

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

## ASRock Incorporation

### 2023 Annual General Shareholders' Meeting Minute

- I Date and time: 05/25/2023 (Wednesday) 9:00 am
- I Venue: Conference Room 202, Mellow Fields Hotel, Tienmu  
(No. 127, Road Section 7, ZhongShan North, Shilin District, Taipei)
- I Total outstanding shares: 121,989,429 shares
- I Total shares with voting rights: 121,989,429 shares
- I Total shares held by shareholders presented in person or by proxy: 80,357,180 shares
- I Percentage of shares held by shareholders presented in person or by proxy: 65.87%
- I Chairman: Tung, Hsu-Tien
- I Attendees: Tung, Tzu-Hsien (Director of the Board of Directors)  
Hsu, Lung-Lun (Director of the Board of Directors)  
Wei, Ai (Independent Director of the Board of Directors)  
Ouhyoung, Ming (Independent Director of the Board of Directors)  
Yang, Chih-Huei (CPA, Ernst & Young)
- I Recorder: Lee, Hui-Ju
- I The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.
- I Chairman' s Address (omitted)
  
- I. Reports Items:
  - 1. 2022 Business Report. (Please refer to the Appendix 1)
  - 2. Auditing Committee' s Review Report on Financial Statements 2022. (Please refer to the Appendix 2)
  - 3. Report on Remuneration to Employees and Directors 2022. (Please refer to the Page 27 of the Procedure Handbook)
  - 4. Distribution of Cash Dividend from Earnings 2022. (Please refer to the Page 27 of the Procedure Handbook)
  - 5. Amendment to the "Rules of Procedure of the Board of Directors Meetings. (Please refer to the Appendix 4)
  
- II. Proposals Items
  - Motion no. 1: [proposed by the Board]  
Cause of motion:  
The 2022 financial statements of ASRock presented for recognition.  
Description:  
The 2022 financial statements and consolidated financial statements have been audited by Yang,

Chih-Huei and Yu, Chien-Ju, CPAs of Ernst & Young, which have been referred to the Auditing Committee together with the 2022 Business Report for review. The Business Report, Auditor' s Report, and the aforementioned financial statements were presented for your reference. (Please refer to the Appendix 1~3)

Voting Results :

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
80,357,180 votes*	76,609,321 votes*	8,418 votes*	3,739,441 votes*	0 votes*
(77,355,990 votes)	(73,608,571 votes)	(8,418 votes)	(3,739,001 votes)	

\* including votes casted electronically (number in brackets)

RESOLVED, the above proposal was accepted as submitted.

Motion no. 2: [Proposed by the Board]

Cause of motion:

The 2022 distribution of earnings of ASRock presented for recognition.

Description:

1. The Company had a net income of NT\$1,066,243,509 in 2022 and plans to pay out to shareholders in accordance with the Articles of Incorporation.
2. The proposal for distribution of earnings in 2021 (Please refer to the Appendix 5).

Voting Results :

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
80,357,180 votes*	76,667,324 votes*	9,418 votes*	3,680,438 votes*	0 votes*
(77,355,990 votes)	(73,666,574 votes)	(9,418 votes)	(3,679,998 votes)	

\* including votes casted electronically (number in brackets)

RESOLVED, the above proposal was accepted as submitted.

III. Questions and Motions : None.

IV \ Adjournment of meeting : There being no other motions, the meeting was adjourned °

(Note : This minutes is extracted from the 2023 Annual General Shareholders' Meeting, the details are subject to the audio and video recording.)

Chairman: Tung, Hsu-Tien

Recorder: Lee, Hui-Ju

## ASRock Incorporation

## 2022 Business Report

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

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

### Financial and Business Performance

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

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

Unit: NT\$ 100 million

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

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

## **Gravity of technological development and operation**

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

## **The prospect**

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

May I wish you all

Good health and good luck

ASRock Incorporation

Chairman Hsu-Tien, Tung

President Lung-Lun, Hsu

Accounting Officer Hui-Ju, Li

ASRock Incorporation  
Auditing Committee Review Report

This is to approve

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

To

ASRock General Meeting of Shareholders

Convener of Auditing Committee: Ai, Wei

Mar. 7, 2023

## **Independent Auditors' Report Translated from Chinese**

To ASROCK INC.

### **Opinion**

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

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

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Investments accounted for using equity method - Inventory of Subsidiary

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

### Revenue recognition

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

### **Other Matter - Making Reference to the Audits of Component Auditors**

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

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

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

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

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

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

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

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

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

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

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

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

Yang, Chih-Huei

Yu, Chien-Ju

Ernst & Young, Taiwan

March 7, 2023

Notice to Readers

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

*Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the parent company only financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.*

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

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

(Continued)

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

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

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

## ASROCK INC.

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2022 and 2021

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

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

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

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

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

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

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

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

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

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

## **Declaration**

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

Your attention is appreciated

Company Name: ASRock Incorporation

Legal Representative: Hsu-Tien, Tung

Mar. 7, 2023

## **Independent Auditors' Report Translated from Chinese**

To ASROCK INC.

### **Opinion**

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

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

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Inventory valuation

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

### Revenue recognition

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

### **Other Matter - Making Reference to the Audits of Component Auditors**

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Other**

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

Yang, Chih-Huei  
Yu, Chien- Ju

Ernst & Young, Taiwan  
March 7, 2023

#### Notice to Readers

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

*Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.*

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

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

(Continued)

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

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

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

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

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

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

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

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

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

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

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

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

Before The Revision	After The Revision	Explanation
<p>Article 3: I–III (omitted) The particulars inscribed in Paragraph 1 under Article 7 shall be listed as the reasons for the convention. They cannot be proposed as extemporary motions unless <u>under emergency or with justifiable reasons</u>.</p>	<p>Article 3: I–III (omitted) The particulars inscribed in Paragraph 1 under Article 7 shall be listed as the reasons for the convention. They cannot be proposed as extemporary motions unless under emergency or with justifiable reasons.</p>	<p>Text adjustment in response to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>
<p>Article 7: The following of the Company shall be presented to the Board for discussion:</p> <ol style="list-style-type: none"> <li>1. The business plan of the Company.</li> <li>2. Annual Financial Report and the Financial Report of the 2nd quarter required for an audit with certification.</li> <li>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.</li> <li>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.</li> <li>5. Offering, issuance or acquiring equity securities through private placement.</li> <li>6. The appointment and dismissal of a chief financial officer, chief accounting officer, or chief internal auditor.</li> <li>7. Donation to related parties or</li> </ol>	<p>Article 7: The following of the Company shall be presented to the Board for discussion:</p> <ol style="list-style-type: none"> <li>1. The business plan of the Company.</li> <li>2. Annual Financial Report and the Financial Report of the 2nd quarter required for an audit with certification.</li> <li>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.</li> <li>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.</li> <li>5. Offering, issuance or acquiring equity securities through private placement.</li> <li>6. <u>If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.</u></li> <li>7. The appointment and dismissal of a chief financial officer, chief accounting officer, or chief internal auditor.</li> <li>8. Donation to related parties or</li> </ol>	<p>Text adjustment in response to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>

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

## **ASRock Incorporation**

### **Rules of Procedure of the Board of Directors Meetings**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

specified otherwise.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ASRock Incorporation  
 Proposal for Distribution of Earnings  
 2022

Unit: NT\$

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

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

**The year of cash dividend payment:**

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

Chairman: Hsu-Tien, Tung

President: Lung-Lun, Hsu

Accounting Officer: Hui-Ju, Li