

Stock Code: 3515



ASRock Incorporation

2023 Annual General Shareholders' Meeting

Procedure Handbook

05/25/2023

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(Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)

I. Opening Procedure

ASRock Incorporation
Opening of the Regular Session of Shareholders
Meeting 2023

- I. Announcement for the Session
- II. Opening Address of the Presiding Officer
- III. Report Items
- IV. Proposals Items
- V. Extemporaneous motions
- VI. Adjournment of the meeting

II. Agenda of the meeting

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Agenda of the 2023 Shareholders Meeting

- I. Convening method: Regular meeting of entity shareholders
- II. Date and time: 05/25/2023 (Thursday) 9:00 am
- III. Venue: Conference Room 202, Mellow Fields Hotel, Tienmu
(No. 127, Road Section 7, ZhongShan North, Shilin District, Taipei)
- IV. Opening Address of the Presiding Officer
- V. Reports Items
 1. 2022 Business Report
 2. Auditing Committee's Review Report on the 2022 Financial Statements
 3. 2022 Employees' and Directors' Remuneration Report
 4. 2022 Earnings Distribution Report for Cash Dividend
 5. Amendment to the "Rules of Procedure of the Board of Directors Meetings"
- VI. Proposals Items
 1. Adoption of the 2022 Financial Statements (Proposed by the Board)
 2. Adoption of the Proposal for Distribution of 2022 Earnings (Proposed by the Board)
- VII. Questions and Motions
- VIII. Adjournment of Meeting

[Reports Items]

1. 2022 Business Report

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2022 Business Report

Dear shareholders, it is indeed a great pleasure to have your presence in this regular session of the 2023 Shareholders Meeting. In 2022, the global PC market was severely impacted by the Russia-Ukraine war, rising inflation and economic deterioration. According to the Gartner research report, global PC shipments will decline by as much as 16.2% in 2022, the largest decline in history. In addition, with the changes in the virtual currency mechanism and the sharp decline in currency value which further deepened the impact on the demand for graphics cards, the Company's operations were also significantly affected.

The rapid and sharp decline in the global PC market has had a significant impact on the Company's revenue and inventory. Although it has increased the proportion of non-consumer products through product diversification to mitigate the economic fluctuation impact on the revenue, it has also actively adjusted its products and procurement strategies, reduced inventory and maintained a sound financial system. However, the annual revenue and profit still declined significantly, showing unsatisfactory performance.

Financial and Business Performance

With product diversification as the main development strategy, the proportion of the motherboard business in the overall business continues to decline, which helps the Company's operations as the demand for other individual products increases. For example, the substantial growth of industrial PC in 2022 will greatly help the Company's operations.

The Company's consolidated operating income in 2022 is NT\$17.12 billion, down 13.4% from the 2021 consolidated operating income of NT\$19.76 billion. Affected by the sharp decline in the gross profit margin of consumer products, the gross profit margin in 2022 will drop to 21.6%, which is a 6.6% decrease from the gross profit margin of 28.2% in 2021. In 2022, the consolidated net income after tax is NT\$1.07 billion, a decrease of 55% from the NT\$2.38 billion in 2021. The consolidated financial information is shown in the table below:

Unit: NT\$ 100 million

Item	2022 (consolidated)		2021 (consolidated)	
	Amount	%	Amount	%
Revenue	171.2	100.0%	197.6	100.0%
Gross profit	37.0	21.6%	55.6	28.2%
Operating expenses	25.2	14.7%	25.0	12.7%
Operating income	11.9	6.9%	30.6	15.5%
Pre-tax profit	14.3	8.4%	30.6	15.5%
Net income (Owner of the parent company)	10.7	6.2%	23.8	12.0%
Earnings per share after taxation (NT\$)	8.69		19.67	

Note: No financial forecast was disclosed in 2022. Budget attainment is not applicable here.

Gravity of technological development and operation

With the changes in lifestyles caused by the epidemic, cloud applications continue to be developed. the Company will continue to focus on the development of technologies and products such as cloud computing, edge computing, and factory automation in the enterprise market. For consumer products, in addition to continuing to meet the demand of different international consumer groups through brand diversification, the Company actively and continuously develops new peripheral products to provide consumers with a full set of professional e-sports products with unique and innovative branding marketed for consumers in different fields.

The prospect

The diversified development on products/ brands/ markets is the focus of the Company's long-term operation and development and it looks to further develop commercial and consumer products with steady growth. In addition new growth drivers, the developments can reduce operational fluctuations caused by specific product lines. Looking forward to 2023 with unstable the global economy conditions such as continuous high inflation/ high interest rates, the Russia-Ukraine war and the on-going trade conflict between China and the United States, the Company looks to create a growing momentum for the operation and profitability, and provides value for shareholders.

May I wish you all

Good health and good luck

ASRock Incorporation

Chairman Hsu-Tien, Tung

President Lung-Lun, Hsu

Accounting Officer Hui-Ju, Li

Independent Auditors' Report Translated from Chinese

To ASROCK INC.

Opinion

We have audited the accompanying balance sheets of ASROCK INC.(the “Company”) as of December 31, 2022 and 2021, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the parent company only financial statements, including the summary of significant accounting policies(collectively “the parent company only financial statements”).

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter paragraph), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 Parent Company Only 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 (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, 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 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Investments accounted for using equity method - Inventory of Subsidiary

The net carrying value of inventory as of December 31, 2022 for the Company's investments accounted for using equity method - Inventory of Subsidiary was significant to the parent company only financial statements. ASROCK INC. and subsidiaries' main business, the sale of motherboard products, are affected by market demand and changes. The management measured allowance for inventory obsolescence valuation losses based on market demands. The valuation involved management's significant judgement, we have therefore determined valuation on inventory a key audit matter. The audit procedures we performed regarding inventories valuation included, but not limited to, understanding the program of estimating the allowance for inventory valuation, testing the effectiveness of relevant control. For the raw material and products, we selected samples and checked related certificates, to confirm the correctness of net realizable value that management used. In addition, we obtained and reviewed the full-year purchase and sales details of raw materials and products. For raw materials that are not frequently used and products with low sales volume, we referred to industry information and management to discuss the reasonableness of allowance for inventory valuation and obsolescence losses. We also considered the appropriateness of disclosure of inventories in Notes 5 and 6 of the Company's consolidated financial statements.

Revenue recognition

The main source of revenue was from the sales of motherboard. Due to diversified pricing strategy, the orders and implied items in contracts usually included quantity discount and warranty, therefore the Company should determine the performance obligation and the timing of revenue recognition. Consequently, we considered that revenue recognition from contracts with customers is key audit matter. For revenue recognition, we have conducted audit procedures including but not limited to evaluating the design and operating effectiveness of internal controls with respect to the revenue cycle, selecting representative samples to conduct test of transactions by inspecting contracts approved by both parties, identifying the performance obligation, evaluating whether the transaction prices were appropriately allocated to all the performance obligations in the contract in proportion to the stand-alone selling prices of each performance obligation, and confirming the correctness of timing when a performance obligation is satisfied. We also considered the appropriation of operating revenue disclosure in Notes 4, 5 and 6 of the parent company only financial statements.

Other Matter - Making Reference to the Audits of Component Auditors

We did not audit the parent company only financial statements of certain investments accounted for using equity method whose statements are based solely on the reports of other auditors. These investments accounted for using equity method amounted to \$862,918 thousand and \$829,353 thousand, representing 7.67% and 7.81% of the parent company only total assets as of December 31, 2022 and 2021, respectively. The related share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method amounted to (\$55,567) thousand and \$175,248 thousand, representing (4.82)% and 6.12% of the profit before tax for the years ended December 31, 2022 and 2021.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Yang, Chih-Huei

Yu, Chien-Ju

Ernst & Young, Taiwan

March 7, 2023

Notice to Readers

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

Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the parent company only financial statements are the responsibility of the management, Ernst & Young 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.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
ASROCK INC.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of			
		December 31, 2022	%	December 31, 2021	%
Current assets					
Cash and cash equivalents	4,6(1)	\$1,757,489	16	\$1,031,300	10
Financial assets measured at amortized cost - current	4,6(2),6(13)	90,000	1	860,000	8
Accounts receivable, net	4,5,6(3),6(13)	410,094	4	820,626	8
Accounts receivable - related parties, net	4,5,6(3),6(13),7	2,243,759	20	879,133	8
Inventories, net	4,5,6(4)	1,097,109	10	1,387,863	13
Prepayments	7	40,139	-	839,921	8
Other current assets	7	180,545	1	53,653	1
Total current assets		5,819,135	52	5,872,496	56
Non-current assets					
Investments accounted for using equity method	4,6(5)	5,040,294	45	4,621,442	44
Property, plant and equipment	4,6(6),7	244,897	2	32,300	-
Right-of-use assets	4,6(14)	22,877	-	30,010	-
Intangible assets	4,6(7)	2,305	-	1,544	-
Deferred tax assets	4,5,6(18)	99,793	1	47,685	-
Guarantee deposits paid		16,974	-	13,997	-
Total non-current assets		5,427,140	48	4,746,978	44
Repayment of the principal portion of lease liability					
Total assets		\$11,246,275	100	\$10,619,474	100

(Continued)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
ASROCK INC.
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Liability and Equity	Notes	As of			
		December 31, 2022	%	December 31, 2021	%
Current liabilities					
Short-term loans	6(8)	\$625,000	6	\$-	-
Accounts payable		56,228	-	\$72,387	1
Accounts payable - related parties	7	986,480	9	527,970	5
Other payables	7	416,524	4	691,173	7
Current tax liabilities	4,5,6(18)	267,233	2	453,144	4
Lease liabilities - current	4,6(14)	9,998	-	15,322	-
Other current liabilities	7	662,373	6	531,487	5
Total current liabilities		<u>3,023,836</u>	<u>27</u>	<u>2,291,483</u>	<u>22</u>
Non-current liabilities					
Lease liabilities - non-current	4,6(14)	13,057	-	14,823	-
Net defined benefit liabilities	4,5,6(9)	17,047	-	42,028	-
Total non-current liabilities		<u>30,104</u>	<u>-</u>	<u>56,851</u>	<u>-</u>
Total liabilities		<u>3,053,940</u>	<u>27</u>	<u>2,348,334</u>	<u>22</u>
Equity					
Capital					
Common stock	6(10)	1,219,930	11	1,229,254	12
Capital surplus	6(10),6(11)	3,252,907	29	3,332,351	31
Retained earnings					
Legal reserve	6(10)	1,582,928	14	1,345,085	13
Special reserve	6(10)	581,757	5	472,656	4
Unappropriated retained earnings	6(10),6(11)	1,772,619	16	2,628,386	25
Total retained earnings		<u>3,937,304</u>	<u>35</u>	<u>4,446,127</u>	<u>42</u>
Other components of equity	4,6(11)	(217,794)	(2)	(736,592)	(7)
Treasury stock	4,6(10)	(12)	-	-	-
Total equity		<u>8,192,335</u>	<u>73</u>	<u>8,271,140</u>	<u>78</u>
Total liabilities and equity		<u>\$11,246,275</u>	<u>100</u>	<u>\$10,619,474</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

ASROCK INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2022 and 2021

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

Accounting Items	Notes	For the years ended December 31,			
		2022	%	2021	%
Operating revenues	4,5,6(12),7	\$12,753,815	100	\$14,535,253	100
Operating costs	6(4),6(15),7	(10,658,798)	(84)	(10,820,676)	(74)
Gross profit		2,095,017	16	3,714,577	26
Unrealized intercompany profit		(403,549)	(3)	(108,835)	(1)
Realized intercompany profit		108,835	1	133,313	1
Net gross profit		1,800,303	14	3,739,055	26
Operating expenses	6(7),6(9),6(11) 6(14),6(15),7				
Sales and marketing expenses		(354,954)	(3)	(370,005)	(3)
General and administrative expenses		(224,055)	(2)	(243,937)	(2)
Research and development expenses		(486,227)	(4)	(663,826)	(5)
Expected credit gains (losses)	6(13)	2,728	-	(3,688)	-
Total operating expenses		(1,062,508)	(9)	(1,281,456)	(10)
Net operating income		737,795	5	2,457,599	16
Non-operating income and expenses	6(16)				
Interest income		13,321	-	8,503	-
Other income	7	66,779	1	111,510	1
Other gains and losses		136,033	1	(41,259)	-
Finance costs		(10,427)	-	(235)	-
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	4,6(5)	209,830	2	328,996	2
Total non-operating income and expenses		415,536	4	407,515	3
Profit from continuing operations before tax		1,153,331	9	2,865,114	19
Income tax expenses	4,5,6(18)	(87,087)	(1)	(484,054)	(3)
Profit from continuing operations		1,066,244	8	2,381,060	16
Profit		1,066,244	8	2,381,060	16
Other comprehensive income	4,6(8),6(17)				
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans		13,534	-	(3,287)	-
Income tax related to items that will not be reclassified to profit or loss		(2,707)	-	657	-
Items that may be reclassified subsequently to profit or loss					
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		416,413	3	(109,101)	(1)
Other comprehensive income, net of tax		427,240	3	(111,731)	(1)
Total comprehensive income		\$1,493,484	11	\$2,269,329	15
Earnings per share(NT\$):	6(19)				
Earnings per share - basic					
Profit from continuing operations		\$8.69		\$19.67	
Earnings per share - diluted	6(19)				
Profit from continuing operations		\$8.65		\$19.53	

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
ASROCK INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other components of equity				Total equity
	Capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Deferred compensation cost	Treasury stock		
Balance as of January 1, 2021	\$1,206,424	\$3,134,705	\$1,209,419	\$279,336	\$1,544,081	\$(472,657)	\$-	\$-	\$6,901,308	
Appropriation and distribution of 2020 retained earnings										
Legal reserve appropriated	-	-	135,666	-	(135,666)	-	-	-	-	
Special reserve appropriated	-	-	-	193,320	(193,320)	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(965,139)	-	-	-	(965,139)	
Profit in 2021	-	-	-	-	2,381,060	-	-	-	2,381,060	
Other comprehensive income, net of tax in 2021	-	-	-	-	(2,630)	(109,101)	-	-	(111,731)	
Total comprehensive income	-	-	-	-	2,378,430	(109,101)	-	-	2,269,329	
Changes in subsidiaries' ownership	-	3,581	-	-	-	-	-	-	3,581	
Share-based payment transaction	22,830	194,065	-	-	-	-	(154,834)	-	62,061	
Balance as of December 31, 2021	<u>\$1,229,254</u>	<u>\$3,332,351</u>	<u>\$1,345,085</u>	<u>\$472,656</u>	<u>\$2,628,386</u>	<u>\$(581,758)</u>	<u>\$(154,834)</u>	<u>\$-</u>	<u>\$8,271,140</u>	
Balance as of January 1, 2022	\$1,229,254	\$3,332,351	\$1,345,085	\$472,656	\$2,628,386	\$(581,758)	\$(154,834)	\$-	\$8,271,140	
Appropriation and distribution of 2021 retained earnings										
Legal reserve appropriated	-	-	237,843	-	(237,843)	-	-	-	-	
Special reserve appropriated	-	-	-	109,101	(109,101)	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(1,598,031)	-	-	-	(1,598,031)	
Profit in 2022	-	-	-	-	1,066,244	-	-	-	1,066,244	
Other comprehensive income, net of tax in 2022	-	-	-	-	10,827	416,413	-	-	427,240	
Total comprehensive income	-	-	-	-	1,077,071	416,413	-	-	1,493,484	
Treasury stock cancelled	(9,324)	-	-	-	-	-	-	9,324	-	
Changes in subsidiaries' ownership	-	(2,218)	-	-	-	-	-	-	(2,218)	
Share-based payment transaction	-	(77,226)	-	-	12,137	-	102,385	(9,336)	27,960	
Balance as of December 31, 2022	<u>\$1,219,930</u>	<u>\$3,252,907</u>	<u>\$1,582,928</u>	<u>\$581,757</u>	<u>\$1,772,619</u>	<u>\$(165,345)</u>	<u>\$(52,449)</u>	<u>\$(12)</u>	<u>\$8,192,335</u>	

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
ASROCK INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2022	2021
Cash flows from operating activities:		
Profit before tax	\$1,153,331	\$2,865,114
Adjustments:		
Adjustments to reconcile (profit) loss:		
Depreciation expense	53,444	24,325
Amortization expense	2,252	2,461
Expected credit (gains) losses	(2,728)	3,688
Interest expenses	10,427	235
Interest income	(13,321)	(8,503)
Compensation cost arising from employee stock options	37,015	39,231
Share of profit of subsidiaries, associates and joint venture accounted for using equity method	(209,830)	(328,996)
Gain on disposal of property, plant and equipment	-	(20)
Property, plant and equipment charged to expenses	15	-
Unrealized intercompany profit from sale	403,549	108,835
Realized intercompany profit from sale	(108,835)	(133,313)
Changes in operating assets and liabilities:		
Decrease (Increase) in accounts receivable, net	413,260	(382,705)
(Increase) Decrease in account receivable-related parties	(1,364,626)	712,878
Decrease (Increase) in inventories, net	97,301	(18,768)
Decrease (Increase) in prepayments	799,782	(786,410)
Increase in other current assets	(127,335)	(24,979)
(Decrease) Increase in accounts payable	(16,159)	54,552
Increase (Decrease) in accounts payables-related parties	458,510	(1,660,139)
(Decrease) Increase in other payables	(274,649)	280,726
Increase in other current liabilities	130,886	398,144
(Decrease) Increase in net defined benefit liabilities	(11,447)	887
Cash generated from operations	1,429,842	1,147,243
Income taxes paid	(327,813)	(233,431)
Net cash provided by operating activities	1,102,029	913,812
Cash flows from investing activities:		
Acquisition of financial assets measured at amortized cost	-	(373,794)
Disposal of financial assets measured at amortized cost	770,000	-
Acquisition of investments accounted for using equity method	(113,438)	(103,125)
Acquisition of property, plant and equipment	(55,282)	(17,727)
Proceed from disposal of property, plant and equipment	195	20
Increase in guarantee deposits paid	(2,977)	(2,671)
Acquisition of intangible assets	(3,013)	(3,435)
Interest received	13,764	6,011
Dividends received	23,897	61,800
Net cash provided by (used in) investing activities	633,146	(432,921)
Cash flows from financing activities:		
Increase in short-term loans	625,000	-
Repayment of the principal portion of lease liability	(16,692)	(15,722)
Cash dividends paid	(1,598,031)	(965,139)
Issuance of common stock for cash	-	22,830
Interest paid	(10,208)	-
Other	(9,055)	-
Net cash provided by (used in) financing activities	1,008,986	(958,031)
Net increase (decrease) in cash and cash equivalents	726,189	(477,140)
Cash and cash equivalents, beginning of the year	1,031,300	1,508,440
Cash and cash equivalents, end of the year	\$1,757,489	\$1,031,300

The accompanying notes are an integral part of the parent company only financial statements.

Declaration

Since the companies to be included in the consolidated financial statements 2022 (from January 1 to December 31, 2022) under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are identical with the companies for inclusion in the consolidated financial statements of parent company and subsidiaries under IFRS 10. The information presented in the consolidated financial statements of affiliates has also been disclosed in the aforementioned consolidated financial statements of parent company and subsidiaries, the Company, therefore, will not prepare the consolidated financial statements of affiliates separately.

Your attention is appreciated

Company Name: ASRock Incorporation

Legal Representative: Hsu-Tien, Tung

Mar. 7, 2023

Independent Auditors' Report Translated from Chinese

To ASROCK INC.

Opinion

We have audited the accompanying consolidated balance sheets of ASROCK INC.(the “Company”) and its subsidiaries (collectively the “Group”) as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the consolidated financial statements, including the summary of significant accounting policies (collectively “the consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter paragraph), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2022 and 2021, and their consolidated financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, 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 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Inventory valuation

The net carrying value of inventory as of December 31, 2022 for ASROCK INC. and its subsidiaries amounted to \$8,010,393 thousand, which accounted for 54% of total assets and was significant to the consolidated financial statements. The Group's main business, the sale of motherboard products, are affected by market demand and changes. The management measured allowance for inventory obsolescence valuation losses based on market demands. The valuation involved management's significant judgement, we have therefore determined valuation on inventory a key audit matter. The audit procedures we performed regarding inventories valuation included but not limited to, understanding the program of estimating the allowance for inventory valuation, testing the effectiveness of relevant control. For the raw material and products, we selected samples and checked related certificates, to confirm the correctness of net realizable value that management used. In addition, we obtained and reviewed the full-year purchase and sales details of raw materials and products. For raw materials that are not frequently used and products with low sales volume, we referred to industry information and management to discuss the reasonableness of allowance for inventory valuation and obsolescence losses. We also considered the appropriateness of disclosure of inventories in Notes 5 and 6 of the Company's consolidated financial statements.

Revenue recognition

The main source of revenue was from the sales of motherboard. Due to diversified pricing strategy, the orders and implied item in contracts usually included quantity discount and warranty, therefore the Company and its subsidiaries should determine the performance obligation and the timing of revenue recognition. Consequently, we considered that revenue recognition from contracts with customers is key audit matter. For revenue recognition, we have conducted audit procedures including but not limited to evaluating the design and operating effectiveness of internal controls with respect to the revenue cycle, selecting representative samples to conduct test of transactions by inspecting contracts approved by both parties, identifying the performance obligation, evaluating whether the transaction price were appropriately allocated to all the performance obligations in the contract in proportion to the stand-alone selling prices of each performance obligation, and confirming the correctness of timing when a performance obligation is satisfied. We also considered the appropriation of operating revenue disclosure in Notes 4, 5 and 6 of consolidated financial statements.

Other Matter - Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain consolidated subsidiaries, which statements reflect total assets of \$2,656,279 thousand and \$1,612,326 thousand, constituting 17.99% and 10.14% of consolidated total assets as of December 31, 2022 and 2021, respectively, and total operating revenues of \$6,656,063 thousand and \$9,323,868 thousand, constituting 38.88% and 47.18 % of consolidated operating revenues for the years ended December 31, 2022 and 2021, respectively. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
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 ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other

We have audited and expressed an unqualified opinion including Other Matter Paragraph on the parent company only financial statements of the Company as of and for the years ended December 31, 2022 and 2021.

Yang, Chih-Huei
Yu, Chien- Ju

Ernst & Young, Taiwan
March 7, 2023

Notice to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young 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.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
ASROCK INCORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of			
		December 31, 2022	%	December 31, 2021	%
Current assets					
Cash and cash equivalents	4,6(1)	\$3,588,129	24	\$2,213,989	14
Financial assets measured at amortized cost - current	4,6(2),6(12)	339,151	2	1,276,355	8
Accounts receivable, net	4,6(3),6(12)	1,606,534	11	1,858,239	12
Accounts receivable - related parties, net	4,6(3),6(12),7	26,411	-	37,642	-
Inventories, net	4,6(4)	8,010,393	54	9,719,405	61
Other current assets	7	422,975	3	317,177	2
Total current assets		13,993,593	94	15,422,807	97
Non-current assets					
Financial assets measured at amortized cost - non-current	4,6(2),6(12),8	2,436	-	2,389	-
Property, plant and equipment	4,6(5)	461,869	3	241,976	2
Right-of-use assets	4,6(13)	71,384	1	90,600	-
Intangible assets	4,6(6),7	7,411	-	5,775	-
Deferred tax assets	4,5,6(17)	192,186	2	96,390	1
Guarantee deposits paid		26,861	-	22,594	-
Other non-current assets		12,074	-	11,419	-
Total non-current assets		774,221	6	471,143	3
Total assets		\$14,767,814	100	\$15,893,950	100

(Continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
ASROCK INCORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Liability and Equity	Notes	As of			
		December 31, 2022	%	December 31, 2021	%
Current liabilities					
Short-term loans	6(7)	\$625,000	4	\$-	-
Accounts payable		2,934,118	20	4,389,601	28
Accounts payable - related parties	7	68,657	-	67,237	-
Other payables	7	1,292,812	9	1,419,344	9
Current tax liabilities	4,5,6(17)	418,015	3	538,877	4
Lease liabilities - current	4,6(13),6(15)	31,896	-	42,713	-
Other current liabilities	7	443,194	3	555,828	4
Total current liabilities		5,813,692	39	7,013,600	45
Non-current liabilities					
Deferred tax liabilities	4,5,6(17)	2,159	-	1,169	-
Lease liabilities - non-current	4,6(13),6(15)	39,873	-	48,309	-
Net defined benefit liabilities	4,5,6(8)	17,047	-	42,028	-
Other non-current liabilities		1,116	-	-	-
Total non-current liabilities		60,195	-	91,506	-
Total liabilities		5,873,887	39	7,105,106	45
Equity attributable to owners of the parent company					
Capital					
Common Stock	6(9)	1,219,930	8	1,229,254	8
Capital surplus	6(9),6(10),6(19)	3,252,907	22	3,332,351	21
Retained earnings					
Legal reserve	6(9)	1,582,928	11	1,345,085	8
Special reserve	6(9)	581,757	4	472,656	3
Unappropriated retained earnings	6(9),6(10)	1,772,619	12	2,628,386	17
Total retained earnings		3,937,304	27	4,446,127	28
Other equity interest	4	(217,794)	(1)	(736,592)	(5)
Treasury stock	4,6(9)	(12)	-	-	-
Non-controlling interests	6(9),6(19)	701,592	5	517,704	3
Total equity		8,893,927	61	8,788,844	55
Total liabilities and equity		\$14,767,814	100	\$15,893,950	100

The accompanying notes are an integral part of the consolidated financial statements.

ASROCK INCORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2022 and 2021

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

Accounting Items	Notes	For the years ended December 31,			
		2022	%	2021	%
Operating revenues	4,5,6(11),7	\$17,120,919	100	\$19,762,672	100
Operating costs	6(4),6(6),6(8),6(13), 6(14),7	(13,420,362)	(78)	(14,198,647)	(72)
Gross profit		<u>3,700,557</u>	22	<u>5,564,025</u>	28
Operating expenses	6(6),6(8),6(10) 6(13),6(14),7				
Sales and marketing expenses		(807,777)	(5)	(814,882)	(4)
General and administrative expenses		(450,019)	(3)	(423,594)	(2)
Research and development expenses		(1,260,277)	(7)	(1,263,855)	(7)
Expected credit gains (losses)	6(12)	2,566	-	(3,501)	-
Total operating expenses		<u>(2,515,507)</u>	(15)	<u>(2,505,832)</u>	(13)
Net operating income		<u>1,185,050</u>	7	<u>3,058,193</u>	15
Non-operating income and expenses	6(15)				
Interest income		33,350	-	12,880	-
Other income		40,891	-	43,858	-
Other gains and losses		183,101	1	(54,163)	-
Finance costs		(11,704)	-	(802)	-
Total non-operating income and expenses		<u>245,638</u>	1	<u>1,773</u>	-
Profit from continuing operations before tax		1,430,688	8	3,059,966	15
Income tax expenses	4,5,6(17)	(203,888)	(1)	(600,028)	(3)
Profit from continuing operations		<u>1,226,800</u>	7	<u>2,459,938</u>	12
Other comprehensive income	4,6(16)				
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans		13,534	-	(3,287)	-
Income tax related to items that will not be reclassified to profit or loss		(2,707)	-	657	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign financial statements		416,413	2	(109,101)	-
Other comprehensive income, net of tax		<u>427,240</u>	2	<u>(111,731)</u>	-
Total comprehensive income		<u>\$1,654,040</u>	9	<u>\$2,348,207</u>	12
Profit attributable to:					
Owners of the parent company		\$1,066,244		\$2,381,060	
Non-controlling interests		160,556		78,878	
		<u>\$1,226,800</u>		<u>\$2,459,938</u>	
Comprehensive income attributable to:					
Owners of the parent company		\$1,493,484		\$2,269,329	
Non-controlling interests		160,556		78,878	
		<u>\$1,654,040</u>		<u>\$2,348,207</u>	
Earnings per share(NT\$):	6(18)				
Earnings per share - basic					
Profit from continuing operations		<u>\$8.69</u>		<u>\$19.67</u>	
Earnings per share - diluted					
Profit from continuing operations		<u>\$8.65</u>		<u>\$19.53</u>	

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
ASROCK INCORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent company										
	Retained earnings					Total other equity interest			Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
	Capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Deferred compensation cost	Treasury Stock			
Balance as of January 1, 2021	\$1,206,424	\$3,134,705	\$1,209,419	\$279,336	\$1,544,081	\$(472,657)	\$-	\$-	\$6,901,308	\$407,128	\$7,308,436
Appropriation and distribution of 2020 retained earnings											
Legal reserve appropriated	-	-	135,666	-	(135,666)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	193,320	(193,320)	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(965,139)	-	-	-	(965,139)	-	(965,139)
Profit for the year ended December 31, 2021	-	-	-	-	2,381,060	-	-	-	2,381,060	78,878	2,459,938
Other comprehensive income, net of tax for the year ended December 31, 2021	-	-	-	-	(2,630)	(109,101)	-	-	(111,731)	-	(111,731)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	2,378,430	(109,101)	-	-	2,269,329	78,878	2,348,207
Changes in subsidiaries' ownership	-	3,581	-	-	-	-	-	-	3,581	(3,581)	-
Share-based payment transaction	22,830	194,065	-	-	-	-	(154,834)	-	62,061	3,517	65,578
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	31,762	31,762
Balance as of December 31, 2021	\$1,229,254	\$3,332,351	\$1,345,085	\$472,656	\$2,628,386	\$(581,758)	\$(154,834)	\$-	\$8,271,140	\$517,704	\$8,788,844
Balance as of January 1, 2022	\$1,229,254	\$3,332,351	\$1,345,085	\$472,656	\$2,628,386	\$(581,758)	\$(154,834)	\$-	\$8,271,140	\$517,704	\$8,788,844
Appropriation and distribution of 2021 retained earnings											
Legal reserve appropriated	-	-	237,843	-	(237,843)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	109,101	(109,101)	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(1,598,031)	-	-	-	(1,598,031)	-	(1,598,031)
Profit for the year ended December 31, 2022	-	-	-	-	1,066,244	-	-	-	1,066,244	160,556	1,226,800
Other comprehensive income, net of tax for the year ended December 31, 2022	-	-	-	-	10,827	416,413	-	-	427,240	-	427,240
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	1,077,071	416,413	-	-	1,493,484	160,556	1,654,040
Treasury stock cancelled	(9,324)	-	-	-	-	-	-	9,324	-	-	-
Changes in subsidiaries' ownership	-	(2,218)	-	-	-	-	-	-	(2,218)	2,218	-
Share-based payment transaction	-	(77,226)	-	-	12,137	-	102,385	(9,336)	27,960	6,849	34,809
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	14,265	14,265
Balance as of December 31, 2022	\$1,219,930	\$3,252,907	\$1,582,928	\$581,757	\$1,772,619	\$(165,345)	\$(52,449)	\$(12)	\$8,192,335	\$701,592	\$8,893,927

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
ASROCK INCORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2022	2021
Cash flows from operating activities:		
Profit before tax	\$1,430,688	\$3,059,966
Adjustments:		
Adjustments to reconcile (profit) loss:		
Depreciation expense	126,571	84,062
Amortization expense	7,898	7,710
Expected credit (gains) losses	(2,566)	3,501
Interest expenses	11,704	802
Interest income	(33,350)	(12,880)
Compensation cost arising from employee stock options	43,864	42,748
Gain on disposal of property, plant and equipment	-	(20)
Property, plant and equipment charged to expenses	15	-
Changes in operating assets and liabilities:		
Decrease (Increase) in accounts receivable, net	252,840	(228,812)
Decrease (Increase) in accounts receivable-related parties	11,231	(21,013)
Decrease (Increase) in inventories, net	1,515,559	(3,887,237)
Increase in other current assets	(84,937)	(87,032)
(Decrease) Increase in accounts payable	(1,455,483)	1,694,458
Increase in account payable-related parties	1,420	32,790
(Decrease) Increase in other payables	(126,532)	345,869
(Decrease) Increase in other current liabilities	(112,634)	341,694
(Decrease) Increase in net defined benefit liabilities	(11,447)	887
Increase (Decrease) in other non-current liabilities	1,116	(816)
Cash generated from operations	<u>1,575,957</u>	<u>1,376,677</u>
Income taxes paid	<u>(435,128)</u>	<u>(352,385)</u>
Net cash provided by operating activities	<u>1,140,829</u>	<u>1,024,292</u>
Cash flows from investing activities:		
Acquisition of financial assets measured at amortized cost	-	(459,514)
Disposal of financial assets measured at amortized cost	939,755	-
Acquisition of property, plant and equipment	(87,770)	(46,392)
Proceed from disposal of property, plant and equipment	-	20
Increase in guarantee deposits paid	(4,267)	(3,942)
Acquisition of intangible assets	(9,526)	(6,710)
Increase in other non-current assets	(655)	(10,373)
Interest received	31,245	10,071
Net cash provided by (used in) investing activities	<u>868,782</u>	<u>(516,840)</u>
Cash flows from financing activities:		
Increase in short-term loans	625,000	-
Repayment of the principal portion of lease liability	(50,838)	(42,686)
Cash dividends	(1,611,203)	(965,139)
Issuance of common stock for cash	-	22,830
Interest paid	(10,211)	-
Changes in non-controlling interests	27,437	31,762
Other	(9,055)	-
Net cash used in financing activities	<u>(1,028,870)</u>	<u>(953,233)</u>
Effect of exchange rate fluctuations on cash held	<u>393,399</u>	<u>(103,377)</u>
Net increase (decrease) in cash and cash equivalents	1,374,140	(549,158)
Cash and cash equivalents, beginning of period	2,213,989	2,763,147
Cash and cash equivalents, end of period	<u>\$3,588,129</u>	<u>\$2,213,989</u>

The accompanying notes are an integral part of the consolidated financial statements.

2. Auditing Committee's Review Report on the 2022 Financial Statements

ASRock Incorporation
Auditing Committee Review Report

This is to approve

The Board has prepared the Business Reports, Financial Statements (including separate and consolidated financial statements), and the proposal of earnings for 2022. The financial statements have been audited by Yang, Chih-Hui and Yu, Chien-Ju, CPAs of Ernst & Young, with the issuance of Auditor's Report. We have reviewed the aforementioned Business Reports, Financial Statements, and Proposals for Distribution of Earnings, confirming the requirements. We hereby present this report pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

ASRock General Meeting of Shareholders

Convener of Auditing Committee: Ai, Wei

Mar. 7, 2023

3. 2022 Employees' and Directors' Remuneration Report

- Description:
1. According to Article 24 of the Articles of Incorporation of ASRock, the Company shall appropriate for covering loss carried forward from its earnings of the year (the EBT before deduction of remuneration to the employees and the Directors), followed by the appropriation of at least 5% as remuneration to the employees and no more than 1% as remuneration to the Directors from the remainder, if there is still a balance.
 2. The remuneration to the employees and the Directors in 2022 under the Articles of Incorporation of ASRock is shown below:
 - (1) Remuneration to employees: NT\$95,786,773
 - (2) Remuneration to Directors: NT\$9,578,677
 - (3) The aforementioned amount will be paid in cash in whole, which is relevant with the amount of expense presented for recognition in 2022.

4. 2022 Earnings Distribution Report for Cash Dividend

- Description:
1. According to Article 24-1 of the Articles of Incorporation of ASRock, the Board is authorized to pay cash dividends to the shareholders amounting to NT\$975,934,632 at NT\$8/share.
 2. The dividend will be paid in cash in the proportion of shareholding rounded to the nearest NT Dollar. The fraction falling below NT\$1 will be recognized as other incomes of the Company. The Board shall set the dividend day and handle related matters.
 3. In the event of a change in the quantity of the outstanding shares of the Company in the future, to the effect that the ratio of dividend payment to the shareholders shall be subject to adjustment, the Board is expected to have full discretion in adjusting within the aforementioned amount for dividend payment.
relevant with the amount of expense presented for recognition in 2022.

5. Amendment to the “Rules of Procedure of the Board of Directors Meetings” of ASRock

- Description: The Amendment to the “Rules of Procedure of the Board of Directors Meetings” of ASRock was made in accordance with No. Financial-Supervisory-Securities-Firms-1110383263. The mapping of the clauses before and after the amendment is attached. (Appendix II and III of This Handbook)

[Proposals Items]

Motion no. 1: (Proposed by the Board)

Cause of motion: The 2022 financial statements of ASRock presented for recognition.

Description: The 2022 financial statements and consolidated financial statements have been audited by Yang, Chih-Hui and Yu, Chien-Ju, CPAs of Ernst & Young, which have been referred to the Auditing Committee together with the 20221 Business Report for review. The Business Report, Auditor's Report, and the aforementioned financial statements were presented for your reference. The detail is exhibited on page 7 to 28.

Resolution:

Motion no. 2: (Proposed by the Board)

Cause of motion: The 2022 distribution of earnings of ASRock presented for recognition.

Description:

1. The Company had a net income of NT\$1,066,243,509 in 2022 and plans to pay out to shareholders in accordance with the Articles of Incorporation.
2. The proposal for distribution of earnings in 2022. (Please refer to page 33 of Appendix I of This Handbook)

Resolution:

[Extemporary Motions]

III. Appendix

Appendix I: Proposal for Distribution of Earnings 2022

ASRock Incorporation
 Proposal for Distribution of Earnings
 2022

Unit: NT\$

Title	Amount	Remark
Undistributed earnings at the beginning of the period	\$683,411,300	
Earnings in 2022 available for distribution:		
Net income in 2022	1,066,243,509	
Add (less): Changes in the remeasurement of the defined benefit plan	10,827,100	
Labor cost of employee restricted shares	12,136,800	
Items for recognition:		
Appropriation of legal reserve	(108,920,741)	
Reversal of special reserve	416,413,122	
Subtotal of earnings in 2022 available for distribution	1,396,699,790	
Items for distribution:		
Shareholder dividend - cash	(975,934,632)	NT\$8.00/share
Undistributed earnings at the ending of the period	1,104,176,458	

Note: the earnings in 2022 available for distribution will be allocated for distribution of shareholder dividend in the first place (the balance of the appropriation of net income for legal reserve, a reversal of special reserve and adjustment of undistributed earnings of the year), the undistributed earnings at the beginning of the period will be allocated to cover the amount short, where applicable.

The year of cash dividend payment:

Year of earnings	Amount
2022	975,934,632
1998 -2021	-
Total	975,934,632

Chairman: Hsu-Tien, Tung President: Lung-Lun, Hsu Accounting Officer: Hui-Ju, Li

Appendix II: The mapping of the clauses of “Rules of Procedure of the Board of Directors Meetings” before and after amendment

Before The Revision	After The Revision	Explanation
<p>Article 3: I–III (omitted) The particulars inscribed in Paragraph 1 under Article 7 shall be listed as the reasons for the convention. They cannot be proposed as extemporary motions unless <u>under emergency or with justifiable reasons</u>.</p>	<p>Article 3: I–III (omitted) The particulars inscribed in Paragraph 1 under Article 7 shall be listed as the reasons for the convention. They cannot be proposed as extemporary motions unless under emergency or with justifiable reasons.</p>	<p>Text adjustment in response to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>
<p>Article 7: The following of the Company shall be presented to the Board for discussion:</p> <ol style="list-style-type: none"> 1. The business plan of the Company. 2. Annual Financial Report and the Financial Report of the 2nd quarter required for an audit with certification. 3. The institution or amendment to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act (hereinafter, “SEA”) and evaluating the effectiveness of the internal control system. 4. The institution or amendment to the procedures for the acquisition or disposal of assets, derivative trade, loaning of funds, guarantee and endorsement in favor of a third party, and other aspects of materiality with significant financial and business effect. 5. Offering, issuance or acquiring equity securities through private placement. <p>6. The appointment and dismissal of a chief financial officer, chief accounting officer, or chief internal auditor.</p> <p>7. Donation to related parties or significant donation to non-related parties. For charity donation for the relief of major</p>	<p>Article 7: The following of the Company shall be presented to the Board for discussion:</p> <ol style="list-style-type: none"> 1. The business plan of the Company. 2. Annual Financial Report and the Financial Report of the 2nd quarter required for an audit with certification. 3. The institution or amendment to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act (hereinafter, “SEA”) and evaluating the effectiveness of the internal control system. 4. The institution or amendment to the procedures for the acquisition or disposal of assets, derivative trade, loaning of funds, guarantee and endorsement in favor of a third party, and other aspects of materiality with significant financial and business effect. 5. Offering, issuance or acquiring equity securities through private placement. 6. <u>If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.</u> 7. The appointment and dismissal of a chief financial officer, chief accounting officer, or chief internal auditor. 8. Donation to related parties or significant donation to non-related parties. For charity donation for the relief of major 	<p>Text adjustment in response to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>

Before The Revision	After The Revision	Explanation
<p>natural disasters may be presented to the next session of the Board for recognition.</p> <p>8. Motions to be resolved by the Shareholders Meeting, by the Board, or any other aspects of materiality as required by the competent authority under Article 14-3 of the SEA, other applicable laws, or the Articles of Incorporation.</p> <p>Related parties as referred to in Subaragraph <u>7</u> are the related parties inscribed in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. A significant donation to non-related parties refer to the amount of donation exceeding NT\$100 million in each transaction or accumulated in 1 year to a particular recipient, or 1% of the net operating income or 5% of the paid-in capital as stated in the audited financial statements of the previous year. (the rest omitted)</p>	<p>natural disasters may be presented to the next session of the Board for recognition.</p> <p><u>9</u>. Motions to be resolved by the Shareholders Meeting, by the Board, or any other aspects of materiality as required by the competent authority under Article 14-3 of the SEA, other applicable laws, or the Articles of Incorporation.</p> <p>Related parties as referred to in Subaragraph <u>8</u> are the related parties inscribed in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. A significant donation to non-related parties refer to the amount of donation exceeding NT\$100 million in each transaction or accumulated in 1 year to a particular recipient, or 1% of the net operating income or 5% of the paid-in capital as stated in the audited financial statements of the previous year. (the rest omitted)</p>	
<p>Article 20: (omitted)</p>	<p>Article 20: (omitted) <u>The Rules of Procedure of the Board of Directors Meetings was amended for the 8th instance on 01/11/2023.</u></p>	<p>Add the date of this amendment.</p>

Appendix III: Rules of Procedure of the Board of Directors Meetings

ASRock Incorporation Rules of Procedure of the Board of Directors Meetings

- Article 1: The rules of procedure of the Board of Directors Meetings shall be governed by This Rule unless otherwise specified by other applicable laws and the Articles of Incorporation of the Company.
- Article 2: The rules of procedure of the Board of Directors Meetings, the content of major issues for decision-making, the operation procedure, the particulars to be inscribed in the meeting minutes for the record, the announcement, and others to be complied with shall be governed by This Rule.
- Article 3: The Board shall convene at least once quarterly.
The Board shall specify the reasons for the convention and notify the Directors 7 days in advance but may call for a session at any time in case of emergency.
The aforementioned notification may be made electronically at the consent of the counterparties.
The particulars inscribed in Paragraph 1 under Article 7 shall be listed as the reasons for the convention. They cannot be proposed as extemporary motions unless under emergency or with justifiable reasons.
- Article 4: The place and time for the convention of the Board shall be the area where the principal place of business of the Company is located and during regular office hours, or a place or time convenient for the Directors to attend.
- Article 5: The Board designated the General Administration Division as the body charged with administering the convention of the Board.
The administering body shall set the agenda for the convention of the Board with sufficient documented materials for the meeting and forward the materials to the Directors with the notice for a meeting.
If the Directors hold that the material for the meeting is not sufficient, they may request the administering body for supplementary information. If the Directors hold that the material for the meeting is not enough, they may request the administering body for supplementary information.
- Article 6: The agenda for the routine meetings of the Board shall cover at least the following:
1. Report items:
 - (1) The minutes of the last meeting and the status of follow-up action.
 - (2) Reporting on major business and financial issues.
 - (3) Internal audit report.
 - (4) Report on other important matters.
 2. Discussion items:
 - (1) Discussion carried forward from the last meeting.
 - (2) Motions planned for discussion in this meeting.
 3. Questions and motions
- Article 7: The following of the Company shall be presented to the Board for discussion:
1. The business plan of the Company.
 2. Annual Financial Report and the Financial Report of the 2nd quarter required for an audit with certification.
 3. The institution or amendment to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act (hereinafter, "SEA") and evaluating the effectiveness of the internal control system.
 4. The institution or amendment to the procedures for the acquisition or disposal of

assets, derivative trade, loaning of funds, guarantee and endorsement in favor of a third party, and other aspects of materiality with significant financial and business effect.

5. Offering, issuance or acquiring equity securities through private placement.
6. If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.
7. The appointment and dismissal of a chief financial officer, chief accounting officer, or chief internal auditor.
8. Donation to related parties or significant donation to non-related parties. For charity donation for the relief of major natural disasters may be presented to the next session of the Board for recognition.
9. Motions to be resolved by the Shareholders Meeting, by the Board, or any other aspects of materiality as required by the competent authority under Article 14-3 of the SEA, other applicable laws, or the Articles of Incorporation.

Related parties as referred to in Subparagraph 8 are the related parties inscribed in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. A significant donation to non-related parties refer to the amount of donation exceeding NT\$100 million in each transaction or accumulated in 1 year to a particular recipient, or 1% of the net operating income or 5% of the paid-in capital as stated in the audited financial statements of the previous year.

The period of 1 year as referred to shall be a duration of 1 year based on the day of the convention of the Board in retrospect. The portion of donation which has been resolved to approve by the Board could be excluded from the calculation.

Shares issued by overseas corporations with no face value or the face value of each share is not NT\$10, and the amount of 5% of the paid-in capital, as stated in Paragraph 2, shall be based on 2.5% of the shareholders' equity in the calculation.

If the Company has established the seats for Independent Directors, at least 1 Independent Director shall attend the session of the Board in person. For motions to be presented to the Board for resolutions as stated in Paragraph 1, all Directors shall be present in the session. If a particular Independent Director cannot attend in person, it shall appoint another Independent Director to attend as a proxy. If the Independent Directors hold adverse or qualified opinions, specify in the minutes of the Board meeting on record. If a particular Independent Director cannot attend the session of the Board in person but express adverse or qualified opinions, it shall present the opinion in writing in advance unless with justifiable reasons and specify the fact in the minute of Board meeting on record.

Article 8: Further to the motions to be presented to the Board for discussion as stated in Paragraph 1 of the preceding article, the content of authorization shall be compliant with related rules and regulations of the Company, the resolution of the Board and the Shareholders Meeting or applicable laws.

Article 9: The Company shall prepare a sign-in registry for the convention of the Board for tracking the attendance of the Directors.

Directors shall attend the sessions of the Board in person. If not, the Directors shall appoint another Director to attend as a proxy in accordance with the Articles of Incorporation of the Company. Directors participating in video conference shall be construed as attending the Board session in person.

Directors shall issue a power of attorney for appointing another Director as a proxy to attend the sessions of the Board and specify the scope of authorization aiming at the reasons for the meeting.

Each Director shall act as the proxy of only one other Director as stated in Paragraph 2.

Article 10: The Chairman shall act as the Presiding Officer of the Board sessions he/she called for. The candidate who won the absolute majority of the votes cast by the Shareholders Meeting to the seat of Director and representing the majority of voting

rights shall call for the 1st session of each new term of the Board and act as the Presiding Officer. If there are two persons who have equal rights to call the session, 1 will be nominated to call for the session.

If the Board convened to the call of more than half of the Directors pursuant to Paragraph 4 under Article 203 or Paragraph 3 under Article 203-1 of the Company Act, the Directors shall nominate 1 to act as the Presiding Officer.

In the absence of the Chairman due to leave or for whatever reasons, the Vice Chairman shall act as the proxy. If there is no Vice President or in the absence of the Vice Chairman due to leave or for whatever reasons, the Directors shall appoint 1 Executive Director to act as the proxy for the Chairman. If there is no seat for Executive Director, one Director will be appointed to act as the proxy. If the Chairman has not appointed any proxy, the Executive Directors shall nominate 1 among themselves to act as the proxy for the Chairman.

Article 11: The Board shall notify related functional departments or subsidiaries to attend the meeting as observers depending on the content of the motions presented in the Board meeting.

Certified public accountants, lawyers, or other professionals may also be invited as observers in the meeting to give opinions where necessary. But they shall recuse from the discussion and voting on the motions.

Article 12: The Presiding Officer shall announce the session of the General Meeting of Shareholders at the exact time scheduled for the meeting if a quorum is qualified. If the attendance of shareholders to the meeting cannot qualify for a quorum, the Presiding Officer shall announce the postponement of the meeting twice. If the attendance of shareholders to the meeting still cannot qualify for a quorum after the Presiding Officer has announced the postponement of the meeting twice, the Presiding Officer shall proceed to Paragraph 2 under Article 3, thereby calling for a new session of the meeting.

All Directors as referred to in the preceding paragraph and Subparagraph 2 of Paragraph 2 under Article 17 shall be those who are in office.

Article 13: The Board of the Company shall convene in the procedure specified in the agenda for the meeting. The agenda may be subject to change at the consent of at least half of the Directors in session.

The Presiding officer cannot proceed to announce the adjournment of the meeting without the consent of at least half of the Directors in session.

If the Board is in session, but less than half of the Directors are present, the Presiding Officer shall announce for a suspension of the meeting at the proposal of other Directors where the rules of the preceding article shall govern.

Article 14: If a particular motion has been properly discussed and could be referred to voting, the Presiding Officer shall announce to stop further discussion refer the motion for voting.

If there is no adverse opinion on a particular motion from the Directors under the request of the Presiding Officer for opinion, it shall be deemed the common consent of the Directors on the motion for approval the same as approval by voting.

If a specific Director has an adverse opinion on a particular motion, such motion shall be referred to voting for decision. Votes can be cast by hand-raising or balloting. If a vote on a motion requires ballot scrutinizers and vote counters, the chairperson shall appoint the same, provided that all scrutinizers shall be directors. The voting result must be reported by the chairperson on the site and also recorded.

All the Directors in session as mentioned in Paragraph 2 shall not include the Directors without voting rights as stated in Paragraph 1 under Article 16.

Article 15: Resolutions of the Board shall be made by a simple majority of the votes cast by the Directors in a session with the presence of more than half of the Directors unless the Company Act, Securities and Exchange Act, and the Articles of Incorporation

specified otherwise.

If there is an amendment to or substitute of a particular motion, the Presiding Officer shall combine the amendment or the substitute with the original motion in setting the priority of balloting. If the original motion, the amendment to the motion, or the substitute has already been passed, it shall be construed as the approval of all the others that no further balloting will be necessary.

Article 16: If a particular issue in the session of the Board involves the personal interest of a specific Director or the interest of the institution the Director represented, this Director shall explain the content of the conflict of interest in the session. If damage to the interest of the Company becomes a concern, this Director cannot participate in the discussion and voting on the motion and shall recuse from the discussion and voting. In addition, this Director shall not act as the proxy of another Director to exercise the voting right.

In case of a conflict of interest between spouse, kindred within the 2nd tier under the Civil Code, or the affiliate in subordinate to the Director who can exercise control and particular motion in the meeting, it shall be construed as the conflict of interest between the Director and the motion in point.

Directors who have no voting rights in the decision-making process of the Board as stated in the preceding 2 paragraphs shall be governed by Paragraph 2 under Article 180 of the Company Act pursuant to Paragraph 4 under Article 206 of the same law.

Article 17: The discussion and resolutions of the Board shall be tracked as minutes of the meeting on record covering the following particulars:

1. The session (or year), the time and place
2. The name of the Presiding Officer.
3. The attendance of the Directors, including the names of the Directors who are present in person, who have taken leave, and absent without leave.
4. The names and the titles of the observers.
5. Name of the record keeper.
6. Points of Reports.
7. Points of discussion: The mean and result of the resolution on each motion, the summary of the opinions presented by the Directors, experts, and other personnel, the names of the Directors who have the conflict of interest as mentioned in Paragraph 1, the summary description of the stakes, the reason for recusal and no recusal, and the act of recusal, adverse and qualified opinions with record or written declaration and the opinions presented by the Independent Directors in writing pursuant to Paragraph 5 under Article 7.
8. Extemporaneous Motions: the names of Directors proposing extemporaneous motions, the mean and result of resolution, the summary of the opinions presented by the Directors, experts, and other personnel, the names of the Directors who have the conflict of interest as mentioned in Paragraph 1, the summary description of the stakes, the reason for recusal and no recusal, and the act of recusal, adverse and qualified opinions with record or written declaration.
9. Other information

If any of the following applies to a particular issue of the Board for resolution, specify the detail as meeting minutes, and declare online at the website designated by the competent authority within 2 days after the session of the Board:

1. The Independent Directors has expressed adverse opinions with record or in a written declaration.
2. Motions which have not been passed by the Auditing Committee of the Company but approved by more than 2/3 of the Directors.

The sign-in registry constituted an integral part of the meeting minutes on record, and shall be properly kept within the perpetuity of the Company.

The meeting minutes on record shall be affixed with the signature/seal of the Presiding Officer and the record keeper, and delivered to each Director within 20 days after the session. The minutes of Board meeting on record shall be classified as

an essential document file and shall be kept within the perpetuity of the Company. The preparation and release of minutes of Board Meeting on record as mentioned in Paragraph 1 may be made in electronic form.

Article 18: The course of the session of the Board shall be tracked by voice recording or videotaping for the record, and shall be kept for at least 5 years. The record may be kept in electronic format.

In the event of legal proceedings instated against the board's particular issues before the aforementioned expiration date, related voice recording or videotape materials shall be kept until the conclusion of the legal proceedings.

If the Board convenes via video conferencing, the audiovisual data shall constitute an integral part of the meeting minutes on record and shall be properly kept within the perpetuity of the Company.

Article 19: The institution and amendment to this Rules of Procedure of the Board of Directors Meetings shall be subject to the Board's approval with a report to the Shareholders Meeting.

Article 20: The Rules of Procedure of the Board of Directors Meetings has been passed by the Board and became effective on 01/01/2007.

The Rules of Procedure of the Board of Directors Meetings was amended for the 1st instance on 12/25/2006.

The Rules of Procedure of the Board of Directors Meetings was amended for the 2nd instance on 03/26/2008.

The Rules of Procedure of the Board of Directors Meetings was amended for the 3rd instance on 05/02/2012.

The Rules of Procedure of the Board of Directors Meetings was amended for the 4th instance on 12/17/2012.

The Rules of Procedure of the Board of Directors Meetings was amended for the 5th instance on 10/25/2017.

The Rules of Procedure of the Board of Directors Meetings was amended for the 6th instance on 08/04/2020.

The Rules of Procedure of the Board of Directors Meetings was amended for the 7th instance on 02/24/2021.

The Rules of Procedure of the Board of Directors Meetings was amended for the 8th instance on 01/11/2023.

Appendix IV: Articles of Incorporation

ASRock Incorporation

Articles of Incorporation

Chapter I General Provision

- Article 1: The Company is duly incorporated in accordance with the Company Act and bears the title of ASROCK Incorporation.
- Article 2: The Company is engaged in the following business:
- (1) CC01110 Computer and Peripheral Equipment Manufacturing
 - (2) F113050 Wholesale of Computers and Clerical Machinery Equipment
 - (3) F118010 Wholesale of Computer Software
 - (4) F213030 Retail Sale of Computers and Clerical Machinery Equipment
 - (5) F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
 - (6) I301010 Information Software Services
 - (7) 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 guarantor for a third party as dictated by business.
- Article 4: The Company may make a direct investment in excess of 40% of the paid-in capital to be executed by the Board under authorization.
- Article 5: The Company is headquartered in Taipei and may establish branches at appropriate locations at home and overseas at the resolution of the Board where necessary.
- Article 6: The Company shall make announcements in accordance with Article 28 of the Company Act.

Chapter II Equity Shares

- Article 7: The Company has stated capital of NT\$1,500,000,000 equally split into 150,000,000 shares at NT\$10/shares. The Board is authorized to offer the shares in tranches of which NT\$40,000,000 equally split into 4,000,000 shares at NT\$10/share will be reserved for the issuance of Employee Stock Options (ESO).
- Article 8: The Company shall issue stocks pursuant to Article 161-1 of the Company Act.
- Article 9: Transfer of shares shall be prohibited in the period of 60 days prior to a scheduled date of the General Meeting of Shareholders and in the period of 30 days prior to the scheduled date of a special session of the Shareholders Meeting, or the period of 5 days prior to the dividend day or any other day of benefit payment. The aforementioned period shall start from the date of the session or the standard day in retrospect.
- Article 9-1: The Company issues registered shares. Each share certificate shall be affixed with the authorized signatures/seals of at least 3 Directors and subject to certification before offering under law. After the Company has become a public company, the shares may be offered not in the form of physical share certificate and offered through the system of TDCC.

Chapter III Shareholders Meeting

- Article 10: The shareholders may convene in regular session (General Meeting of Shareholders) and special session. The General Meeting of Shareholders will be held once annually

within 6 months after the end of the fiscal year. The shareholders may convene in special sessions at any time where necessary.

The Shareholders Meeting as mentioned shall be called by the Board unless the Company Act specified otherwise.

- Article 10-1: The shareholders' meeting of the Company can be held by means of visual communication network or other methods promulgated by MOEA.
- Article 11: If a specific shareholder cannot attend a session of the Shareholders Meeting, such shareholder may appoint a proxy to attend by using a power of attorney prepared by the Company and specify the scope of authorization. For the commissioning of legitimate proxies to attend Shareholders Meeting, the attendance of proxies to the meeting shall be governed by Article 177 of the Company Act.
- Article 12: The shareholders are entitled to one voting right for the holding of each share except restricted shares or shares bearing no voting rights under the Company Act.
- Article 13: Resolutions of the Shareholders Meeting shall be made by a session with shareholders representing more than half of the voting rights and a simple majority of the shareholders in session unless the Company Act specified otherwise.
- Article 14: The Presiding Officer of the session of Shareholders Meeting shall be governed by Article 182 -1 and Paragraph 3 of Article 208 of the Company Act.
- Article 15: If the Company has only 1 institutional shareholder as the shareholder, the Board shall perform the function of the Shareholders Meeting where the regulations governing Shareholders Meeting in this context will not be applicable.
- Article 15-1: If the Company has a motion for revocation of a public offering of its shares, it shall be referred to resolution by the Shareholders Meeting. Accordingly, the Company shall not alter this provision in the duration of trading at the Emerging Stock Market or listing at TWSE (TPEX).

Chapter IV The Board and Audit Committee

- Article 16: The Company shall establish 7 seats of Directors and each shall have tenure of 3 years. The Directors shall be elected under the candidate nomination system from a list of prospective candidates by the Shareholders Meeting. Directors may assume a second term of office if reelected.
- Article 16-1: As required by Article 183 of the Securities and Exchange Act, the Company shall reserve at least 3 of the aforementioned seats for Independent Directors. The Independent Directors shall be elected under the candidate nomination system from the list of candidates to the seats of Independent Director by the Shareholders Meeting. The tenure, professional qualification, quantity of shareholding, restriction of holding additional posts, the method of nomination and election, and other particulars to be observed are governed by the rules and regulations of the competent authority of securities.
- Article 16-2: The Company shall establish the Auditing Committee under law, which shall be staffed with all Independent Directors of whom 1 shall act as the convener and at least 1 shall be specialized in accounting or finance. The functions, organization code, authority of the Auditing Committee and other particulars to be observed shall be conforming to the requirements of the competent authority.
- Article 17: The Directors shall be organized into a Board of Directors (The Board). A chairman shall be elected among the Directors in a session with at least 2/3 of the Directors and a simple majority of the Directors in session for consent. The Chairman shall act on behalf of and in the name of the Company externally.
- Article 17-1: The Board shall convene with 7 days in advance of notice to the Directors specifying the reasons for the session and may convene at any time in case of

emergency. The notice of the Board meeting may be sent by E-mail or by fax in lieu of correspondence.

Article 18: The Chairman of the Company shall preside over all meetings of the Board. In the absence of the Chairman due to leave or for whatever reasons, the proxy of the Chairman shall be governed by Article 208 of the Company.

Article 19: Directors may authorize another Director in writing to attend the meeting of the Board by specifying the scope of authorization in a power of attorney. A Director may only act as the proxy of one other Director.

Article 20: The remuneration to the Directors shall be determined by the Board under authorization in commensuration with the level of participation in the operation of the Company and the contribution value to the Company.

Article 20-1: The Company shall take liability insurance for the protection of the Directors for the duties they performed within their term of office.

Chapter V Managers

Article 22: The Company may establish the position of managers and the appointment, dismissal and remuneration of whom shall be governed by Article 29 of the Company Act.

Chapter VI Accounting

Article 23: At the end of the fiscal year, the Board of the Company shall prepare (1) Business Report; (2) Financial Statements; and (3) Proposal for Distribution of Earnings or Covering loss carried forward, and present to the Audit Committee 30 days prior to the scheduled day of General Meeting of Shareholders, and present to the General Meeting of Shareholders for recognition.

Article 24: If the Company has earnings of the year after account settlement, appropriate for the remuneration to the employees and the Directors specified as follows. If there is loss carried forward, the Company shall appropriate its earnings for covering loss carried forward. I At least 5% as remuneration to the employees in cash or stock. If payment is made in stock, employees of subsidiaries meeting specific conditions shall also be entitled to the payment. The Board shall set forth the condition for entitlement. II. No more than 1% as remuneration to the Directors. Earnings as previously mentioned, shall be the earnings before taxation and deduction of remuneration to the employees and the Directors. The remuneration to the employees and the Directors shall be reported to the General Meeting of Shareholders.

The employees of the Company entitled to the remuneration to the employees, the issuance of restricted shares, the issuance of ESO, and subscription of new shares and takeover the assigned shares shall also include the employees of the controlled entities or subsidiaries of the Company meeting the conditions set forth by the Board.

Article 24-1: If the Company has a net income of the year after account settlement, appropriate for the covering of loss carried forward (including the adjustment of the amount in undistributed earnings), and 10% for legal reserve as required by law. If the amount of legal reserve is equivalent to the total paid-in capital, no further appropriation for legal reserve will be necessary. It will be followed by the appropriation or reversal of special reserve. If there is still a balance, it will be pooled up the undistributed earnings at the beginning of the period (including the adjustment of the amount in undistributed earnings). The Board shall plan for the distribution of earnings. If the stock dividend and bonus are paid in cash in whole or in part, the Board shall be authorized to make a decision in a session attended by more than 2/3 of the Directors and a simple majority of the Directors in session and reported to the General Meeting of Shareholders. If a dividend is paid in stock in part, it will be necessary to present to the General Meeting of Shareholders for resolution.

Article 24- 2: The Company shall pay a stock dividend with reference to the profit status of the

year for dividend stability as the principle. The Company runs its operation in an unpredictable environment and is at the stage of growth of its life span. In consideration of long-term financial planning and meeting the needs of cash inflows of the shareholders, the Company adopts a balanced dividend policy. Thereby, the stock dividend payable to shareholders as stated in Article 24-1 shall not fall below 10% of the distributable income of the year. Cash dividend paid for each year shall not fall below 10% of the total dividend in cash and in stock.

Chapter VII Miscellaneous

Article 25: Anything not mentioned in the Articles of Incorporation shall be governed by the Company Act and other applicable laws.

Article 26: The Articles of Incorporation was instituted on 05/06/2002.

Amended for the 1st instance on 06/05/2003.

Amended for the 2nd instance on 06/30/2004.

Amended for the 3rd instance on 07/12/2004.

Amended for the 4th instance on 06/30/2005.

Amended for the 5th instance on 06/19/2006.

Amended for the 6th instance on 12/20/2006.

Amended for the 7th instance on 06/26/2007.

Amended for the 8th instance on 06/13/2008.

Amended for the 9th instance 06/16/2009.

Amended for the 10th instance on 06/15/2010.

Amended for the 11th instance on 06/18/2012.

Amended for the 12th instance on 06/06/2016.

Amended for the 13th instance on 06/07/2017.

Amended for the 14th instance on 06/12/2019.

Amended for the 15th instance on 05/29/2020.

Amended for the 16th instance on 05/25/2022.

ASRock Incorporation

Chairman Hsu-Tien, Tung

Appendix V: Parliamentary Procedure for the Shareholders Meeting

ASRock Incorporation

Parliamentary Procedure for the Shareholders Meeting

- Article 1: Shareholders Meeting shall be governed by this Regulations unless the law provides otherwise.
- Article 2: A sign-in registry shall be prepared for the shareholders' meeting to sign in for the meeting. Shareholders may also surrender their sign-in cards instead. The number of shares represented by the shareholders shall be counted based on the sign-in record or the sign-in cards surrendered.
- Article 3: The attendance and voting of the Shareholders Meeting shall be based on the quantity of shares represented.
- Article 4: Shareholders Meeting shall be held at the locality where the Company is located, or a place for the convenience of the shareholders and also appropriate for such purpose. The meeting shall be held no earlier than 9:00 am or later than 3:00 pm.
- Article 5: If the Shareholders Meeting is called by the Board, the Chairman shall act as the Presiding Officer. In the absence of the Chairman due to leave or for other reasons, the Vice Chairman shall act as the proxy. If there is no position of a Vice Chairman or also in the absence of the Vice Chairman due to leave or for other reasons, the Chairman shall appoint 1 Executive Director to preside over the meeting. If there is no seat for Executive Director, 1 Director shall be appointed as proxy. If the Chairman has not appointed any person as a proxy, the Directors shall nominate one among themselves to preside over the meeting. If the Shareholders Meeting is called by a third party entitled to call for the meeting other than the Board, such party shall preside over the meeting.
- Article 6: The Company may appoint the commissioned lawyers, certified public accountants or related personnel to attend the meeting as observers. The administrative staff of Shareholders Meeting shall wear proper ID or arm badge for identification.
- Article 7: The Company shall keep track of the entire procedure of the Shareholders Meeting by voice recording or videotaping and keep the record for at least 1 year.
- Article 8: The Presiding Officer shall announce for the session of the Shareholders Meeting when the time is due. However, the Presiding Officer shall announce for the postponement of the meeting if the attendance of shareholders cannot represent more than half of the outstanding shares at that point in time. The Presiding Officer may announce to postpone the meeting twice and the total time lapse shall not be more than 1 hour. If the attendance of shareholders by then can represent more than 1/3 of the outstanding shares, provisional resolution may be made pursuant to Paragraph 1 of Article 175-1 of the Company Act.
- If the attendance of shareholders can represent more than half of the outstanding shares before the adjournment of the meeting, the Presiding Officer may make a provisional resolution and present to the Shareholders Meeting for resolution again pursuant to Article 174 of the Company Act.
- Article 9: If the Shareholders Meeting is held to the call of the Board, the Board shall prepare the agenda, and the meeting shall be unfolded in accordance with the agenda, which cannot be modified without the resolution of the Shareholders Meeting.
- The Shareholders Meeting may be called for by an entitled third party other than the Board and shall be governed by the same rules as stated in the preceding paragraph.
- The meeting shall be continued in accordance with the agenda as stated in the preceding 2 paragraphs (including the extemporary motions). The Presiding Officer cannot announce the adjournment of the meeting without the resolution of the shareholders.

Shareholders cannot nominate another Presiding Officer to continue the meeting at the same place or in another place after the meeting is adjourned.

Article 10: Shareholders in session may express their opinions but shall put down the summary on the message slip specifying the subject of the speech, shareholder account number (or attendance pass number) and account title in advance. The Presiding Officer shall set the priority for the shareholders to express opinions. Shareholders who just present the message slip without actually taking the floor to express their opinions shall be construed as no expression of opinion. If the content of the speech is irrelevant to the content of the message slip, the latter shall prevail.

If a particular shareholder is giving a speech, other shareholders shall not interfere unless at the consent of the Presiding Officer and the shareholder who is giving the speech or the Presiding Officer shall stop the interference.

Article 11: Each shareholder may express an opinion on a particular motion no more than two times unless at the consent of the Presiding Officer, and no more than 5 minutes would be allowed for each instance of expression of opinion. If the content of opinion expressed by a specific shareholder is in defiance of the aforementioned rules or goes beyond the scope of the topic for discussion, the Presiding Officer shall stop such expression of opinion.

Article 12: Institutions commissioned to attend the Shareholders Meeting may appoint only 1 representative to the meeting. If specific institutional shareholders appoint more than 2 representatives to the meeting, only 1 may express an opinion on the same motion.

Article 13: The Presiding Officer may personally respond to a specific shareholder after expressing an opinion or appoint related personnel to respond.

Article 14: If the discussion on a particular motion is deemed sufficient and should be referred to voting, the Presiding Officer may announce the conclusion of the discussion and proceed to voting.

Article 15: If the Presiding Officer acts in defiance of the procedure by announcing for the adjournment of the meeting, the shareholders in session may nominate 1 person to act as the Presiding Officer with the consent of a simple majority to continue the meeting.

Article 16: The Presiding Officer shall appoint a number of scrutineers and tallying clerks and these personnel must also be shareholders. The voting result shall be announced on the scene and tracked on record.

Article 17: The Presiding Officer may announce a break in the duration of the meeting.

Article 18: Resolution of the motions shall be made by a session attended by shareholders representing more than half of the voting rights and the consent of a simple majority of the shareholders in session unless the Company Act or the Articles of Incorporation provide otherwise.

Article 19: If there is an amendment to or substitute for a particular motion, the Presiding Officer shall combine the amendment and the substitute with the original motion and set the priority for voting. If either the original motion or the amendment /substitute has been passed, it shall be construed as the veto of the others and no further voting will be necessary.

Article 20: The Presiding Officer shall command the prefects (or security guards) to keep the order of the meeting place. The prefects (or security guards) shall wear arm badge marking "Prefect" in performing their duties of keeping the order of the meeting place.

Article 21: The Regulations shall come into force at the resolution of the Shareholders Meeting. The same procedure is applicable to any amendment thereto.

Appendix VI: Shareholding by Directors

1. The Company has paid-in capital amounting to NT\$1,219,894,290 and has issued 121,989,429 outstanding shares.
2. According to Article 26 of the Securities and Exchange Act, all Directors shall hold a minimum of 8,000,000 shares in totality.
3. The holding of shares by all Directors in totality and individually as stated in the shareholders roster as of the day of transaction of shares was prohibited prior to the General Meeting of Shareholders:

03/27/2023

Title	Name	Date of election to office	Quantity of shareholding	Proportion of shareholding (%)
Chairman	Hsu-Tien, Tung	08/20/2021	-	-
Director	Asus Investment Inc. Representative: Tzu-Hsien, Tung	08/20/2021	57,217,754	46.90
Director	Asus Investment Inc. Representative: Kuang-Chin, Cheng	08/20/2021	57,217,754	46.90
Director	Asus Investment Inc. Representative: Lung-Lun, Hsu	08/20/2021	57,217,754	46.90
Independent Director	Chin-Jung, Wu	08/20/2021	-	-
Independent Director	Ai, Wei	08/20/2021	-	-
Independent Director	Yang-Ming, Ou	08/20/2021	-	-
Total quantity of shares held by all Directors			57,217,754	46.90

Appendix VII: Additional Information

Motions presented to the General Meeting of Shareholders:

1. According to Article 172-1 of the Company Act, shareholders holding more than 1% of the outstanding shares issued by the Company may present a motion to the General Meeting of Shareholders in writing. Still, only 1 motion is allowed for each shareholder and the content shall be limited to 300 words.
2. The period opened for motions for the General Meeting of Shareholders this year starts on 03/17/2023 and ends on 03/27/2023. The content of the motions has been disclosed at MOPS as required by law.
3. The Company has not received any motion proposed by the shareholders.