

Stock Code: 3515



ASRock Incorporation

2024 Annual General Shareholders' Meeting

Procedure Handbook

05/29/2024

Subject index

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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 2024

- I. Announcement for the Session

- II. Opening Address of the Presiding Officer

- III. Report Items

- IV. Proposals Items

- V. Discussion and Election Items

- VI. Extemporaneous Motions

- VII. Adjournment of the meeting

II. Agenda of the meeting

ASRock Incorporation

Agenda of the 2024 Shareholders Meeting

- I. Convening method: Regular meeting of entity shareholders
- II. Date and time: 05/29/2024 (Wednesday) 9:00 am
- III. Venue: Conference Room 202, Mellow Fields Hotel, Tienmu
(No. 127, Section 7, ZhongShan North Road, Shilin District, Taipei)
- IV. Opening Address of the Presiding Officer
- V. Report Items
 1. 2023 Business Report
 2. Auditing Committee's Review Report on the 2023 Financial Statements
 3. 2023 Employees' and Directors' Remuneration Report
 4. 2023 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 2023 Financial Statements (Proposed by the Board)
 2. Adoption of the Proposal for Distribution of 2023 Earnings (Proposed by the Board)
- VII. Discussion and Election Items
 1. Amendment to the "Parliamentary Procedure for the Shareholders Meeting" (Proposed by the Board)
 2. Amendment to the "Procedures for Acquisition or Disposal of Assets" (Proposed by the Board)
 3. Issuance of Employee Restricted Stock Awards for Year 2024 (Proposed by the Board)
 4. Election of Directors (Proposed by the Board)
 5. Proposal for Termination of Non-Competition Restriction on New Directors (Proposed by the Board)
- VIII. Extemporaneous Motions
- IX. Adjournment of Meeting

[Report Items]

1. 2023 Business Report

ASRock Incorporation

2023 Business Report

Dear shareholders, it is indeed a great pleasure to have your presence in this regular session of the 2024 Shareholders Meeting. With the impact from the geopolitics, rising inflation and sharp interest rate hikes in 2023, the global PC market was severely affected. According to a research report by Gartner, global PC shipments has declined by 14.8% in 2023, with double-digit declines for two consecutive years. Many unfavorable factors have also caused companies to be conservative and cautious about capital expenditures and inventory restocking, thus demand for industrial computers and servers has been significantly affected.

The sharp decline in the global PC market and conservative demand have had a significant impact on the Company. Through diversified product / market strategies, we have achieved double-digit growth in revenue. However, due to inventory allowances and the decline in the proportion of commercial products, the gross profit margin and net profit declined, posing challenges for returning to full operations with profit growth momentum. The Company's performance was not satisfactory.

Financial and business performance

The Company's consolidated revenue is NT\$18.99 billion in 2023, which is an increase of 10.9% from NT\$17.12 billion in the same period of 2022. Affected by the inventory and the product line, the gross profit margin in 2023 dropped to 20.2%, which is a 1.4% decrease from the gross profit margin of 21.6% in 2022. In 2023, the consolidated net income after tax is NT\$0.92 billion, a decrease of 14% from the NT\$1.07 billion in 2022. The Consolidated Financial Information is shown in the table below:

Unit: NT\$ 100 million

Item	2023 (consolidated)		2022 (consolidated)	
	Amount	%	Amount	%
Revenue	189.9	100.0%	171.2	100.0%
Gross profit	38.3	20.2%	37.0	21.6%
Operating expenses	26.8	14.1%	25.2	14.7%
Operating income	11.5	6.1%	11.9	6.9%
Pre-tax profit	12.2	6.4%	14.3	8.4%
Net income (Owner of the parent company)	9.2	4.9%	10.7	6.2%
Earnings per share after taxation (NT\$)	7.54		8.69	

Note: No financial forecast was disclosed in 2023. Budget attainment is not applicable here.

Gravity of technological development and operation

The advancement of AI technology has become an indispensable focus of technology development in the IT industry where new hardware and applications are being actively developed regardless of market demand for consumer PCs or commercial applications. With the booming cloud applications and edge computing, it is expected to significantly improve users' work efficiency. The Company focuses on the technology and plans to launch a series of new products.

Moreover, the Company has been steadily and successfully developing several new consumer products focusing on e-sports in recent years. We will continue to anchor on this operational focus, actively develop new products, and provide consumers with a full range of professional e-sports products, ensuring the distinctive and innovative brand value are deeply rooted in consumers for all 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 develop commercial and consumer products with steady growth. In addition new growth drivers the developments can reduce operational fluctuations caused by specific product lines. Although the global economy in 2024 is still negatively affected by high interest rates and geopolitical policies, the PC market, after two consecutive years of adjustments with rising AI demand, is expected to regain growth in both the consumer and commercial markets. The Company will maintain a cautious but optimistic attitude and actively achieve growth in 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 Auditor's Report

To ASRock Incorporation:

Opinion

We have audited the accompanying balance sheets of ASRock Incorporation (the "Company") as of December 31, 2023 and 2022, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, 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, 2023 and 2022, and its financial performance and cash flows for the years ended December 31, 2023 and 2022, 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 Financial Statements" section. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit results and the audit reports of other accountants, we are convinced that we have acquired sufficient and appropriate audit evidence to serve as the basis of audit opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. Those matters are addressed in the context of our audit of the parent company only financial statements as a whole and in the forming of our opinion. We do not provide a separate opinion on those matters.

Investments accounted for using equity method - Inventory of Subsidiary

The net carrying value of inventory as of December 31, 2023 for the Company's investments accounted for using equity method - Inventory of Subsidiary was significant to the parent company only 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 judgment, 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 V and VI 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 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 IV, V and VI of parent company only financial statements.

Other Matter - Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain invested associates accounted for using the equity method by the Company, which were audited by other independent auditors. 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. The investments accounted for using the equity method in these investee companies on December 31, 2023 and December 31, 2022 were \$255,269 thousand and \$862,918 thousand respectively, accounting for 2.10% and 7.67% of the total assets. For the years ended December 31, 2023 and 2022, the shares of profits and losses of subsidiaries, associates and joint ventures recognized using the equity method were \$132,322 thousand and (\$55,567) thousand respectively, accounting for 12.37% and (4.82)% of the profit before tax.

Responsibilities of Management and Those in Charge with Governance of the 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, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for auditing the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error, and to issue an auditors' report that summarizes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that the auditing conducted in accordance with generally accepted auditing standards will always detect material misstatements. Misstatements can arise from fraud or

error. Misstatements are considered material, if individually or aggregately, they can reasonably be expected to influence the economic decisions of financial statement users.

As part of an audit in accordance with the accounting principles generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following works:

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 material uncertainties or conditions exist, in the auditors' report we are required to draw the users' attention to note the related disclosures in the financial statements, or modify our opinion if such disclosures are inappropriate. Our conclusions are based on the audit evidence obtained up to the date of the 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 contents of the financial statements including any related disclosures, and whether the financial statements have represented related transactions and events in an appropriate manner.
6. Obtained sufficient and appropriate audit evidence concerning the financial information of entities within the Group, 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 related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 parent company only financial statements 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 communications.

The engagement partners on the review resulting in this independent auditors' report are Chien-Ju, Yu and Hsuan-Hsuan, Wang.

Ernst & Young, Taiwan

March 6, 2024

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.

ASROCK INCORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2023 and 2022

Unit: thousands of NTD

Assets			December 31, 2023		December 31, 2022	
Code	Accounting items	Note	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	IV and VI(I)	\$1,677,840	14	\$1,757,489	16
1136	Financial assets measured at amortized cost - current	IV, VI(III) and VI(XV)	970,000	8	90,000	1
1170	Accounts receivable, net	IV, V, VI(IV) and VI(XIV)	577,828	5	410,094	4
1180	Accounts receivable - related parties, net	IV, V, VI(IV), VI(XV) and VII	1,940,562	16	2,243,759	20
130x	Inventories, net	IV, V and VI(V)	1,389,644	12	1,097,109	10
1410	Prepayments	VII	30,347	-	40,139	-
1470	Other current assets	VII	34,045	-	180,545	1
11xx	Total current assets		<u>6,620,266</u>	<u>55</u>	<u>5,819,135</u>	<u>52</u>
	Non-current assets					
1517	Financial asset measured at fair value through other comprehensive income - non-current	IV and VI(II)	20,000	-	-	-
1550	Investments accounted for using equity method	IV and VI(VI)	5,163,315	43	5,040,294	45
1600	Property, plant and equipment	IV, VI(VII) and VII	165,147	1	244,897	2
1755	Right-of-use assets	IV and VI(XVI)	45,993	-	22,877	-
1780	Intangible assets	IV and VI(VIII)	12,030	-	2,305	-
1840	Deferred tax assets	IV, V and VI(XX)	111,899	1	99,793	1
1920	Guarantee deposits paid		17,155	-	16,974	-
1990	Other non-current assets		3,980	-	-	-
15xx	Total non-current assets		<u>5,539,519</u>	<u>45</u>	<u>5,427,140</u>	<u>48</u>
1xxx	Total assets		<u>\$12,159,785</u>	<u>100</u>	<u>\$11,246,275</u>	<u>100</u>

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

ASROCK INCORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2023 and 2022

Unit: thousands of NTD

Liabilities and equity			December 31, 2023		December 31, 2022	
Code	Accounting items	Note	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	VI(X)	\$-	-	\$625,000	6
2170	Accounts payable		64,644	1	56,228	-
2180	Accounts payable - related parties	VII	2,925,807	24	986,480	9
2200	Other payables	VI(IX) and VII	456,379	4	416,524	4
2230	Current tax liabilities	IV, V and VI(XX)	239,771	2	267,233	2
2280	Lease liabilities - current	IV, VI(XVI) and VI(XVIII)	18,449	-	9,998	-
2300	Other current liabilities	VII	278,431	2	662,373	6
21xx	Total current liabilities		<u>3,983,481</u>	<u>33</u>	<u>3,023,836</u>	<u>27</u>
	Non-current liabilities					
2570	Deferred tax liabilities	IV, V and VI(XX)	4,797	-	-	-
2580	Lease liabilities - non-current	IV, VI(XVI) and VI(XVIII)	27,997	-	13,057	-
2640	Net defined benefit liabilities - non-current	IV, V and VI(XI)	20,606	-	17,047	-
25xx	Total non-current liabilities		<u>53,400</u>	<u>-</u>	<u>30,104</u>	<u>-</u>
2xxx	Total liabilities		<u>4,036,881</u>	<u>33</u>	<u>3,053,940</u>	<u>27</u>
	Equity					
3100	Share capital					
3110	Ordinary share	VI(XII)	1,216,408	10	1,219,930	11
3200	Capital surplus	VI(XII) and VI(XIII)	3,187,635	26	3,252,907	29
3300	Retained earnings					
3310	Legal reserve	VI(XII)	1,691,849	14	1,582,928	14
3320	Special reserve	VI(XII)	165,345	1	581,757	5
3350	Unappropriated retained earnings	VI(XII) and VI(XIII)	2,028,400	17	1,772,619	16
	Total retained earnings		<u>3,885,594</u>	<u>32</u>	<u>3,937,304</u>	<u>35</u>
3400	Other equity interest	IV and VI(XIII)	(166,682)	(1)	(217,794)	(2)
3500	Treasury stock	IV and VI(XII)	(51)	-	(12)	-
3xxx	Total equity		<u>8,122,904</u>	<u>67</u>	<u>8,192,335</u>	<u>73</u>
	Total liabilities and equity		<u>\$12,159,785</u>	<u>100</u>	<u>\$11,246,275</u>	<u>100</u>

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

ASROCK INCORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2023 and 2022

Unit: thousands of NTD

Code	Accounting items	Note	For the years ended December 31			
			2023		2022	
			Amount	%	Amount	%
4000	Operating revenues	IV, V, VI(XIV) and VII	\$14,344,522	100	\$12,753,815	100
5000	Operating costs	VI(V) and VII	(12,509,349)	(87)	(10,658,798)	(84)
5900	Gross profit		1,835,173	13	2,095,017	16
5910	Unrealized sales profit		(298,998)	(2)	(403,549)	(3)
5920	Realized sales profit		403,549	2	108,835	1
5950	Net operating income		1,939,724	13	1,800,303	14
6000	Operating expenses	VI(VIII), VI(XI), VI(XIII), VI(XVI), VI(XVII) and VII				
6100	Sales and marketing expenses		(418,407)	(3)	(354,954)	(3)
6200	General and administrative expenses		(177,690)	(1)	(224,055)	(2)
6300	Research and development expenses		(459,170)	(3)	(486,227)	(4)
6450	Expected credit gains (losses)	VI(XV)	(3,177)	-	2,728	-
	Total operating expenses		(1,058,444)	(7)	(1,062,508)	(9)
6900	Net operating income		881,280	6	737,795	5
7000	Non-operating income and expenses	VI(VIII) and VII				
7100	Interest income		70,339	-	13,321	-
7010	Other income		19,267	-	66,779	1
7020	Other gains and losses		(65,834)	-	136,033	1
7050	Finance costs		(3,465)	-	(10,427)	-
7070	Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	IV and VI(VI)	168,219	1	209,830	2
	Total non-operating income and expenses		188,526	1	415,536	4
7900	Profit before tax		1,069,806	7	1,153,331	9
7950	Income tax expenses	IV, V and VI(XX)	(150,765)	(1)	(87,087)	(1)
8000	Profit from continuing operations		919,041	6	1,066,244	8
8200	Net profit		919,041	6	1,066,244	8
8300	Other comprehensive income	IV, VI(IX) and VI(XIX)				
8310	Items that will not be reclassified subsequently to profit or loss:					
8311	Remeasurements of defined benefit plans		(2,784)	-	13,534	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		557	-	(2,707)	-
8360	Items that may be reclassified subsequently to profit or loss					
8380	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		(940)	-	416,413	3
	Other comprehensive income (after tax)		(3,167)	-	427,240	3
8500	Total comprehensive income		\$915,874	6	\$1,493,484	11
	Earnings per share (NT\$)	VI(XXI)				
9750	Basic earnings per share					
9710	Profit from continuing operations		\$7.54		\$8.69	
9850	Diluted earnings per share	VI(XXI)				
9810	Profit from continuing operations		\$7.52		\$8.65	

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

ASRock Incorporation
PARENT COMPANY ONLY STATEMENTS OF CHANGE IN STOCKHOLDERS' EQUITY
For the years ended December 31, 2023 and 2022

Unit: thousands of NTD

Code	Item	Share capital	Capital surplus	Retained earnings			Other equity interest		Treasury stock	Total equity
				Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Deferred compensation cost		
		3100	3200	3310	3320	3350	3410	3491	3500	3XXX
A1	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									
B1	Legal reserve appropriated	-	-	237,843	-	(237,843)	-	-	-	-
B3	Special reserve appropriated	-	-	-	109,101	(109,101)	-	-	-	-
B5	Cash dividends of ordinary share	-	-	-	-	(1,598,031)	-	-	-	(1,598,031)
D1	Net income for 2022	-	-	-	-	1,066,244	-	-	-	1,066,244
D3	Other comprehensive income for 2022	-	-	-	-	10,827	416,413	-	-	427,240
D5	Total comprehensive income for 2022	-	-	-	-	1,077,071	416,413	-	-	1,493,484
L3	Treasury stock cancelled	(9,324)	-	-	-	-	-	-	9,324	-
M7	Changes in subsidiaries' ownership	-	(2,218)	-	-	-	-	-	-	(2,218)
N1	Share-based payment transaction	-	(77,226)	-	-	12,137	-	102,385	(9,336)	27,960
Z1	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>
A1	Balance as of January 1, 2023	\$1,219,930	\$3,252,907	\$1,582,928	\$581,757	\$1,772,619	\$(165,345)	\$(52,449)	\$(12)	\$8,192,335
	Appropriation and distribution of 2022 retained earnings									
B1	Legal reserve appropriated	-	-	108,921	-	(108,921)	-	-	-	-
B5	Cash dividends of ordinary share	-	-	-	-	(975,934)	-	-	-	(975,934)
B17	Special reserve reversed	-	-	-	(416,412)	416,412	-	-	-	-
D1	Net income for 2023	-	-	-	-	919,041	-	-	-	919,041
D3	Other comprehensive income for 2023	-	-	-	-	(2,227)	(940)	-	-	(3,167)
D5	Total comprehensive income for 2023	-	-	-	-	916,814	(940)	-	-	915,874
L3	Treasury stock cancelled	(3,522)	-	-	-	-	-	-	3,522	-
M7	Changes in subsidiaries' ownership	-	4,657	-	-	-	-	-	-	4,657
N1	Share-based payment transaction	-	(69,929)	-	-	7,410	-	52,052	(3,561)	(14,028)
Z1	Balance as of December 31, 2023	<u>\$1,216,408</u>	<u>\$3,187,635</u>	<u>\$1,691,849</u>	<u>\$165,345</u>	<u>\$2,028,400</u>	<u>\$(166,285)</u>	<u>\$(397)</u>	<u>\$(51)</u>	<u>\$8,122,904</u>

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

ASROCK INCORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023 and 2022

Unit: thousands of NTD

Code	Item	For the years ended December 31	
		2023	2022
AAAA	Cash flows from operating activities:		
A10000	Profit before tax	\$1,069,806	\$1,153,331
A20000	Adjustments:		
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation expense	104,521	52,444
A20200	Amortization expense	3,317	2,252
A20300	Expected credit losses (gains)	3,177	(2,728)
A20900	Interest expenses	3,465	10,427
A21200	Interest income	(70,339)	(13,321)
A21900	Compensation cost arising from employee stock options	(10,853)	37,015
A22400	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(168,219)	(209,830)
A22500	Loss on disposal and scrapping of property, plant and equipment	3,994	-
A22600	Property, plant and equipment reclassified to expenses	1	15
A23900	Unrealized sales profit	298,998	403,549
A24000	Realized sales profit	(403,549)	(108,835)
A30000	Changes in operating assets and liabilities:		
A31150	(Increase) decrease in accounts receivable	(170,911)	413,260
A31160	(Increase) decrease in account receivable-related parties	303,197	(1,364,626)
A31200	Decrease (increase) in inventories	(292,251)	97,301
A31230	Decrease in prepayments	9,792	799,782
A31240	Decrease (Increase) in other current assets	153,085	(127,335)
A32150	Increase (Decrease) in accounts payable	8,416	(16,159)
A32160	Increase in accounts payables-related parties	1,939,327	458,510
A32180	Increase (Decrease) in other payables	39,855	(274,649)
A32230	Increase (decrease) in other current liabilities	(383,942)	130,886
A32240	Increase (Decrease) in net defined benefit liabilities	775	(11,447)
A33000	Cash inflows from operations	<u>2,441,662</u>	<u>1,429,842</u>
A33500	Income taxes paid	(184,979)	(327,813)
AAAA	Net cash inflow from operation activities	<u>2,256,683</u>	<u>1,102,029</u>
BBBB	Cash flows from investing activities:		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(20,000)	-
B00040	Acquisition of financial assets measured at amortized cost	(880,000)	-
B00050	Proceed from disposal of financial assets measured at amortized cost	-	770,000
B01800	Investments accounted for using equity method	-	(113,438)
B02700	Acquisition of property, plant and equipment	(9,308)	(55,282)
B02800	Disposal of property, plant and equipment	-	195
B03700	Increase in guarantee deposits paid	(181)	(2,977)
B04500	Acquisition of intangible assets	(13,042)	(3,013)
B06700	Increase in other non-current assets	(3,980)	-
B07500	Interest received	63,754	13,764
B07600	Dividends received	153,466	23,897
BBBB	Net cash flows used in investing activities	<u>(709,291)</u>	<u>633,146</u>
CCCC	Cash flows from financing activities:		
C00100	Increase in short-term loans	-	625,000
C00200	Decrease in short-term loans	(625,000)	-
C04020	Repayment of lease principal	(20,257)	(16,692)
C04500	Cash dividends paid out	(975,934)	(1,598,031)
C05600	Interest paid	(2,675)	(10,208)
C09900	Other	(3,175)	(9,055)
CCCC	Net cash used in financing activities	<u>(1,627,041)</u>	<u>(1,008,986)</u>
EEEE	Net (decrease) increase in cash and cash equivalents	(79,649)	726,189
E00100	Cash and cash equivalents, beginning of the period	1,757,489	1,031,300
E00200	Cash and cash equivalents, end of the period	<u>\$1,677,840</u>	<u>\$1,757,489</u>

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

Representation letter

The entities that are required to be included in the combined financial statements ASRock Inc. as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No.10. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, ASRock Inc. and its Subsidiaries do not prepare a separate set of combined financial statements.

Company name: ASRock Incorporation

Chairman: Hsu-Tien, Tung

March 6, 2024

Independent Auditor's Report

To ASRock Incorporation:

Opinion

We have audited the accompanying consolidated balance sheets of ASRock Incorporation (the "Company") and its subsidiaries (collectively the "Group") as of December 31, 2023 and 2022, the related consolidated statements of comprehensive income, consolidated statements of changes in stockholders' equity and consolidated statements of cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including the summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter), the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and cash flows for the years ended December 31, 2023 and 2022, 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 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 Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit results and the audit reports of other accountants, we are convinced that we have acquired sufficient and appropriate audit evidence to serve as the basis of audit opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. 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, 2023 for ASRock Incorporation and its subsidiaries amounted to \$6,376,125 thousand, which accounted for 44% 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 judgment, 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 V and VI of the Group'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 Group 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 IV, V and VI of consolidated financial statements.

Other Matter - Making Reference to the Audits of Component Auditors

We did not audit the financial statements of invested associates accounted for using the equity method by the Group, which were audited by other independent auditors. 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. The investment in the subsidiary accounted for using the equity method amounted to \$1,834,048 thousand and \$2,656,279 thousand, representing 12.76% and 17.99% of total assets as of December 31, 2023 and 2022. The related shares of the operation income amounted to \$5,124,647 thousand and \$6,656,063 thousand, representing 26.98% and 38.88% of the operation income of other comprehensive income as of December 31, 2023 and 2022.

Responsibilities of Management and Those Charged with Governance for the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error, and to issue an auditors' report that summarizes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that the auditing conducted in accordance with the Standards on Auditing of the Republic of China will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material, if individually or aggregately, they can reasonably be expected to influence the economic decisions of financial statement users.

As part of an audit in accordance with the accounting principles generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following works:

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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's 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 related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 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 communications.

Other

We have audited and expressed an unqualified opinion including Other Matter Paragraph on the parent company only financial statements of the Company for the years ended December 31, 2023 and 2022.

The engagement partners on the review resulting in this independent auditors' report are Chien-Ju, Yu and Hsuan-Hsuan, Wang.

Ernst & Young, Taiwan

March 6, 2024

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.

ASROCK INCORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2023 and 2022

Unit: thousands of NTD

Assets			December 31, 2023		December 31, 2022	
Code	Accounting items	Note	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	IV and VI(I)	\$3,046,270	21	\$3,588,129	24
1136	Financial assets measured at amortized cost - current	IV, VI(III) and VI(XIV)	1,874,659	13	339,151	2
1170	Accounts receivable, net	IV, VI(IV) and VI(XIV)	1,925,911	14	1,606,534	11
1180	Accounts receivable - related parties, net	IV, VI(IV), VI(XIV) and VII	24,176	-	26,411	-
130x	Inventories, net	IV and VI(V)	6,376,125	44	8,010,393	54
1470	Other current assets	VII	305,384	2	422,975	3
11xx	Total current assets		<u>13,552,525</u>	<u>94</u>	<u>13,993,593</u>	<u>94</u>
1517	Financial asset measured at fair value through other comprehensive income - non-current	IV and VI(II)	20,000	-	-	-
1535	Financial assets measured at amortized cost - non-current	IV, VI(III), VI(XIV) and VIII	2,937	-	2,436	-
1600	Property, plant and equipment	IV and VI(VI)	351,146	3	461,869	3
1755	Right-of-use assets	IV and VI(XV)	141,144	1	71,384	1
1780	Intangible assets	IV, VI(VII) and VII	24,930	-	7,411	-
1840	Deferred tax assets	IV, V and VI(XIX)	232,773	2	192,186	2
1920	Guarantee deposits paid		26,961	-	26,861	-
1990	Other non-current assets		22,908	-	12,074	-
15xx	Total non-current assets		<u>822,799</u>	<u>6</u>	<u>774,221</u>	<u>6</u>
1xxx	Total assets		<u>\$14,375,324</u>	<u>100</u>	<u>\$14,767,814</u>	<u>100</u>

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

ASROCK INCORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2023 and 2022

Unit: thousands of NTD

Liabilities and equity			December 31, 2023		December 31, 2022	
Code	Accounting items	Note	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	VI(IX)	\$-	-	\$625,000	4
2170	Accounts payable		3,214,973	22	2,934,118	20
2180	Accounts payable - related parties	VII	348	-	68,657	-
2200	Other payables	VI(VIII) and VII	1,408,608	10	1,292,812	9
2230	Current tax liabilities	IV, V and VI(XIX)	342,752	2	418,015	3
2280	Lease liabilities - current	IV, VI(XV) and VI(XVII)	60,125	-	31,896	-
2300	Other current liabilities	VII	353,569	3	443,194	3
21xx	Total current liabilities		<u>5,380,375</u>	<u>37</u>	<u>5,813,692</u>	<u>39</u>
	Non-current liabilities					
2570	Deferred tax liabilities	IV, V and VI(XIX)	7,852	-	2,159	-
2580	Lease liabilities - non-current	IV, VI(XV) and VI(XVII)	81,988	1	39,873	-
2640	Net defined benefit liabilities - non-current	IV, V and VI(X)	20,606	-	17,047	-
2670	Other non-current liabilities- others		1,379	-	1,116	-
25xx	Total non-current liabilities		<u>111,825</u>	<u>1</u>	<u>60,195</u>	<u>-</u>
2xxx	Total liabilities		<u>5,492,200</u>	<u>38</u>	<u>5,873,887</u>	<u>39</u>
	Equity attributable to owners of the parent company					
31xx	Share capital					
3100	Share capital					
3110	Ordinary share	VI(XI)	1,216,408	9	1,219,930	8
3200	Capital surplus	VI(XI), VI(XII) and VI(XXI)	3,187,635	22	3,252,907	22
3300	Retained earnings					
3310	Legal reserve	VI(XI)	1,691,849	12	1,582,928	11
3320	Special reserve	VI(XI)	165,345	1	581,757	4
3350	Unappropriated retained earnings	VI(XI) and VI(XII)	2,028,400	14	1,772,619	12
	Total retained earnings		<u>3,885,594</u>	<u>27</u>	<u>3,937,304</u>	<u>27</u>
3400	Other equity interest	IV	(166,682)	(1)	(217,794)	(1)
3500	Treasury stock	IV and VI(XI)	(51)	-	(12)	-
36xx	Non-controlling interests	VI(XI) and VI(XXI)	760,220	5	701,592	5
3xxx	Total equity		<u>8,883,124</u>	<u>62</u>	<u>8,893,927</u>	<u>61</u>
	Total liabilities and equity		<u>\$14,375,324</u>	<u>100</u>	<u>\$14,767,814</u>	<u>100</u>

(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, 2023 and 2022

Unit: thousands of NTD

Code	Accounting items	Note	For the years ended December 31			
			2023		2022	
			Amount	%	Amount	%
4000	Operating revenues	IV, V, VI(XIII) and VII	\$18,991,845	100	\$17,120,919	100
5000	Operating costs		(15,162,327)	(80)	(13,420,362)	(78)
5900	Gross profit	VI(XV), VI(XVI) and VII	<u>3,829,518</u>	<u>20</u>	<u>3,700,557</u>	<u>22</u>
6000	Operating expenses	VI(VI), VI(X), VI(XII), VI(XV), VI(XVI) and VII				
6100	Sales and marketing expenses		(902,760)	(5)	(807,777)	(5)
6200	General and administrative expenses		(440,476)	(2)	(450,019)	(3)
6300	Research and development expenses		(1,323,891)	(7)	(1,260,277)	(7)
6450	Expected credit gains (losses)		(15,220)	-	2,566	-
	Total operating expenses		<u>(2,682,347)</u>	<u>(14)</u>	<u>(2,515,507)</u>	<u>(15)</u>
6900	Net operating income	VI(XIV)	<u>1,147,171</u>	<u>6</u>	<u>1,185,050</u>	<u>7</u>
7000	Non-operating income and expenses	VI(XVII) and VII				
7100	Interest income		126,769	-	33,350	-
7010	Other income		43,608	-	40,891	-
7020	Other gains and losses		(94,274)	-	183,101	1
7050	Finance costs		(5,369)	-	(11,704)	-
	Total non-operating income and expenses		<u>70,734</u>	<u>-</u>	<u>245,638</u>	<u>1</u>
7900	Profit before tax		<u>1,217,905</u>	<u>6</u>	<u>1,430,688</u>	<u>8</u>
7950	Income tax expenses	IV, V and VI(XIX)	<u>(240,351)</u>	<u>(1)</u>	<u>(203,888)</u>	<u>(1)</u>
8200	Net profit		<u>977,554</u>	<u>5</u>	<u>1,226,800</u>	<u>7</u>
8300	Other comprehensive income (net)	IV and VI(XVIII)				
8310	Items that will not be reclassified subsequently to profit or loss:					
8311	Remeasurements of defined benefit plans		(2,784)	-	13,534	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		557	-	(2,707)	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign financial statements		(940)	-	416,413	2
	Other comprehensive income (after tax)		<u>(3,167)</u>	<u>-</u>	<u>427,240</u>	<u>2</u>
8500	Total comprehensive income		<u>\$974,387</u>	<u>5</u>	<u>\$1,654,040</u>	<u>9</u>
8600	Profit attributable to:					
8610	Owners of the parent company		\$919,041		\$1,066,244	
8620	Non-controlling interests		58,513		160,556	
			<u>\$977,554</u>		<u>\$1,226,800</u>	
8700	Comprehensive income attributable to:					
8710	Owners of the parent company		\$915,874		\$1,493,484	
8720	Non-controlling interests		58,513		160,556	
			<u>\$974,387</u>		<u>\$1,654,040</u>	
	Earnings per share (NT\$)	VI(XX)				
9750	Basic earnings per share					
9710	Profit from continuing operations			<u>\$7.54</u>		<u>\$8.69</u>
9850	Diluted earnings per share					
9810	Profit from continuing operations		<u>\$7.52</u>		<u>\$8.65</u>	

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

ASROCK INCORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGE IN STOCKHOLDERS' EQUITY
For the years ended December 31, 2023 and 2022

Unit: thousands of NTD

Code	Item	Equity attributable to owners of the parent company									Non-controlling interests	Total equity
		Share capital	Capital surplus	Retained earnings			Other equity interest		Treasury stock	Total equity attributable to owners of the parent company		
				Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Deferred compensation cost				
		3100	3200	3310	3320	3350	3410	3491	3500	31XX	36XX	3XXX
A1	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											
B1	Legal reserve appropriated	-	-	237,843	-	(237,843)	-	-	-	-	-	-
B3	Special reserve appropriated	-	-	-	109,101	(109,101)	-	-	-	-	-	-
B5	Cash dividends of ordinary share	-	-	-	-	(1,598,031)	-	-	-	(1,598,031)	-	(1,598,031)
D1	Net income for 2022	-	-	-	-	1,066,244	-	-	-	1,066,244	160,556	1,226,800
D3	Other comprehensive income for 2022	-	-	-	-	10,827	416,413	-	-	427,240	-	427,240
D5	Total comprehensive income for 2022	-	-	-	-	1,077,071	416,413	-	-	1,493,484	160,556	1,654,040
L3	Treasury stock cancelled	(9,324)	-	-	-	-	-	-	9,324	-	-	-
M7	Changes in subsidiaries' ownership	-	(2,218)	-	-	-	-	-	-	(2,218)	2,218	-
N1	Share-based payment transaction	-	(77,226)	-	-	12,137	-	102,385	(9,336)	27,960	6,849	34,809
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	14,265	14,265
Z1	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
A1	Balance as of January 1, 2023	\$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
	Appropriation and distribution of 2022 retained earnings											
B1	Legal reserve appropriated	-	-	108,921	-	(108,921)	-	-	-	-	-	-
B5	Cash dividends of ordinary share	-	-	-	-	(975,934)	-	-	-	(975,934)	-	(975,934)
B17	Special reserve reversed	-	-	-	(416,412)	416,412	-	-	-	-	-	-
D1	Net income for 2023	-	-	-	-	919,041	-	-	-	919,041	58,513	977,554
D3	Other comprehensive income for 2023	-	-	-	-	(2,227)	(940)	-	-	(3,167)	-	(3,167)
D5	Total comprehensive income for 2023	-	-	-	-	916,814	(940)	-	-	915,874	58,513	974,387
L3	Treasury stock cancelled	(3,522)	-	-	-	-	-	-	3,522	-	-	-
M7	Changes in subsidiaries' ownership	-	4,657	-	-	-	-	-	-	4,657	(4,657)	-
N1	Share-based payment transaction	-	(69,929)	-	-	7,410	-	52,052	(3,561)	(14,028)	18,356	4,328
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(13,584)	(13,584)
Z1	Balance as of December 31, 2023	\$1,216,408	\$3,187,635	\$1,691,849	\$165,345	\$2,028,400	\$(166,285)	\$(397)	\$(51)	\$8,122,904	\$760,220	\$8,883,124

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

ASROCK INCORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023 and 2022

Unit: thousands of NTD

Code	Item	For the years ended December 31	
		2023	2022
AAAA	Cash flows from operating activities:		
A10000	Profit before tax	\$1,217,905	\$1,430,688
A20000	Adjustments:		
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation expense	178,668	126,571
A20200	Amortization expense	12,540	7,898
A20300	Expected credit losses (gains)	15,220	(2,566)
A20900	Interest expenses	5,369	11,704
A21200	Interest income	(126,769)	(33,350)
A21900	Compensation cost arising from employee stock options	7,503	43,864
A22500	Loss on disposal and scrapping of property, plant and	4,677	-
A22600	Property, plant and equipment reclassified to expenses	5	15
A30000	Changes in operating assets and liabilities:		
A31150	(Increase) decrease in accounts receivable	(334,467)	252,840
A31160	Decrease in account receivable - related parties	2,235	11,231
A31200	Decrease in inventories	1,635,490	1,515,559
A31240	Decrease (Increase) in other current assets	135,241	(84,937)
A32150	Increase (Decrease) in accounts payable	280,855	(1,455,483)
A32160	Increase (Decrease) in account payables - related parties	(68,309)	1,420
A32180	Increase (Decrease) in other payables	115,796	(126,532)
A32230	Decrease in other current liabilities	(89,625)	(112,634)
A32240	Increase (Decrease) in net defined benefit liabilities	775	(11,447)
A32250	Increase in other non-current liabilities	263	1,116
A33000	Cash inflows from operations	<u>2,993,372</u>	<u>1,575,957</u>
A33500	Income taxes paid	<u>(357,075)</u>	<u>(435,128)</u>
AAAA	Net cash inflow from operation activities	<u>2,636,297</u>	<u>1,140,829</u>
BBBB	Cash flows from investing activities:		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(20,000)	-
B00040	Acquisition of financial assets measured at amortized cost	(1,536,014)	-
B00050	Proceed from disposal of financial assets measured at amortized cost	-	939,755
B02700	Acquisition of property, plant and equipment	(16,395)	(87,770)
B02800	Disposal of property, plant and equipment	162	-
B03800	Increase in guarantee deposits paid	(100)	(4,267)
B04500	Acquisition of intangible assets	(30,056)	(9,526)
B06800	Increase in other non-current assets	(10,834)	(655)
B07500	Interest received	116,141	31,245
BBBB	Net cash flows used in investing activities	<u>(1,497,096)</u>	<u>868,782</u>
CCCC	Cash flows from financing activities:		
C00100	Increase in short-term loans	-	625,000
C00200	Decrease in short-term loans	(625,000)	-
C04020	Repayment of lease principal	(59,566)	(50,838)
C04500	Cash dividends paid out	(1,080,596)	(1,611,203)
C05600	Interest paid	(2,675)	(10,211)
C05800	Changes in non-controlling interests	91,078	27,437
C09900	Other	(3,175)	(9,055)
CCCC	Net cash used in financing activities	<u>(1,679,934)</u>	<u>(1,028,870)</u>
DDDD	Effect of exchange rate fluctuations on cash and cash equivalents	<u>(1,126)</u>	<u>393,399</u>
EEEE	Net (decrease) increase in cash and cash equivalents	(541,859)	1,374,140
E00100	Cash and cash equivalents, beginning of the period	3,588,129	2,213,989
E00200	Cash and cash equivalents, end of the period	<u>\$3,046,270</u>	<u>\$3,588,129</u>

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

2. Auditing Committee's Review Report on the 2023 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 for distribution of earnings for 2023. The financial statements have been audited by Yu, Chien-Ju and Wang, Hsuan-Hsuan, 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. 6, 2024

3. 2023 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 2023 under the Articles of Incorporation of ASRock is shown below:
 - (1) Remuneration to employees: NT\$88,849,855
 - (2) Remuneration to Directors: NT\$8,884,986
 - (3) The aforementioned amount will be paid in cash in whole, which is relevant with the amount of expense presented for recognition in 2023.

4. 2023 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\$839,286,531 at NT\$6.9/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.

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

- 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-1120383996. The mapping of the clauses before and after the amendment is attached. (Please refer to Appendix II and III of This Handbook.)

[Proposals Items]

Motion no. 1: (Proposed by the Board)

Cause of motion: The 2023 financial statements of ASRock presented for recognition.

Description: The 2023 financial statements and consolidated financial statements have been audited by Yu, Chien-Ju and Wang, Hsuan-Hsuan, CPAs of Ernst & Young, which have been referred to the Auditing Committee together with the 2023 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 2023 distribution of earnings of ASRock presented for recognition.

Description:

1. The Company had a net income of NT\$919,040,557 in 2023 and plans to pay out to shareholders in accordance with the Articles of Incorporation.
2. The proposal for distribution of earnings in 2023. (Please refer to page 43 of Appendix I of This Handbook)

Resolution:

[Discussion and Election Items]

Motion no. 1: [Proposed by the Board]

Cause of motion: Amendment to the “Parliamentary Procedure for the Shareholders Meeting” of ASRock presented for decision.

Description: Amendment to the “Parliamentary Procedure for the Shareholders Meeting” in part in accordance with Letter Jin-Guan-Zheng-Fa-Zi no.1110133385 issued by Financial Supervisory Commission on March 7, 2022. The mapping of the clauses before and after the amendment is attached. (Please refer to page 51 to 56 of Appendix IV and V of This Handbook)

Resolution:

Motion no. 2: [Proposed by the Board]

Cause of motion: Amendment to the “Procedures for Acquisition or Disposal of Assets” of ASRock presented for decision.

Description: Amendment to the “Procedures for Acquisition or Disposal of Assets” is for the need of operation of the Company. The mapping of the clauses before and after the amendment is attached. (Please refer to page 57 to 80 of Appendix VI and VII of This Handbook.)

Resolution:

Motion no. 3: [Proposed by the Board]

Cause of motion: The issuance of Employee Restricted Stock Awards for Year 2024 presented for decision.

Description:

1. The Company plans to issue of Employee Restricted Stock Awards for Year 2024 pursuant to Paragraph 9 and Paragraph 10 under Article 267 of the Company Act and the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers”.
2. The requirement under Article 60-2 of the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers” (hereinafter, “Offering Regulations”) is specified below:
 - I. Total amounted to offer: 2,300,000 common shares at NT\$10/share, which makes up the total of NT\$23,000,000. The issuance of shares is free of charge.
 - II. Issuance conditions
 - (1) Vested conditions
 - (a) The Company’s overall performance
 - (I) The Company’s EPS was more than NT\$10, i.e. overall weight by 100%, in the previous year.
 - (II) The Company’s EPS ranged from NT\$7.5 to NT\$10, i.e. overall weight by 50%, in the previous year.
 - (III) The Company’s EPS was less than than NT\$7.5, i.e. overall weight by 0%, in the previous year.

- (b) Personal performance
 - (I) The interim performance appraisal ranking more than A (inclusive of A), i.e. personal weight by 100%.
 - (II) The interim performance appraisal ranking B+ to A (exclusive of A), i.e. personal weight by 80%.
 - (III) The interim performance appraisal ranking B- to B+ (exclusive of B+), i.e. personal weight by 60%.
 - (IV) The interim performance appraisal ranking C, i.e. personal weight by 0%.
- (c) Where any employee, upon expiration of one year after the employee has been hired at the time of subscription for the Employee Restricted Stock Awards (hereinafter referred to as the “RSA”), is free from any violation of laws, the Company’s work rules and ethical management best-practice principles in the first year, 40% shares will be vested in the employee, multiplying by the overall weight and then by personal weight.
- (d) Where any employee, upon expiration of two years after the employee has been hired at the time of subscription for the Employee Restricted Stock Awards (hereinafter referred to as the “RSA”), is free from any violation of laws, the Company’s work rules and ethical management best-practice principles in the second year, 30% shares will be vested in the employee, multiplying by the overall weight and then by personal weight.
- (e) Where any employee, upon expiration of three years after the employee has been hired at the time of subscription for the Employee Restricted Stock Awards (hereinafter referred to as the “RSA”), is free from any violation of laws, the Company’s work rules and ethical management best-practice principles in the first year, 30% shares will be vested in the employee, and multiplying by the overall weight and then by personal weight.
- (2) Response action if the Company’s overall performance and employees’ personal performance fail to satisfy the vested conditions

When the Company’s overall performance fails to satisfy the vested conditions, the Company should buy back the RSA subscribed for pursuant to the Regulations in whole at the issue price upon expiration of the vested period, and cancel the same. When the employees’ personal performance fails to satisfy the vested conditions, the Company should buy back the employees’ shares in whole at the issue price, and cancel the same.
- (3) Response action against any employee’s termination of employment, retirement, occupational sickness, death or general death, transfer to any affiliate and leave without pay
 - (a) Any employee who terminates the employment voluntarily, or is laid off for incompetency, dismissed or retired, or dies of any causes other than occupational disasters shall be considered forfeiting the qualification to satisfy the vested conditions on the date of termination of employment, retirement or death. The shares that fail to satisfy the vested conditions should be bought back by the Company in whole at the issued price.

(b) Where any employee who is laid off for incompetency pursuant satisfies any other vested conditions defined by Article 7 herein in the year of the layoff, the shares that satisfy the vested conditions shall refer to the quantity of shares after the number of the employee's service days in the same year multiplies by the quantity of vested shares agreed for the same year as referred to in Article 7 herein. The other shares that fail to satisfy the vested conditions shall be considered forfeiting the qualification to satisfy the vested conditions on the date of the employee's termination of employment and should be bought back by the Company in whole at the issue price.

(c) For employees who become disabled or die due to occupational disasters

Where any employee who cannot keep performing his/her job duty due to physical disability or death satisfies the other vested conditions defined by Article 7 herein: in the year of his/her termination of employment or death shall be considered satisfying the vested conditions for the then year upon expiration of the vested period in the same year, but forfeiting the qualification to satisfy the vested conditions for the next year or the year after next. The shares that fail to satisfy the vested conditions should be bought back by the Company in whole at the issue price.

(d) Transfer to affiliates

To satisfy the Company's business needs, for the Company's employees who are required to be transferred to the Company's affiliates per the Company's requirement and authorization, their vested conditions shall also be authorized per the Company's requirement when they are serving in the affiliates.

(e) Leave without pay

Where any employee who takes the leave without pay upon the Company's approval satisfies the other vested conditions defined in Article 7 herein in the year when the leave without pay takes effect, for the RSAs that have not been vested in him/her, his/her employment seniority as defined in Article 7 herein shall be postponed relatively subject to the number of days for his/her leave without pay.

(f) The RSAs bought back by the Company pursuant to the Regulations will be canceled.

III. Employees' qualifications and quantity of shares distributable to, or subscribable for by, employees

(1) Limited to the full-time employees officially enrolled into the Company's organization on the same date of granting of the RSAs. The employees who are allowed to subscribe for the same and subscribable quantity of shares will be authorized by the Chairman, subject to the employees' seniority, job rank/grade, work performance, overall contribution or special achievements, or other management requirements, and submitted to the Board of Directors for approval.

(2) Where the Company issues employee stock warrants under Paragraph

1, Article 56-1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the cumulative number of shares subscribable for by a single warrant holder of the employee stock warrants, in combination with the cumulative number of RSAs obtained by the single warrant holder, may not exceed 0.3 percent of the Company's total issued shares, and the above in combination with the cumulative number of shares subscribable for by the single warrant holder of employee stock warrants issued by the Company under Paragraph 1, Article 56 of the same Regulations, may not exceed 1% of the Company's total issued shares.

IV. The reasons why it is necessary to issue the RSAs

To attract and retain the professional talents and increase employee engagement and sense of belonging to the Company to create value for both the Company and shareholders.

V. The expensable amount, the dilution of the Company's EPS, and any other impact on shareholders' equity:

(1) Expansable amount:

If the Company's common stocks are estimated based on the imputed closing price, NT\$245, on February 15, 2024, the expensable amounts will be NT\$55,751 thousand, NT\$36,728 thousand, NT\$16,855 thousand and NT\$1,799 thousand, respectively, in 2024, 2025, 2026 and 2027.

(2) The dilution of the Company's EPS, and any other impact on shareholders' equity:

Based on the defined vested conditions, and subject to the Company's outstanding shares, the dilution of the Company's EPS caused by such expensable amounts will be NT\$0.45, NT\$0.30, NT\$0.13 and NT\$0.01 in 2024, 2025, 2026 and 2027, which is considered as limited. Therefore, no significant impact is posed on the shareholders' equity.

3. Other important agreements: Employees who subscribe this issue of restricted shares shall refer the shares under trust custody upon meeting the established condition. The vested shares shall be allocated to the relevant employee's personal central depository account from the trust account within one month upon satisfaction of the vested conditions.
4. This issue of restricted shares will be declared with the competent authority at one time or several times within 1 year after the Shareholders Meeting's resolution. It may offer in a lump sum or in tranches as needed within 1 year after the competent authority's approval and the date of notice for effective issuance. The Board shall be authorized to set the actual day of issuance.
5. The conditions for the offering of this issue of employee restricted shares may be subject to revision or rectify due to the instruction of the competent authority, an amendment to applicable laws, or changes in the financial market or objective environment. We ask the Shareholders Meeting to authorize the Board or the authorized agent of the Board to respond to the aforementioned situations with full discretion.
6. Any other restrictions or important arrangements or anything not mentioned in this issue of employee restricted shares shall be governed by applicable laws

and the Offering Regulations. (Please refer to page 81 to 84 of Appendix VIII of This Handbook.)

Resolution:

Motion no. 4: [Proposed by the Board]

Cause of motion: Election of Directors presented for decision.

Description:

1. The term of office for this Board will expire on 08/19/2024. We propose the 2024 General Meeting of Shareholders to elect a new Board with 7 seats of Directors (including 3 Independent Directors) pursuant to Article 16 of the Articles of Incorporation.
2. The new Directors shall assume office at the conclusion of the 2024 General Meeting of Shareholders with a tenure of 3 years in office, which starts on 05/29/2024 and expires on 05/28/2027. The tenure of the Directors of the previous term shall end at the time the new Directors assume office.
3. ASRock adopts the nomination of candidate system for the election of Directors under the Articles of Incorporation. Shareholders shall elect the list of candidates to the seats of Directors. The information related to candidates is detailed as follows:

Name List of Candidates for Directors (a total of 4 candidates)

Name	Education	Experience	Present position	Shareholding
Tung, Hsu-Tien	Bachelor degree in Electrical Engineering, National Taiwan University	Assistant Vice President, ASUSTeK Computer Inc.	Director & Senior Vice President: Pegatron Corporation Executive Director: Digitek (Chongqing) Limited	0
Representative of Asus Investment Co., Ltd.: Tung, Tzu-Hsien	Honorary Ph.D in Engineering, National Taipei University of Technology Master degree in Computer and Communication Engineering, National Taipei University of Technology	Vice Chairman, ASUSTeK Computer Inc. Chairman, Kinsus Investment Co., Ltd. Chairman, Pegavision Corporation	Chairman: Pegatron Corporation (and also CSO) Kinsus Investment Co., Ltd. Lumens Digital Optics Inc. Asus Investment Co., Ltd. Huayu Investment Co., Ltd. Huaxu Investment Co., Ltd. RI-KUAN Metal Corporation Aquamax Corporation FacialBeau International Corporation Fisfisa Media Co., Ltd. Vice Chairman: New Frontier Foundation Directors: Kinsus Interconnect Technology Corp. Pegavision Corporation Huayong Investment Co., Ltd. AS FLY Travel Service Co., Ltd. Huawei Investment Limited Pega International Limited Casetek Holdings Limited(Cayman) Pegatron Holding Ltd. Unihan Holding Ltd. Magnificent Brightness Limited Casetek Holdings Ltd. Protek Global Holdings Ltd. Digitek Global Holdings Ltd. Kinsus Corp.(USA) Pegatron Holland Holding B.V. Powtek Holdings Limited Cotek Holdings Limited Grand Upright Technology Limited Aslink Precision Co., Ltd.	57,217,754

Name	Education	Experience	Present position	Shareholding
			Q Place Creative Inc. Alliance Cultural Foundation Hanguang Education Foundation Lung Yingtai Cultural Foundation Andrew T. Huang Medical Education Promotion Fund Fair Winds Foundation Bridge Across the Strait Foundation Fullfoods Foundation Bulareyaung Dance and Cultural Foundation Cloud Gate Culture and Arts Foundation Lovely Taiwan Foundation Koo Foundation Sun Yat-Sen Cancer Center Cheng Hsin General Hospital The Liu Kuo-sung Foundation Independent Director: PChome Online Inc. Chairman: Taiwan Contact Lenses Importers Association Monte Jade Science & Technology Association of Taiwan Vice Chairman: Taiwan Climate Partnership Director: Taipei Computer Association Supervisor: Institute for Biotechnology and Medicine Industry	
Representative of Asus Investment Co., Ltd.: Cheng, Kuang-Chin	Master degree in Computer Science and Information Engineering, Tamkang University Bachelor degree in Electrical and Computer Engineering, Tamkang University	Assistant Vice President, ASUSTeK Computer Inc. R&D Vice Director, Pegatron Corporation Special Assistant in Chairman's office, Pegatron Corporation	Director & CEO: Pegatron Corporation AzureWave Technologies, Inc. Director: AzureWave Technologies, Inc. Kinsus Investment Co., Ltd. Supervisor: Institute for Biotechnology and Medicine Industry Taiwan Contact Lenses Importers Association	57,217,754

Name	Education	Experience	Present position	Shareholding
Representative of Asus Investment Co., Ltd.: Hsu, Lung-Lun	Bachelor degree in Electrical Engineering, National Taiwan University Master degree in Electrical Engineering, National Taiwan University	Section Head, R&D Dept., ASUSTeK Computer Inc.	President: ASRock Incorporation Chairman: ASJade Technology Incorporation ASJade Technology Japan Corp. Chairman & CSO: ASRock Rack Incorporation Director: Soaring Asia Limited ASIAROCK TECHNOLOGY LTD. LEADER INSIGHT HOLDINGS LTD. FIRSTPLACE INTERNATIONAL LTD. CALROCKHOLDINGS, LLC ASRock America, Inc.	57,217,754

Name List of Candidates for Independent Directors (a total of 3 candidates)

Name	Education	Experience	Present position	Shareholding
Su, Yen-Hsuen	Master degree in Industrial Administration, Carnegie Mellon University	CIO & Senior Vice President, Pegatron Corporation CIO, ASUSTeK Computer Inc. Director & President, UBS AG, Taipei Independent Directors, ZHONG YANG TECHNOLOGY CO., LTD. Institutional Representative, Kinsus Investment Co., Ltd. Principal, Yong-Yu Investment Co., LTD. Director, Eslite Foundation for Culture and the Arts Independent Directors, AUO Corporation	Institutional Representative: SPOTFILMS CO., LTD. Independent Directors: Eslite Spectrum Corporation Cowell E Holdings Inc. TXC CORPORATION UNIVERSAL CEMENT CORPORATION	0
Tan, Tan-Hsu	Ph.D in Institute of Electronics ,National Chiao Tung University Master degree in Electrical Engineering, National	Professor, Department of Electrical Engineering, National Taipei University of Technology Independent Directors, Casetek Holdings Limited	Director: Frontier Institute of Research for Science and Technology Professor:	0

Name	Education	Experience	Present position	Shareholding
	Tsinghua University	Vice President for Academic Affairs & Director in Teaching and Learning Center, National Taipei University of Technology Special Assistant in College of Electrical Engineering & Computer Science Chairman's office, National Taipei University of Technology Vice Director, Department of Electrical Engineering, National Taipei University of Technology	Innovation Frontier Institute of Research for Science and Technology, National Taipei University of Technology	
Ouhyoung, Ming	Ph.D. in Computer Science, North Carolina State University at Chapel Hill Master degree in , Electrical Engineering(Computing Group), National Taiwan University Bachelor degree in Electrical Engineering, National Taiwan University	Chair/Director, Department of Computer Science & Information Engineering, National Taiwan University Associate Dean, College of Electrical Engineering and Computer Science, National Taiwan University Research Fellow, MTS, AT&T Bell Laboratory N.J. USA	Adjunct Professor: Department of Computer Science & Information Engineering, National Taiwan University Graduate Institute of Networking and Multimedia, National Taiwan University	0

4. Please proceed with the election in accordance with the Company's "Regulations Governing Election of Directors".

Voting Results:

Motion no. 5: [Proposed by the Board]

Cause of motion: Proposal for Termination of Non-Competition Restriction on New Directors for decision.

- Description:
1. According to Article 209 of the Company Act, Directors shall explain the essential content to the Board of any act falling within the scope of operation of ASRock for themselves or a third party and request for permission.
 2. Propose to Proposal for Termination of Non-Competition Restriction on New Directors and their representatives and the candidates' additional post to the seats of Directors (including Independent Directors) as below.

Concurrent Position Held by Candidates for Directors (Including Independent Directors)

Name List of Candidates for Directors		
	Name	Concurrent Position
Director	Tung, Hsu-Tien	Director & Senior Vice President: Pegatron Corporation Executive Director: Digitek (Chongqing) Limited
Institutional Director	Asus Investment Co., Ltd.	
Institutional Representative	Tung, Tzu-Hsien	Chairman: Pegatron Corporation (and also CSO) Kinsus Investment Co., Ltd. Lumens Digital Optics Inc. Directors: Kinsus Interconnect Technology Corp. Kinsus Corp.(USA)
Institutional Representative	Cheng, Kuang-Chin	Director & CEO: Pegatron Corporation AzureWave Technologies, Inc. Director: AzureWave Technologies, Inc. Kinsus Investment Co., Ltd.
Institutional Representative	Hsu, Lung-Lun	President: ASRock Incorporation Chairman: ASJade Technology Incorporation ASJade Technology Japan Corp. Chairman & CSO: ASRock Rack Incorporation Director: ASIAROCK TECHNOLOGY LTD. ASRock America, Inc.

Name List of Candidates for Independent Directors		
	Name	Concurrent Position
Independent Director	Su, Yen-Hsuen	Independent Directors: Cowell E Holdings Inc. TXC CORPORATION

Resolution:

[Extemporary Motions]

III. Appendix

Appendix I: Proposal for Distribution of Earnings 2023

ASRock Incorporation
Proposal for Distribution of Earnings
2023

Unit: NT\$

Title	Amount	Remark
Undistributed earnings at the beginning of the period	\$1,104,176,458	
Earnings in 2023 available for distribution:		
Net income in 2023	919,040,557	
Add (less): Changes in the remeasurement of the defined benefit plan	(2,227,278)	
Labor cost of employee restricted shares	7,410,900	
Items for recognition:		
Appropriation of legal reserve	(92,422,418)	
Reversal of special reserve	(939,892)	
Subtotal of earnings in 2023 available for distribution	830,861,869	
Items for distribution:		
Shareholder dividend - cash	(839,286,531)	NT\$6.90/share
Undistributed earnings at the end of the period	1,095,751,796	

Note: the earnings in 2023 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
2023	830,861,869
1998 - 2022	8,424,662
Total	839,286,531

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 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 <u>twice</u>. 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.</p> <p>II (omitted)</p>	<p>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 <u>on that day. The number of postponements is limited to two times</u>. 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.</p> <p>II (omitted)</p>	<p>In order to avoid disputes caused by the uncertainty regarding postponement of the starting time of the board meeting, it is stipulated that when the number of attendees is insufficient, the chairman may announce a postponement of the meeting, but the meeting must be held on that day.</p>
<p>Article 13: I–III (omitted)</p>	<p>Article 13: I–III (omitted)</p> <p><u>During the proceedings of a Board Meeting, if the Presiding Officer is unable to chair the meeting or fails to declare the meeting closed as provided in paragraph 2, the provisions of Article 10, paragraph 3 shall apply mutatis mutandis to the selection of the deputy to act in place thereof.</u></p>	<p>In order to avoid affecting the operation of the Board Meeting, paragraph 4 is stipulated to specify that the method of appointing the provisions of Article 10, paragraph 3 shall apply mutatis mutandis to the selection of Chairman’s proxy. 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</p>

Before The Revision	After The Revision	Explanation
		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 20: (omitted)	Article 20: (omitted) <u>The Rules of Procedure of the Board of Directors Meetings was amended for the 9th instance on 03/06/2024.</u>	Add the date of this amendment.

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.
- 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 on that day. The number of postponements is limited to two times. 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.

During the proceedings of a Board Meeting, if the Presiding Officer is unable to chair the meeting or fails to declare the meeting closed as provided in paragraph 2, the provisions of Article 10, paragraph 3 shall apply mutatis mutandis to the selection of the deputy to act in place thereof.

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.

The Rules of Procedure of the Board of Directors Meetings was amended for the 9th instance on 03/06/2024.

Appendix IV: The mapping of the clauses of “Parliamentary Procedure for the Shareholders Meeting” before and after amendment

Before The Revision	After The Revision	Explanation
<p>Article 1: Shareholders Meeting shall be <u>governed</u> by this Regulations unless the law provides otherwise.</p>	<p>Article 1: <u>Unless otherwise specified by law, the Company shall proceed its Shareholders Meeting according to the terms of these Rules.</u></p>	<p>Amendment of this provision is made in response to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>
<p>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.</p>	<p>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. <u>When the Company holds the shareholders’ meeting by video conference, shareholders who would like to attend by video conference shall register with the Company two days before the shareholders’ meeting. The time for attendance registration in the preceding paragraph shall start at least 30 minutes before the meeting begins; registration for a video-conference shareholders’ meeting should be accepted on the video conference platform of the shareholders’ meeting. Shareholders who have completed registration are deemed to have attended the shareholders’ meeting in person.</u></p>	<p>Amendment of this provision is made in response to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>
<p>Article 3: The attendance and voting of the Shareholders Meeting shall be based on the quantity of shares represented.</p>	<p>Article 3: The attendance and voting of the Shareholders Meeting shall be based on the quantity of shares represented. <u>The number of shares represented during the meeting is calculated based on the total amount registered in the sign-in record or the sign-in cards surrendered and the shareholders registered on the video conference platform plus the amount of shares where voting rights are exercised in writing or electronic means.</u></p>	<p>Amendment of this provision is made in response to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>

Before The Revision	After The Revision	Explanation
<p>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.</p>	<p>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 a.m. or later than 3:00 p.m. <u>The Company is not subject to the foregoing restrictions on the venue holding a virtual shareholders' meeting.</u></p>	<p>Amendment of this provision is made in response to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>
<p>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.</p>	<p>Article 7: The Company shall <u>record audio and video of the entire process during attendance registration, the meeting, and throughout the voting and counting process without any interruption. Audio and video data from the preceding paragraph shall be retained for at least one year.</u></p>	<p>Amendment of this provision is made in response to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>
<p>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.</p>	<p>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. <u>In the event of a virtual shareholders' meeting, shareholders participating by video may ask questions by text on the video conference platform after the Presiding Officer announces the commencement of the meeting and before the meeting is adjourned. The maximum number of questions for each motion is two, and each question is limited to 200 words.</u></p>	<p>Amendment of this provision is made in response to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>

Before The Revision	After The Revision	Explanation
<p>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.</p>	<p>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. <u>In the event of a virtual shareholders' meeting, after the Presiding Officer announces the close of the voting, the Presiding Officer shall conduct a one-time count of the votes and announce the voting and election results.</u></p>	<p>Amendment of this provision is made in response to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>
<p>Article 22: This set of regulations was amended for the <u>1st instance</u> on June 19, 2006.</p>	<p>Article 22: This set of <u>Rules was approved</u> on June 19, 2006. <u>The 1st amendment of the Rules of Procedure of the Board of Directors Meetings was made on May 29, 2024.</u></p>	<ol style="list-style-type: none"> 1. Adjustment on the Article No. and text correction was made in response to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies. 2. Adding the date of amendment of this instance.

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: The mapping of the clauses of “Procedures for Acquisition or Disposal of Assets” before and after amendment

Before The Revision	After The Revision	Explanation
<p>Article 5: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant’s opinions, attorney’s opinions, or underwriter’s opinions shall meet the following requirements: I. Must not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p>	<p>Article 5: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant’s opinions, attorney’s opinions, or underwriter’s opinions shall meet the following requirements: I. Must not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the <u>Securities Exchange Act</u>, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p>	Text corrections
<p>Article 9: The procedures for acquisition or disposal of real estate or equipment, or the right-of-use assets thereof I. (omitted) II. Procedure for determination of trading conditions and level of authority (I) (omitted) (II) The acquisition or disposal of equipment shall be done in any of the manners including price inquiry, price comparison, bargain process and tender process. Subject to the Company’s level of authority, the related unit supervisor is in charge of it under the job-division system. A transaction amounting to more than NT\$10 million shall be subject to the prior approval of the Chairman.</p>	<p>Article 9: The procedures for acquisition or disposal of real estate or equipment, or the right-of-use assets thereof I. (omitted) II. Procedure for determination of trading conditions and level of authority (I) (omitted) (II) The acquisition or disposal of equipment <u>or right-of-use assets</u> shall be done in any of the manners including price inquiry, price comparison, bargain process and tender process. Subject to the Company’s level of authority, the related unit supervisor is in charge of it under the job-division system. A transaction amounting to more than NT\$10 million shall be subject to the prior approval of the</p>	Text corrections

Before The Revision	After The Revision	Explanation
<p>A transaction amounting to more than 20% of the Company’s paid-in capital or NT\$20 million shall be subject to the prior approval of the Board of Directors.</p> <p>(omitted)</p>	<p>Chairman. A transaction amounting to more than 20% of the Company’s paid-in capital or NT\$20 million shall be subject to the prior approval of the Board of Directors.</p> <p>(omitted)</p>	
<p>Article 10: Procedure for acquisition or disposal of securities I. (omitted) II. Procedure for determination of trading conditions and level of authority (I) (omitted) (II) With respect to the securities trading conducted at any premises other than centralized securities exchange market or the place of business of a securities firm, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and take into account its net worth per share, profitability and development potential. Subject to the Company’s level of authority, the relevant unit supervisor is in charge of it under the job-division system. A transaction amounting to more than 20% of the Company’s net worth, or more than 40% of the Company net worth in the case of bond funds and RP/RS, shall be subject to the prior approval of the Board of Directors.</p> <p>(omitted)</p>	<p>Article 10: Procedure for acquisition or disposal of securities I. (omitted) II. Procedure for determination of trading conditions and level of authority (I) (omitted) (II) With respect to the securities trading conducted at any premises other than centralized securities exchange market or the place of business of a securities firm, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and take into account its net worth per share, profitability and development potential. Subject to the Company’s level of authority, the relevant unit supervisor is in charge of it under the job-division system. A transaction amounting to more than 20% of the Company’s net worth, or more than 40% of the Company net worth in the case of bond funds and RP/RS, shall be subject to the prior approval of the Board of Directors. <u>RP is accordance with the Company’s level of authority without limit of preceding rule.</u></p> <p>(omitted)</p>	<p>RP transactions shall be stipulated in Article 10 and delete the redundant text in Article 15.</p>

Before The Revision	After The Revision	Explanation
<p>Article 11: The procedures for acquisition or disposal of intangible assets or right-of-use assets thereof, or memberships</p> <p>I. (omitted)</p> <p>II. Procedure for determination of trading conditions and level of authority</p> <p>(I) In order to resolve the trading conditions and price of the acquisition or disposal of memberships, it is necessary to take the market fair value into account and prepare specific analysis report and submit the same to the president. A transaction amounting to 1% of the Company's paid-in capital or less than NT\$3 million shall be subject to prior approval of the president and reported to the latest Board of Directors Meeting, while the transaction amounting to more than NT\$3 million shall be subject to prior approval of the Board of Directors.</p> <p>(II) In order to resolve the trading conditions and price of the acquisition or disposal of intangible assets, it is necessary to take the expert's appraisal report or market fair value into account, and prepare specific analysis report and submit the same to the Chairman. A transaction amounting to 10% of the Company's paid-in capital or less than NT\$20 million shall be subject to prior approval of the Chairman and reported to the latest Board of Directors Meeting, while the transaction amounting to more than NT\$20 million shall be subject to prior approval of the Board of Directors.</p> <p>III. (omitted)</p> <p>IV. (omitted)</p>	<p>Article 11: The procedures for acquisition or disposal of intangible assets or right-of-use assets thereof, or memberships</p> <p>I. (omitted)</p> <p>II. Procedure for determination of trading conditions and level of authority</p> <p>(I) In order to resolve the trading conditions and price of the acquisition or disposal of memberships, it is necessary to take the market fair value into account and prepare specific analysis report and submit the same to the president. A transaction amounting to 1% of the Company's paid-in capital or <u>more than NT\$50 thousand but</u> less than NT\$3 million shall be subject to prior approval of the president and reported to the latest Board of Directors Meeting, while the transaction amounting to more than NT\$3 million shall be subject to prior approval of the Board of Directors.</p> <p>(II) In order to resolve the trading conditions and price of the acquisition or disposal of intangible assets, it is necessary to take the expert's appraisal report or market fair value into account, and prepare specific analysis report and submit the same to the Chairman. A transaction amounting to 10% of the Company's paid-in capital or <u>more than NT\$10 million but</u> less than NT\$20 million shall be subject to prior approval of the Chairman and reported to the latest Board of Directors Meeting, while the transaction amounting to more than NT\$20 million shall be subject to prior approval of the Board of Directors.</p> <p>III. (omitted)</p> <p>IV. (omitted)</p>	<p>Set the lower limit of acquisition or disposal of intangible assets, right-of-use assets, or memberships which shall be subject to prior approval of the president and reported to the latest Board of Directors Meeting.</p>

Before The Revision	After The Revision	Explanation
<p>Article 15: Procedure for acquisition or disposal of derivatives I. Trading principles and policies (I) Type of transaction 1. (omitted) 2. The margin trading related to bonds shall be governed by the relevant requirements defined to the Procedure. <u>The same shall not apply to the RP transactions.</u></p>	<p>Article 15: Procedure for acquisition or disposal of derivatives I. Trading principles and policies (I) Type of transaction 1. (omitted) 2. The margin trading related to bonds shall be governed by the relevant requirements defined to the Procedure.</p>	<p>RP transactions shall be stipulated in Article 10 and delete the redundant text in Article 15.</p>
<p>Article 21: Supplementary Provisions I. (omitted) II. 1st amendments to the Procedure were made and approved on May 30, 2003. (omitted) 8th amendments the Procedure were made and approved on May 25, 2022.</p>	<p>Article 21: Supplementary Provisions I. (omitted) II. 1st amendments to the Procedure were made and approved on May 30, 2003. (omitted) 8th amendments to the Procedure were made and approved on May 25, 2022. <u>9th amendments to the Procedure were made and approved on May 29, 2024.</u></p>	<p>Adding the date of amendment of this instance.</p>

Appendix VII: Procedures for Acquisition or Disposal of Assets

ASRock Incorporation

Procedures for Acquisition or Disposal of Assets

Article 1: Purpose

The Procedure is enacted in order to protect assets and implement the information disclosure.

Article 2: Legal basis

The Procedure is enacted in accordance with Article 36-1 of the Securities and Exchange Act, and related requirements under the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.

Article 3: Scope of Assets

- I. Marketable securities: including investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- II. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
- III. Memberships.
- IV. Intangible assets: including patents, copyrights, trademarks, franchise rights, and other intangible assets.
- V. Right-of-use assets.
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.

Article 4: Definitions

- I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
- II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other Acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter “transfer of shares”) under Article 156-3 of the Company Act.
- III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.

- V. Date of occurrence: Date of execution of contract, date of payment, dates of Board of Directors resolutions, or other date that can confirm the counterparty and monetary amount of the loan of funds or endorsement/guarantee for any transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- VI. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
- VII. Securities exchange: “Domestic securities exchange” refers to the Taiwan Stock Exchange Corporation; “foreign securities exchange” refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
- VIII. Over-the-counter venue (“OTC venue,” “OTC”): “Domestic OTC venue” refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; “foreign OTC venue” refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.
- IX. Latest financial statements: The Company’s financial statements disclosed by the Company to the public and audited, certified or reviewed by a CPA prior to acquisition or disposal of assets.

Article 5: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant’s opinions, attorney’s opinions, or underwriter’s opinions shall meet the following requirements:

- I. Must not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
- II. Must not be a related party or de facto related party of any party to the transaction.
- III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-discipline standards of affiliated associations and the following:

- I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- II. When executing a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
- III. They shall undertake an item-by-item evaluation of the adequacy and

reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.

- IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is adequate and reasonable, and that they have complied with applicable laws and regulations.

Article 6: Enforcement and Amendment

The Procedure shall be submitted to the Board of Directors for resolution after being approved by the Audit Committee, and then to a Shareholders' Meeting for approval. The same shall apply where the Procedure is amended.

When the Company submits the Procedure for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors Meeting.

If the approval of one-half or more of all Audit Committee members as required in Paragraph I is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors Meeting.

The terms "all Audit Committee members" referred to herein and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 7: Limit of investment in real property for non-operating purpose, and right-of-use assets thereof or securities

The limits of said assets to be acquired by the Company and each subsidiary individually are specified as following:

- I. The total amount of acquisition of real estate for non-operating purpose shall be no more than 20% of the Company's net worth.
- II. The total amount of all security investments shall be no more than 150% of the Company's net worth. Meanwhile, the total amount of investments in the financial assets at fair value through profit or loss, available-for-sale financial assets and financial assets measured at cost shall be no more than 100% of the Company's net worth.
- III. The amount of individual security investments shall be no more than 100% of the Company's net worth. Meanwhile, the amount of individual investment in the financial assets at fair value through profit or loss, available-for-sale financial assets and financial assets measured at cost shall be no more than 50% of the Company's net worth.

Article 8: With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board of Directors under the Company's procedures or other laws or regulations, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors Meeting.

Any transaction involving major assets or derivatives shall be approved by one-half or more of all audit committee members and submitted to the Board of Directors for a resolution, and Paragraphs III and IV of Article 6 herein shall apply mutatis mutandis.

Article 9: The procedures for acquisition or disposal of real estate or equipment, or the

right-of-use assets thereof

I. Evaluation and Operating Procedure

The Company's acquisition or disposal of real estate, equipment, or right-of-use assets thereof follows the property, plant and equipment cycle under the Company's internal control system.

II. Procedure for determination of trading conditions and level of authority

- (I) To resolve the trading conditions and price of the acquisition or disposal of real estate or the right-of-use assets thereof, it is necessary to take into account the publicly announced current value, assessed value, and actual transaction price for the real estate in the neighborhood, and subject to the Company's level of authority. The relevant unit supervisor is in charge of it under the job-division system. A transaction amounting to more than 20% of the Company's paid-in capital shall be subject to the prior approval of the Board of Directors.
- (II) The acquisition or disposal of equipment shall be done in any of the manners including price inquiry, price comparison, bargain process and tender process. Subject to the Company's level of authority, the related unit supervisor is in charge of it under the job-division system. A transaction amounting to more than NT\$10 million shall be subject to the prior approval of the Chairman. A transaction amounting to more than 20% of the Company's paid-in capital or NT\$20 million shall be subject to the prior approval of the Board of Directors.

III. Execution Unit

The Company's acquisition or disposal of real estate, equipment, or right-of-use assets thereof shall be executed by the requesting department and administrative department subject to approval given under the Company's level of authority.

IV. Appraisal report on real estate, equipment, or right-of-use assets thereof

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for operating purpose, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- (I) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
- (II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

1. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.
 2. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.
- (IV) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date, provided that, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.
- (V) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 10: Procedure for acquisition or disposal of securities

I. Evaluation and Operating Procedure

The Company's subscription for or sale of securities follows the investment cycle under the Company's internal control system.

II. Procedure for determination of trading conditions and level of authority

- (I) The securities trading conducted at centralized securities exchange market or at the place of business of a securities firm shall be subject to the decision made by the responsible unit based on the market quotation. Subject to the Company's level of authority, the relevant unit supervisor is in charge of it under the job-division system. A transaction amounting to more than 20% of the Company's net worth shall be subject to the prior approval of the Board of Directors.
- (II) With respect to the securities trading conducted at any premises other than centralized securities exchange market or the place of business of a securities firm, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and take into account its net worth per share, profitability and development potential. Subject to the Company's level of authority, the relevant unit supervisor is in charge of it under the job-division system. A transaction amounting to more than 20% of the Company's net worth, or more than 40% of the Company net worth in the case of bond funds and RP/RS, shall be subject to the prior approval of the Board of Directors.
- (III) The long-term equity investment under equity method shall be subject to the prior approval of the Board of Directors.

III. Execution Unit

The Company's acquisition or disposal of securities shall be executed by Financial Accounting Dept. subject to approval given under the Company's level of authority.

IV. Expert's opinion

- (I) For acquisition or disposal of securities shall, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally

engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to the publicly quoted price of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

- (II) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 11: The procedures for acquisition or disposal of intangible assets or right-of-use assets thereof, or memberships

I. Evaluation and Operating Procedure

The Company's acquisition or disposal of intangible assets follows the property management operation under the Company's internal control system.

II. Procedure for determination of trading conditions and level of authority

- (I) In order to resolve the trading conditions and price of the acquisition or disposal of memberships, it is necessary to take the market fair value into account and prepare specific analysis report and submit the same to the president. A transaction amounting to 1% of the Company's paid-in capital or less than NT\$3 million shall be subject to prior approval of the president and reported to the latest Board of Directors Meeting, while the transaction amounting to more than NT\$3 million shall be subject to prior approval of the Board of Directors.
- (II) In order to resolve the trading conditions and price of the acquisition or disposal of intangible assets, it is necessary to take the expert's appraisal report or market fair value into account, and prepare specific analysis report and submit the same to the Chairman. A transaction amounting to 10% of the Company's paid-in capital or less than NT\$20 million shall be subject to prior approval of the Chairman and reported to the latest Board of Directors Meeting, while the transaction amounting to more than NT\$20 million shall be subject to prior approval of the Board of Directors.

III. Execution Unit

The Company's acquisition or disposal of intangible assets or right-of-use assets thereof, or memberships shall be executed by the requesting department or administrative department subject to approval given under the Company's level of authority referred to in the preceding paragraph.

IV. Expert's appraisal opinion and report on intangible assets or right-of-use assets thereof, or memberships

- (I) When the transaction amount of the Company's acquisition or disposal of memberships reaches more than NT\$3 million, the Company shall obtain an appraisal report from an expert.
- (II) When the transaction amount of the Company's acquisition or disposal of intangible assets or right-of-use assets thereof reaches more than NT\$20 million, the Company shall obtain an appraisal report from an expert.
- (III) When the transaction amount of the Company's acquisition or disposal of intangible assets or right-of-use assets thereof or memberships reaches 20% of the Company's paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.

Article 12: The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with subparagraph (VII), Paragraph I of Article 17 herein, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA’s opinion has been obtained pursuant to the Procedure need not be counted toward the transaction amount.

Article 13: Procedure for transaction with related party

- I. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised pursuant to said requirements, if the transaction amount reaches more than 10% of the Company’s total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA’s opinion.
- II. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 12 herein. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

III. Evaluation and Operating Procedure

When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches more than 20% of the Company’s paid-in capital, more than 10% of the Company’s total assets, or more than NT\$300 million, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and resolved by the Board of Directors:

- (I) The purpose, necessity and anticipated benefit of the acquisition or disposal of movable property.
 - (II) The reason for choosing the related party as a trading counterparty.
 - (III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms under subparagraphs (I)–(IV), Paragraph VII of this provision.
 - (IV) The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty’s relationship to the Company and the related party.
 - (V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
 - (VI) An appraisal report from a professional appraiser or a CPA’s opinion obtained in compliance with the preceding two paragraphs.
 - (VII) Restrictive covenants and other important stipulations associated with the transaction.
- IV. With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Company’s Board of Directors may pursuant to subparagraph (II),

Paragraph II of Article 9 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors Meeting:

- (I) Acquisition or disposal of equipment or right-of-use assets thereof held for operating purpose.
 - (II) Acquisition or disposal of the right-of-use assets of real property held for operating purpose.
- V. When transactions pursuant to Paragraph III of this provision are to be conducted between the Company and its subsidiary, which is not a domestic public company, and the transaction amount reaches more than 10% of the Company's total assets, the Company may not proceed to enter into a transaction contract or make a payment until the matters prescribed have been approved by the Shareholders' Meeting; However, this requirement does not apply to transactions between the Company and its parent or subsidiaries, or between its subsidiaries.
- VI. The calculation of the transaction amounts referred to in the Paragraph III and Paragraph V of this provision shall be done in accordance with subparagraph (VII), Paragraph I of Article 17 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained pursuant to the Procedure, and approved by the Audit Committee and resolved by the Board of Directors need not be counted toward the transaction amount.
- VII. Evaluation on reasonableness of transaction costs
- (I) When acquiring real property or right-of-use assets thereof from a related party, the Company shall evaluate the reasonableness of the transaction costs by the following means:
 - 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. The "necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property, provided it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan, provided that the actual cumulative amount loaned by the financial institution shall have been more than 70% of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.
 - (II) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in subparagraph (I), Paragraph VII of this provision.
 - (III) When acquiring real property or right-of-use assets thereof from a related party, the Company shall appraise the cost of the real property or right-of-use assets thereof in accordance with the subparagraphs (I) and (II) of Paragraph VII of this provision and also engage a CPA to check the appraisal and render a specific opinion.
 - (IV) Where the Company acquires real property or right-of-use assets thereof

from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the evaluation requirements and operating procedures referred to in Paragraphs III–VI of this provision, and the requirements about evaluation on reasonableness of the transaction costs referred to in subparagraphs (I)–(III), Paragraph VII of this provision do not apply:

1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
 3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
 4. The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital.
- (V) When the results of the Company's appraisal conducted on the real estate or right-of-use assets thereof acquired from a related party in accordance with subparagraphs (I) and (II) of Paragraph VII of this provision are both lower than the transaction price, the matter shall be handled in compliance with subparagraph (VI), Paragraph VII of this provision. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (1) Where undeveloped land is appraised in accordance with the means in the preceding provision, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
 2. Where the Company, upon acquiring real property or obtaining the right-of-use assets of real property through leasing from a related party, provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Said completed transactions involving neighboring or

closely valued parcels of land in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

(VI) When the results of the Company's appraisal conducted on the real estate or right-of-use assets thereof acquired from a related party in accordance with subparagraphs (I)–(V) of Paragraph VII of this provision are both lower than the transaction price, the following requirements shall be satisfied. Meanwhile, the Company and any public company evaluating the investment in the Company under equity method, after having set aside a special reserve under the preceding paragraph, may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

1. A special reserve shall be set aside in accordance with Paragraph I of Article 41 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the investor using the equity method to account for its investment in the Company is a public company, then the special reserve called for under Paragraph I of Article 41 of the Act shall be set aside pro rata in a proportion consistent with the share of the public company's equity stake in the Company.
2. The Audit Committee shall comply with Article 218 of the Company Act.
3. Actions taken pursuant to Points 1 and 2 of subparagraph (VI), Paragraph VII of this provision shall be reported to a shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

(VII) When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the subparagraph (VI), Paragraph VII of this provision if there is other evidence indicating that the acquisition was not an arm's length transaction.

Article 14: Procedure for acquisition or disposal of claims of financial institutions

In principle, the Company doesn't engage in acquisition or disposal of claims of financial institutions. Notwithstanding, if the Company wishes to do so in the future, it will report the same to the Board of Directors for approval, and then establish the relevant evaluation and operating procedures.

Article 15: Procedure for acquisition or disposal of derivatives

I. Trading principles and policies

(I) Type of transaction

1. The financial derivatives which the Company engages in refer to the forward contracts, options contracts, futures contracts, leverage

contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

2. The margin trading related to bonds shall be governed by the relevant requirements defined to the Procedure. The same shall not apply to the RP transactions.

(II) Business (hedging) strategies

The Company shall engage in financial derivatives trading for hedging, and choose the trading instruments that may evade the risk resulting from the Company’s business management as much as it is possible. The denominated currency must satisfy the requirements for the foreign currency applied to the Company’s actual import/export, in order to pursue the offset of internal positions (foreign exchange revenue and expenditure) throughout the Company on a voluntary basis, in principle, and to mitigate the Company’s overall foreign exchange rate risk and also save the costs in foreign exchange operations. The other transactions for particular purposes shall be evaluated thoroughly, and carried out only upon approval of the Board of Directors.

(III) Division of authority and responsibility

1. Financial Accounting Dept.

(1) Traders

- A. Responsible for setting forth the strategies of financial product trading throughout the Company.
- B. Traders shall calculate the positions periodically per two weeks, collect related market information, judge trends and assess risk, and set forth the operating strategies, which shall serve as the basis for transactions after being approved subject to the level of authority.
- C. Execute the transactions subject to the level of authority and existing strategies.
- D. In the event of material changes in the financial markets and traders’ judgement that the existing strategies should not be applied any longer, the traders shall propose the evaluation report at any time, and re-draft the strategies as the basis for transactions after they are approved by the president.

(2) Accounting personnel

- A. Execute confirmation of the transactions.
- B. Review whether the transactions are carried out subject to the level of authority and existing strategies.
- C. Perform the evaluation on a monthly basis, and submit the evaluation report to the president.
- D. Accounting treatment.
- E. Regulatory filing and announcement per the FSC’s requirements

- (3) Delivery personnel: Execute the delivery operations.
- (4) Level of authority for derivatives trading

- A. Level of authority for transactions for hedging

Approver	Authority of net accumulated position trading
Director of Finance and Accounting managerDept	US\$10 million or less
President	US\$20 million or less
Board of Directors	More than US\$20 million

- B. The other transactions for particular purposes shall be carried out only upon approval of the Board of Directors.

- 2. Internal Audit Dept.

It shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the Audit Committee shall be notified in writing.

- 3. Performance assessment

- (1) Transactions for hedging

- A. The performance assessment shall be conducted based on the Company's carrying foreign exchange cost, and the income generated from financial derivatives trading.
- B. In order to completely control and express the valuation risk over trading, the Company assesses the income on a monthly evaluation basis.
- C. The Finance Dept. shall provide the president with the report on foreign exchange positions and foreign exchange market movement, as well as the market analysis, for reference.

- (2) Transactions for particular purposes

Assess performance based on the income generated actually, and accounting personnels prepare the report on positions periodically to submit the same to the management for reference.

- 4. Total contract amount and determination of the limit of loss

- (1) Total contract amount

- A. Limit of transaction for hedging

The Finance Dept. shall control the Company's overall positions to evade trading risk. The amount of any transaction for hedging shall be no more than the operating revenue generated by the Company in the latest quarter.

- B. Transactions for particular purposes

Based on the forecast about changes in the market, Finance Dept. may set forth some trading plan, if necessary, and submit the same to the president or Chairman for approval before conducting any transaction. The total contract amount for the net accumulated positions of the Company's transactions for particular purposes shall be no more than 5% of the Company's operating revenue generated in the latest

quarter.

(2) Determination of the limit of loss

- A. As the transaction for hedging is carried out in order to evade risk, there is no need to set any limit of loss.
- B. In the case of transaction contract for particular poses, it is necessary to set the stop-loss point to prevent excess loss. The stop-loss point shall be set as no more than US\$200,000. The loss exceeding US\$200,000, if any, shall be reported to the president immediately, and also to the Board of Directors for resolution on the necessary responsive measures.
- C. The maximum loss limit for each individual contract shall be no more than US\$50,000.
- D. The maximum limit of loss in the year in which any transaction for particular purposes takes place shall be US\$500,000.

II. Risk management measures

(I) Credit risk management:

Considering that the market varies subject to various factors and thereby causes risk over operations of financial derivatives easily, the risk management shall be performed in the following manners:

Trading counterparty: Primarily the domestic/foreign renowned financial institutions.

Traded instruments: Primarily the instruments provided by domestic/foreign renowned financial institutions.

Transaction amount: Uncovered transaction amount for the same trading counterparty shall be no more than 10% of the total authorized limit, unless otherwise approved by the president.

(II) Market risk management:

Primarily the public market provided by any financial institution, and no futures markets to be considered for the time being.

(III) Liquidity risk management:

To ensure the market liquidity, the financial instruments with higher market liquidity (to be offset on the market at any time) will be the first priority. The financial institution commissioned to trade shall keep sufficient information and may be able to engage in trading in any market at any time.

(IV) Cash flow risk management

To ensure stability of the Company's working capital, the Company engages in derivatives trading with the capital sourcing from its own fund only. Meanwhile, the funding need identified based on the cash revenue and expenditure forecast for next three months shall be taken into consideration during operation of the funds.

(V) Operational risk management

- 1. To strictly comply with the Company's authorized limit and operating procedures, and include it into the internal audit to prevent any operational risk.
- 2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.

3. Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.
4. Derivatives trading positions held shall be evaluated at least once per week; however, positions for transactions for hedging required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.

(VI) Product risk management

The internal traders shall possess complete and correct professional knowledge about financial instruments, and also ask financial institutions to fully disclose relevant risks, in order to prevent the risk over misuse of financial instruments.

(VII) Legal risk management:

The documents entered into with any financial institutions shall be executed officially after being reviewed by the dedicated personnel, such as personnel dedicated to foreign exchange and legal affairs, or legal advisors, in order to evade the legal risk.

III. Periodic assessment

- (I) The Board of Directors shall authorize senior management personnel to supervise and assess whether the derivatives trading complies with the procedures defined by the Company, and whether the risk borne by it falls within the tolerable extent. When any abnormality is found in the market value appraisal report (e.g. positions as held more than the limit of loss), the same shall be reported to the Board of Directors immediately for resolution on the responsive action to be taken.
- (II) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.

IV. The supervision and management policy adopted by the Board of Directors with respect to derivatives trading

- (I) Designate senior management personnel to pay continuous attention to supervision and control of derivatives trading risk in the following manners:
 1. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the Company.
 2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors, and independent directors shall be present at the meeting and express an opinion.
- (II) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.

- (III) The Company shall report to the latest Board of Directors Meeting after it authorizes the relevant personnel to handle derivatives trading in accordance with its procedures for engaging in derivatives trading.
- (IV) The Company, when engaging in derivatives trading, shall establish a logbook in which details of the types and amounts of derivatives trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated under subparagraph (II), Paragraph III, and subparagraphs (I) and (II), Paragraph IV of this provision shall be recorded in detail in the logbook.

Article 16: Procedure for participation in merger, demerger, acquisition or transfer of shares

I. Evaluation and Operating Procedure

- (I) When participating in merger, demerger, acquisition or transfer of shares, the Company is advised to engage in an attorney, CPA or underwriter to research with each other to prepare the schedule for completion of statutory procedures, and also organize a project team to execute the procedures. The Company shall, prior to convening the Board of Directors Meeting to resolve on the matter, also engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share swap ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which the Company directly or indirectly holds 100% of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100% of the respective subsidiaries' issued shares or authorized capital.
- (II) The Company shall prepare a public report to shareholders detailing important contractual contents and matters relevant to the merger, demerger, or acquisition prior to the shareholders' meeting and include it along with the expert opinion referred to in subparagraph (I), Paragraph I of this provision when sending shareholders notification of the shareholders' meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts the Company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Further, where the shareholders' meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders' meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders' meeting.

II. Other requirements to be noted

- (I) Date of Board of Directors Meeting: A company participating in a merger, demerger, or acquisition shall convene a Board of Directors Meeting and shareholders' meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. A company participating in a transfer of shares shall call a Board of Directors Meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of

extraordinary circumstances and grants consent.

- (II) When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:
1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or execution of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
 2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors Meeting.
 3. Important documents and minutes: Including merger, demerger, acquisition, and transfer of shares plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors Meetings.
- (III) When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the internet-based information system) the information set out in Points 1 and 2 of subparagraph (II), Paragraph II of this provision to the FSC for future reference.
- (IV) Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company (companies) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by subparagraphs (II) and (III), Paragraph II of this provision.
- (V) Written undertaking of confidentiality: Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
- (VI) The principles for changes in share swap ratio or acquisition price: The company participating in a merger, demerger, acquisition, or transfer of shares shall, prior to convention of the Board of Directors Meeting by both parties to resolve on the matter, engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share swap ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to a shareholders' meeting for deliberation and passage. The share swap ratio or acquisition price, unless under the following circumstances, shall not be changed discretionarily, and the circumstances permitting alteration shall be specified in the contract for the merger, demerger, acquisition, or transfer of shares:
1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants,

preferred shares with warrants, stock warrants, or other equity-based securities.

2. An action, such as a disposal of major assets, that affects the Company's financial operations.
3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms and conditions that the contract stipulates may be altered and that have been publicly disclosed.

(VII) The contract shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. Scheduled date for convening the legally mandated shareholders' meeting if the plan exceeds the deadline without completion, and relevant procedures.

(VIII) In the case of changes in the number of companies participating in the merger, demerger, acquisition, or transfer of shares: If, after public disclosure of the information, any company participating in the merger, demerger, acquisition, or transfer of shares intends further to carry out a merger, demerger, acquisition, or transfer of shares with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or transfer of shares; except where the number of participating companies is decreased and a participating company's shareholders' meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, such participating company may be exempted from calling another shareholders' meeting to resolve on the matter anew.

(IX) Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by subparagraphs (I)–(V) and subparagraph (VIII), Paragraph II of this provision.

- I. Scope and standards of regulatory filing and announcement
- (I) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches more than 20% of the Company's paid-in capital, more 10% of the Company's total assets, or more than NT\$300 million; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
 - (II) Merger, demerger, acquisition, or transfer of shares.
 - (III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
 - (IV) Where equipment or right-of-use assets thereof for operating purpose are acquired or disposed of, and furthermore the trading counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - 1. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - 2. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
 - (V) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the trading counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
 - (VI) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - 1. Trading of domestic government bonds, or international bonds issued by a foreign central government with a sovereign rating not lower than the sovereign rating of the ROC.
 - 2. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
 - (VII) Said transaction amount is calculated in the following manners, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items duly announced as required need not be counted toward the transaction amount.
 - 1. The amount of any individual transaction.
 - 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.
 - 3. The cumulative transaction amount of acquisitions and disposals

(cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.

4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

II. Time limit for regulatory filing and announcement

Where the Company's acquisition or disposal of assets shall be subject to the regulatory filing and announcement, and the transaction amount satisfies the standards of regulatory filing and announcement herein, it shall be made public in the prescribed format within 2 days counted inclusively from the date of occurrence of the event. All matters related to the announcement shall be handled in accordance with related laws and regulations.

III. Procedures for regulatory filing and announcement

- (I) The Company shall disclose the related information on the website designated by FSC.
- (II) The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.
- (III) When the Company at the time of announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.
- (IV) The Company shall, upon acquisition or disposal of assets shall keep all relevant contracts, meeting minutes, logbooks, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.
- (V) Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with this provision, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:
 1. Change, termination, or rescission of a contract signed in regard to the original transaction.
 2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 3. Change to the originally publicly announced and reported information.

Article 18: The Company's subsidiaries shall comply with the following requirements:

- I. The Company's subsidiaries shall also establish their "procedures for the acquisition or disposal of assets" in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," and report such procedures to their shareholders' meetings upon approval of their Board of Directors. The same shall apply when the procedures are amended.
- II. Any subsidiary's acquisition or disposal of assets shall be governed by such procedure set forth by it, and also the Company's requirements.
- III. Where the subsidiary, which is not a public company, needs to disclose its

acquisition or disposal of assets to the public in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies,” the Company may do so on behalf of the subsidiary.

- IV. For information disclosure purpose,. the paid-in capital or total assets referred to in the “relevant provisions on paid-in capital or total assets” refer to the parent company’s (Company’s) paid-in capital or total assets.

Article 19: For the calculation of 10% of total assets to the Procedure, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

Article 20: Penalty

Any of the Company’s employees who undertakes the acquisition or disposal of assets in violation of the Procedure shall be subject to periodical performance assessment in accordance with the Company’s personnel management regulations and employee handbook, and disciplined subject to the materiality of the case.

Article 21: Supplementary Provisions

- I. Any matters not covered to the Procedure shall be governed by related laws and regulations.
- II. 1st amendments to the Procedure were made and approved on May 30, 2003.
2nd amendments to the Procedure were made and approved on June 19, 2006.
3rd amendments to the Procedure were made and approved on June 26, 2007.
4th amendments to the Procedure were made and approved on June 18, 2012.
5th amendments to the Procedure were made and approved on June 11, 2014.
6th amendments to the Procedure were made and approved on June 1, 2018.
7th amendments to the Procedure were made and approved on June 12, 2019.
8th amendments to the Procedure were made and approved on May 25, 2022.

Appendix VIII: Employee Restricted Stock Awards Rules for Year 2024

ASRock Incorporation

Employee Restricted Stock Awards Rules for Year 2024

I. Purpose

To attract and retain the professional talents and increase employee engagement and sense of belonging to the Company to create value for both the Company and shareholders, the Company hereby establishes Employee Restricted Stock Awards Rules for Year 2024 (the “Rules”) in accordance with Article 267 of the Company Act and the Regulations Governing the Offering and Issuance of Securities by Securities Issuers promulgated by the Financial Supervisory Commission.

II. Issuance Period

The Restricted Stock Awards (RSAs) will be granted one or more times over a period of one year from the date of receipt of the notice of effective registration of the competent authority. The Board of Directors may determine the actual issuance date.

III. Class of the shares to be issued

Once these restricted shares issued, apart from the rights restricted until the conditions stipulated in the Rules are met and entrusted for safekeeping according to the Rules, all other rights are the same as those of common shares already issued by the Company.

IV. Total shares to be issued: 2,300,000 common shares.

V. Issance Price: NT\$0 per share

VI. Employees’ qualifications and quantity of shares distributable to, or subscribable for by, employees

(1) Limited to the full-time employees officially enrolled into the Company’s organization on the same date of granting of the RSAs. The employees who are allowed to subscribe for the same and subscribable quantity of shares will be authorized by the Chairman, subject to the employees’ seniority, job rank/grade, work performance, overall contribution or special achievements, or other management requirements, and submitted to the Board of Directors for approval.

(2) Where the Company issues employee stock warrants under Paragraph 1, Article 56-1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the cumulative number of shares subscribable for by a single warrant holder of the employee stock warrants, in combination with the cumulative number of RSAs obtained by the single warrant holder, may not exceed 0.3 percent of the Company’s total issued shares, and the above in combination with the cumulative number of shares subscribable for by the single warrant holder of employee stock warrants issued by the Company under Paragraph 1, Article 56 of the same Regulations, may not exceed 1% of the Company’s total issued shares.

VII. Vested conditions

(1) The Company’s overall performance

- (a) The Company’s EPS was more than NT\$10, i.e. overall weight by 100%, in the previous year.
- (b) The Company’s EPS ranged from NT\$7.5 to NT\$10, i.e. overall weight by 50%, in the previous year.
- (c) The Company’s EPS was less than than NT\$7.5, i.e. overall weight by 0%, in the previous year.

(2) Personal performance

- (a) The interim performance appraisal ranking more than A (inclusive of A), i.e. personal weight by 100%.

- (b) The interim performance appraisal ranking B+ to A (exclusive of A), i.e. personal weight by 80%.
 - (c) The interim performance appraisal ranking B- to B+ (exclusive of B+), i.e. personal weight by 60%.
 - (d) The interim performance appraisal ranking C, i.e. personal weight by 0%.
- (3) Where any employee, upon expiration of one year after the employee has been hired at the time of subscription for the Employee Restricted Stock Awards (hereinafter referred to as the “RSA”), is free from any violation of laws, the Company’s work rules and ethical management best-practice principles in the first year, 40% shares will be vested in the employee, multiplying by the overall weight and then by personal weight.
 - (4) Where any employee, upon expiration of two years after the employee has been hired at the time of subscription for the Employee Restricted Stock Awards (hereinafter referred to as the “RSA”), is free from any violation of laws, the Company’s work rules and ethical management best-practice principles in the second year, 30% shares will be vested in the employee, multiplying by the overall weight and then by personal weight.
 - (5) Where any employee, upon expiration of three years after the employee has been hired at the time of subscription for the Employee Restricted Stock Awards (hereinafter referred to as the “RSA”), is free from any violation of laws, the Company’s work rules and ethical management best-practice principles in the first year, 30% shares will be vested in the employee, and multiplying by the overall weight and then by personal weight.

VIII. Response action if the Company’s overall performance and employees’ personal performance fail to satisfy the vested conditions

When the Company’s overall performance fails to satisfy the vested conditions, the Company should buy back the RSA subscribed for pursuant to the Regulations in whole at the issue price upon expiration of the vested period, and cancel the same. When the employees’ personal performance fails to satisfy the vested conditions, the Company should buy back the employees’ shares in whole at the issue price, and cancel the same.

IX. Response action against any employee’s termination of employment, retirement, occupational sickness, death or general death, transfer to any affiliate and leave without pay

- (1) Any employee who terminates the employment voluntarily, or is laid off for incompetency, dismissed or retired, or dies of any causes other than occupational disasters shall be considered forfeiting the qualification to satisfy the vested conditions on the date of termination of employment, retirement or death. The shares that fail to satisfy the vested conditions should be bought back by the Company in whole at the issued price.
- (2) Where any employee who is laid off for incompetency pursuant satisfies any other vested conditions defined by Article 7 herein in the year of the layoff, the shares that satisfy the vested conditions shall refer to the quantity of shares after the number of the employee’s service days in the same year multiplies by the quantity of vested shares agreed for the same year as referred to in Article 7 herein. The other shares that fail to satisfy the vested conditions shall be considered forfeiting the qualification to satisfy the vested conditions on the date of the employee’s termination of employment and should be bought back by the Company in whole at the issue price.
- (3) For employees who become disabled or die due to occupational disasters
Where any employee who cannot keep performing his/her job duty due to physical disability or death satisfies the other vested conditions defined by Article 7 herein: in the year of his/her termination of employment or death shall be considered satisfying

the vested conditions for the then year upon expiration of the vested period in the same year, but forfeiting the qualification to satisfy the vested conditions for the next year or the year after next. The shares that fail to satisfy the vested conditions should be bought back by the Company in whole at the issue price.

(4) Transfer to affiliates

To satisfy the Company's business needs, for the Company's employees who are required to be transferred to the Company's affiliates per the Company's requirement and authorization, their vested conditions shall also be authorized per the Company's requirement when they are serving in the affiliates.

(5) Leave without pay

Where any employee who takes the leave without pay upon the Company's approval satisfies the other vested conditions defined in Article 7 herein in the year when the leave without pay takes effect, for the RSAs that have not been vested in him/her, his/her employment seniority as defined in Article 7 herein shall be postponed relatively subject to the number of days for his/her leave without pay.

(6) The RSAs bought back by the Company pursuant to the Regulations will be canceled.

X. Restricted rights under unvested conditions

(1) Upon the grant of the RSAs, the RSAs shall be deposited in a trust / custody account. Before the vested conditions are fulfilled, no employees granted RSAs may sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, any shares under the unvested RSAs.

(2) Voting rights and election rights at shareholders' meeting: Executed by the trustee institution in accordance with relevant laws and regulations.

XI. Miscellaneous

(1) Employees who subscribe this issue of restricted shares shall refer the shares under trust custody upon meeting the established condition. The vested shares shall be allocated to the relevant employee's personal central depository account from the trust account within one month upon satisfaction of the vested conditions.

(2) Signing of Contracts and Confidentiality

(a) After determining the total number of units for the issuance of RSAs, the issuance price, distribution principles, and the final list of eligible subscribing employees, the company's designated unit will notify employees to sign subscription agreements, deliver documents for trust, and other relevant paperwork. Employees who fail to sign the relevant documents will forfeit their subscription eligibility.

(b) All subscribing employees must adhere to the Company's confidentiality regulations and refrain from inquiring about or disclosing the content and quantity of the restricted employee rights shares granted to them. In case of any violation, the Company reserves the right to take appropriate disciplinary action based on the severity of the situation.

(c) All holders of RSAs, as well as their derivative rights, subscribed through the Rules, are required to comply with the provisions outlined in these regulations, subscription agreements, and relevant trust agreements.

(3) Tax

(a) Any tax matters incurred in subscription of the RSAs under the Rules shall be handled under the then-current laws and regulations of the R.O.C..

(b) When the Company repurchases the RSAs in accordance with the Rules, if required by the laws and regulations of the R.O.C. to pay securities transaction tax, the

Company shall afford the payment.

- (4) The Rules shall take effect after being approved by a special resolution of the shareholders' meeting, with the presence of over two-thirds of the directors of the Board and the consent of more than half of the attending directors, subject to approval by the competent authority. Any amendments made before issuance shall also follow the same process. In case revisions are required during the submission and review process due to requests from the competent authority, the chairman of the Board is authorized to amend the Rules. Subsequently, the issuance can only proceed after obtaining retrospective approval from the Board of directors.
- (5) Any other matters not set forth in the Rules shall be dealt with in accordance with the applicable laws and regulations.

Appendix IX: 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 X: Regulations Governing the Election of Directors

ASRock Incorporation

Regulations Governing the Election of Directors

- Article 1: The election of directors of the Company shall be governed by these Regulations.
- Article 2: The election of Directors will be held under the registered voter accumulative voting system. Shareholders will be allotted the voting right equivalent to the number of seats of Directors to be elected for each share of holding. Shareholders may concentrate the votes on a particular candidate or allocate the votes to a different candidate. The name of the voter on the ballot may be replaced by the shareholder account number printed on the ballot or the attendance pass number.
- Article 3: The Articles of Incorporation specified a defined number of votes for the election of Independent Directors and Directors. Candidates will be elected to the seats by the number of votes won in the election in descending order. If there are 2 or more candidates who won the same number of votes, but there is no adequate seat for the candidates, these candidates shall engage in a lot drawing to determine the winner of the seat. The Presiding Officer shall act on behalf of the candidates in the lot drawing in the absence of these candidates in the election.
- Article 4: The Company shall prepare the ballots and assign the serial number by shareholder account number or attendance pass number and the marking down of the number of votes allotted.
- Article 5: The Presiding Officer shall appoint a number of scrutineers and tallying clerks before the election to perform relevant assigned duties.
- Article 6: The Company shall prepare the ballot box and open the box for the inspection of the scrutineers in public before balloting.
- Article 7: Voters shall fill in the name of the candidate in the field of “Candidate” of the ballot and mark down the account title and ID card number. For institutional investors, the name of the institutional investor and the name of the representative shall be marked in the field of candidate.
- Article 8: A ballot will be invalid if any of the following applies:
1. Use a ballot not prepared by the Board.
 2. Put a blank ballot into the ballot box.
 3. The handwriting is blurred that cannot be identified, or the wording has been marked for change.
 4. If the candidate marked down on the ballot is a shareholder, and the account title, shareholder account number were found irrelevant with the record in the shareholders’ roster. If the candidate marked down on the ballot is not a shareholder, the name, ID number were found irrelevant.
 5. Further to marking down the account title (name) or shareholder account number (ID card number) of the candidate and the number of votes allotted, there is other handwriting on the ballot.
 6. The name of the candidate marked on the ballot was found identical with another shareholder, but the shareholder account number or ID number has not been marked down for differentiation.
- Article 9: The ballots shall be opened on the scene immediately after balloting with the announcement of the candidates elected to the seats of Directors by the Presiding Officer.

- Article 10: A notice of election as Director will be sent to the candidates elected as Directors after the conclusion of the Shareholders Meeting.
- Article 11: Anything not mentioned in the Regulations shall be governed by the Company Act, the Articles of Incorporation of the Company and applicable laws.
- Article 12: The Regulations shall come into force after passing by the Shareholders Meeting. The same procedure is applicable to any amendment thereto.
- Article 13: This set of regulations was amended for the 1st instance on 06/19/2006.
The amendment to the Regulations for the 2nd instance was passed on 06/26/2007.
The amendment of the Regulations for the 3rd instance was passed on 06/18/2012.

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Appendix XI: Shareholding by Directors

1. The Company has paid-in capital amounting to NT\$1,216,357,290 and has issued 121,635,729 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:

03/31/2024

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	47.04
Director	Asus Investment Inc. Representative: Kuang-Chin, Cheng	08/20/2021	57,217,754	47.04
Director	Asus Investment Inc. Representative: Lung-Lun, Hsu	08/20/2021	57,217,754	47.04
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	47.04

Appendix XII: 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 03/22/2024 and ends on 04/01/2024. 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.