

ASMedia Technology Inc.

2023 Annual shareholders' meeting minutes

(Translation)

1. Time: Friday, June 16, 2023 at 9:00 AM
2. Venue: No. 219, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City (ONE WORLD Community Services Center, Conference Room)
3. Attendance : The total number of shares issued by the Company was 69,364,774 and the total number of voting shares was 69,364,774. The total number of shares represented by the attending shareholders and proxies was 61,867,047 of which 53,711,971 shares were electronically attended to exercise voting rights, representing an attendance rate of 89.19%.
Director attendees: Chien-Ping Hsieh (Independent Director & the Convener of Audit Committee)
Attendees: Jerry Wang, Head of Legal Affairs
Huei-Cih Yang, Vice president of PWC Taiwan
4. Chairman: Chewei Lin
Meeting Recorder: Martin Pan
5. Chairman's Statements : Omitted
6. Report Items

Report No. 1

Item: 2022 Business Report.

Explanation: Please refer to attachment for the 2022 Business Report.

Report No. 2

Item: Audit Committee's Review Report of 2022 Financial Statements.

Explanation: Please refer to attachment for the 2022 Audit Committee Review Report.

Report No. 3

Item: Report of 2022 Bonus Distribution to Employees and Directors.

Explanation:

- (1) Before allocation of its annual profits as bonus to the employees and directors, the Company's profit in 2022 was NT\$2,812,587,463. According to the Company's Article of Incorporation, the Company shall appropriate NT\$185,929,938 as bonus to its employees and NT\$9,296,497 as bonus to its directors. All the above amount will be distributed in cash.
- (2) There is no difference between the amount approved by the Board of Directors and the amount recognized as employees' and directors' bonus in 2022.

Report No. 4

Item: Report of 2022 Earnings Distribution of Cash Dividends.

Explanation:

- (1) According to Article 24-1 of the Company's Articles of Incorporation, the Board of Directors is authorized to determine whether to distribute a partial or full bonus in cash, and report the decision to the shareholders' meeting.
- (2) The proposed earnings distribution of cash dividends amounting to NT\$1,387,295,480 is NT\$20 per share in cash given to shareholders under the resolution of the Board of Directors on March 8. The shareholders' cash dividends are rounded down to the nearest whole number; the decimal parts are truncated. Fractional dividends will be recognize as the Company's other income. The Chairman of the Board is authorized to resolve the record date as well as other relevant issues.
- (3) If the dividend ratio of the earnings is changed and needs to be adjusted as a result of change in the number of outstanding shares, the Chairman of the Board is authorized to make necessary adjustments within the scope of the amount specified above.

7. Adoption Items

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

Item: To adopt the 2022 Business Report and Financial Statements.

Explanation:

The Company's 2022 financial statements were audited by the certified public accountants Shu-Fen Yu and Chun-Yao Lin from PwC Taiwan. The Company's financial statements and the 2022 Business Report were approved by the Board of

Directors. The above reports were submitted to and approved by the Company's Audit Committee, and the audit report was provided as well. Please refer to attachment for further information with regard to this matter.

Resolution:

Shares represented at the time of voting: 61,867,047 Shares

Voting Results*	% of the total represented share present
Votes in favor: 60,378,441 votes (52,269,365 votes)	97.59 %
Votes against: 488 votes (488 votes)	0.00%
Votes invalid: 0 vote	0.00%
Votes abstained: 1,488,118 votes (1,442,118 votes)	2.40%

*including votes casted electronically (numbers in brackets)

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 2022 Earnings Distribution Proposal.

Explanation:

- (1) In 2022, the Company's net profit after tax was NT\$2,617,361,028. After adding the beginning unappropriated retained earnings of NT\$2,510,839,333 and the adjusted retained earnings of NT\$11,062,370, and allocating the legal reserve of NT\$262,842,340, the total distributable earnings for 2022 was NT\$4,876,420,391.
- (2) Please refer to attachment for the 2022 Earnings Distribution Table.

Resolution:

Shares represented at the time of voting: 61,867,047 Shares

Voting Results*	% of the total represented share present
Votes in favor: 60,378,376 votes (52,269,300 votes)	97.59 %
Votes against: 538 votes (538 votes)	0.00%
Votes invalid: 0 vote	0.00%
Votes abstained: 1,488,133 votes (1,442,133votes)	2.40%

*including votes casted electronically (numbers in brackets)

The number of affirmative votes exceeded the legal limit, and the case was approved as originally proposed.

8. Discussion and Election Items

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

Item: Proposal to elect new directors.

Explanation:

- (1) The tenure for the Company's current directors will expire on June 11, 2023, and the election is scheduled to be held at the 2023 Annual General Meeting of Shareholders. According to the Company's Articles of Incorporation, there will be seven directors (including three independent directors) that need to be elected.
- (2) The new directors will commence their tenure following the 2023 Annual General Meeting of Shareholders. The tenure are for three years, and start from June 16, 2023 to June 15, 2026. The current directors' tenure will expire at the time when the new directors commences.
- (3) The Company's election of the directors is through a nomination process, and they are elected by the shareholders' meeting from the nominated candidates list.

Candidate List for Board of Directors (4 seats)

(as of April 18, 2023; Unit: Share)

Name	Education	Experience	Current Position(s)	Number of Shares
Representative of ASUSTeK Computer Inc.: Jerry Shen	Graduate Institute of Electrical Engineering, National Taiwan University	-President, Acer Inc. -CEO, ASUSTek Computer Inc.	-Chairman, iWaylink Inc. -Chairman, iMotion Group -Chairman, International United Technology -Board director, Portwell Inc.	24,457,660

Name	Education	Experience	Current Position(s)	Number of Shares
Representative of ASUSTeK Computer Inc.: Ted Hsu	EMBA, National Chiao Tung University	-Vice Chairman, Pegatron Corp.	Vice Chairman/CSO, ASUSTeK Computer Inc.	24,457,660
Representative of ASUSTeK Computer Inc.: Chewei Lin	Master of Science in Electrical Engineering, University of Missouri - Columbia	-Vice President, VIA Technologies Inc. -Vice President, ASUSTek Computer Inc.	President, ASMedia Technology Inc.	24,457,660
Chin-Chuan Hsu	-School of Medicine, College of Medicine, National Taiwan University -Graduate Institute of Clinical Medicine, College of Medicine, National Taiwan University	Professor, Department of Internal Medicine, College of Medicine, National Taiwan University	-Emeritus Professor, College of Medicine, National Taiwan University -Chairman, Liver Disease Prevention & Treatment Research Foundation -Chairman, Taiwan Health Foundation -Chairman, Good Liver Foundation	0

Candidate List for Independent Directors (3 seats)

Name	Education	Experience	Current Position(s)	Number of Shares
Hung-Tze Jan	Department of Economics, National Taiwan University	-Chairman, Cite Media Holding Group -General Manager, Yuan-Liou Publishing Co., Ltd.	Chairman, PC Home Online Inc.	0

Name	Education	Experience	Current Position(s)	Number of Shares
	<p>Reasons to nominate the candidate for independent director position for three consecutive terms:</p> <p>Mr. Hung-Tze Jan has valuable experience in business management, and has joined the Boards in multiple industries. The Board of Directors believes that Mr. Hung-Tze Jan's experience in business management will provide the Company with different facets of thinking and help the Company to understand and consider various potential risks as well as continually offer professional suggestions.</p>			
Chien-Ping Hsieh	-Ph.D. in Finance, Kent State University, Ohio -Master of Business Administration, University of Missouri - Columbia	-Chairman/General Manager, Chunghwa Investment Co., Ltd. -Deputy General Manager/ Financial Officer, Chunghwa Telecom Co., Ltd. -Deputy General Manager/Spokesperson, Mega Financial Holding Co., Ltd.	Professor, Graduate Institute of Finance, National Taiwan University of Science and Technology.	0
	<p>Reasons to nominate the candidate for independent director position for three consecutive terms:</p> <p>Mr. Chien-Ping Hsieh is a professor in the Graduate Institute of Finance. He used to work as senior manager in big financial companies, and has joined the Boards in a variety of industries. The Board of Directors believes that Mr. Chien-Ping Hsieh's valuable experience in both the academia and industry will help the Company to gain more insight in the industry, know the potential risks better, and obtain more constructive suggestions.</p>			
Ching-Chi Wu	Ph.D. in Educational Psychology,	-Committee Member, Cultural and Creative Industry Promotion Team/Digital Content	-Emeritus Professor, National Chengchi University	0

Name	Education	Experience	Current Position(s)	Number of Shares
	University of Minnesota	Industry Development Committee of Executive Yuan, R.O.C. (Taiwan) -Chairman, National Chiang Kai-Shek Cultural Center -Professor & Head of the Department of Psychology, National Chengchi University -Adjunct Professor of Graduate Institute of Business Administration, Entrepreneur Class, EMBA, IMBA of National Chengchi University	-Host, Center for Creativity and Innovation Studies, National Chengchi University -Adjunct Professor, Graduate Institute of Technology, Innovation & Intellectual Property Management, National Chengchi University	
<p>Reasons to nominate the candidate for independent director position for three consecutive terms:</p> <p>Mr. Ching-Chi Wu is an Emeritus Professor at the National Chengchi University. He actively participates in charity events and educational activities, and has joined a variety of innovation projects in both public and private institutions. The Board of Director believes that Mr. Ching-Chi Wu is highly experienced in business management and will continue to provide the Company with different facets of thinking and professional advice.</p>				

(4) Please elect the Company's directors in accordance with the Procedures for Election of Directors.

Voting results:

The list of the newly elected directors (including independent directors) with votes received follows:

Title	Name	Votes Received
Director	Representative of ASUSTeK Computer Inc.: Ted Hsu	58,028,071
	Representative of ASUSTeK Computer Inc.: Jerry Shen	57,084,120
	Representative of ASUSTeK Computer Inc.: Chewei Lin	56,242,142
	Chin-Chuan Hsu	52,411,955
Independent Director	Hung-Tze Jan	51,105,679
	Chien-Ping Hsieh	51,397,119
	Ching-Chi Wu	51,380,546

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

Item: Proposal to release the non-competition restrictions on new directors.

Explanation:

According to Article 209 of the Company Act, if a Board director does something for himself/herself or on behalf of another person that is within the scope of the Company's business, s/he shall explain the important content regarding the above matter in the shareholders' meeting and obtain the approval from the shareholders. In order to facilitate the Company's directors to promote its business, the Company plans to release the non-competition restrictions on new directors according to the law. Please refer to attachment for the information about the nominated candidates holding positions in other companies.

Resolution:

Shares represented at the time of voting: 61,867,047 Shares

Voting Results*	% of the total represented share present
Votes in favor: 58,181,348 votes (50,072,272 votes)	94.04 %
Votes against: 1,109,476 votes (1,109,476 votes)	1.79%
Votes invalid: 0 vote	0.00%
Votes abstained: 2,576,223 votes (2,530,223votes)	4.16%

*including votes casted electronically (numbers in brackets)

The number of affirmative votes exceeded the legal limit, and the case was approved as originally proposed.

Discussion No. 3: (Proposed by the Board of Directors)

Item: Proposal to issue restricted stock awards to employees.

Explanation:

- (1) In order to attract and retain professional talent, motivate the employees and enhance team cohesion, the Company plans to issue restricted stock awards (RSAs) based on Article 267 of the Company Act, and the Regulations Governing the Offering and Issuance of Securities by Securities Issuers published by the Financial Supervisory Commission.
- (2) The details about the issuance of restricted stock awards to employees are listed below:
 - a. Total issued amount: The issued number of shares is 250,000, with a total amount of NT\$2,500,000. Each share has a par value of NT\$10. The issuance may occur once or multiple times depending on the practical needs within two years from the day the Company receives the declaration notice from the competent authority. The Chairman is authorized by the Board of Directors to determine the actual issuance date.
 - b. Conditions of issuance:
 - (i) Issue Price: Free of charge.
 - (ii) Types of Stocks: The Company's new shares of common stock.
 - c. Vesting conditions
Based on the current method, the vesting conditions that an employee obtaining the restricted stocks needs to satisfy include the following:
 - (i) The employee continuing to be employed by the Company after one year since the RSAs are issued may vest 10% of the shares.
 - (ii) The employee continuing to be employed by the Company after two years since the RSAs are issued may vest 30% of the shares.
 - (iii) The employee continuing to be employed by the Company after three years since the RSAs are issued may vest 30% of the shares.
 - (iv) The employee continuing to be employed by the Company after four years since the RSAs are issued may vest 30% of the shares.If the last day of the period of time referred to above falls on a holiday, then the matter will be handled on the previous business day.

- d. Handling the shares in the event that the vesting conditions are not met by employees: If the vesting conditions are not met by the employees, the Company will take back the shares free of charge, including the stock dividends, and cancel the shares.
- e. Qualifications of employees and the number of shares set aside for the employees:
 - (i) The worker must be a regular full-time employee of the Company on the day when the restricted stocks are granted.
 - (ii) The actual number of restricted stocks given to an employee and the number of restricted stocks that an employee can obtain depend on the year of service, job level, work performance, overall contribution and other factors, as well as the Company's operational needs and business strategies that need to be approved by the Chairman and submitted to the Board of Directors for approval. The executive officers and directors that are employed by the Company shall submit the application to the Remuneration Committee for approval before the issuance of the RSAs. For an employee that is neither a Board director nor an executive officer, the application shall be approved by the Audit Committee.
 - (iii) The number of shares given to a single employee is based on Article 60-9 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers. Specifically, under paragraph 1 of Article 56, the cumulative number of shares able to be subscribed by a single warrant holder of employee stock warrants issued by the Company with the addition of restricted stocks may not exceed three thousandths of the Company's total issued shares. Under paragraph 1 of Article 56, the cumulative number of shares able to be subscribed by a single warrant holder of employee stock warrants may not exceed one percent of the Company's total issued shares.
- f. The necessary reasons for the Company to issue the restricted stocks: The Company hopes to attract and retain the professional talent, motivate the employees, enhance team cohesion, as well as generate the most interests for both the Company and the shareholders.

- g. Potential expenses, diluted earnings per share, and other matters that affect the shareholders' interests:

- (i) Potential expenses:

Consider the average closing price between January and February in 2023, which is NT\$883, the potential expenses for the vesting period may reach the amount of NT\$220,750 thousand given the fact that the issued number of restricted stocks is 250,000.

- (ii) Diluted earnings per share and other matters that affect the shareholders' interests:

As we take into account the vesting period of four years and the shares outstanding, they reduced the EPS by approximately NT\$0.27 to NT\$1.02. Nevertheless, since the yearly expense only has a limited influence on the Company's EPS, this does not create a significant impact on the shareholders.

The details about how to execute the above items (a through e) will be based on the Company's 2023 Issuance Method of Restricted Stocks.

Resolution:

Shares represented at the time of voting: 61,867,047 Shares

Voting Results*	% of the total represented share present
Votes in favor: 53,267,812 votes (45,158,736votes)	86.10 %
Votes against: 6,128,083 votes (6,128,083 votes)	9.90%
Votes invalid: 0 vote	0.00%
Votes abstained: 2,471,152 votes (2,425,152votes)	3.99%

*including votes casted electronically (numbers in brackets)

The number of affirmative votes exceeded the legal limit, and the case was approved as originally proposed.

9. Extempore Motions: None.
10. Adjournment: After the Chairman asked the shareholders present if there was any extempore motion, the Chairman declared the meeting adjourned.

The shareholders who were present in the 2023 Annual General Meeting did not raise any questions.

(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

2022 Business Report

The semiconductor industry faced a litany of challenges in 2022: the Russia-Ukraine war, China's lockdown policy, inflation surge, and the Central Bank's decision to raise interest rates. The world was filled with uncertainty. On top of that, as demand far exceeded the manufacturing capacity since 2021, this had led to a severe shortage of semiconductor materials and rising costs. Later on in the pandemic, the overall consumer demand declined, resulting in rising chip inventories and disruptions in the supply chain. The technology industry was grappling with immense challenges which tested the ability of firms to manage their business.

Despite these challenges, ASMedia's 2022 operational performance remained robust, and continued to generate a substantial revenue through efficiently allocating resources to products. ASMedia revenue in 2022 was NT\$5.248 billion, down 13% from 2021. The gross profit was NT\$2.71 billion, down 15% from 2021, and the operating profit was NT\$1.3 billion, down 33% from 2021. The profit after tax was NT\$2.62 billion, down 18% from 2021; the net profit margin was 50%, and the basic EPS was NT\$37.86.

In terms of the product development, as the specifications for USB and PCIe interfaces constantly evolve and make progress, the world's top companies also launch processors that will enable support for USB 40Gbps, PCIe Gen 4, PCIe Gen 5 as well as other high-speed transmission interfaces. In view of this trend, ASMedia endeavors to develop new technologies and solutions while keeping up with change in USB and PCIe specifications. ASMedia has developed USB host and device interfaces that deliver up to 40Gbps, and its PCIe Gen 4 has entered mass production, based on which ASMedia will develop the next generation product. Meanwhile, ASMedia's SATA and USB hubs continue to provide solutions for a variety of applications. Being one of the country's leading companies specializing in high-speed interface design, ASMedia resolves to offer complete and technology-leading solutions for its customers.

As a fabless company, ASMedia's commitment to sustainable business practices include creating a green workplace and designing green products. Several measures have been imposed to reduce energy consumptions and carbon emissions, and a considerable effort has been made to obtain various green business certifications. ASMedia also devotes itself to green design by way of manufacturing, modifying specifications, and upgrading technologies. As a corporate citizen, ASMedia actively undertakes ESG initiatives to save energy, conserve natural resources, and bring positive impact on the society.

ASMedia has overcome the oversupply challenge in 2022 and seen changes in people's lives that the pandemic brought about. Although several factors of uncertainty for the global economy remain, including wars, inflations, overall demand, and so on, the end of the pandemic is in sight and life is returning to normal in 2023. ASMedia will keep developing high-speed transmission products and expanding customized product lines in the hope of providing multiple customized solutions and services in the market. ASMedia aims to create an advantageous situation for all parties involved, drive business growth, and strengthen the company's resilience while continually putting effort into sustainable development.

Chairman: Jerry Shen

President: Chewei Lin

Accounting Manager: Martin Pan

2022 Audit Committee Review Report

To: 2023 Annual General Meeting of Shareholders, ASMedia Technology Inc.:

The Company's Board of Directors prepared and submitted to the Audit Committee the 2022 Business Report, financial statements, and the Earnings Distribution Proposal. The financial statements were audited by certified public accountants Shu-Fen Yu and Chun-Yao Lin from PwC Taiwan, and their report expresses an unqualified opinion. The above Business Report, financial statements, and the Earnings Distribution Proposal were audited and determined to be correct and accurate by the Audit Committee. The 2022 Audit Committee Review Report is submitted in accordance with the Securities and Exchange Act and the Company Act.

Chairman of the Audit Committee:

Mr. Chien-Ping Hsieh

March 8, 2023

2022 Independent Auditors' Report and Financial Statements

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, 2022 and 2021, 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, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect 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 Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public 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 2022 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 2022 financial statements are stated as follows:

Existence of revenues from 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 sales of high-speed analogue circuit products. Given the transaction amounts from the top 1 customer and newly top 10 customer are material to the financial statements which required further audits on the relevant internal control procedures and reasonableness of the transactions, we considered the existence of revenues from the top 1 customer and newly 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 whether the Company's revenue process during the reporting period was conducted in accordance with the internal control procedures.
2. Verified the related industry background information with respect to the top 1 customer and the new top 10 customers.
3. Obtained and selected samples to verify related vouchers of sales revenue from the top 1 customer and the newly top 10 customers..

Evaluation of inventories

Description

Refer to Note 4(11) for the accounting policies on the evaluation of inventories, Note 5 for the uncertainty of accounting estimations and assumptions for evaluation of inventories, and Note 6(4) for the details of inventory valuation.

The Company is primarily engaged in the design, development, production, manufacture and sales of high-speed analogue circuit products.

Due to the rapid technological innovations and competition within the industry, frequent releases of new products result in potential price fluctuations and product marginalization in the market. Additionally, it also affects the estimation of net realizable values of inventories.

In response to changing markets and its development strategies, the Company adjusts its inventory levels. The Company's primary product line is high-speed analogue circuit products. As a result, the related inventory levels for the product line as mentioned above are significant. Management evaluates inventories stated at the lower of cost and net realizable value. Since the evaluation of inventories is subject to management's judgment and the accounting estimations will have significant influence on the inventory values, the evaluation of inventories has been identified as one of the key audit matters.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Assessed the policy on allowance for inventory valuation loss based on our understanding of the Company's operations and industry.
2. Tested whether the basis of market value used in calculating the net realizable value of inventory is the same as the Company's policy and validated the accuracy of net realizable value calculation of selected samples.
3. Inspected the management's individually identified out-of-date inventory list and checked against the related supporting documents.

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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the 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.

Yu, Shu-Fen

Lin, Chun-Yao

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 8th, 2023

The accompanying individual 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 individual 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.
INDIVIDUAL BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,358,688	13	\$ 1,734,025	10
1110	Financial assets at fair value through profit or loss - current	6(2)	614,508	3	610,344	3
1170	Accounts receivable, net	6(3)	697,573	4	415,997	2
1180	Accounts receivable - related parties	6(3) and 7	137,770	1	118,935	1
1200	Other receivables		15,443	-	32,747	-
130X	Inventory	6(4)	1,157,943	7	1,413,571	8
1410	Prepayments	6(5) and 7	788,228	4	711,576	4
11XX	Total current assets		5,770,153	32	5,037,195	28
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(7)	712,345	4	895,366	5
1550	Investments accounted for using equity method	6(6)	10,488,290	59	11,391,413	64
1600	Property, plant and equipment	6(8)	497,937	3	297,664	2
1755	Right-of-use assets	6(9)	63,232	-	32,090	-
1780	Intangible assets	6(10)	135,402	1	211,431	1
1840	Deferred income tax assets	6(25)	101,535	1	55,151	-
1900	Other non-current assets	6(13) and 8	25,771	-	14,499	-
15XX	Total non-current assets		12,024,512	68	12,897,614	72
1XXX	Total assets		\$ 17,794,665	100	\$ 17,934,809	100

(Continued)

ASMEDIA TECHNOLOGY INC.
INDIVIDUAL BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and equity		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(11)	\$ 1,100,000	6	\$ -	-
2130	Current contract liabilities	6(18)	29,158	-	48,671	-
2170	Accounts payable		111,279	1	324,392	2
2200	Other payables	6(12) and 7	972,239	6	997,539	5
2220	Other payables - related parties	7	929	-	735	-
2230	Current income tax liabilities		146,008	1	146,111	1
2280	Lease liabilities - current		24,361	-	18,095	-
2300	Other current liabilities	7	59,404	-	102,255	1
21XX	Total current liabilities		2,443,378	14	1,637,798	9
Non-current liabilities						
2570	Deferred income tax liabilities	6(25)	28	-	238	-
2580	Lease liabilities - non-current		39,251	-	13,977	-
2640	Net defined benefit liability, non-current	6(13)	606	-	178	-
25XX	Total non-current liabilities		39,885	-	14,393	-
2XXX	Total liabilities		2,483,263	14	1,652,191	9
Equity attributable to owners of parent						
	Share capital	6(15)				
3110	Common stock		693,648	4	692,181	4
	Capital surplus	6(16)				
3200	Capital surplus		8,488,784	47	8,468,973	47
	Retained earnings	6(17)				
3310	Legal reserve		974,852	6	643,474	4
3350	Unappropriated retained earnings		5,139,264	29	4,641,888	26
	Other equity interest					
3400	Other equity interest		14,854	-	1,836,102	10
3XXX	Total equity		15,311,402	86	16,282,618	91
	Significant contingent liabilities and unrecorded contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 17,794,665	100	\$ 17,934,809	100

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

ASMEDIA TECHNOLOGY INC.
INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share data)

			Year ended December 31			
			2022		2021	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(18) and 7	\$ 5,248,329	100	\$ 6,009,012	100
5000	Operating costs	6(4) and 7	(2,537,273)	(48)	(2,788,154)	(46)
5900	Gross profit		2,711,056	52	3,220,858	54
5910	Unrealised profit from sales		(22,268)	-	(25,998)	(1)
5920	Realised profit from sales		25,998	-	15,544	-
5950	Net operating margin		2,714,786	52	3,210,404	53
	Operating expenses	6(23)(24) and 7				
6100	Selling expenses		(91,017)	(2)	(101,150)	(2)
6200	General and administrative expenses		(183,276)	(3)	(182,486)	(3)
6300	Research and development expenses		(1,139,860)	(22)	(989,056)	(16)
6000	Total operating expenses		(1,414,153)	(27)	(1,272,692)	(21)
6900	Operating profit		1,300,633	25	1,937,712	32
	Non-operating income and expenses					
7100	Interest income	6(19)	10,328	-	5,293	-
7010	Other income	6(20)	20,208	1	6,533	-
7020	Other gains and losses	6(21)	166,344	3	34,201	(1)
7050	Finance costs	6(22)	(8,897)	-	(1,379)	-
7060	Share of profit of associates and joint ventures accounted for under equity method	6(6)				
			1,421,392	27	1,652,458	28
7000	Total non-operating income and expenses		1,609,375	31	1,628,704	27
7900	Profit before income tax		2,910,008	56	3,566,416	59
7950	Income tax expense	6(25)	(292,647)	(6)	(373,268)	(6)
8200	Profit for the year		\$ 2,617,361	50	\$ 3,193,148	53
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial (loss) gain on defined benefit plan	6(13)	(\$ 561)	-	\$ 737	-
8316	Unrealised (loss) gain on investments in equity instruments at fair value through other comprehensive income	6(7)	(352,021)	(7)	256,854	4
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive (loss) income that will not be reclassified to profit or loss		(2,222,068)	(42)	511,065	9
8310	Other comprehensive (loss) income that will not be reclassified to profit or loss		(2,574,650)	(49)	768,656	13
	Components of other comprehensive income that will be reclassified to profit or loss					
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		842,056	16	(227,542)	(4)
8360	Other comprehensive (loss) income that will be reclassified to profit or loss		842,056	16	(227,542)	(4)
8300	Total other comprehensive (loss) income for the year		(\$ 1,732,594)	(33)	\$ 541,114	9
8500	Total comprehensive (loss) income for the year		\$ 884,767	17	\$ 3,734,262	62
	Earnings per share (in dollars)					
9750	Basic earnings per share	6(26)	\$ 37.86		\$ 46.23	
9850	Diluted earnings per share	6(26)	\$ 37.61		\$ 46.00	

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

ASMEDIA TECHNOLOGY INC.
INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(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	Remeasurements of defined benefit plan	Other equity, others	Total equity	
Year ended December 31, 2021											
	\$ 692,229	\$ 8,401,988	\$ 350,683	\$ 11,841	\$ 3,270,403	(\$ 337,579)	\$ 1,769,577	(\$ 1,138)	(\$ 56,427)	\$ 14,101,577	
Balance at January 1, 2021											
Profit for the year	-	-	-	-	3,193,148	-	-	-	-	3,193,148	
Other comprehensive income (loss)	-	-	-	-	-	(227,542)	767,919	737	-	541,114	
Total comprehensive income	-	-	-	-	3,193,148	(227,542)	767,919	737	-	3,734,262	
Appropriations of 2020 retained earnings	6(17)										
Legal reserve	-	-	292,791	-	(292,791)	-	-	-	-	-	
Reversal of special reserve	-	-	-	(11,841)	11,841	-	-	-	-	-	
Cash dividends	-	-	-	-	(1,661,349)	-	-	-	-	(1,661,349)	
Share-based payments	6(14)										
Compensation cost of employee restricted stocks	-	-	-	-	-	-	-	-	41,191	41,191	
Retirement and reduction of employee restricted stocks	(48)	48	-	-	-	-	-	-	-	-	
Changes in equity of associates and joint ventures accounted for using 6(6) equity method	-	66,937	-	-	-	-	-	-	-	66,937	
Disposal of equity instrument measured at fair value through other comprehensive income by associates	-	-	-	-	120,636	-	(120,636)	-	-	-	
Balance at December 31, 2021	\$ 692,181	\$ 8,468,973	\$ 643,474	\$ -	\$ 4,641,888	(\$ 565,121)	\$ 2,416,860	(\$ 401)	(\$ 15,236)	\$ 16,282,618	
Year ended December 31, 2022											
Balance at January 1, 2022	\$ 692,181	\$ 8,468,973	\$ 643,474	\$ -	\$ 4,641,888	(\$ 565,121)	\$ 2,416,860	(\$ 401)	(\$ 15,236)	\$ 16,282,618	
Profit for the year	-	-	-	-	2,617,361	-	-	-	-	2,617,361	
Other comprehensive income (loss)	-	-	-	-	-	842,056	(2,574,089)	(561)	-	(1,732,594)	
Total comprehensive income (loss)	-	-	-	-	2,617,361	842,056	(2,574,089)	(561)	-	884,767	
Appropriations of 2021 retained earnings	6(17)										
Legal reserve	-	-	331,378	-	(331,378)	-	-	-	-	-	
Cash dividends	-	-	-	-	(1,799,669)	-	-	-	-	(1,799,669)	
Share-based payments	6(14)										
Issuance of employee restricted stocks	1,500	(1,500)	-	-	-	-	-	-	-	-	
Compensation cost of employee restricted stocks	-	111,969	-	-	-	-	-	-	(77,592)	34,377	
Retirement and reduction of employee restricted stocks	(33)	33	-	-	-	-	-	-	-	-	
Changes in equity of associates and joint ventures accounted for using 6(6) equity method	-	(90,691)	-	-	-	-	-	-	-	(90,691)	
Disposal of equity instrument measured at fair value through other comprehensive income by associates	-	-	-	-	11,062	-	(11,062)	-	-	-	
Balance at December 31, 2022	\$ 693,648	\$ 8,488,784	\$ 974,852	\$ -	\$ 5,139,264	\$ 276,935	(\$ 168,291)	(\$ 962)	(\$ 92,828)	\$ 15,311,402	

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

ASMEDIA TECHNOLOGY INC.
INDIVIDUAL STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 2,910,008	\$ 3,566,416
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(23)	233,762	176,357
Amortisation	6(10)(23)	84,704	67,842
Net gain on financial assets at fair value through profit or loss	6(2)(21)	(3,665)	(1,368)
Loss on disposal of property, plant and equipment	6(21)	-	1,401
Interest expense	6(22)	8,897	1,379
Interest income	6(19)	(10,328)	(5,293)
Dividend Income	6(20)	(16,000)	(3,409)
Share-based payments	6(14)	34,377	41,191
Shares of profit of associates and joint ventures accounted for using equity method	6(6)	(1,421,392)	(1,652,458)
Unrealised profit or loss from sales	6(6)	(3,730)	10,454
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net	(	281,576)	(48,004)
Accounts receivable - related parties	(	18,835)	(70,722)
Other receivables		17,506	15,308
Inventory		255,628	(365,267)
Prepayments	(	76,652)	(383,231)
Changes in operating liabilities			
Contract liabilities - current	(	19,513)	28,579
Accounts payable	(	213,113)	(40,367)
Other payables		8,696	119,450
Other payables - related parties		194	363
Other current liabilities	(	42,851)	67,138
Non-current net defined benefit liability	(	133)	4
Cash inflow generated from operations		1,445,984	1,525,763
Income tax paid	(	339,344)	(567,770)
Interest received		10,126	5,300
Interest paid	(	8,310)	(1,379)
Dividends received	6(6)(20)	873,542	551,072
Net cash flows from operating activities		<u>1,981,998</u>	<u>1,512,986</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		-	(400,000)
Acquisition of financial assets at fair value through other	(	144,000)	-
Acquisition of property, plant and equipment	6(27)	(406,288)	(219,515)
Acquisition of intangible assets	6(27)	(80,662)	(87,474)
Increase in refundable deposits	(	3,192)	(3,878)
Net cash flows used in investing activities	(	634,142)	(710,867)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(28)	1,100,000	-
Payment of lease liabilities	6(28)	(23,524)	(22,279)
Cash dividends paid	6(17)	(1,799,669)	(1,661,349)
Net cash flows used in financing activities	(	723,193)	(1,683,628)
Net increase (decrease) in cash and cash equivalents		624,663	(881,509)
Cash and cash equivalents at beginning of year		1,734,025	2,615,534
Cash and cash equivalents at end of year		\$ 2,358,688	\$ 1,734,025

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

2022 Earnings Distribution Table

Unit: NT\$

Item	Amount	Note
Beginning unappropriated retained earnings	2,510,839,333	
Add (Less): Retained Earnings Adjustment	11,062,370	
Adjusted unappropriated retained earnings (accumulated deficit)	2,521,901,703	
Add: 2022 net profit after tax	2,617,361,028	
Less: Legal reserve	(262,842,340)	
Less: Reversal of special reserve	0	
Distributable earnings at the end	4,876,420,391	
Distributed Items:		
Cash Dividends	1,387,295,480	NT\$20 per share
Stock Dividends	0	
Unappropriated earnings at the end	3,489,124,911	

Note: This year's earnings distribution is appropriated from the 2022 after-tax distributable earnings.

Chairman:

President:

Accounting Manager :

Director Candidates Holding Positions in Other Companies

Title	Name	Current Positions in Other Companies
Director	ASUSTeK Computer Inc.	—
	Representative: Jerry Shen	-Chairman, iWaylink Inc. -Chairman, iMotion Group -Chairman, International United Technology -Board director, Portwell, Inc.
Director	ASUSTeK Computer Inc.	—
	Representative: Ted Hsu	-CSO/Vice Chairman, ASUSTeK Computer Inc. -Chairman, eBizprise Inc. -Board director, Eusol Biotech Co., Ltd. -Board director, iMotion Group -Board director, Pegatron Corp. -Board director, Medus Technology Inc. -Board director, Huasyn Biomedical Co., Ltd -Board director, Xiangyong Biotech Management Counseling Co., Ltd. -Board director, Hongwei Investment Co., Ltd. -Board director, Buddhist Tzu Chi Medical Foundation -Board director, Koo Foundation Sun Yat-Sen Cancer Center
Director	ASUSTeK Computer Inc.	—
	Representative: Chewei Lin	-Board director, Applied Optoelectronics, Inc. -Board director, iCatch Technology, Inc. -Board director, WT Microelectronics Co., Ltd.
Director	Chin-Chuan Hsu	-Chairman, Liver Disease Prevention & Treatment Research Foundation -Chairman, Taiwan Health Foundation -Chairman, Good Liver Foundation -Board director, AmCad BioMed Corporation
Independent Director	Hung-Tze Jan	-Chairman, PC Home Online Inc. -Chairman, Eastern Online Co., Ltd. -Chairman, iThome Publications Inc. -Chairman, Site Inc. -Chairman, Linktel Inc. -Chairman, PC Home Online International Co. -Chairman, PC Home Online (Cayman) Inc. -Chairman, PC Home Online (HK) Ltd. -Chairman, PChome eBay Co., Ltd. -Chairman, EOLembrain Online Marketing

Title	Name	Current Positions in Other Companies
		<p>Research Co., Ltd.</p> <p>-Board director, Rakuya International Info. Co., Ltd.</p> <p>-Chairman, PCStore Inc.</p> <p>-Chairman, PChome InterPay Inc.</p> <p>-Independent director, Lion Travel Service Co., Ltd.</p> <p>-Chairman, PChome (Thailand) Co., Ltd.</p> <p>-Board director, PChome (Japan) Co., Ltd.</p> <p>-Chairman, Yun Tung Bao International Co., Ltd.</p> <p>-Chairman, eCommerce Group Co., Ltd.</p> <p>-Chairman, EC Global Limited</p> <p>-Independent director, Sinyi Realty Inc.</p> <p>-Chairman, PChome US Inc.</p> <p>-Chairman, PChome Financial Technology Inc.</p> <p>-Chairman, PayEasy Digital Integration Co., Ltd.</p> <p>-Board director, PChome Marketplace Inc.(Cayman)</p> <p>-Board director, PChome Holding Inc. (BVI)</p> <p>-Chairman, PChome Travel Inc.</p> <p>-Chairman, Puma Consultants, Ltd.</p> <p>-Chairman, PChome Express Co., Ltd.</p> <p>-Chairman, Keystone Innovation Venture Capital Co., Ltd.</p> <p>-Chairman, Chunghwa PChome Fund 1 Co., Ltd.</p> <p>-Chairman, PChome CB Co., Ltd</p> <p>-Chairman, Miho International Cosmetic Co., Ltd.</p> <p>-Board director, PChome CB Pte. Ltd.</p> <p>-Board director, PChome CBS Co., Ltd</p> <p>-Chairman, Mitch Co., Ltd.</p> <p>-Board director, Apujan Ltd.</p> <p>-Board director, Business Next Publishing Corp.</p> <p>-Chairman, Shang Shan Human Culture Foundation</p> <p>-Board director, ECOSMOS Pte. Ltd.</p> <p>-Board director, Newbloom Venture Co.,Ltd.</p> <p>-Board director, 17Life Inc.</p> <p>-Chairman, 21st Financial Technology Co., Ltd.</p> <p>-Chairman, PChome Data Technology Co., Ltd.</p> <p>-Chairman, Pi Mobile Technology Inc.</p> <p>-Chairman, YunTan Technology Inc.</p> <p>-Board director, Meet Digital Innovation Co., Ltd.</p> <p>-Board director, 21st Financial Technology Co.,</p>

Title	Name	Current Positions in Other Companies
		Ltd. (21st Fintech, Cayman)
Independent Director	Chien-Ping Hsieh	-Chairman, Higher Education Foundation -Independent Director, Polytronics Technology Corp.
Independent Director	Ching-Chi Wu	-Chairman, Chunghwa Management and Development Foundation -Board director, Taipei Performing Arts Center -Board director, Taishin Bank Foundation for Arts and Culture -Chairman, Carrefour Foundation -Chairman, Taiwan Cultural & Creativity Development Foundation -Board director, Paperwindmill Cultural Foundation -Board director, Fullbright Taiwan, Foundation for Scholarly Exchange -Board director, U-Theatre Culture & Arts Foundation -Board director, Shih Ho-cheng Folk Culture Foundation -Board director, Taiwan Arts & Business Interdisciplinary Foundation