

Stock Code: 3515



ASRock Incorporation

2021 Annual General Shareholders' Meeting

Procedure Handbook

05/26/2021

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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 2021

- I. Announcement for the Session

- II. Opening Address of the Presiding Officer

- III. Report Items

- IV. Proposals Items

- V. Discussion and Election Items

- VI. Questions and motions

- VII. Adjournment of the meeting

II. Agenda of the meeting

ASRock Incorporation

Agenda of the 2021 Shareholders Meeting

- I. Date and time: 05/26/2021 (Wednesday) 9:30 am

- II. Venue: Conference Room 202, Mellow Fields Hotel, Tienmu
(No. 127, Road Section 7, ZhongShan North, Shilin District, Taipei)

- III. Opening Address of the Presiding Officer

- IV. Reports Items:
 - 1.2020 Business Report.
 2. Auditing Committee’s Review Report on Financial Statements 2020.
 3. Report on Remuneration to Employees and Directors 2020.
 4. Distribution of Cash Dividend from Earnings 2020.
 5. Report on the “Amendment to the Rules of Procedure of the Board of Directors Meetings”

- V. Proposals Items:
 1. Financial Statements of the Company 2020(Proposed by the Board)
 2. Proposal for Distribution of Earnings 2020(Proposed by the Board)

- VI. Discussion and Election Items:
 1. Amendment to the “Regulations Governing the Election of Directors.” (Proposed by the Board)
 2. Issuance of Restricted Stock Awards 2021 (Proposed by the Board)
 3. Election of Directors (Proposed by the Board)
 4. Proposal for Termination of Non-Competition Restriction on New Directors (Proposed by the Board)

- VII. Questions and Motions

- VIII.Adjournment of meeting

[Reports Items]

I. 2020 Business Report

ASRock Incorporation

2020 Business Report

Dear shareholders, it is indeed a great pleasure to have your presence in this regular session of the 2021 Shareholders Meeting. The PC market was so unpredictable in 2020. The quarantine policy in Mainland China in the 1st quarter of the year for containing the spread of COVID-19 resulted in an abrupt severance of the supply chain in PC production in the short run. As such, global shipment plummeted. The 2nd quarter of the year was also clouded by the pandemic, which triggered and simulated the practice of working, learning, and entertaining at home. The manufacturing sector in Mainland China also resumed normal production at this point in time, which contributed to the significant growth in the shipment of related electronic products. According to a research of IDC, global PC shipment increased by 13.1% in 2020, which was a record high in 10 years.

The growth of demand is much higher than expected. It was echoed with a number of other factors, including the China-US trade war and the scarcity of sea-air transport service worldwide, to the extent that shortage in supply of the industry change deteriorated quarter after quarter. This was indeed a severe challenge to the enterprises that demanded solutions from any possible means. The shortage in supply also triggered the sustained rising price of upstream semiconductor parts and components and freight. The strong appreciation of the NT Dollar also compelled the downstream enterprises to adjust their prices while providing the consumers with products at the best performance/price ratio. The effort of all has not been made in vain. ASRock has performed splendidly with sound results. The revenue of the year was unprecedented at a growth rate of 33.5%. Both the operating income and pre-tax profit increased a manifold.

Financial and Business Performance

The launch of differentiated products for market segmentation and the enhancement of brand image with concentration at specific areas of operation contributed to the performance of the motherboard sector in 2020. The diversified development strategy also yielded sound results, including the servers and display card, which continued to enjoy strong growth in 2020 and vitalized the operation in diversity.

ASRock had consolidated revenue of NT\$17,910 million in 2020, which was an increase of 33.5% from NT\$13,420 million in the same period of 2019. All product lines benefited from new products and product portfolios, which helped to drive up the gross margin. As such, ASRock had a gross margin of 21.5% in 2020, which was an increase of 3.3% from 18.2% in the same period of 2019. The enlargement of the scale of operation and the proper control of operating expenses allowed ASRock to yield consolidated net income amounting to NT\$1,360 million, which was an increase of 128% from NT\$600 million in the same period of 2019. Information on the Consolidated Financial Statements of ASRock Inc. is shown in the table below:

Unit: NT\$ 100 million

Item	2020 (consolidated)		2019 (consolidated)	
	Amount	%	Amount	%
Revenue	179.1	100.0%	134.2	100.0%
Gross profit	38.5	21.5%	24.4	18.2%
Operating expenses	19.9	11.1%	16.7	12.4%
Operating income	18.6	10.4%	7.7	5.7%
Pre-tax profit	18.6	10.4%	7.8	5.8%
Net income (Owner of the parent company)	13.6	7.6%	6.0	4.4%
Earnings per share after taxation (NT\$)	11.3		4.95	

Note: No financial forecast was disclosed in 2020. Budget attainment is not applicable here.

Gravity of technological development and operation

The AIOT industry's maturing, the popularity of cloud application, and the upcoming 5G application compelled ASRock to continue the development of in-depth learning, big data analysis, smart application and cloud computing and related products. Further to the product diversification strategy's incremental success, ASRock will continue the investment in R&D resources, optimize the quality and competitive power of different products, and consolidate the performance through product integration. In addition, the Company will also focus on product brand promotion through strategic partnerships to provide the consumers even better products to allow the rooting of distinctive and innovative brands among the consumers in different areas of consumption.

The prospect

The pursuit of the product/brand/market diversified development strategy will continue to be the pillar of corporate development. The Company will continue to develop new products/new markets in stable and incremental paces so that all product lines can yield positive influence to one another and mitigate the fluctuation caused by a particular product line of the Company. The upgrade of the business scale of the products will continue to contribute to the operation and profit of ASRock. The economic outlook in 2021 will still be unpredictable, such as the change in the development of the pandemic and the tight supply of the semiconductor supply chain. ASRock will spare no effort to launch for the sustainable growth of the products, upgrade the momentum in operation and profit, and create higher value for the shareholders.

May I wish you all

Good health and good luck

ASRock Incorporation

Chairman: Tung, Hsu-Tien

President: Hsu, Lung-Lun

Chief Accounting Officer: Li, Hui-Ju

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, 2020 and 2019, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2020 and 2019, 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, 2020 and 2019, and its financial performance and cash flows for the years ended December 31, 2020 and 2019, 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 auditing standards generally accepted in 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 2020 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, 2020 for ASROCK INC.'s investments accounted for using equity method - Inventory of Subsidiary was significant to the parent company only financial statements. ASROCK INC. and subsidiaries'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 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 \$675,353 thousand and \$573,720 thousand, representing 6.81% and 7.00% of the parent company only total assets as of December 31, 2020 and 2019, respectively. The related share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method amounted to \$155,464 thousand and \$ 39,298 thousand, representing 9.98% and 5.74% of the profit before tax for the years ended December 31, 2020 and 2019.

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, 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.

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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 2020 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
February 24, 2021

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 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 auditing standards generally accepted in 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 BALANCE SHEETS
December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of			
		December 31, 2020	%	December 31, 2019	%
Current assets					
Cash and cash equivalents	4,6(1)	\$1,508,440	15	\$687,289	9
Financial assets measured at amortized cost - current	4,6(2),6(12)	486,206	5	602,000	7
Accounts receivable, net	4,5,6(3),6(12)	441,609	4	528,677	7
Accounts receivable - related parties, net	4,5,6(3),6(12),7	1,592,011	16	1,257,946	15
Inventories, net	4,5,6(4)	1,367,370	14	755,808	9
Other current assets	7	79,693	1	89,740	1
Total current assets		5,475,329	55	3,921,460	48
Non-current assets					
Investments accounted for using equity method	4,6(5)	4,332,169	44	4,182,137	52
Property, plant and equipment	4,6(6),7	21,405	-	26,757	-
Right-of-use assets	4,6(13)	30,671	-	23,537	-
Intangible assets	4,6(7)	570	-	646	-
Deferred tax assets	4,5,6(17)	43,274	1	32,674	-
Guarantee deposits paid		11,326	-	9,317	-
Other non-current assets		3,824	-	-	-
Total non-current assets		4,443,239	45	4,275,068	52
Total assets		\$9,918,568	100	\$8,196,528	100

(Continued)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
ASROCK INC.
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

Liability and Equity	Notes	As of			
		December 31, 2020	%	December 31, 2019	%
Current liabilities					
Accounts payable		\$17,835	-	\$14,561	-
Accounts payable - related parties	7	2,188,109	22	1,343,746	16
Other payables	7	410,447	4	296,651	4
Current tax liabilities	4,5,6(17)	198,539	2	123,975	2
Lease liabilities - current	4,6(13)	13,674	-	12,190	-
Other current liabilities	4,7	133,343	1	146,287	2
Total current liabilities		<u>2,961,947</u>	<u>29</u>	<u>1,937,410</u>	<u>24</u>
Non-current liabilities					
Deferred tax liabilities	4,5,6(17)	228	-	-	-
Lease liabilities - non-current	4,6(13)	17,231	-	11,591	-
Net defined benefit liabilities	4,5,6(8)	37,854	1	29,581	-
Credit balance of investments accounted for using equity method	4,6(5)	-	-	20,602	-
Total non-current liabilities		<u>55,313</u>	<u>1</u>	<u>61,774</u>	<u>-</u>
Total liabilities		<u>3,017,260</u>	<u>30</u>	<u>1,999,184</u>	<u>24</u>
Equity					
Share capital					
Ordinary share	6(9)	1,206,424	12	1,206,472	15
Capital surplus	6(5),6(9),6(10)	3,134,705	32	3,129,659	38
Retained earnings					
Legal reserve	6(9)	1,209,419	12	1,149,884	14
Special reserve	6(9)	279,336	3	186,407	2
Unappropriated retained earnings	6(5),6(9),6(10)	1,544,081	16	822,460	10
Total retained earnings		<u>3,032,836</u>	<u>31</u>	<u>2,158,751</u>	<u>26</u>
Other equity interest	4,6(10)	(472,657)	(5)	(297,538)	(3)
Total equity		<u>6,901,308</u>	<u>70</u>	<u>6,197,344</u>	<u>76</u>
Total liabilities and equity		<u>\$9,918,568</u>	<u>100</u>	<u>\$8,196,528</u>	<u>100</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 COMPREHENSIVE INCOME

For the years ended December 31, 2020 and 2019

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

Accounting Items	Notes	For the years ended December 31,			
		2020	%	2019	%
Operating revenues	4,5,6(11),7	\$12,577,723	100	\$9,171,372	100
Operating costs	6(4),6(14),7	(10,472,888)	(83)	(7,891,651)	(86)
Gross profit		2,104,835	17	1,279,721	14
Unrealized intercompany profit		(133,313)	(1)	(81,456)	(1)
Realized intercompany profit		81,456	-	94,811	1
Net gross profit		2,052,978	16	1,293,076	14
Operating expenses	4,6(7),6(8),6(10) 6(13),6(14),7				
Sales and marketing expenses		(293,649)	(2)	(255,485)	(3)
General and administrative expenses		(175,545)	(1)	(136,251)	(1)
Research and development expenses		(484,401)	(4)	(394,600)	(4)
Expected credit losses	6(12)	(345)	-	(447)	-
Total operating expenses		(953,940)	(7)	(786,783)	(8)
Net operating income		1,099,038	9	506,293	6
Non-operating income and expenses	6(15)				
Interest income		12,009	-	13,380	-
Other income	7	84,963	1	39,719	-
Other gains and losses		(48,913)	-	(14,601)	-
Finance costs		(312)	-	(906)	-
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	4,6(5)	411,692	3	141,270	2
Total non-operating income and expenses		459,439	4	178,862	2
Profit from continuing operations before tax		1,558,477	13	685,155	8
Income tax expenses	4,5,6(17)	(195,385)	(2)	(87,678)	(1)
Profit from continuing operations		1,363,092	11	597,477	7
Profit		1,363,092	11	597,477	7
Other comprehensive income	4,6(8),6(16)				
Items that will not be reclassified subsequently to profit or loss					
Losses on remeasurements of defined benefit plans		(7,364)	-	(3,109)	-
Income tax related to items that will not be reclassified to profit or loss		1,473	-	622	-
Items that may be reclassified subsequently to profit or loss					
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(193,321)	(2)	(92,929)	(1)
Other comprehensive income, net of tax		(199,212)	(2)	(95,416)	(1)
Total comprehensive income		\$1,163,880	9	\$502,061	6
Earnings per share(NT\$):	6(18)				
Earnings per share - basic					
Profit from continuing operations		\$11.30		\$4.95	
Profit		\$11.30		\$4.95	
Earnings per share - diluted	6(18)				
Profit from continuing operations		\$11.22		\$4.92	
Profit		\$11.22		\$4.92	

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 STOCKHOLDERS' EQUITY
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings				Total other equity interest			Total equity	
	Share 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, 2019	\$1,207,456	\$3,131,054	\$1,090,592	\$305,453	\$650,142	\$(186,407)	\$(82,494)	\$(480)	\$6,115,316
Appropriation and distribution of 2018 retained earnings									
Legal reserve appropriated	-	-	59,292	-	(59,292)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(482,791)	-	-	-	(482,791)
Reversal of special reserve	-	-	-	(119,046)	119,046	-	-	-	-
Profit in 2019	-	-	-	-	597,477	-	-	-	597,477
Other comprehensive income, net of tax in 2019	-	-	-	-	(2,487)	(92,929)	-	-	(95,416)
Total comprehensive income	-	-	-	-	594,990	(92,929)	-	-	502,061
Treasury stock acquired	-	-	-	-	-	-	-	(504)	(504)
Treasury stock cancelled	(984)	-	-	-	-	-	-	984	-
Changes in subsidiaries' ownership	-	(6,537)	-	-	(31)	-	-	-	(6,568)
Share-based payment transaction	-	5,142	-	-	396	-	64,292	-	69,830
Balance as of December 31, 2019	\$1,206,472	\$3,129,659	\$1,149,884	\$186,407	\$822,460	\$(279,336)	\$(18,202)	\$-	\$6,197,344
Balance as of January 1, 2020	\$1,206,472	\$3,129,659	\$1,149,884	\$186,407	\$822,460	\$(279,336)	\$(18,202)	\$-	\$6,197,344
Appropriation and distribution of 2019 retained earnings									
Legal reserve appropriated	-	-	59,535	-	(59,535)	-	-	-	-
Special reserve appropriated	-	-	-	92,929	(92,929)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(482,570)	-	-	-	(482,570)
Profit in 2020	-	-	-	-	1,363,092	-	-	-	1,363,092
Other comprehensive income, net of tax in 2020	-	-	-	-	(5,891)	(193,321)	-	-	(199,212)
Total comprehensive income	-	-	-	-	1,357,201	(193,321)	-	-	1,163,880
Treasury stock acquired	-	-	-	-	-	-	-	(48)	(48)
Treasury stock cancelled	(48)	-	-	-	-	-	-	48	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	335	-	-	(27)	-	-	-	308
Changes in subsidiaries' ownership	-	(261)	-	-	-	-	-	-	(261)
Share-based payment transaction	-	4,972	-	-	(519)	-	18,202	-	22,655
Balance as of December 31, 2020	\$1,206,424	\$3,134,705	\$1,209,419	\$279,336	\$1,544,081	\$(472,657)	\$-	\$-	\$6,901,308

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

Note: For the years ended December 31, 2019, compensation of employees amounted to \$49,731 thousand and remuneration of directors amounted to \$4,973 thousand, respectively.
For the years ended December 31, 2020, compensation of employees amounted to \$129,435 thousand and remuneration of directors amounted to \$12,944 thousand, respectively.
The amounts were deducted from comprehensive income for the years ended December 31, 2019 and 2020.

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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2020	2019
Cash flows from operating activities:		
Profit before tax	\$1,558,477	\$685,155
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	21,917	21,609
Amortization expense	1,198	1,786
Expected credit losses	345	447
Interest expenses	312	906
Interest income	(12,009)	(13,380)
Compensation cost arising from employee stock options	22,655	69,830
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(411,692)	(141,270)
Unrealized intercompany profit from sale	133,313	81,456
Realized intercompany profit from sale	(81,456)	(94,811)
Changes in operating assets and liabilities:		
Decrease (Increase) in accounts receivable, net	86,723	(215,978)
Increase in account receivable-related parties	(334,065)	(96,650)
(Increase) Decrease in inventories, net	(611,562)	187,335
Decrease in other current assets	9,455	5,794
Increase in accounts payable	3,274	9,247
Increase in other payables-related parties	844,363	384,294
Increase in other payables	113,796	38,521
(Decrease) Increase in other current liabilities	(12,944)	27,214
Increase in net defined benefit liabilities	909	914
Cash generated from operations	1,333,009	952,419
Income taxes paid	(129,720)	(53,313)
Net cash provided by operating activities	1,203,289	899,106
Cash flows from investing activities:		
Acquisition of financial assets measured at amortized cost	-	(161,600)
Proceed from disposal of financial assets measured at amortized cost	115,794	-
Acquisition of investments accounted for using equity method	(4,073)	(304,886)
Acquisition of property, plant and equipment	(13,704)	(5,744)
Proceed from disposal of property, plant and equipment	11,196	-
Increase in guarantee deposits paid	(2,009)	-
Decrease in guarantee deposits paid	-	354
Acquisition of intangible assets	(1,122)	(988)
Increase in other non-current assets	(3,824)	-
Interest received	12,601	12,229
Net cash provided by (used in) investing activities	114,859	(460,635)
Cash flows from financing activities:		
Decrease in short-term loans	-	(44,305)
Cash payments for the principal portion of the lease liability	(14,379)	(11,965)
Cash dividends	(482,570)	(482,791)
Treasury stock acquired	(48)	(504)
Interest paid	-	(579)
Net cash used in financing activities	(496,997)	(540,144)
Net increase (decrease) in cash and cash equivalents	821,151	(101,673)
Cash and cash equivalents, beginning of the year	687,289	788,962
Cash and cash equivalents, end of the year	\$1,508,440	\$687,289

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 2020 (from January 1 to December 31, 2020) 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: Tung, Hsu-Tien

Feb. 24, 2021

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, 2020 and 2019, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2020 and 2019, 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, 2020 and 2019, and their consolidated financial performance and cash flows for the years ended December 31, 2020 and 2019, 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 auditing standards generally accepted in 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 2020 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, 2020 for ASROCK INC. and its subsidiaries amounted to \$5,830,442 thousand, which accounted for 50 % 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 \$2,106,436 thousand and \$754,516 thousand, constituting 17.98% and 7.34% of consolidated total assets as of December 31, 2020 and 2019, respectively, and total operating revenues of \$7,937,631 thousand and \$2,938,050 thousand, constituting 44.32 % and 21.90 % of consolidated operating revenues for the years ended December 31, 2020 and 2019, 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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 2020 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, 2020 and 2019.

Yang, Chih-Huei

Yu, Chien- Ju

Ernst & Young, Taiwan

February 24, 2021

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 auditing standards generally accepted in 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 INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of			
		December 31, 2020	%	December 31, 2019	%
Current assets					
Cash and cash equivalents	4,6(1)	\$2,763,147	23	\$2,036,151	20
Financial assets measured at amortized cost - current	4,6(2),6(11),8	662,409	6	781,240	8
Accounts receivable, net	4,6(3),6(11)	1,632,537	14	1,571,989	15
Accounts receivable - related parties, net	4,6(3),6(11),7	16,629	-	48,798	-
Inventories, net	4,6(4)	5,830,442	50	4,991,711	49
Other current assets	7	204,325	2	276,248	3
Total current assets		11,109,489	95	9,706,137	95
Non-current assets					
Financial assets measured at amortized cost - non-current	4,6(2),6(11),8	157,552	2	140,324	1
Property, plant and equipment	4,6(5)	240,208	2	251,843	2
Right-of-use assets	4,6(12)	78,416	-	56,717	1
Intangible assets	4,6(6),7	6,775	-	2,992	-
Deferred tax assets	4,5,6(16)	99,849	1	88,974	1
Guarantee deposits paid		18,652	-	12,750	-
Other non-current assets		4,870	-	6,435	-
Total non-current assets		606,322	5	560,035	5
Total assets		\$11,715,811	100	\$10,266,172	100

(Continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
ASROCK INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

Liability and Equity	Notes	As of			
		December 31, 2020	%	December 31, 2019	%
Current liabilities					
Accounts payable		\$2,695,143	23	\$2,447,972	24
Accounts payable - related parties	7	34,447	1	89,162	1
Other payables	7	1,073,475	9	843,295	8
Current tax liabilities	4,5,6(16)	270,345	2	143,429	2
Lease liabilities - current	4,6(12),6(14)	38,123	-	26,290	-
Other current liabilities	7	214,134	2	197,003	2
Total current liabilities		4,325,667	37	3,747,151	37
Non-current liabilities					
Deferred tax liabilities	4,5,6(16)	2,222	-	4,090	-
Lease liabilities - non-current	4,6(12),6(14)	40,816	1	30,883	-
Net defined benefit liabilities	4,5,6(7)	37,854	-	29,581	-
Other non-current liabilities		816	-	-	-
Total non-current liabilities		81,708	1	64,554	-
Total liabilities		4,407,375	38	3,811,705	37
Equity attributable to owners of the parent company					
Share capital					
Ordinary share	6(8)	1,206,424	10	1,206,472	12
Capital surplus	6(8),6(9),6(18)	3,134,705	27	3,129,659	30
Retained earnings					
Legal reserve	6(8)	1,209,419	10	1,149,884	11
Special reserve	6(8)	279,336	3	186,407	2
Unappropriated retained earnings	6(8),6(9),6(18)	1,544,081	13	822,460	8
Total retained earnings		3,032,836	26	2,158,751	21
Other equity interest	4	(472,657)	(4)	(297,538)	(3)
Non-controlling interests	6(8),6(18)	407,128	3	257,123	3
Total equity		7,308,436	62	6,454,467	63
Total liabilities and equity		\$11,715,811	100	\$10,266,172	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
ASROCK INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Accounting Items	Notes	For the years ended December 31,			
		2020	%	2019	%
Operating revenues	4,5,6(10),7	\$17,911,584	100	\$13,415,090	100
Operating costs	6(4),6(6),6(12) 6(13),7	(14,059,563)	(78)	(10,975,757)	(82)
Gross profit		<u>3,852,021</u>	<u>22</u>	<u>2,439,333</u>	<u>18</u>
Operating expenses	6(6),6(7),6(9) 6(12),6(13),7				
Sales and marketing expenses		(634,699)	(4)	(574,743)	(4)
General and administrative expenses		(323,138)	(2)	(263,882)	(2)
Research and development expenses		(1,039,961)	(6)	(821,495)	(6)
Expected credit gains (losses)	6(11)	3,853	-	(12,401)	-
Total operating expenses		<u>(1,993,945)</u>	<u>(12)</u>	<u>(1,672,521)</u>	<u>(12)</u>
Net operating income		<u>1,858,076</u>	<u>10</u>	<u>766,812</u>	<u>6</u>
Non-operating income and expenses	6(14)				
Interest income		20,229	-	33,580	-
Other income		52,983	-	10,598	-
Other gains and losses		(74,609)	-	(23,642)	-
Finance costs		(896)	-	(2,431)	-
Total non-operating income and expenses		<u>(2,293)</u>	<u>-</u>	<u>18,105</u>	<u>-</u>
Profit from continuing operations before tax		1,855,783	10	784,917	6
Income tax expenses	4,5,6(16)	(347,200)	(2)	(134,858)	(1)
Profit from continuing operations		<u>1,508,583</u>	<u>8</u>	<u>650,059</u>	<u>5</u>
Other comprehensive income	4,6(15)				
Items that will not be reclassified subsequently to profit or loss					
Losses on remeasurements of defined benefit plans		(7,364)	-	(3,109)	-
Income tax related to items that will not be reclassified to profit or loss		1,473	-	622	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign financial statements		(193,321)	(1)	(92,929)	(1)
Other comprehensive income, net of tax		<u>(199,212)</u>	<u>(1)</u>	<u>(95,416)</u>	<u>(1)</u>
Total comprehensive income		<u>\$1,309,371</u>	<u>7</u>	<u>\$554,643</u>	<u>4</u>
Profit attributable to:					
Owners of the parent company		\$1,363,092		\$597,477	
Non-controlling interests		145,491		52,582	
		<u>\$1,508,583</u>		<u>\$650,059</u>	
Comprehensive income attributable to:					
Owners of the parent company		\$1,163,880		\$502,061	
Non-controlling interests		145,491		52,582	
		<u>\$1,309,371</u>		<u>\$554,643</u>	
Earnings per share(NT\$):	6(17)				
Earnings per share - basic					
Profit from continuing operations		<u>\$11.30</u>		<u>\$4.95</u>	
Earnings per share - diluted					
Profit from continuing operations		<u>\$11.22</u>		<u>\$4.92</u>	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
ASROCK INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGE IN STOCKHOLDERS' EQUITY
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent company										
	Retained earnings					Total other equity interest					
	Share 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 attributable to owners of the parent company	Non-controlling interests	Total equity
Balance as of January 1, 2019	\$1,207,456	\$3,131,054	\$1,090,592	\$305,453	\$650,142	\$(186,407)	\$(82,494)	\$(480)	\$6,115,316	\$(3,828)	\$6,111,488
Appropriation and distribution of 2018 retained earnings											
Legal reserve appropriated	-	-	59,292	-	(59,292)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(482,791)	-	-	-	(482,791)	-	(482,791)
Reversal of special reserve	-	-	-	(119,046)	119,046	-	-	-	-	-	-
Profit in 2019	-	-	-	-	597,477	-	-	-	597,477	52,582	650,059
Other comprehensive income, net of tax in 2019	-	-	-	-	(2,487)	(92,929)	-	-	(95,416)	-	(95,416)
Total comprehensive income	-	-	-	-	594,990	(92,929)	-	-	502,061	52,582	554,643
Treasury stock acquired	-	-	-	-	-	-	-	(504)	(504)	-	(504)
Treasury stock cancelled	(984)	-	-	-	-	-	-	984	-	-	-
Changes in subsidiaries' ownership	-	(6,537)	-	-	(31)	-	-	-	(6,568)	6,568	-
Share-based payment transaction	-	5,142	-	-	396	-	64,292	-	69,830	6,689	76,519
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	195,112	195,112
Balance as of December 31, 2019	\$1,206,472	\$3,129,659	\$1,149,884	\$186,407	\$822,460	\$(279,336)	\$(18,202)	\$-	\$6,197,344	\$257,123	\$6,454,467
Balance as of January 1, 2020	\$1,206,472	\$3,129,659	\$1,149,884	\$186,407	\$822,460	\$(279,336)	\$(18,202)	\$-	\$6,197,344	\$257,123	\$6,454,467
Appropriation and distribution of 2019 retained earnings											
Legal reserve appropriated	-	-	59,535	-	(59,535)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	92,929	(92,929)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(482,570)	-	-	-	(482,570)	-	(482,570)
Profit in 2020	-	-	-	-	1,363,092	-	-	-	1,363,092	145,491	1,508,583
Other comprehensive income, net of tax in 2020	-	-	-	-	(5,891)	(193,321)	-	-	(199,212)	-	(199,212)
Total comprehensive income	-	-	-	-	1,357,201	(193,321)	-	-	1,163,880	145,491	1,309,371
Treasury stock acquired	-	-	-	-	-	-	-	(48)	(48)	-	(48)
Treasury stock cancelled	(48)	-	-	-	-	-	-	48	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	335	-	-	(27)	-	-	-	308	(308)	-
Changes in subsidiaries' ownership	-	(261)	-	-	-	-	-	-	(261)	261	-
Share-based payment transaction	-	4,972	-	-	(519)	-	18,202	-	22,655	1,785	24,440
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	2,776	2,776
Balance as of December 31, 2020	\$1,206,424	\$3,134,705	\$1,209,419	\$279,336	\$1,544,081	\$(472,657)	\$-	\$-	\$6,901,308	\$407,128	\$7,308,436

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
ASROCK INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2020	2019
Cash flows from operating activities:		
Profit before tax	\$1,855,783	\$784,917
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	72,865	63,994
Amortization expense	5,176	5,342
Expected credit losses and gains	(3,853)	12,401
Interest expenses	896	2,431
Interest income	(20,229)	(33,580)
Compensation cost arising from employee stock options	24,440	76,519
Loss on disposal of property, plant and equipment	177	-
Property, plant and equipment charged to expenses	78	-
Changes in operating assets and liabilities:		
Decrease in note receivable, net	-	714
Increase in accounts receivable, net	(55,927)	(474,320)
Decrease in account receivable-related parties	32,169	489,270
Increase in inventories, net	(838,731)	(30,766)
Decrease (Increase) in other current assets	62,313	(97,682)
Increase in accounts payable	247,171	1,063,444
Decrease in account payables-related parties	(54,715)	(677,768)
Increase in other payables	230,180	204,842
Increase in other current liabilities	17,131	35,796
Increase in net defined benefit liabilities	909	914
Increase (Decrease) in other non-current liabilities	816	(66)
Cash generated from operations	<u>1,576,649</u>	<u>1,426,402</u>
Income taxes paid	(224,625)	(80,034)
Net cash provided by operating activities	<u>1,352,024</u>	<u>1,346,368</u>
Cash flows from investing activities:		
Acquisition of financial assets measured at amortized cost	-	(389,359)
Proceed from disposal of financial assets measured at amortized cost	100,323	-
Acquisition of property, plant and equipment	(34,884)	(27,657)
Proceed from disposal of property, plant and equipment	20	-
Increase in guarantee deposits paid	(5,902)	-
Decrease in guarantee deposits paid	-	421
Acquisition of intangible assets	(8,959)	(3,486)
Decrease (Increase) in other non-current assets	1,565	(6,103)
Interest received	21,308	33,020
Net cash provided by (used in) investing activities	<u>73,471</u>	<u>(393,164)</u>
Cash flows from financing activities:		
Decrease in short-term loans	-	(184,795)
Cash payments for the principal portion of the lease liability	(35,750)	(30,110)
Cash dividends	(482,570)	(482,791)
Treasury stock acquired	(48)	(504)
Interest paid	-	(1,610)
Changes in non-controlling interests	2,776	195,112
Net cash used in financing activities	<u>(515,592)</u>	<u>(504,698)</u>
Effect of exchange rate fluctuations on cash held	<u>(182,907)</u>	<u>(87,137)</u>
Net increase in cash and cash equivalents	726,996	361,369
Cash and cash equivalents, beginning of the year	2,036,151	1,674,782
Cash and cash equivalents, end of the year	<u>\$2,763,147</u>	<u>\$2,036,151</u>

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

II. Auditing Committee's Review Report on Financial Statements 2020

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 2020. 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: Wei, Ai

Feb. 24, 2021

III. Report on Remuneration to Employees and Directors 2020.

- 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 2020 under the Articles of Incorporation of ASRock is shown below:
 - (1) Remuneration to employees: NT\$129,435,135
 - (2) Remuneration to Directors: NT\$12,943,513
 - (3) The aforementioned amount will be paid in cash in whole, which is relevant with the amount of expense presented for recognition in 2020.

IV. Distribution of Cash Dividend from Earnings 2020.

- 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\$965,139,432 at NT\$8/share.
 2. The dividend will be paid in cash in the proportion of shareholding rounded to the nearest NT Dollar. The fraction falling below NT\$1 will be recognized as other incomes of the Company. The Board shall set the dividend day and handle related matters.
 3. In the event of a change in the quantity of the outstanding shares of the Company in the future, to the effect that the ratio of dividend payment to the shareholders shall be subject to adjustment, the Board is expected to have full discretion in adjusting within the aforementioned amount for dividend payment.

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

- Description:
1. The Amendment to the “Rules of Procedure of the Board of Directors Meetings” of ASRock was made in accordance with Letter Tai-Zheng-Zhi-Li-Zi no. 1090009468. The mapping of the clauses before and after the amendment is attached. (Appendix I and II of This Handbook)

[Proposals Items]

Motion no. 1: [proposed by the Board]

Cause of motion: The 2020 financial statements of ASRock presented for recognition.

Description: The 2020 financial statements and consolidated financial statements have been audited by Yang, Chih-Hui and Yu, Chien-Ju, CPAs of Ernst & Young, which have been referred to the Auditing Committee together with the 2020 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 pp. 7-28.

Resolution:

Motion no. 2: [Proposed by the Board]

Cause of motion: The 2020 distribution of earnings of ASRock presented for recognition.

Description:

1. The Company had a net income of NT\$1,363,092,117 in 2020 and plans to pay out to shareholders in accordance with the Articles of Incorporation.
2. The proposal for distribution of earnings in 2020 (Appendix 3 of This Handbook).

Resolution:

[Discussion and Election Items]

Motion no. 1; [Proposed by the Board]

Cause of motion: Amendment to the “Regulations Governing the Election of Directors” of ASRock presented for decision.

Description: 1. Amendment to the “Regulations Governing the Election of Directors” in part in accordance with Letter Jin-Guan-Zheng-Fa-Zi no.1090338980 dated 05/29/2020 and Letter Tai-Zheng-Zhi-Li-Zi no. 1090009468 dated 06/03/2020. The mapping of the clauses before and after the amendment is attached. (Appendix IV of This Handbook)

Resolution:

Motion no. 2: [Proposed by the Board]

Cause of motion: The issuance of Restricted Stock Awards 2021 presented for decision.

Description: 1. The Company plans to issue of Restricted Stock Awards 2021 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.

II. Issue Price: NT\$10 per share

III. Issue Conditions:

(1) Vested conditions:

(I) The Company’s overall performance:

(1) The Company’s EPS was more than NT\$10, i.e. overall weight by 100%, in the previous year.

(2) The Company’s EPS ranged from NT\$7.5 to NT\$10, i.e. overall weight by 50%, in the previous year.

(3) The Company’s EPS was less than than NT\$7.5, i.e. overall weight by 0%, in the previous year.

(II) Personal Performance:

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

(2) The interim performance appraisal ranking B+ to A (exclusive of A), i.e. personal weight by 80%.

(3) The interim performance appraisal ranking B- to B+ (exclusive of B+), i.e. personal weight by 60%.

- (4) The interim performance appraisal ranking C, i.e. personal weight by 0%.
- (III) Where any employee, upon expiration of one year after the employee has been hired at the time of subscription for the 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.
- (IV) Where any employee, upon expiration of two years after the employee has been hired at the time of subscription for the 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.
- (V) Where any employee, upon expiration of three years after the employee has been hired at the time of subscription for the 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:
- (I) 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.
- (II) 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.

(III) 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.

(IV) 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.

(V) 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.

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

IV. 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.

V. The reasons why it is necessary to issue the RSAs:

The Company desires to recruit and retain the professionals required by the Company and raise the employees' loyalty and sense of belonging toward the Company, in order to create profit for the Company and shareholders at the same time.

VI. 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\$143, on February 4, 2021, the expensable amounts will be NT\$88,576 thousand, NT\$40,688 thousand, NT\$15,717 thousand and NT\$1,282 thousand, respectively, in 2021, 2022, 2023 and 2024.

(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\$0.73, NT\$0.34, NT\$0.13 and NT\$0.01 in 2021, 2022, 2023 and 2024, 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.

Resolution:

Motion no. 3: [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 05/31/2021. We propose the 2021 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 2021 General Meeting of Shareholders with a tenure of 3 years in office, which starts on 05/26/2021 and expires on 05/25/2024. 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.	Senior Vice President: Pegatron Corporation Chairman: Top Quark Ltd. Executive Director: Digitek (Chongqing) Limited	0
Representative of Asus Investment Inc.: 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: Pegatron Corporation (and also CEO) Pegavision Corporation Kinsus Investment Co., Ltd. Lumens Digital Optics Inc. Huawei Investment Co., Ltd. Huayu Investment Co., Ltd. Huaxu Investment Co., Ltd. RI-KUAN Metal Corporation Aquamax Corporation Fisfisa Media Co., Ltd. Directors: Kinsus Interconnect Technology Corp. AzureWave Technologies, Inc. FuYang Technology 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

			<p>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 National Chung-Shan Institute of Science and Technology Cloud Gate Culture and Arts Foundation Chairman: Chinese Cultural and Creative Development Association Vice Chairman: Monte Jade Science & Technology Association of Taiwan Director: Taipei Computer Association Supervisor: National Performing Arts Center, Ministry of Culture</p>	
<p>Representative of Asus Investment Inc.: Cheng, Kuang-Chin</p>	<p>Master degree in Computer Science and Information Engineering, Tamkang University</p>	<p>Assistant Vice President, ASUSTeK Computer Inc.</p>	<p>R&D Vice President: Pegatron Corporation</p>	<p>57,217,754</p>
<p>Representative of Asus Investment Inc.: Hsu, Lung-Lun</p>	<p>Bachelor degree in Electrical Engineering, National Taiwan University Master degree in Electrical Engineering, National Taiwan University</p>	<p>Section Head, R&D Dept., ASUSTeK Computer Inc.</p>	<p>President: ASRock Incorporation Chairman & CSO: ASRock Rack Director: Yah Boo International Trading Co., Ltd. ASIAROCK TECHNOLOGY LTD. LEADER INSIGHT HOLDINGS LTD. FIRSTPLACE INTERNATIONAL LTD. CALROCKHOLDINGS, LLC ASRock America, Inc.</p>	<p>57,217,754</p>

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

Name	Education	Experience	Present position	Shareholding
Wei, Ai	Ph.D. in East Asian Studies, National Cheng-Chi University Master degree in Fletcher School of Law and Diplomacy, Tufts University Bachelor degree in Economics, National Cheng-Chi University	Director/Associate Professor, Graduate Institute of East Asian Studies, National Cheng-Chi University Chief Secretary, Secretariat of National Cheng-Chi University Government shareholder's representative, Hua Nan Financial Holdings Associate Professor, Department of Public Finance, National Cheng-Chi University Vice Convener of Economy Group, Institute of International Relations, National Cheng-Chi University Visiting Scholar, Stanford University	Director: Cross-Strait Economic and Political Research Center, College of International Affairs, National Cheng-Chi University Vice Chairman: Bridge Across the Strait Foundation Adjunct Professor: Graduate Institute of East Asian Studies, National Cheng-Chi University	0
Reasons for continued nomination of an independent director for three consecutive terms: Mr. Wei, Ai has served as an independent director in the Company for three consecutive terms. In consideration of his character and ethical conduct that won affirmative recognition, he is held satisfying the independence requirements before the election and during his service. Besides, as he holds the position as the convener of the Company's Audit Committee and Remuneration Committee, he is very experienced in industries and also well familiar with the Company's operations. He is a very important consultant for the Board of Directors, who may judge the Company's affairs independently and provide relevant objective opinions and thereby would help the supervision of the Company's operations and protection of shareholders' equity.				
Wu, Chin-Jung	Master degree in Industrial Educations, National Taiwan Normal University Bachelor degree in Chemical Engineering, National Taiwan University	Senior Advisor, iSuppli President, Taiwan of Dataquest Manager, IGEE Technology Inc. Factory Manager, KUNG-JIM Chemical Co., Ltd. Lecturer, Hungkuang University	President: Explore Microelectronics Inc.	0
Reasons for continued nomination of an independent director for three consecutive terms: Mr. Wu, Chin-Jung has served as an independent director in the Company for three consecutive terms. As he is well experienced in commerce and finance, he can provide important recommendations to the Company and is also held satisfying the independence requirements before the election and during his service. Though he has been elected as an independent director in the Company for three consecutive terms, the Company still needs to				

	rely on his expertise to supervise the Board of Directors and seek professional comments from him.			
Ouhyoung, Ming	Ph.D. in Computer Science, North Carolina State University at Chapel Hill Master degree in , Electrical Engineering(Computing Group), National Taiwan University Bachelordegree 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
Reasons for continued nomination of an independent director for three consecutive terms: N/A.				

4. Please proceed with the election in accordance with the Company’s “Regulations Governing Election of Directors”.

Voting Results:

Article IV: [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	Senior President: Pegatron Corporation Chairman: Top Quark Ltd. Executive Director: Digitek (Chongqing) Limited
Institutional Director	Huawei Investment Co., Ltd.	
Institutional Representative	Tung, Tzu-Hsien	Chairman: Pegatron Corporation (and also CEO) Pegavision Corporation Kinsus Investment Co., Ltd. Lumens Digital Optics Inc. Huawei Investment Co., Ltd. Huayu Investment Co., Ltd. Huaxu Investment Co., Ltd. RI-KUAN Metal Corporation Aquamax Corporation Fisfisa Media Co., Ltd. Director: Kinsus Interconnect Technology Corp. AzureWave Technologies, Inc. FuYang Technology 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. Q Place Creative Inc.

		<p>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 National Chung-Shan Institute of Science and Technology Cloud Gate Culture and Arts Foundation</p> <p>Chairman: Chinese Cultural and Creative Development Association Vice Chairman: Monte Jade Science & Technology Association of Taiwan Director: Taipei Computer Association Supervisor: National Performing Arts Center, Ministry of Culture</p>
Institutional Representative	Cheng, Kuang-Chin	R&D Vice President: Pegatron Corporation
Institutional Representative	Hsu, Lung-Lun	<p>President: ASRock Incorporation Chairman & CSO: ASRock Rack Director: Yah Boo International Trading Co., Ltd. ASIAROCK TECHNOLOGY LTD. LEADER INSIGHT HOLDINGS LTD. FIRSTPLACE INTERNATIONAL LTD. CALROCKHOLDINGS, LLC ASRock America, Inc.</p>

Name List of Candidates for Independent Directors		
	Name	Concurrent Position
Independent Director	Wei, Ai	<p>Vice Chairman: Bridge Across the Strait Foundation Director: Cross-Strait Economic and Political Research Center, College of International Affairs, National Cheng-Chi University Adjunct Professor: Graduate Institute of East Asian Studies, National Cheng-Chi University</p>
Independent Director	Wu, Chin-Jung	President: Explore Microelectronics Inc.
Independent Director	Ouhyoung, Ming	<p>Adjunct Professor: Department of Computer Science & Information Engineering, National Taiwan University Graduate Institute of Networking and Multimedia, National Taiwan University</p>

[Extemporary motions]

III. Appendix

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

6th Amendment

Clauses currently in force	Provisions under amendment	Description
<p>Article 7 The Chairman shall act as the <u>Presiding Officer</u> and call for the sessions of the Board. 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. Skipped.</p>	<p>Article 7 The Chairman shall act as the <u>Presiding Officer</u> 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. <u>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.</u> Skipped.</p>	<ol style="list-style-type: none"> 1. Amendment to the wording pursuant to Article 10 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies. 2. An adjustment was made with the addition of Paragraph 2 pursuant to Paragraph 4 under Article 203 and Article 203-1.
<p>Article 11 Paragraph 1 and Paragraph 2 skipped. 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 Paragraph <u>3</u>, Article 8 shall govern.</p>	<p>Article 11 Paragraph 1 and Paragraph 2 skipped. 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 Paragraph <u>5</u>, Article 8 shall govern.</p>	<p>Adjustment of the order of the paragraph</p>
<p>Article 12 The following shall be presented to the Board for discussion: 1. The Business Plan of the Company. 2. Annual <u>and Interim</u> Financial Report. <u>Except the interim financial report which is not required for audit under law.</u></p>	<p>Article 12 The following matters shall be presented to the Company’s Board for discussion: 1. The business plan of the Company. 2. Annual Financial Report <u>and the Financial Report of the 2nd quarter required for an audit with certification.</u></p>	<p>Adjustment of Subparagraph 2 of Paragraph 1 in response to the amendment to Article 14-5 of the Securities and Exchange Act.</p>

Clauses currently in force	Provisions under amendment	Description
Skipped.	Skipped.	
Article 15 Paragraph 1 skipped. Directors who have no voting rights in the decision-making process of the Board as stated in the preceding paragraph shall be governed by Paragraph 2 under Article 180 of the Company Act pursuant to Paragraph 3 under Article 206 of the same law.	Article 15 Paragraph 1 skipped. <u>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.</u> Directors who have no voting rights in the decision-making process of the Board as stated shall be governed by Paragraph 2 under Article 180 of the Company Act pursuant to Paragraph 4 under Article 206 of the same law.	Amendment to Paragraph 2 in line with Paragraph 3 under Article 206 of the Company Act thereby, the previous Paragraph 2 was adjusted as Paragraph 3 with a relevant change in the wording.
Article 20 <u>The Regulations was amended for the 1st instance on 12/25/2006.</u> (Skipped) <u>The Regulations was amended for the 5th instance on 10/25/2017.</u>	Article 20 <u>The Regulations was amended for the 1st instance on 12/25/2006.</u> (Skipped) <u>The Regulations was amended for the 6th instance on 08/04/2020.</u>	Adding the date of amendment of this instance.

7th Amendment

Clauses currently in force	Provisions under amendment	Description
Article 1 The rules of procedure of the Board of Directors Meetings shall be governed by <u>This Rule</u> unless otherwise specified by other laws.	Article 1 The rules of procedure of the Board of Directors Meetings shall be governed by <u>This Rule</u> unless otherwise specified by other <u>applicable laws and the Articles of Incorporation</u> of the Company.	Text correction.
Article 3 The Board shall <u>convene once</u> quarterly. The Board shall specify the reasons for the <u>convention</u> and notify the Directors 7 days in advance but may call for a session at any time in case of emergency. Paragraph 3 omitted.	Article 3 The Board shall <u>convene at least once</u> quarterly. The Board shall specify the reasons for the <u>convention</u> and notify the Directors 7 days in advance but may call for a session at any time in case of emergency. Paragraph 3 omitted. The particulars inscribed in	Text adjustment in response to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Clauses currently in force	Provisions under amendment	Description
The particulars inscribed in Paragraph 1 under Article <u>12</u> shall be listed as the reasons for the convention. They cannot be proposed as extemporary motions unless under emergency or with justifiable reasons.	Paragraph 1 under Article <u>7</u> shall be listed as the reasons for the convention. They cannot be proposed as extemporary motions unless under emergency or with justifiable reasons.	
Article <u>4</u> Skipped.	Article <u>5</u> Skipped.	Adjustment on the Article No. in response to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.
Article <u>5</u> Skipped.	Article <u>9</u> Skipped.	Adjustment on the Article No. in response to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.
Article <u>6</u> Skipped.	Article <u>4</u> Skipped.	Adjustment on the Article No. in response to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.
Article <u>7</u> Skipped.	Article <u>10</u> Skipped.	Adjustment on the Article No. in response to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.
Article <u>8</u> <u>When a meeting of the Board of Directors is held, the designated unit responsible for the Board meetings shall furnish the attending directors with relevant materials for ready reference.</u> 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. The Presiding Officer shall announce the session of the General Meeting of Shareholders at the exact time scheduled for the meeting <u>when more than one-half of all the directors are in attendance.</u>	Article <u>11</u> 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. Skipped. Article <u>12</u> The Presiding Officer shall announce the session of the General Meeting of Shareholders at the exact time scheduled for the meeting <u>if a quorum is qualified.</u> <u>If the attendance of shareholders to the meeting cannot qualify for a quorum,</u> 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	1. Adjustment on the Article No. and text correction in response to the Regulations Governing Procedure for the Board of Directors Meetings of Public Companies. 2. Adjustment on the applicable Paragraph Nos.

Clauses currently in force	Provisions under amendment	Description
<p><u>If one-half of all the directors are not in attendance at the appointed meeting time</u>, 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 16 shall be those who are in office.</p>	<p>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.</p>	
<p>Article 9 Paragraph 1 and Paragraph 2 skipped. If the Board convenes via video conferencing, the audiovisual data shall constitute an integral part of the <u>meeting minutes</u> on record and shall be properly kept within the perpetuity of the Company.</p>	<p>Article 18 Paragraph 1 and Paragraph 2 skipped. If the Board convenes via video conferencing, the audiovisual data shall constitute an integral part of the <u>meeting minutes</u> on record and shall be properly kept within the perpetuity of the Company.</p>	<p>Adjustment on the Article No. and text correction in response to the Regulations Governing Procedure for the Board of Directors Meetings of Public Companies.</p>
<p>Article 10 Skipped.</p>	<p>Article 6 Skipped.</p>	<p>Adjustment on the Article No. in response to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>
<p>Article 11 Paragraph 1 and Paragraph 2 skipped. 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 <u>Paragraph 5, Article 8</u> shall govern.</p>	<p>Article 13 Paragraph 1 and Paragraph 2 skipped. 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 <u>preceding</u> article shall govern.</p>	<ol style="list-style-type: none"> 1. Adjustment on the Article No. in response to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies. 2. Adjustment on the applicable Paragraph Nos.
<p>Article 12 The following matters shall be presented to the <u>Company's</u> Board for discussion:</p>	<p>Article 7 The following of <u>the Company</u> shall be presented to the Board for discussion:</p>	<ol style="list-style-type: none"> 1. Adjustment on the Article No. in response to the Regulations Governing Procedure for

Clauses currently in force	Provisions under amendment	Description
<p>The subparagraphs 1&2 omitted.</p> <p>3. The institution or amendment to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act (<u>hereinafter referred to as the “Act”</u>) and evaluating the effectiveness of the internal control system.</p> <p>Skipped.</p>	<p>The subparagraphs 1&2 omitted.</p> <p>3. The institution or amendment to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act (<u>hereinafter, “SEA”</u>) and evaluating the effectiveness of the internal control system.</p> <p>Skipped.</p>	<p>Board of Directors Meetings of Public Companies.</p> <p>2. Text correction.</p>
	<p>Article 8</p> <p>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.</p>	<p>Additions to this provision in response to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>
<p>Article <u>13</u></p> <p>Paragraph 1 skipped.</p> <p>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.</p> <p>If a specific Director has an adverse opinion on a particular motion, such motion shall be referred to voting for decision.</p> <p><u>One voting method for motions at a meeting of the Board of Directors shall be selected by the chairperson from among those below, provided that when a present director has an objection, the chairperson shall seek the opinion of the majority to make a decision:</u></p> <p><u>1. A show of hands or a vote by voting machine.</u></p> <p><u>2. A roll call vote.</u></p> <p><u>3. A vote by ballot.</u></p> <p><u>4. A vote by a method selected at the Company’s discretion.</u></p> <p>All the Directors in session as mentioned in Paragraph 2 shall not include the Directors</p>	<p>Article <u>14</u></p> <p>Paragraph 1 skipped.</p> <p>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 <u>for approval the same as approval by voting.</u></p> <p>If a specific Director has an adverse opinion on a particular motion, such motion shall be referred to voting for decision.</p> <p><u>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.</u></p> <p>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.</p>	<p>1. Adjustment on the Article No. and text correction in response to the Regulations Governing Procedure for the Board of Directors Meetings of Public Companies.</p> <p>2. Adjustment on the applicable Paragraph Nos.</p>

Clauses currently in force	Provisions under amendment	Description
without voting rights as stated in Paragraph 1 under Article 15.		
<p>Article <u>14</u> <u>The Company's 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 Securities and Exchange Act, and the Company Act specified otherwise.</u> <u>Except where otherwise provided by the Act and the Company Act, the passage of a motion at a meeting of the Company's Board of Directors shall require the approval of a majority of the directors in attendance at a meeting of the Board of Directors attended by a majority of all directors. 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. However, 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.</u> <u>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.</u> <u>The voting result must be reported by the chairperson on the site and also recorded.</u></p>	<p>Article <u>15</u> 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 <u>Company Act</u>, Securities and Exchange Act, and the <u>Articles of Incorporation</u> specified otherwise.</p> <p>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.</p>	<p>Adjustment on the Article No. and text correction in response to the Regulations Governing Procedure for the Board of Directors Meetings of Public Companies.</p>
<p>Article <u>15</u> Paragraph 1 skipped. 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</p>	<p>Article <u>16</u> Paragraph 1 skipped. 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</p>	<p>Adjustment on the Article No. and text correction in response to the Regulations Governing Procedure for the Board of Directors Meetings of Public Companies.</p>

Clauses currently in force	Provisions under amendment	Description
<p>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.</p> <p>Directors who have no voting rights in the decision-making process of the Board as stated shall be governed by Paragraph 2 under Article 180 of the Company Act pursuant to Paragraph 4 under Article 206 of the same law.</p>	<p>control and particular motion in the meeting, it shall be construed as the conflict of interest between the Director and the motion in point.</p> <p>Directors who have no voting rights in the decision-making process of the Board as stated <u>in the preceding 2 paragraphs</u> shall be governed by Paragraph 2 under Article 180 of the Company Act pursuant to Paragraph 4 under Article 206 of the same law.</p>	
<p>Article <u>16</u></p> <p>The discussion and resolutions of the Board shall be tracked as minutes of the meeting on record covering the following particulars:</p> <p>The subparagraphs 1 to 6 omitted.</p> <p>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 <u>12</u>.</p> <p>The subparagraphs 8&9 omitted.</p> <p>If any of the following applies to a particular issue of the Board for resolution, specify the detail as meeting minutes, and <u>the public website</u> at the website designated by the <u>Financial Supervisory Commission, Executive Yuan</u> within 2 days after the session of the Board:</p> <p>The subparagraph 1 skipped.</p>	<p>Article <u>17</u></p> <p>The discussion and resolutions of the Board shall be tracked as minutes of the meeting on record covering the following particulars:</p> <p>The subparagraphs 1 to 6 omitted.</p> <p>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 <u>7</u>.</p> <p>The subparagraphs 8&9 omitted.</p> <p>If any of the following applies to a particular issue of the Board for resolution, specify the detail as meeting minutes, and <u>declare online</u> at the website designated by the <u>competent authority</u> within 2 days after the session of the Board:</p> <p>The subparagraph 1 skipped.</p> <p>2. Motions which have not been passed by the Auditing Committee of the Company but approved by more than 2/3 of the Directors.</p> <p>Skipped.</p>	<ol style="list-style-type: none"> 1. Adjustment on the Article No. and text correction in response to the Regulations Governing Procedure for the Board of Directors Meetings of Public Companies. 2. Adjustment on the applicable Paragraph Nos.

Clauses currently in force	Provisions under amendment	Description
<p>2. Motions which have not been passed by the Auditing Committee of the Company but approved by more than 2/3 of the Directors. Skipped.</p>		
<p><u>Article 17</u> <u>Article 2, Paragraph 2 of Article 3, Articles 4 to 6, Articles 8 to 11, and Articles 13 to 16 herein shall apply to the parliamentary procedures of meetings of the Company's Board of Managing Directors mutatis mutandis.</u> <u>Notwithstanding, where the meeting of the Board of Managing Directors is required to be convened periodically within 7 days, the meeting shall be notified to each managing director 2 days ago.</u></p>		<p>Deletion of this provision in response to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>
<p>Article 18 Skipped.</p>	<p>Article <u>19</u> Skipped.</p>	<p>Adjustment on the Article No. in response to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.</p>
<p>Article <u>19</u> The <u>Rules</u> has been passed by the Board and became effective on 01/01/2007. <u>Article 20</u> The <u>Regulations</u> was amended for the 1st instance on 12/25/2006. The <u>Regulations</u> was amended for the 2nd instance on 03/26/2008. The <u>Regulations</u> was amended for the 3rd instance on 05/02/2012. The <u>Regulations</u> was amended for the 4th instance on 12/17/2012. The <u>Regulations</u> was amended for the 5th instance on 10/25/2017. The <u>Regulations</u> was amended for the 6th instance on 08/04/2020.</p>	<p>Article <u>20</u> The <u>Rules of Procedure of the Board of Directors Meetings</u> 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</p>	<ol style="list-style-type: none"> 1. Adjustment on the Article No. and text correction in response to the Regulations Governing Procedure for the Board of Directors Meetings of Public Companies. 2. Adding the date of amendment of this instance.

Clauses currently in force	Provisions under amendment	Description
	<p>Board of Directors Meetings was amended for the 6th instance on 08/04/2020.</p> <p><u>The Rules of Procedure of the Board of Directors Meetings was amended for the 7th instance on 02/24/2021.</u></p>	

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

ASRock Incorporation

Rules of Procedure of the Board of Directors Meetings

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

business effect.

5. Offering, issuance or acquiring equity securities through private placement.
6. The appointment and dismissal of a chief financial officer, chief accounting officer, or chief internal auditor.
7. 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.
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.

Related parties as referred to in Subparagraph 7 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.

Appendix III: Proposal for Distribution of Earnings 2020.

ASRock Incorporation
Proposal for Distribution of Earnings
2020

Unit: NT\$

Title	Amount	Remark								
Undistributed earnings at the beginning of the period	\$187,425,668									
Earnings in 2020 available for distribution:										
Net income in 2020	1,363,092,117									
Add (less): Changes in the remeasurement of the defined benefit plan	(5,891,113)									
Labor cost of employee restricted shares	(518,835)									
Changes in the associates accounted for using equity method	(26,819)									
Items for recognition:										
Appropriation of legal reserve	(135,665,535)									
Appropriation of special reserve	(193,320,539)									
Subtotal of earnings in 2020 available for distribution	1,027,669,276									
Items for distribution:										
Shareholder dividend - cash	(965,139,432)	NT\$8/share								
Undistributed earnings at the ending of the period	249,955,512									
<p>Note: the earnings in 2020 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.</p> <p style="text-align: center;">The year of cash dividend payment:</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Year of earnings</th> <th style="text-align: center;">Amount</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2020</td> <td style="text-align: right;">965,139,432</td> </tr> <tr> <td style="text-align: center;">1998 -2020</td> <td style="text-align: center;">-</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right;">965,139,432</td> </tr> </tbody> </table>			Year of earnings	Amount	2020	965,139,432	1998 -2020	-	Total	965,139,432
Year of earnings	Amount									
2020	965,139,432									
1998 -2020	-									
Total	965,139,432									

Chairman: Tung, Hsu-Tien

Manager: Hsu, Lung-Lun

Chief Accounting Officer: Li, Hui-Ru

Appendix IV: The mapping of the clauses of the “Regulations Governing the Election of Directors’ before and after the amendment.

Clauses currently in force	Provisions under amendment	Description
<p><u>Article 7:</u> <u>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.</u></p>		<p>The candidate nomination system will be adopted by companies listed at TWSE (TPEX) for the election of Directors and Supervisors from 2021 onward under Jin-Guan-Zheng-Jiao-Zi No. 1080311451 announced by the Financial Supervisory Commission on 04/25/2019. Accordingly, shareholders shall elect the candidates on the list to the seats of Directors. Before the convention of the Shareholders Meeting, shareholders can understand the names, education, experience and related information on the candidates from the list. As such, it will be unnecessary to use the account title of the shareholder or the ID card number to identify the candidate and this provision is deleted.</p>
<p><u>Article 8:</u> A ballot will be invalid if any of the following applies:</p> <ol style="list-style-type: none"> 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 	<p><u>Article 7:</u> A ballot will be invalid if any of the following applies:</p> <ol style="list-style-type: none"> 1. Use a ballot not prepared by <u>the convener</u>. 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. The name of the candidate marked on the ballot was found irrelevant <u>with the list</u> 	<p>Reassignment of the article number after the deletion of Article 7. Shareholders may convene by themselves under special circumstances pursuant to Article 173 of the Company Act (if the Board fails to give notice of meeting). Amendment to Subparagraph 1 of this article was made for this purpose. The candidate nomination system will be adopted by companies listed at TWSE (TPEX) for the election of</p>

Clauses currently in force	Provisions under amendment	Description
<p><u>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</u> were found irrelevant.</p> <p>5. <u>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.</u></p> <p>6. <u>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.</u></p>	<p><u>of candidates to the Directors' seats.</u></p> <p>5. Further to marking down the number of votes allotted, there is other handwriting on the ballot.</p>	<p>Directors and Supervisors from 2021 onward under Jin-Guan-Zheng-Jiao-Zi No. 1080311451 announced by Financial Supervisory Commission on 04/25/2019. As such, shareholders shall elect the candidates on the list of candidates to the seats of Directors that an adjustment was made in Subparagraph 4 and Subparagraph 5 of this article, with the deletion of Subparagraph 6.</p>
Article 9: Skipped.	Article 8: Skipped.	Reassignment of the article number after the deletion of Article 7.
Article 10: Skipped.	Article 9: Skipped.	Reassignment of the article number after the deletion of Article 7.
Article 11: Skipped.	Article 10 Skipped.	Reassignment of the article number after the deletion of Article 7.
Article 10: Skipped.	Article 11: Skipped.	Reassignment of the article number after the deletion of Article 7.
<p>Article 13: This set of regulations was amended for the 1st instance on 06/19/2006. (Skipped) <u>The amendment of the Regulations for the 3rd instance was passed on 06/18/2012.</u></p>	<p>Article 12: This set of regulations was amended for the 1st instance on 06/19/2006. (Skipped) <u>The amendment of The Regulations for the 4th instance was passed on 05/26/2021.</u></p>	<p>Reassignment of the article number after the deletion of Article 7. Add the date of amendment of this instance.</p>

Appendix V: Amended Regulations Governing 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: A ballot shall be invalid if any of the following applies:
1. Use a ballot not prepared by the convener.
 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. The name of the candidate marked on the ballot was found irrelevant with the list of candidates to the Directors' seats.
 5. Further to marking down the number of votes allotted, there is other handwriting on the ballot.
- Article 8: 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 9: A notice of election as Director will be sent to the candidates elected as Directors after the conclusion of the Shareholders Meeting.
- Article 10: Anything not mentioned in the Regulations shall be governed by the Company Act, the Articles of Incorporation of the Company and applicable laws.
- Article 11: The Regulations shall come into force after passing by the Shareholders Meeting. The same procedure is applicable to any amendment thereto.
- Article 12: 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. The amendment to the Regulations for the 4th instance was passed on 05/26/2021.

Appendix VI: 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 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.

ASRock Incorporation

Chairman: Tung, Hsu-Tien

Appendix VII: 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 is 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 VIII: 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 s 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.

Appendix IX: Shareholding by Directors

1. The Company has paid-in capital amounting to NT\$1,206,424,290 and has issued 120,642,429 outstanding shares.
2. According to Article 26 of the Securities and Exchange Act, all Directors shall hold a minimum of 8,000,000 shares in totality.
3. The holding of shares by all Directors in totality and individually as stated in the shareholders roster as of the day of transaction of shares was prohibited prior to the General Meeting of Shareholders:

03/31/2021

Title	Name	Date of election to office	Quantity of shareholding	Proportion of shareholding (%)
Chairman	Tung, Hsu-Tien	06/01/2018	-	-
Director	Asus Investment Inc. Representative: Tung, Tzu-Hsien	06/01/2018	57,217,754	47.43
Director	Asus Investment Inc. Representative: Cheng, Kuang-Chin	06/01/2018	57,217,754	47.43
Director	Asus Investment Inc. Representative: Hsu, Lung-Lun	06/01/2018	57,217,754	47.43
Independent Director	Wu, Chin-Jung	06/01/2018	-	-
Independent Director	Wei, Ai	06/01/2018	-	-
Independent Director	Ouhyoung, Ming	06/12/2019	-	-
Total quantity of shares held by all Directors			57,217,754	47.43

Appendix X: 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 03/19/2021 and ends on 03/29/2021. 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.