent authorities (e.g. bank) that is competent to certify shares under the law before issuance. The shares issued by the Company may be delivered by book-entry transfers in accordance with laws and regulations, without printing the actual share certificates; the same procedure applies to the issuance of other securities. However, such issuance shall be listed in Taiwan Depositary & Clearing Corporation.

- Article 9 Renaming and transfer of shares shall be suspended within 60 days before the general shareholders' meeting, 30 days before an extraordinary shareholders' meeting, or within 5 days before the day on which dividends, bonuses or other benefits is scheduled to be paid by the Company. The period of the preceding item shall be calculated from the meeting date or the base date.

The Company's handling of stock affairs is handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" approved and issued by the competent authority.

### **Chapter III Shareholders' Meetings**

- Article 10 There shall be two types of shareholders' meetings: general meetings and extraordinary meetings. The general meeting shall be convened at least once a year and shall be held within six months after the end of each fiscal year. Extraordinary meetings shall be convened when necessary

Except as otherwise provided by the Company Act, the shareholders' meetings mentioned in the preceding paragraph, shall be convened by the board of directors.

- Article 11 When shareholders cannot attend a shareholders' meeting for any reason, a letter of proxy issued by the Company shall specify the scope of authorization and shall be signed and sealed. In respect to the method of shareholder proxy attendance in the preceding paragraph, in addition to being in accordance with the provisions of Article 177 to Article 177-2 of the Company Act, it is noted that it shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" as promulgated by the competent authorities.

- Article 12 Each shareholder of the Company has one voting right per share, except when the shares have no voting rights as stipulated in Article 179 of the Company Act.

- Article 13 In respect to resolutions of the shareholders' meeting, except as otherwise provided by the Company Act, Securities and Exchange Act or other laws, a proposal will only be approved by the shareholders' meeting where the attending shareholders represent more than half of the total number of issued shares and more than half of the shareholders attending the meeting vote in favor of the proposal.

Matters relating to the resolutions of a shareholders' meeting shall be

recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chairman of the meeting and a copy shall be distributed to each shareholder within 20 days after the meeting. The recording and distribution of the proceedings may be performed in electronic format.

The distribution of the proceedings in the preceding paragraph may be done in the form of public notice.

The meeting minutes shall record the date and place of the meeting, the name of the Chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. These records shall be preserved permanently during the period of the Company's existence. The retention period of signature book for both shareholders attendance and proxy attendance shall remain effective for at least one year unless otherwise provided by the Company Act.

- Article 14 A shareholders' meeting is to be convened by the board of directors and the meeting shall be conducted by the Chairman. When the Chairman is on leave or for any reason is unable to exercise the powers of the chairperson, the Chairman shall appoint a director to act as his deputy. Where the Chairman does not make such a designation, the directors shall select from among themselves a proxy to serve as the chairperson.

#### **Chapter IV      Directors and Audit Committee**

- Article 15 (Deleted)

- Article 16 The Company shall have seven to nine directors, who are elected by the shareholders from a list of candidates under the candidate nomination system for a term of three years and are eligible for re-election. The Company's shareholding ratios for all directors are regulated in accordance with the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" stipulated by the competent authority. The Company may purchase liability insurance for its directors through a resolution of the board of directors.

In accordance with Article 14-2 of the Securities and Exchange Act, the Company shall appoint independent directors among the aforementioned number of directors. The number of persons shall be no less than three and shall not be less than one-fifth of the number of directors. Regarding independent directors' professional qualifications, shareholding, and restrictions of concurrent positions, methods of nomination and election, and other compliance matters, shall be handled in accordance with the regulations of the securities authority.

- Article 16-1 The Company shall establish an audit committee in accordance with the provisions of the Securities and Exchange Act. The audit committee shall be composed of all independent directors. The exercise of powers and related matters of the audit committee and its members are handled in accordance with relevant laws and regulations of the securities regulatory authority.

- Article 17 The board of directors shall be organized by directors. A Chairman shall be

elected by a majority vote with more than two-thirds of directors in attendance and with more than half of the directors present. The Chairman of the board shall represent the Company as a whole externally.

The cause of a convening of the board of directors of the Company shall be clearly stated with all directors notified seven days in advance. However, in an emergency, a meeting may be convened at any time. A convening of the board of directors meeting by the Company may need to notify the directors in writing, by e-mail, or by fax.

Article 17-1 Resolutions of the board of directors, unless otherwise stipulated by the Company Act, should be attended by more than half of the directors and agreed to by more than half of the directors present. Matters relating to the resolutions of the board of directors shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chairman of the meeting and a copy distributed to each director within 20 days after the meeting. The recording and distribution of the proceedings may be performed in electronic format.

The distribution of the proceedings of aforementioned paragraph may be done in the form of public notice.

Article 18 A meeting of the board of directors shall be conducted by the Company's Chairman. When the Chairman is on leave or is unable to exercise his powers for any reason, the delegated proxy shall be represented in a manner that is in accordance with Article 208 of the Company Act.

Article 18-1 When the absence of directors reaches one-third of the total seats, the Company shall convene a by-election at an extraordinary meeting of shareholders within 60 days from the date of the occurrence. The term of office shall be limited to make up for the original term.

Article 19 Directors can authorize other directors to attend the board of directors as their proxies. However, they should issue a proxy letter in each instance stating the scope of authorization, and it shall be limited to a single proxy.

Article 20 (Deleted)

Article 21 The remuneration committee determines the remuneration of directors of the Company after considering the extent of their participation in the company's operations and the value of their contribution, and with reference to the industry standards, and then recommended to the board of directors for resolution.

The board of directors of the Company may set up other functional committees as needed for business operations.

## **Chapter V           Managers**

Article 22 The Company may appoint managers, and their appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

## **Chapter VI      Accounting**

Article 23 At the end of each fiscal year, the following reports shall be prepared by the board of directors, and be submitted to the shareholders' meeting for acceptance.

1. Business Report.
2. Financial Statements.
3. Proposal for Distribution of Profits or Appropriation of Losses.

Article 24 If there is any profit in a fiscal year, the Company shall distribute no less than 1% of the profit for employees' compensation and shall distribute at a maximum of 1% of the profit as remuneration to directors, provided that the Company's accumulated losses shall have been covered in advance.

The employee compensation in the preceding paragraph may be distributed in the form of shares or in cash, and the employees qualified to receive such compensation may include employees of the parents or subsidiaries of the Company who is deemed to meet certain specific criteria.

Article 24-1 If there is any profit in the Company's annual final accounts, it shall be distributed in the order of tax payments; offset accumulated losses in previous years; and then reserve 10% of the remaining amount as legal reserve. However, this restriction does not apply in the event that the amount of the accumulated legal reserve equals or exceeds the Company's total paid-in capital. In addition, according to the Company's operational needs and the provisions of laws and regulations, when the allocation or reverse of special reserve is utilized, the board of directors will prepare a distribution proposal discussing the distribution of cash dividends from the remaining net profits and retained earnings in previous year. When remaining profits are issued in the form of new shares, they shall be distributed after approved by a resolution from the shareholder's meeting.

If the Company is to distribute all or part of its dividends and bonuses or legal reserve and capital reserve in cash, this shall be authorized by a meeting of the board of directors with a majority of more than two-thirds of the total attendance and a majority of more than half of those in attendance vote in favor of the proposal, and then report to the shareholders' meeting for a resolution.

The Company's dividend policy depends on factors such as its financial structure, operating conditions, and capital budget, taking into account shareholders' interests and the balance of dividends. The distributable profit earnings may be retained at discretion or distributed via stock or cash. It is expected that the dividend distribution quota will be maintained between 10% and 100% of the available profit earnings for the current year. However, the proportion of cash dividend distribution shall not be less than 10% of the total dividend.

Article 25 Matters not covered in these Articles of Incorporation shall be handled in accordance with the Company Act and relevant laws and regulations.

Article 25-1 If the Company intends to cancel the public offering, a resolution of the shareholders' meeting shall be submitted. Furthermore, no change to this

provision shall be made during the period of registration on the emerging stock market and during the period of listing on the TWSE/TPEX markets.

Article 26 These Articles were established on March 15, 2004,  
The first revision was on April 10, 2007,  
The second revision was on March 31, 2008,  
The third revision was on December 24, 2010,  
The fourth revision was on June 16, 2011,  
The fifth revision was on March 13, 2012,  
The sixth revision was on June 20, 2012,  
The seventh revision was on June 7, 2016,  
The eighth revision was on June 8, 2017,  
The ninth revision was on June 13, 2019,  
The tenth revision was on February 13, 2020,

ASMedia Technology Inc.

Chairman: Jerry Shen

## **Appendix 6**

### **ASMedia Technology Inc. Rules of Procedures for Shareholders Meeting**

1. Purpose  
To ensure the procedures of shareholders meeting have conducted properly to protect the rights of shareholders.
2. Scope  
Unless otherwise specified by laws and regulations, the shareholders meeting of the Company shall be held in accordance with these Rules.
3. Responsibilities
  - 3.1. Acting Division (Procedural Unit): Accounting & Financial Department
  - 3.2. Revising Division: Accounting & Financial Department
4. Operating Procedures
  - 4.1. Shareholders (or proxies) attending shareholders meeting may hand in a sign-in card in lieu of signing in and shall be calculated according to the shares indicated by the sign-in cards handed in. Shareholder handed in their sign-in card to the Company will be treated as the genuine representative (or proxy) of the cardholder. The Company is not liable for distinguishing whether the attended shareholder is the actual sign-in cardholder.  
Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
  - 4.2. The chairperson shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made.  
If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act. Attendance at shareholders meetings shall be calculated based on numbers of shares. If a shareholder proposed to count the number of attendance, the chairperson may deny the shareholder's proposal.
  - 4.3. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.  
A shareholder may issue only one proxy form and appoint only one

proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

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

4.4. The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting begin no earlier than 9am and no later than 3pm.

4.5. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the Chairman of the Company. When the Chairman is on leave or for any reason unable to exercise the powers of the chairperson, the Vice Chairman shall act in place of the Chairman; if there is no Vice Chairman or the Vice Chairman also is on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the Chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

4.6. The proceedings of the shareholders meeting shall be documented by audio or video in full length and such recordings shall be preserved for at least one year.

4.7. If the shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting.

The Company is able to appoint solicitors, lawyers, chartered accountant or related personnel to be part of the shareholders meeting. When the shareholders meeting is adjourned, shareholders may not adopt a resolution to re-elect a Chairman or resume the meeting at another venue, unless otherwise specified by laws and regulations.

- 4.8. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson.
- A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
- When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chairperson shall stop any violation.
- 4.9. Except with the consent of the chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.
- If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
- When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
- When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
- After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.
- 4.10. The chairperson shall allow ample opportunity during the meeting for discussion of proposals put forward by the shareholders; when the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed and call for a vote.
- 4.11. Vote monitoring or counting personnel for the voting on a proposal shall be appointed by the chairperson, provided that all monitoring personnel shall be shareholders of the Company. The results of the voting shall be announced on-site at the meeting, and a record of the vote shall be made.
- 4.12. When a meeting is in progress, the chairperson may announce a break based on time considerations. If not all of the items (including extraordinary motion) on the meeting agenda have been addressed, a resolution may be adopted at shareholders meeting to defer or resume the meeting within five days without further notice or announcement.
- 4.13. Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.
- When there is an amendment or an alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

When a shareholder has appointed a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

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

When a shareholder (or proxy) shall not violates the rules of procedure and defies the chairperson, proctors (or security personnel) instructions or obstructing the proceedings. The chairperson may direct the proctors (or security personnel) to exclude the shareholder from the meeting.

- 4.15. If a force majeure event occurs when the meeting is in progress, the chairperson may rule the meeting temporarily suspended and announce a time and venue of when the meeting will be resumed.
- 4.16. Other rules or procedures not specified in this article shall be carried in accordance with the Company Act, Securities and Exchange Act and related laws and regulations as well as the Company's article of incorporation.

#### 5. Supplementary Provisions

These Rules shall take effect after having been approved by board of directors and submitted for a resolution in shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

## Appendix 7

### Shareholdings of the Directors of ASMedia Technology Inc.

1. The paid-in capital of the Company is NT\$692,228,610, with a total of 69,222,861 outstanding shares.
2. According to Article 26 of the Securities and Exchange Act, the minimum number of shares to be held by the entire directors is 5,537,828 shares.
3. As of the date for suspending the share transfer for this shareholders meeting, the shareholding of each individual and entire directors stipulated in the shareholders roster is as follows:

2021/4/13

Title	Name	Election Date	Shareholding	Percentage of Shareholding
Chairman	Representative of ASUSTeK Computer: Jerry Shen	2020.6.12	24,457,660	35.33%
Director	Representative of ASUSTeK Computer: Ted Hsu	2020.6.12	24,457,660	35.33%
Director	Representative of ASUSTeK Computer: Chewei Lin	2020.6.12	24,457,660	35.33%
Director	Chin-Chuan Hsu	2020.6.12	0	0.00
Independent Directors	Hung-Chih Chan	2020.6.12	0	0.00
Independent Directors	Chien-Ping Hsieh	2020.6.12	0	0.00
Independent Directors	Ching-Chi Wu	2020.6.12	0	0.00
Total shareholding of entire directors			24,457,660	35.33%

## Appendix 8

### Other Explanatory Items:

The acceptance of the shareholders' proposals for the shareholders meeting this year:

1. According to Article 172-1 of the Company Act, shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a shareholders' general meeting. The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words, and more than one proposal or any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend the shareholders' general meeting in person or by a proxy, and shall take part in the discussion of such proposal.
2. The period for acceptance of shareholders' proposal: From April 6, 2021 to April 15, 2021, 9am to 5pm; the information has been announced on the Market Observation Post System.
3. The Company did not receive any shareholders' proposal during the aforementioned period.