

Chenbro Micom Co., Ltd.

Meeting Minutes for 2022 Annual Meeting of Shareholders

Disclaimer : For the convenience of readers, the procedure, agendas, attachments, resolutions, meeting minutes and appendixes of Chenbro Annual Shareholders' General Meeting have been translated into English from original Traditional Chinese version circulated in Taiwan, the Republic of China. If there is any conflict between English version and Traditional Chinese version or any differences within the interpretation, the Traditional Chinese version shall prevail.

Time and Date: 9:00 a.m., Tuesday, May 31, 2022

Venue : RF, No. 558, Zhongyuan Rd., Xinzhuang Dist., New Taipei City

Attending Directors : Chen Mei Chi, Chairman
Wu Te feng , Director
Huang Wen cheng , Independent Director
Cheng Wei shun, Independent Director
Tsao An pang , Independent Director

(Total Five Directors were present at the annual shareholders' general meeting, exceeding the half of the total Board Members, 9.)

Attendees : Chen Ya Nan, President
Penny Pan, CPA, PwC Taiwan
Tsui,Ching-Wen, Lawyer, Wonders Law Office

Chairperson : Chen Mei Chi, Chairman

Recorder : Huang Wan Ming

Total outstanding Chenbro shares : 120,769,700 shares

Total shares represented by shareholders present in person or by proxy : 77,735,415 shares

Percentage of shares held by shareholders present in person or by proxy : 64.36%

Call the meeting to order :

the Chairperson called the meeting to order, since the aggregate shareholding of the shareholders present in person or by proxy constituted a quorum.

Chairperson remarks: omitted

1 [Reports]

Report 1

Subject: 2021 Business Reports.

Description: 2021 Business Report. (Please refer to Attachment 1.)

Report 2

Subject: Audit Committee's review report of 2021 financial statements.

Description: Audit Committee's review report .(Please refer to Attachment 2 .)

Report 3

Subject: Distribution of employee compensation and remuneration to director and supervisors for 2021

Description: 1. The employee compensation and the remuneration to directors and supervisors of the Company for 2021 was approved by the board of directors on March 15, 2022 to allocate 6.8% for employee compensation and 2% for the remuneration to directors and supervisors, both of which will be distributed in cash.

2. The total amount of the Company's employee compensation for 2021 is NT\$ 58,569,238.

3. The total amount of the Company's remuneration to directors and supervisors for 2021 is NT \$ 17,226,247.

Report 4

Subject: Report on the Company's investment in mainland China.

Description: As of December 31, 2021, the Company's investment in mainland China is as follows:

Unit: NT\$ thousand

Name of investee	Main business	Paid-in capital
Chenbro Technology (Kunshan) Co, Ltd.	Computer case manufacturing and processing	\$ 276,800
Dongguan Procace Electronic Co., Ltd.	Computer case manufacturing and processing	\$ 347,163
ChenPower Information Technology (Shang Hai) Co., Ltd.	Trade and purchase order accepting	\$ 58,128

Report 5

Subject: Report on the status of endorsements/guarantees and funds loaned to others.

Description: 1. The aggregate amount of endorsements/guarantees provided by the Company as of December 31, 2021 should not exceed NT\$2,494,093 thousand (60% of the Company's net worth), and the limit of endorsements/guarantees to a single company is NT\$831,364 thousand (20% of the Company's net worth), and the aggregate amount of endorsements/guarantees to subsidiaries, in which the Company holds 90% or more of the equity, should not exceed NT\$2,078,411 thousand (50% of the Company's net worth). The actual implementation is as follows:

Party being Endorsed/Guaranteed		Unit; NT\$ thousand			
Company Name	Relationship	The Highest Endorsement/ Guarantee Balance for the Current Period	Outstanding Endorsements/ Guarantees - Ending	Actual Drawdown	Ratio of Cumulative Endorsements/guarantees to the Net Equity Stated in the Latest Financial Statements
Cloudwell Holdings, Llc.	Subsidiary of the Company	159,824	155,008	103,375	3.73%

2. The Company's loaning of funds to external parties as of December 31, 2021: None.

2 [Ratifications]

Proposal 1 (proposed by the board of directors)

Ratification of the 2021 Business Report and Financial Statements.

Description: 1. The 2021 financial statements include the balance sheet, consolidated statements of comprehensive income, statements of changes in equity, and statements of cash flow, have been audited by certified public accountants (CPAs), who have issued an audit report containing the unqualified opinion alongside other items, as well as reviewed by the Audit Committee, who has issued the review report.

2. Please refer to [Attachment 1] and [Attachment 3] for the 2021 business report and financial statements (including individual and consolidated financial statements), as well as CPAs' audit report.
3. The proposal is hereby submitted to the shareholders' meeting for

ratification.

Resolution: (the results of the vote in this case are as follows)

Voting Results including votes casted electronically	% of the total represented share present
Shares represented at the time of voting : 77,735,415	
Approval votes : 77,306,875 votes	99.44%
Disapproval votes : 399,443 votes	0.51%
Invalid votes : none	0.00%
Abstention votes : 29,097 votes	0.03%
RESOLVED, that the original proposal hereby was approved as proposed.	

Proposal 2 (proposed by the board of directors)

Ratification of distribution of earnings for 2021.

Description: 1. The board of directors has prepared an earnings distribution table for 2021 in accordance with the Company Act and the Company's Articles of incorporation for the proposal for the distribution of earnings for 2021.

2. Please refer to [Attachment 4] for the distribution of earnings.
3. The distribution of cash dividend is based on the ownership in the shareholders' register on the ex-dividend base date with NT\$3 distributed per share. The cash dividend is rounded off to the nearest NT Dollar, with the decimal places removed. The total rounded off amounts, are accounted for as other income in the Company's financial statements.
4. The earnings distribution proposal is based on the number of outstanding shares on the date of the resolution of the board of directors of the Company. If any share is converted into ordinary shares, cash capital increase, redemption of the Company's shares, transfer or cancellation of treasury shares, or other reasons due to the execution of the employee stock warrants thereafter, affecting the number of outstanding shares and leading to a change in the percentage for shareholders' dividend, the Chairperson is authorized

to adjust the amount of the cash dividend per share based on the amount of cash dividends resolved in this earnings distribution proposal and the actual number of outstanding shares on the record date of dividend distribution.

5. The base date of distributing the cash dividend and relevant matters concerning the cash dividend are proposed to be determined and handled by the Chairperson after this proposal is resolved by the shareholders' meeting.
6. The proposal is hereby submitted to the shareholders' meeting for ratification.

Resolution: (the results of the vote in this case are as follows)

Voting Results including votes casted electronically	% of the total represented share present
Shares represented at the time of voting : 77,735,415	
Approval votes : 77,315,875 votes	99.46%
Disapproval votes : 403,443 votes	0.51%
Invalid votes : none	0.00%
Abstention votes : 16,097 votes	0.02%
RESOLVED, that the original proposal hereby was approved as proposed.	

3 [Discussions]

Proposal 1 (proposed by the board of directors)

Amendments to the Articles of Incorporation.

Description:1. According to Paragraph 1, Article 172-2 of the Company Act, a company may explicitly provide for in its Articles of Incorporation that its shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Accordingly, the amendments to Articles 10-1, 13, and 15-1 of the Articles of Incorporation were made based on business needs.

2. The table of comparison of the provisions of Articles of Incorporation before and after the amendments, please refer to [Attachment 5] .

Resolution: (the results of the vote in this case are as follows)

Voting Results including votes casted electronically	% of the total represented share present
Shares represented at the time of voting : 77,735,415	
Approval votes : 77,316,875 votes	99.46%
Disapproval votes : 399,443 votes	0.51%
Invalid votes : none	0.00%
Abstention votes : 19,097 votes	0.02%
RESOLVED, that the original proposal hereby was approved as proposed.	

Proposal 2 (proposed by the board of directors)

Amendment to the Procedures for Acquisition or Disposal of Assets

Description: 1. Based on the Letter Jin-Guan-Zheng-Fa-Zi No. 1110380465 dated January 28, 2022, the amendment to the Procedures for Acquisition or Disposal of Assets was made.

2. For the table of comparison of the provisions of Procedures for Acquisition or Disposal of Assets before and after the amendments, please refer to [Attachment 6].

Resolution: (the results of the vote in this case are as follows)

Voting Results including votes casted electronically	% of the total represented share present
Shares represented at the time of voting : 77,735,415	
Approval votes : 77,316,272 votes	99.46%
Disapproval votes : 402,046 votes	0.51%
Invalid votes : none	0.00%
Abstention votes : 17,097 votes	0.02%
RESOLVED, that the original proposal hereby was approved as proposed.	

Proposal 3 (proposed by the board of directors)

Amendments to the Company's Rules of Procedure for Shareholders' Meetings

Description: 1. Based on the Letter Tai-Zheng-Zi No. 1110004250 dated March 8, 2022, the amendment to the Company's Rules of Procedure for

Shareholders' Meetings was made.

2. The table of comparison of the provisions of the Rules of Procedure for Shareholders' Meetings before and after amendments, please refer to [Attachment 7].

Resolution: (the results of the vote in this case are as follows)

Voting Results including votes casted electronically	% of the total represented share present
Shares represented at the time of voting : 77,735,415	
Approval votes : 77,312,874 votes	99.45%
Disapproval votes : 406,444 votes	0.52%
Invalid votes : none	0.00%
Abstention votes : 16,097 votes	0.02%
RESOLVED, that the original proposal hereby was approved as proposed.	

Proposal 4 (proposed by the board of directors)

Release of ban on non-compete agreements for directors

Description: 1. According to Article 209 of the Company Act, "a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."

2. To take advantage of the directors' expertise without prejudice to the interests of the Company, the Company proposed releasing the ban on noncompete agreements for directors.

3. The release of ban on non-compete agreements for directors is as follows:

Director	Company Released from Non-compete Agreements	Title
An-pang Tsao	Enermax Technology Corporation	Independent Director
Te-feng Wu	Chimei Materials Technology Corporation	Independent Director

Resolution: (the results of the vote in this case are as follows)

Voting Results including votes casted electronically	% of the total represented share present
Shares represented at the time of voting : 77,735,415	
Approval votes : 77,153,664 votes	99.25%
Disapproval votes : 415,146 votes	0.53%
Invalid votes : none	0.00%
Abstention votes : 166,605 votes	0.21%
RESOLVED, that the original proposal hereby was approved as proposed.	

4 [Extempore Motion]

None.

5 [Adjournment]

(Meeting was adjourned at 9:20AM on the same day.)

Business Report

Dear Shareholders,

Looking back on 2021, the COVID-19 pandemic continued to ravage the world, resulting in rising raw material prices and shortages of components and labor. Lifestyles and business models have undergone irreversible changes. For example, online services have become the new norm in daily life. Increased demand for digital transformation and remote work has accelerated the growth of the cloud industry. In the face of rising business challenges and opportunities, Chenbro's top priority was to stay competitive with high agility and resilience.

While taking proactive action to follow the market trends and satisfy customer needs with highly compatible and customized products, Chenbro maintained good interactions with the entire supply chain. To improve business resilience, Chenbro adopted a pull system (lean production) with flexible schedules. The new plant in Chiayi has put into production in January 2022 and is expected to better satisfy Chenbro's growing customer needs with its full capacity.

Despite the challenges and uncertainties in 2021, Chenbro braved the storm with resilience and fearlessness. With the collective efforts made by all employees, Chenbro reported revenue of NT\$9.42 billion with a record 25% growth rate. Looking ahead to 2022, existing challenges can create opportunities for the growth of the cloud industry. As part of its core values, Chenbro will focus on enhancing system integration capabilities and standard products, strengthening customer relationships and market presence, and pursuing a win-win outcome with partners, with an aim of becoming a leading business of electromechanical integration solutions in the global cloud industry. The following is a summary of Chenbro's operating performance in 2021 and the 2022 outlook:

I. 2021 operating performance

(I) Financial results

1. Results of the business plan

Unit: NT\$ thousand

Item	2021	2020	Amount of increase (decrease)	Increase (decrease) (%)
Operating revenue	9,423,020	7,544,545	1,878,475	24.90
Gross income from operations	1,843,866	1,931,618	(87,752)	(4.54)
Operating income	882,382	963,193	(80,811)	(8.39)
Net income before tax	885,990	1,203,153	(317,163)	(26.36)
Net income	672,026	973,547	(301,521)	(30.97)
Net income attributable to owners of the parent company	672,901	976,857	(303,956)	(31.12)

2. Budget execution

According to the current laws and regulations, the Company did not prepare public financial estimates for 2021.

3. Financial income and expenditure and profitability analysis

Item		2021	2020
Capital structure (%)	Debt ratio	62.88	50.85
	Long-term funds to real estate, plants and equipment ratio	139.09	134.43
Liquidity (%)	Current ratio	128.78	115.68
	Quick ratio	78.11	78.28
	Interest guarantee (times)	5,472.89	12,078.82
Return on investment	Return on assets (ROA) (%)	7.11	13.64
	Return on equity (ROE) (%)	16.64	26.23
	Operating income to paid-in capital (%)	73.05	79.65
	Pre-tax income to paid-in capital (%)	73.35	99.49
	Net profit margin (%)	7.14	12.95
	Earnings per share (NTD)	5.62	8.16

(II) R&D

Adhering to the spirit of innovation, Chenbro has been improving its R&D capabilities and developing new products through its R&D center and technology seminars, while attaching great importance to the protection of intellectual property rights. As of 2021, it has filed 560 patent applications and obtained 458 patents in Taiwan, the U.S., and mainland China.

In 2021, Chenbro was also engaged in development of and application for new patents for various products, and acquired a total of another 64 patents worldwide. The products ranged from rack-mounted chassis structures, high density storage structures, and flexible HDD mounting structure to efficient thermal design, high-performance computing, tool-free, anti-loading technology, and system modularization. Chenbro also made breakthroughs in new materials, modular system planning, support strength, energy conservation, thermal technology, and streamlined assembly. Chenbro continued to expand its layout in 5G, AI, AIoT, and cloud industries and invest resources in R&D. It learned from and cooperated with various industries and the academia to improve modular system integration and verification capabilities. Through modularized design, Chenbro strived to pursue the maximum sharing of various parts and accessories to greatly shorten the time for product development and verification. It could not only reduce the cost of customers' development molds, but meet the market trends of a variety of products in a small number, thus adding the value of Chenbro's products and maintaining competitiveness.

II. Overview of 2022 Business Plan

(I) Management Principles

Looking ahead, Chenbro will continue to optimize the existing products and develop brand-new products that are in line with the market needs by means of its core technology. The lean management model introduced three years ago has led to significant improvements in process and productivity, as well as inventory reduction. Together with the value management system (AVM), the Company conducts a comprehensive review of operation costs, develops the ability for

stock-taking, and continues to promote the concept of accountability, so as to create a positive work environment. With an equal focus on corporate governance and corporate culture, the Company aims to improve operational performance and creates maximum profits for the Company.

1. The expansion of emerging markets and application fields, expansion of the layout of product lines, flexible production, and differentiation will be the development trends of technology in the future. The Company will leverage its competitive technologies to consolidate its position.
2. The Company will enhance the competence of senior, middle-aged, and young talents, improve the quality of human resources, and promote the corporate mission, vision, and core values of the Company through lean management and the concept of accountability. The Company will enhance the corporate foundation and financial management, stabilize the operation to think globally while acting locally.
3. The Company will continue to optimize and digitize the business process to improve the speed and efficiency of internal and external feedback and response, while strengthening the corporate foundation.
4. The Company will strengthen corporate governance and, perform audits actively for supervision and management, seek to maximize shareholders' interests, and implement corporate social responsibility so as to move toward sustainable development.

(II) Sales volume forecast and basis

Main products	Sales volume in 2022 (thousand units)
Personal computer chassis	150
Server chassis	2,150

(III) Key production and sales policy

1. Sales strategy

Capitalizing on a diversified business model, Chenbro provides diversified services based on customer needs, and takes "R&D and design capabilities" as its core advantage. Adopting the three business models, namely ODM/JDM, OTS, and OEM Plus to expand the depth and breadth of customer cooperation is what differentiates Chenbro from other chassis manufacturers that only provide ODM services or white-label chassis products. Chenbro has unique positioning on the market and adopts flexible and diverse business models to serve customers of different regions and sizes. It also sells through different channels to become a leader in the white-label market while expanding the joint development and the ODM business to provide the best customized mechanical solutions. It also strengthens interdisciplinary alliances, improves professional service teams, and capitalizes on its fast advantages in manufacturing a variety of products in a small number, while deepening partnership with customers based on sharing, altruism, and win-win collaboration.

2. Production strategy

Chenbro integrates the manufacturing capabilities of each production base and applies customer-oriented strategies to provide more flexible delivery services. Chenbro's engineering team continues to satisfy customers' product development and verification needs to ensure high quality and rapid response to meet customers' needs. The Company will invest more money in key process automation to further increase the capacity in response to growing customer needs.

Meanwhile, the Company will continue to implement lean management and AVM in its factories, optimize operating procedures and reasonable working methods, and adjust the production layout with process automation to overcome hidden dangers of rising labor costs and maximize quality at the same time. It will also implement the BILLION strategy thoroughly,

and conduct in-depth improvement and optimization in terms of quality, safety, efficiency, and cost, and carry out smart manufacturing and transformation into information-oriented automated factories. The Company will strive to minimize costs through lean management and maximize profits with AVM, to achieve a win-win outcome with customers.

3. R&D strategy

In terms of R&D strategy, Chenbro has set up a R&D center and organized technology seminars from time to time to efficiently develop products and applications with cutting-edge technologies. Focusing on technological breakthroughs, R&D talents research high-strength, lightweight materials and efficient heat dissipation solutions to get prepared for the advent of the 5G era, cloud data centers, edge computing, and AIoT, and other relevant applications. Chenbro will also continue to promote the growth of server demand while making breakthroughs in the development of new products and innovative patented technologies. By introducing the idea of concept engineering, the Company strives to develop products that better meet customer needs. The Company will work to form strategic alliances with quality corporate partners to provide customers with standardized and customized enclosure solutions at one stop. In the meantime, Chenbro will continue to move towards modularization, compatibility, flexibility, and green and high-efficiency, with an aim of achieving automated production and assembly. In addition to in-depth development of customers in the U.S. and China, the Company will continue to expand and develop a wider global development layout in Europe and South Korea.

III. Future development strategy

Looking ahead to 2022, Chenbro will continue to adhere to its business philosophy of "diligence, humbleness, and honesty," with the vision of being "the leading business in electromechanical integration solutions in the global cloud industry." Building on the four core values of "integrity, innovation, inclusion, and altruism," Chenbro will be committed to "launching new products and new technologies or services," "improving production efficiency," "expanding emerging markets or application fields," and "developing competence of senior, middle-aged, and young talents."

With the rapid development of artificial intelligence (AI), Internet of Things (IoT), and cloud server industries, Chenbro will focus on data centers, industrial personal computers (IPCs), AI, IoT, 5G applications, and other fields with innovative business models and competitive products that meet market trends. Chenbro will increase the market share of servers, storage servers, IPCs, and personal computer chassis products. In addition to further developing the two regional markets of China and the U.S., Chenbro will step into the markets of Europe, India, Australia and the ASEAN region, with an aim of achieving business goals with the collective efforts made by all employees at home and abroad.

IV. Effect of external competition, the legal environment, and the overall business environment

Since incorporation in 1983, Chenbro has been improving its business resilience and competitiveness in the face of external competition and an ever-changing legal environment, including but not limited to fluctuations in raw materials, changes in labor costs, supply of components, and formulation of environmental regulations.

In response to external competition and the overall business environment, Chenbro will take proactive action to satisfy customer needs while strictly controlling costs by adjusting the production and sales structure, planning for the purchase of raw materials, and adopting lean production, so as to stay competitive in terms of products and services. In response to changes in the legal environment, the Company will prepare reports and develop its products in accordance with laws or amendments promulgated by competent authorities and also request suppliers to comply with environmental regulations.

What is mentioned above are the overview of the 2021 operating performance and the 2022 outlook. We sincerely appreciate your support and recognition. Chenbro as a whole will continue to progress and maximize the enterprise value.

Wish you good health and pleasure

Chairperson: Mei-chi Chen

President: Ya-nan Chen

Accounting Supervisor: Wan-Ming Huang

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2021 Business Report, Financial Statements, and proposal for allocation of earnings. The CPA firm of PricewaterhouseCoopers Taiwan was retained to audit Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Chenbro Micom Co., Ltd. According to relevant requirements of the Securities and Exchange Act and the Company Law, we hereby submit this report.

Chenbro Micom Co., Ltd.

Chairman of the Audit Committee: Wei-shun Cheng

March 15, 2022

INDEPENDENT AUDITORS' REPORT

(21) PWCR 21004437

To the Board of Directors and Shareholders of Chenbro Micom Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Chenbro Micom Co., Ltd. and subsidiaries (the “Group”) as at December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to the Other matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of the 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 the Group's 2021 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, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2021 consolidated financial statements are stated as follows:

Valuation of inventories

Description

Refer to Note 4(12) for accounting policy on inventory valuation, Note 5 for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(6) for description of allowance for inventory valuation losses. As of December 31, 2021, the Group's inventory cost and allowance for market value decline and obsolete and slow-moving inventories amounted to NT\$2,532,891 thousand and NT\$134,160 thousand, respectively.

The Group is primarily engaged in manufacturing and sales of computer peripheral equipment. As technology changes rapidly and the life cycle of electronic products is short, inventories may become obsolete within a short period. The Group measures inventories at the lower of cost and net realisable value, and assesses whether the value of inventories has declined. For inventories exceeded certain period and individually identified as obsolete, its net realisable value was calculated from the historical information of individual inventory clearance which was periodically reviewed by management. As the value of inventory is significant, the inventory items are numerous, and the accounting estimates are subject to management's judgement, we considered the valuation of inventories a key audit matter.

How our audit addressed the matter

Our procedures in relation to valuation of inventories included:

1. Obtained the provision policies on allowance for inventory valuation losses and comparing whether the policies applied on allowance for inventory valuation losses are consistent for all periods. Assessing the estimation determined by the management and relevant accounting estimates of allowance for inventory loss.
2. Obtained an understanding of judgement logic of parameters in the inventory cost and net realisable value calculation report and verified the logical calculation accuracy of report.
3. Assessing the reasonableness of obsolete loss based on the inventory aging and clearance of inventory individually identified by management, and obtaining evidences.
4. Verifying details of net realisable value of inventory and amount of obsolescence loss, recalculating the accuracy and comparing against historical data.
5. Obtaining details of net realisable value of inventory and amount of obsolescence loss, recalculating the accuracy and comparing against historical data.

Existence of revenue

Description

Please refer to Note 4(26) for the accounting policies on revenue recognition and Note 6(20) for details of revenue. The Group is primarily engaged in manufacturing and sales of computer peripheral equipment. The Group's trading counterparties are mostly world-renowned companies and are based on the long-term business partnership. The Group is primarily engaged in manufacturing and sales of computer peripheral equipment. The Group's trading counterparties are mostly world-renowned companies, with whom the Group has long-term business partnership. As the global demand for servers continues to increase, the Group is committed to increasing sales revenue. Therefore, there were significant changes in the sales revenue breakdown of the Group's top 10 trading counterparties. In addition, revenue of the Group's top 10 trading counterparties reached 70% of the total sales revenue. As the newly top 10 and significant changes in revenue of top 10 trading counterparties are significant to the consolidated financial statements, we considered the existence of such sales revenue a key audit matter.

How our audit addressed the matter

Our procedures in relation to the reasonableness of revenue recognition included:

1. Assessing the revenue cycle and performing tests to determine that the Group's revenue process is conducted in accordance with the internal control procedures.
2. Checking the related industry background in respect of the newly top 10 trading counterparties.
3. Obtaining and selecting samples to verify related vouchers of the sales revenue from the newly top 10 and significant changes in revenue of top 10 trading counterparties and confirming that the sales revenue transactions of these trading counterparties actually occurred.
4. Examining details of sales returns and discounts from the newly top 10 and significant changes in revenue of top 10 trading counterparties that occurred after the balance sheet date and confirming whether there were no significant sales returns and discounts occurred.

Additions to property, plant and equipment

Description

In order to satisfy the market demand, the Group continuously enlarged plant and increased the production line and caused increase of capital expenditure. Please refer to Note 4(13) for accounting policies on property, plant and equipment, Note 6(7) for details of property, plant and equipment. Because the addition amount of property, plant and equipment was material, thus, we consider the addition of property, plant and equipment as a key audit matter.

How our audit addressed the matter:

Our procedures in relation to valuation of inventories included:

1. Obtained the Groups' addition procedures on property, plant and equipment, examined purchase contract and invoice of property, plant and equipment to confirm transactions had been adequately approved and the accuracy of accounted amount.
2. Sampled the verification report of property, plant and equipment to confirm the assets was in usable state and the adequacy of timing of listing in the property catalogue and the accuracy of depreciation timing.
3. Obtained an understanding of the reason that unfinished construction and equipment under acceptance did not reach usable state and sampled and observed physical counts to confirm the existence of unfinished construction and equipment under acceptance.

Other matter – Reference to the audits of other auditors

We did not audit the 2020 financial statements of the subsidiary, CLOUDWELL HOLDINGS, LLC., which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts and information disclosed in Note 13 included in respect of this subsidiary, is based solely on the reports of the other auditors. Total assets of the subsidiary amounted to NT\$228,133 thousand, constituting 3% of the consolidated total assets as at December 31, 2020, respectively, and the operating revenue both amounted to NT\$0 thousand, constituting 0% of the consolidated total operating revenue for the years then ended.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion with other matter paragraph on the parent company only financial statements of Chenbro Micom Co., Ltd. as at and for the years ended December 31, 2021 and 2020.

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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards 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 the generally accepted auditing standards 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 Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, 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 Group 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 the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Penny Pan

Lin, Chun-Yao

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 15, 2022

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,437,185	13	\$ 1,216,174	15
1136	Current financial assets at amortised cost, net	6(3) and 8	10,000	-	3,000	-
1150	Notes receivable, net	6(4) and 7	25,808	-	921	-
1170	Accounts receivable, net	6(4) and 7	2,346,573	21	1,751,605	22
1200	Other receivables	6(5) and 7	95,129	1	61,498	1
1220	Current income tax assets	6(26)	25,011	-	25,971	-
130X	Inventories	6(6)	2,398,731	21	1,429,726	18
1410	Prepayments		152,349	2	26,506	-
1470	Other current assets		4,123	-	5,195	-
11XX	Total current assets		6,494,909	58	4,520,596	56
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	47,803	-	28,196	-
1535	Non-current financial assets at amortised cost	6(3) and 8	3,951	-	221,946	3
1600	Property, plant and equipment	6(7) and 8	4,450,022	40	3,056,216	38
1755	Right-of-use assets	6(8)	80,992	1	87,043	1
1780	Intangible assets	6(9)	19,145	-	12,004	-
1840	Deferred income tax assets	6(26)	52,409	-	69,459	1
1900	Other non-current assets	6(7)(10)	103,764	1	41,656	1
15XX	Total non-current assets		4,758,086	42	3,516,520	44
1XXX	Total assets		\$ 11,252,995	100	\$ 8,037,116	100

(Continued)

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2021		December 31, 2020			
			Notes	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(11)	\$	1,076,474	9	\$	849,069	11
2130	Current contract liabilities	6(20)		13,001	-		7,112	-
2150	Notes payable			80,526	1		-	-
2170	Accounts payable	7		2,994,287	27		1,970,059	25
2200	Other payables	6(12) and 7		761,033	7		967,636	12
2230	Current income tax liabilities			95,620	1		92,527	1
2280	Current lease liabilities			10,370	-		9,967	-
2320	Long-term liabilities, current portion	6(13)		7,117	-		7,056	-
2399	Other current liabilities, others			5,074	-		4,381	-
21XX	Total current liabilities			5,043,502	45		3,907,807	49
Non-current liabilities								
2540	Long-term borrowings	6(13)		1,962,658	18		106,305	1
2570	Deferred income tax liabilities	6(26)		21,552	-		16,587	-
2580	Non-current lease liabilities			20,024	-		24,936	-
2600	Other non-current liabilities	6(14)		28,622	-		31,439	1
25XX	Total non-current liabilities			2,032,856	18		179,267	2
2XXX	Total liabilities			7,076,358	63		4,087,074	51
Share capital								
3110	Common stock	6(16)		1,207,885	11		1,209,260	15
Capital surplus								
3200	Capital surplus	6(17)		147,144	2		145,769	1
Retained earnings								
3310	Legal reserve	6(18)		817,355	7		719,881	9
3320	Special reserve			260,504	2		224,552	3
3350	Unappropriated retained earnings			2,039,001	18		1,978,653	25
Other equity interest								
3400	Other equity interest	6(19)		(315,067)	(3)		(348,763)	(4)
31XX	Equity attributable to owners of the parent			4,156,822	37		3,929,352	49
36XX	Non-controlling interests			19,815	-		20,690	-
3XXX	Total equity			4,176,637	37		3,950,042	49
Significant contingent liabilities and unrecorded contract commitments								
Significant events after the balance sheet date								
3X2X	Total liabilities and equity		\$	11,252,995	100	\$	8,037,116	100

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

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Items	Notes	Year ended December 31			
			2021		2020	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(20) and 7	\$ 9,423,020	100	\$ 7,544,545	100
5000	Operating costs	6(6)(25) and 7	(7,579,154)	(80)	(5,612,927)	(74)
5950	Net operating margin		<u>1,843,866</u>	<u>20</u>	<u>1,931,618</u>	<u>26</u>
	Operating expenses	6(25) and 7				
6100	Selling expenses		(323,689)	(3)	(312,474)	(4)
6200	General and administrative expenses		(433,349)	(5)	(429,363)	(6)
6300	Research and development expenses		(203,912)	(2)	(225,897)	(3)
6450	Expected credit impairment loss	12(2)	(534)	-	(691)	-
6000	Total operating expenses		(961,484)	(10)	(968,425)	(13)
6900	Operating profit		<u>882,382</u>	<u>10</u>	<u>963,193</u>	<u>13</u>
	Non-operating income and expenses					
7100	Interest income	6(3)(21)	20,840	-	22,065	-
7010	Other income	6(22)	45,472	-	98,262	1
7020	Other gains and losses	6(23)	(46,214)	-	129,677	2
7050	Finance costs	6(24)	(16,490)	-	(10,044)	-
7000	Total non-operating income and expenses		<u>3,608</u>	<u>-</u>	<u>239,960</u>	<u>3</u>
7900	Profit before income tax		<u>885,990</u>	<u>10</u>	<u>1,203,153</u>	<u>16</u>
7950	Income tax expense	6(26)	(213,964)	(2)	(229,606)	(3)
8200	Profit for the year		<u>\$ 672,026</u>	<u>8</u>	<u>\$ 973,547</u>	<u>13</u>

(Continued)

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Year ended December 31			
		2021		2020	
Items	Notes	AMOUNT	%	AMOUNT	%
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gain (loss) on remeasurement of defined benefit plan	6(14)			
		\$	5,646	-	(\$ 2,653)
8316	Unrealised gain (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(2)(19)			
			19,607	-	(262)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)			
		(	1,129)	-	531
8310	Other comprehensive income (loss) that will not be reclassified to profit or loss				
			24,124	-	(2,384)
Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(19)			
		(	33,228)	-	19,155
8399	Income tax relating to the components of other comprehensive income	6(19)(26)			
			3,409	-	(54,845)
8360	Other comprehensive loss that will be reclassified to profit or loss				
		(	29,819)	-	(35,690)
8300	Other comprehensive income for the year				
		(\$	5,695)	-	(\$ 38,074)
8500	Total comprehensive income for the period				
		\$	666,331	8	\$ 935,473
Profit, attributable to:					
8610	Owners of the parent		\$ 672,901	8	\$ 976,857
8620	Non-controlling interest		(875)	-	(3,310)
			\$ 672,026	8	\$ 973,547
Comprehensive income attributable to:					
8710	Owners of the parent		\$ 667,206	8	\$ 938,783
8720	Non-controlling interest		(875)	-	(3,310)
			\$ 666,331	8	\$ 935,473
Earnings per share (in dollars)					
6(27)					
9750	Basic earnings per share		\$ 5.62		\$ 8.16
9850	Diluted earnings per share		\$ 5.56		\$ 8.08

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

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Equity attributable to owners of the parent														
Capital Reserves					Retained Earnings			Other equity interest						
		Total capital surplus, additional paid-in capital	Treasury stock transactions	Capital Surplus, restricted stock					Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Other equity, others	Total	Non-controlling interests	Total equity
Notes	Share capital - common stock				Legal reserve	Special reserve	Unappropriated retained earnings							
<u>2020</u>														
Balance at January 1, 2020	\$ 1,197,260	\$ 41,987	\$ 6,222	\$ -	\$ 628,686	\$ 213,156	\$ 1,657,248	(\$ 218,316)	(\$ 6,236)	\$ -	\$ 3,520,007	\$ -	\$ 3,520,007	
Profit for the year	-	-	-	-	-	-	976,857	-	-	-	976,857	(3,310)	973,547	
Other comprehensive loss for the period	6(2)(19)	-	-	-	-	-	(2,122)	(35,690)	(262)	-	(38,074)	-	(38,074)	
Total comprehensive income	-	-	-	-	-	-	974,735	(35,690)	(262)	-	938,783	(3,310)	935,473	
Distribution of 2019 earnings	6(18)													
Legal reserve	-	-	-	-	91,195	-	(91,195)	-	-	-	-	-	-	
Special reserve	-	-	-	-	-	11,396	(11,396)	-	-	-	-	-	-	
Cash dividends	-	-	-	-	-	-	(550,739)	-	-	-	(550,739)	-	(550,739)	
Non-controlling interests cash inflow from establishment and capital increase of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	24,000	24,000	
Share-based payment	6(15)	12,000	-	-	97,560	-	-	-	-	(88,259)	21,301	-	21,301	
Balance at December 31, 2020	\$ 1,209,260	\$ 41,987	\$ 6,222	\$ 97,560	\$ 719,881	\$ 224,552	\$ 1,978,653	(\$ 254,006)	(\$ 6,498)	(\$ 88,259)	\$ 3,929,352	\$ 20,690	\$ 3,950,042	
<u>2021</u>														
Balance at January 1, 2021	\$ 1,209,260	\$ 41,987	\$ 6,222	\$ 97,560	\$ 719,881	\$ 224,552	\$ 1,978,653	(\$ 254,006)	(\$ 6,498)	(\$ 88,259)	\$ 3,929,352	\$ 20,690	\$ 3,950,042	
Profit for the year	-	-	-	-	-	-	672,901	-	-	-	672,901	(875)	672,026	
Other comprehensive income (loss)	6(2)(19)	-	-	-	-	-	4,517	(29,819)	19,607	-	(5,695)	-	(5,695)	
Total comprehensive income	-	-	-	-	-	-	677,418	(29,819)	19,607	-	667,206	(875)	666,331	
Distribution of 2020 earnings	6(18)													
Legal reserve	-	-	-	-	97,474	-	(97,474)	-	-	-	-	-	-	
Special reserve	-	-	-	-	-	35,952	(35,952)	-	-	-	-	-	-	
Cash dividends	-	-	-	-	-	-	(483,644)	-	-	-	(483,644)	-	(483,644)	
Share-based payment	6(15)	(1,375)	22,662	-	(21,287)	-	-	-	-	43,908	43,908	-	43,908	
Balance at December 31, 2021	\$ 1,207,885	\$ 64,649	\$ 6,222	\$ 76,273	\$ 817,355	\$ 260,504	\$ 2,039,001	(\$ 283,825)	\$ 13,109	(\$ 44,351)	\$ 4,156,822	\$ 19,815	\$ 4,176,637	

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

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 885,990	\$ 1,203,153
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment loss	12(2)	535	691
Depreciation	6(7)(8)(25)	325,008	216,889
Amortization	6(9)(25)	13,490	5,329
Interest expense	6(24)	16,490	10,044
Interest income	6(21)	(20,840)	(22,065)
Loss (gain) non disposal of property, plant and equipment	6(23)	1,300	(213,716)
Gains arising from lease modifications	6(23)	(30)	(7,159)
Loss on disposal of investments	6(23)	-	437
Share-based payments	6(15)	43,908	21,301
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		(24,887)	105
Accounts receivable		(595,483)	(115,783)
Other receivables		(51,284)	7,615
Inventories		(976,049)	(525,945)
Prepayments		(125,843)	(4,669)
Other current assets		1,072	(3,684)
Changes in operating liabilities			
Current contract liabilities		5,889	488
Notes payable		80,526	-
Accounts payable		1,024,228	218,685
Accounts payable - related parties		-	(4,612)
Other payables		(2,996)	(32,877)
Other current liabilities		693	1,257
Other non-current liabilities		2,809	200
Cash inflow generated from operations		604,526	755,684
Interest received		38,493	22,075
Interest paid		(14,264)	(9,769)
Income tax paid		(185,616)	(437,402)
Net cash flows from operating activities		443,139	330,588

(Continued)

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		(\$ 7,000)	(\$ 1,373,964)
Proceeds from disposal of financial assets at amortised cost		217,000	2,042,235
Acquisition of property, plant and equipment	6(28)	(1,997,953)	(1,436,957)
Proceeds from disposal of property, plant and equipment		2,684	431,694
Acquisition of intangible assets	6(9)(28)	(14,808)	(9,205)
Decrease (increase) in other non-current assets		3,124	(8,750)
Net cash flows used in investing activities		(1,796,953)	(354,947)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings		6,891,193	4,909,812
Repayment of short-term borrowings		(6,663,788)	(4,120,703)
Increase in short-term borrowings (including current portion)		1,866,400	-
Repayment of long-term borrowings (including current portion)		(5,684)	(6,971)
Payment of the principal of lease liabilities	6(8)	(10,678)	(7,385)
Guarantee deposits received		20	(67)
Payment of cash dividends	6(18)	(483,644)	(550,739)
Non-controlling interests cash inflow from establishment and capital increase of a subsidiary		-	24,000
Net cash flows from financing activities		1,593,819	247,947
Effect on foreign exchange difference		(18,994)	4,021
Net increase in cash and cash equivalents		221,011	227,609
Cash and cash equivalents at beginning of year	6(1)	1,216,174	988,565
Cash and cash equivalents at end of year	6(1)	\$ 1,437,185	\$ 1,216,174

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

INDEPENDENT AUDITORS' REPORT

(21) PWCR 21003983

To the Board of Directors and Shareholders of Chenbro Micom Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Chenbro Micom Co., Ltd. (the “Company”) as at December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and parent company only notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report(s) of the other auditors (please refer to the *Other Matters* section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of the 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 the Company's 2021 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, we do not provide a separate opinion on these matters.

Key audit matters of the Company's 2021 parent company only financial statements are stated as follows:

Valuation of inventories

Description

Refer to Note 4(11) for accounting policy on inventory valuation, Note 5 for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(5) for description of allowance for inventory valuation losses. As of December 31, 2021, the Company's cost of inventory and allowance for market value decline and obsolete and slow-moving inventories amounted to NT\$380,555 thousand and NT\$24,725 thousand, respectively.

The Company is engaged in manufacturing and sales of computer peripheral equipment. As technology changes rapidly and the life cycle of electronic products is short, inventories may become obsolete within a short period. The Company measures inventories at the lower of cost and net realisable value, and assesses whether the value of inventories has declined. For inventories that are over a certain age and individually identified obsolete or slow-moving inventories, the net realisable values are determined by management based on historical data of inventory consumption. As the value of inventory is significant, the inventory items are numerous, and the accounting estimates are subject to management's judgement, we consider valuation of inventories a key audit matter.

How our audit addressed the matter

Our procedures in relation to valuation of inventories included:

1. Obtaining the provision policies on allowance for inventory valuation losses and comparing whether the policies applied on allowance for inventory valuation losses are consistent for all periods. Assessing the accounting estimates used by the management for providing of allowance for inventory loss.
2. Obtaining an understanding of the logic for determining parameters used for the calculation of inventory cost and net realisable value in the inventory report and verifying the accuracy of calculation logic in the report.
3. Matching information obtained in physical count of disposed and obsolete inventory against the list prepared by management and interviewing management and employees to examine the obsolete, slow-moving or damaged inventories that were included in the list.
4. Assessing the reasonableness of obsolescence loss based on the inventory aging and clearance of inventory individually identified by management, and obtaining evidences.

5. Obtaining details of net realisable value of inventory and amount of obsolescence loss, recalculating the accuracy and comparing against historical data.

Existence of revenue

Description

Refer to Note 4(26) for accounting policy on revenue recognition and Note 6(19) for description of revenue. The Company is primarily engaged in manufacturing and sales of computer peripheral equipment. The Company's trading counterparties are mostly world-renowned companies with which the Company has long-term business partnership. As the global demand for servers continues to increase, the Company is committed to increasing sales revenue. As the sales of the Company's top 10 trading counterparties accounted for over 90%, the newly top 10 and significant changes in revenue of top 10 trading counterparties are significant to the financial statements, we consider the existence of sales revenue from the newly top 10 and significant changes in revenue of top 10 trading counterparties a key audit matter.

How our audit addressed the matter

Our procedures in relation to the reasonableness of revenue recognition included:

1. Assessing the revenue cycle and performing tests to determine whether the Company's revenue process is conducted in accordance with the internal control procedures.
2. Checking the related industry background in respect of the newly top 10 trading counterparties.
3. Obtaining and selecting samples to verify related vouchers of the sales revenue from the newly top 10 and significant changes in revenue of top 10 trading counterparties and confirming that the sales revenue transactions of these trading counterparties actually occurred.
4. Examining details of sales returns and discounts occurred after the balance sheet date and confirming there were no significant sales returns and discounts occurred.

Additions to property, plant and equipment

Description

The capital expenditure of the Company has increased because the Company has continued to expand plants and production lines in respond to the market demand. Refer to Note 4(13) for accounting policy on property, plant and equipment and Note 6(7) for details of property, plant and equipment. As the amount of additions to property, plant and equipment is significant to the Company's financial statements, we consider additions to property, plant and equipment a key audit matter.

How our audit addressed the matter:

Our procedures in relation to valuation of inventories included:

1. Understanding the procedures for the additions of property, plant and equipment of the Company, sampling the purchase contracts and invoices of property, plant and equipment to confirm that the transactions have been approved appropriately and the accuracy of the recognised amount.
2. Sampling the acceptance reports of property, plant and equipment to confirm whether the assets are ready for use and are recorded in the property listing in an appropriate timing and confirm that the timing of depreciation is provided correctly.
3. Obtaining an understanding the reasons that unfinished construction and equipment under acceptance are not ready for use and sampling and performing physical inspection to confirm the existence of unfinished construction and equipment under acceptance.

Other matter – Reference to the audits of other auditors

As stated in Note 6(6), we did not audit the financial statements of an investments accounted for using the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of this associates, is based solely on the report of the other auditors. The balance of this investments accounted for unsing the equity method amounted to NT\$112,500 thousand, constituting 2% of the total assets as at December 31, 2020 and the comprehensive income recognised from this associate accounted for using the equity method amounted to NT\$1,884 thousand, constituting 0% of the total comprehensive income for the year then ended.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards 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 the generally accepted auditing standards in the Republic of China, we exercise professional judgement 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 Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, 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 audit. We remain solely responsible for our audit opinion.

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

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

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

Penny Pan

Lin, Chun-Yao

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 15, 2022

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

CHENBRO MICOM CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2021		December 31, 2020			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	398,623	5	\$	233,640	4
1136	Current financial assets at amortised cost	8		10,000	-		3,000	
1150	Notes receivable, net	6(3)		24,048	-		-	-
1170	Accounts receivable, net	6(3)		568,444	7		347,938	6
1180	Accounts receivable - related parties	7		1,074,994	12		964,773	15
1200	Other receivables	6(4)		15,267	-		25,307	-
1210	Other receivables - related parties	7		103,848	1		59,019	1
1220	Current income tax assets	6(25)		21,113	-		18,002	-
130X	Inventories	6(5)		355,830	4		211,893	3
1410	Prepayments			88,718	1		6,704	-
1470	Other current assets			3,482	-		3,316	-
11XX	Total current assets			2,664,367	30		1,873,592	29
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(2)		47,803	1		28,196	1
1550	Investments accounted for using equity method	6(6)(18)		2,840,349	32		2,683,349	42
1600	Property, plant and equipment	6(7) and 8		3,178,221	36		1,720,132	27
1780	Intangible assets	6(8)		12,880	-		4,630	-
1840	Deferred income tax assets	6(25)		33,726	-		41,344	1
1900	Other non-current assets	6(9)		83,166	1		10,655	-
15XX	Total non-current assets			6,196,145	70		4,488,306	71
1XXX	Total assets		\$	8,860,512	100	\$	6,361,898	100

(Continued)

CHENBRO MICOM CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2021		December 31, 2020					
			Notes	AMOUNT	%	AMOUNT	%			
Current liabilities										
2100	Short-term borrowings	6(10)	\$	799,768	9	\$	849,069	13		
2130	Current contract liabilities	6(19)		6,419	-		1,654	-		
2150	Notes payable			80,527	1		-	-		
2170	Accounts payable			383,481	4		165,805	3		
2180	Accounts payable - related parties	7		1,088,176	12		705,398	11		
2200	Other payables	6(11)		379,293	4		581,587	9		
2220	Other payables - related parties	7		2,768	-		2,823	-		
2230	Current income tax liabilities			50,385	1		84,477	1		
2300	Other current liabilities			1,509	-		662	-		
21XX	Total current liabilities			2,792,326	31		2,391,475	37		
Non-current liabilities										
2540	Long-term borrowings	6(12)		1,866,400	21		-	-		
2570	Deferred income tax liabilities	6(25)		14,619	-		9,744	-		
2600	Other non-current liabilities	6(13)		30,345	1		31,327	1		
25XX	Total non-current liabilities			1,911,364	22		41,071	1		
2XXX	Total liabilities			4,703,690	53		2,432,546	38		
Equity										
	Share capital	6(14)(15)								
3110	Common stock			1,207,885	14		1,209,260	19		
	Capital surplus	6(14)(16)								
3200	Capital surplus			147,144	2		145,769	2		
	Retained earnings	6(17)								
3310	Legal reserve			817,355	9		719,881	11		
3320	Special reserve			260,504	3		224,552	4		
3350	Unappropriated retained earnings			2,039,001	23		1,978,653	31		
	Other equity interest	6(18)								
3400	Other equity interest		(315,067)	(4)	(348,763)	(5)
3XXX	Total equity			4,156,822	47		3,929,352	62		
	Significant contingent liabilities and unrecorded contract commitments	9								
	Significant events after the balance sheet date	6(17) and 11								
3X2X	Total liabilities and equity		\$	8,860,512	100	\$	6,361,898	100		

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

CHENBRO MICOM CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

			Year ended December 31			
			2021		2020	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(19) and 7		\$ 6,165,491	100	\$ 4,491,345	100
5000 Operating costs	6(5)(24) and 7		(5,170,997)	(84)	(3,452,851)	(77)
5900 Net operating margin			994,494	16	1,038,494	23
5910 Unrealised profit from sales			(69,559)	(1)	(47,534)	(1)
5920 Realised profit on from sales			47,534	1	87,668	2
Net realised profit from sales	6(6)		(22,025)	-	40,134	1
5950 Net operating margin			972,469	16	1,078,628	24
Operating expenses	6(24) and 7					
6100 Selling expenses			(78,865)	(1)	(74,039)	(1)
6200 General and administrative expenses			(243,897)	(4)	(209,719)	(5)
6300 Research and development expenses			(142,701)	(3)	(164,904)	(4)
6450 Expected credit impairment gain (loss)	12(2)		26	-	(855)	-
6000 Total operating expenses			(465,437)	(8)	(449,517)	(10)
6900 Operating profit			507,032	8	629,111	14
Non-operating income and expenses						
7100 Interest income	6(20)		139	-	982	-
7010 Other income	6(21) and 7		13,545	-	8,211	-
7020 Other gains and losses	6(22)		(22,880)	-	172,310	4
7050 Finance costs	6(23)		(7,722)	-	(4,518)	-
7070 Share of profit of subsidiaries, associates and joint ventures accounted for using equity method, net	6(6)		294,559	5	290,121	7
7000 Total non-operating income and expenses			277,641	5	467,106	11
7900 Profit before income tax			784,673	13	1,096,217	25
7950 Income tax expense	6(25)		(111,772)	(2)	(119,360)	(3)
8200 Profit for the year			\$ 672,901	11	\$ 976,857	22

(Continued)

CHENBRO MICOM CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

		Year ended December 31			
		2021		2020	
Items	Notes	AMOUNT	%	AMOUNT	%
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gain (loss) on remeasurement of defined benefit plan	6(13)			
		\$	5,646	-	(\$ 2,653)
8316	Unrealised gain (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(2)(18)			
			19,607	-	(262)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)			
		(	1,129)	-	531
8310	Other comprehensive gain (loss) that will not be reclassified to profit or loss				
			24,124	-	(2,384)
Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(18)			
		(	33,228)	-	19,155
8399	Income tax relating to the components of other comprehensive income	6(18)(25)			
			3,409	-	(54,845)
8360	Other comprehensive loss that will be reclassified to profit or loss				
		(	29,819)	-	(35,690)
8300	Other comprehensive loss for the year				
		(	5,695)	-	(\$ 38,074)
8500	Total comprehensive income for the year				
		\$	667,206	11	\$ 938,783
Earnings per share (in dollars) 6(26)					
9750	Basic earnings per share				
		\$	5.62	\$	8.16
9850	Diluted earnings per share				
		\$	5.56	\$	8.08

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

CHENBRO MICOM CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		Capital Reserves				Retained Earnings		Other equity interest				
									Unrealised gain (losses) from financial assets measured at fair value through other comprehensive income			
	Notes	Share capital - common stock	Additional paid- in capital	Treasury stock transactions	Restricted stock	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Others	Total equity	
<u>2020</u>												
		\$ 1,197,260	\$ 41,987	\$ 6,222	\$ -	\$ 628,686	\$ 213,156	\$ 1,657,248	(\$ 218,316)	(\$ 6,236)	\$ -	\$ 3,520,007
		-	-	-	-	-	-	976,857	-	-	-	976,857
Other comprehensive loss for the year	6(2)(18)	-	-	-	-	-	-	(2,122)	(35,690)	(262)	-	(38,074)
Total comprehensive income(loss)		-	-	-	-	-	-	974,735	(35,690)	(262)	-	938,783
Distribution of 2019 earnings	6(17)											
Legal reserve		-	-	-	-	91,195	-	(91,195)	-	-	-	-
Special reserve		-	-	-	-	-	11,396	(11,396)	-	-	-	-
Cash dividends		-	-	-	-	-	-	(550,739)	-	-	-	(550,739)
Share-based payments	6(14)(18)	12,000	-	-	97,560	-	-	-	-	-	(88,259)	21,301
Balance at December 31, 2020		\$ 1,209,260	\$ 41,987	\$ 6,222	\$ 97,560	\$ 719,881	\$ 224,552	\$ 1,978,653	(\$ 254,006)	(\$ 6,498)	(\$ 88,259)	\$ 3,929,352
<u>2021</u>												
		\$ 1,209,260	\$ 41,987	\$ 6,222	\$ 97,560	\$ 719,881	\$ 224,552	\$ 1,978,653	(\$ 254,006)	(\$ 6,498)	(\$ 88,259)	\$ 3,929,352
Profit for the year		-	-	-	-	-	-	672,901	-	-	-	672,901
Other comprehensive income (loss) for the year		-	-	-	-	-	-	4,517	(29,819)	19,607	-	(5,695)
Total comprehensive income (loss)	6(2)(18)	-	-	-	-	-	-	677,418	(29,819)	19,607	-	667,206
Distribution of 2020 earnings	6(17)											
Legal reserve		-	-	-	-	97,474	-	(97,474)	-	-	-	-
Special reserve		-	-	-	-	-	35,952	(35,952)	-	-	-	-
Cash dividends		-	-	-	-	-	-	(483,644)	-	-	-	(483,644)
Share-based payments	6(14)(18)	(1,375)	22,662	-	(21,287)	-	-	-	-	-	43,908	43,908
Balance at December 31, 2021		\$ 1,207,885	\$ 64,649	\$ 6,222	\$ 76,273	\$ 817,355	\$ 260,504	\$ 2,039,001	(\$ 283,825)	\$ 13,109	(\$ 44,351)	\$ 4,156,822

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

CHENBRO MICOM CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 784,673	\$ 1,096,217
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment (gain) loss	12(2)	(26)	855
Depreciation	6(24)	31,915	20,751
Amortisation	6(8)(24)	10,216	2,191
Interest expense	6(23)	7,722	4,518
Interest income	6(20)	(139)	(982)
Gain on disposal of property, plant and equipment	6(22)	-	(213,500)
Loss on disposal of investments accounted for using equity method	6(22)	-	437
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	(294,559)	(290,121)
Net realised loss (profit) from sales	6(6)	22,025	(40,134)
Profit from lease modification	6(22)	-	(7,159)
Share-based payments	6(14)	43,908	21,301
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		(24,048)	-
Accounts receivable		(220,480)	(25,555)
Accounts receivable - related parties, net		(110,221)	36,285
Other receivables		10,042	(10,638)
Other receivables - related parties		(44,829)	47,796
Inventories		(143,937)	(19,050)
Prepayments		(82,014)	2,351
Other current assets		(166)	(2,761)
Changes in operating liabilities			
Notes payable		80,527	-
Current contract liabilities		4,765	697
Accounts payable		217,676	(66,111)
Accounts payable - related parties		382,778	(139,493)
Other payables (including related parties)		(8,085)	(10,363)
Other current liabilities		847	(22)
Other non-current liabilities		2,810	316
Cash inflow generated from operations		671,400	407,826
Interest received		137	991
Interest paid		(6,046)	(4,558)
Income tax paid		(134,202)	(267,932)
Net cash flows from operating activities		531,289	136,327

(Continued)

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of financial assets at amortised cost		(\$	7,000)	\$	-
Acquisition of investments accounted for using equity method	6(6)		-	(	70,963)
Proceeds from disposal of investments accounted for using equity method	6(6)(27)		-		14,327
Proceeds from cash dividends distributed by subsidiaries	6(6)		82,306		464,724
Acquisition of property, plant and equipment	6(27)	(	1,757,003 )	(	1,339,853)
Proceeds from disposal of property, plant and equipment			2,500		427,245
Acquisition of intangible assets	6(27)	(	12,576 )	(	5,927)
Increase in other non-current assets		(	6,645 )	(	515)
Net cash flows used in investing activities		(	1,698,418 )	(	510,962)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from short-term borrowings	6(28)		6,087,236		4,909,812
Repayment of short-term borrowings	6(28)	(	6,136,537 )	(	4,120,703)
Proceeds from long-term borrowings	6(28)		1,866,400		-
Payment of the principal of lease liabilities	6(9)(28)	(	1,343 )	(	180)
Payment of cash dividends	6(17)	(	483,644 )	(	550,739)
Net cash flows from financing activities			1,332,112		238,190
Net increase (decrease) in cash and cash equivalents			164,983	(	136,445)
Cash and cash equivalents at beginning of year	6(1)		233,640		370,085
Cash and cash equivalents at end of year	6(1)	\$	398,623	\$	233,640

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

Chenbro Micom Co., Ltd.
Distribution of Earnings
2021

Unit: NTD

Item	Amount	
	Subtotal	Total
Undistributed earnings, at the beginning of year		1,361,583,819
Add (Less): Other comprehensive income(Note 2)		4,516,573
Add: Net income after tax for 2021(EP\$5.62)		672,900,808
Distributable earnings for the year		2,039,001,200
Less:		
Legal reserve	(67,741,738)	
Special reserve	(10,211,130)	
Distribution items		
Shareholders' dividend—cash (120,769,700 shares	(362,309,100)	
outstanding); NT\$3 allocated to each share		(440,261,968)
Undistributed earnings, at the end of year		1,598,739,232

Notes:

- [Note 1] Priority will be given to the distribution of net income for 2021.
- [Note 2] Item with retained earnings adjusted due to accounting treatments: Actuarial gains and losses on the defined benefit plan.
- [Note 3] The cash dividend distributed this time will be calculated according to the distribution ratio and rounded off to the nearest NT Dollar. The total rounded off amounts are accounted for in other income.

Chairperson Mei-chi Chen

President: Ya-nan Chen

Accounting Supervisor: Wan-Ming Huang

Chenbro Micom Co., Ltd.

Table of Comparison of Articles of Incorporation Before and After Amendment

Amended Provision	Current Provision	Reason for amendment
Article 10-1 <u>The Company may hold a shareholders' meeting by means of visual communication network or other methods promulgated by the Ministry of Economic Affairs.</u>		I. This article was added. II. The amendment to Article 172-2 of the Company Act, which was promulgated on December 29, 2021, stipulates that a public company may hold a shareholders' meeting by means of visual communication network.
Article 13: Each share of the Company held by shareholders is entitled to one voting right <u>except for restricted shares or shares that have no voting power under any of the circumstances specified in Paragraph 2, Article 179 of the Company Act.</u>	Article 13: Each share of the Company held by shareholders is entitled to one voting right, but where circumstances specified in Article 179 of the Company Act apply, it shall be non-voting shares.	This article was amended according to law.
Article 15-1 In compliance with Article 14-2 of the Securities and Exchange Act, the Company shall have at least two three independent directors among the number of directors referred to in the preceding paragraph...(omitted).	Article 15-1 In compliance with Article 14-2 of the Securities and Exchange Act, the Company shall have at least two independent directors among the number of directors referred to in the preceding paragraph...(omitted).	This article was amended according to law.
Article 26: ...(Omitted) <u>The 27th amendment was made on May 31, 2022.</u>	Article 26: ...(Omitted)	The date of amendment is added

Chenbro Micom Co., Ltd.

Table of Comparison of Procedures for Acquisition or Disposal of Assets Before and After Amendment

Amended Provision	Current Provision	Explanation
<p>Article 5: Professional appraisers and their officers, certified public accounts, attorneys, or securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>I. May not have previously received a final and unappealable sentence to imprisonment for one (1) year or longer for a violation of the Act, the Company Act, the Banking Act of the Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if three (3) years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>II. May not be a related party or de facto related party of any party to the transaction.</p> <p>III. If the Company is required to obtain appraisal reports from two (2) or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph <u>shall comply with the self-regulation of the trade associations</u> to which they belong and the following:</p> <p>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and</p>	<p>Article 5: Professional appraisers and their officers, certified public accounts, attorneys, or securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>I. May not have previously received a final and unappealable sentence to imprisonment for one (1) year or longer for a violation of the Act, the Company Act, the Banking Act of the Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if three (3) years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>II. May not be a related party or de facto related party of any party to the transaction.</p> <p>III. If the Company is required to obtain appraisal reports from two (2) or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>I. Prior to accepting a case, they shall prudently assess their own</p>	<p>Amended according to the Letter Jin-Guan-Zheng-Fa-Zi No. 1110380465 dated January 28, 2022</p>

Amended Provision	Current Provision	Explanation
<p>independence.</p> <p>II. When executing examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>III. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable and accurate, and that they have complied with applicable laws and regulations.</p>	<p>professional capabilities, practical experience, and independence.</p> <p>II. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>III. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</p>	
<p>Article 6:(Procedures for acquiring or disposing of real property or other real property, plants, and equipment or other right-of-use assets)</p> <p>I~III (Omitted)</p> <p>IV. Appraisal report of real property or other real property, plants, and equipment or other right-of-use assets: In acquiring or disposing of real property, or equipment, or right-of-use assets thereof where, and the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof</p>	<p>Article 6 (Procedures for acquiring or disposing of real property or other real property, plants, and equipment or other right-of-use assets)</p> <p>I~III (Omitted)</p> <p>IV. IV. Appraisal report of real property or other real property, plants, and equipment or other right-of-use assets: In acquiring or disposing of real property, or equipment, or right-of-use assets thereof where, and the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of</p>	<p>Amended according to the Letter Jin-Guan-Zheng-Fa-Zi No. 1110380465 dated January 28, 2022</p>

Amended Provision	Current Provision	Explanation
<p>held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser (the recorded items on the appraisal report shall follow the rules of the FSC) and further comply with the following provisions:</p> <p>(I) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(II) Where the transaction amount is NT\$1 billion or more, appraisal reports from two (2) or more professional appraisers shall be obtained.</p> <p>(III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the</p>	<p>equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser (the recorded items on the appraisal report shall follow the rules of the FSC) and further comply with the following provisions:</p> <p>(I) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(II) Where the transaction amount is NT\$1 billion or more, appraisal reports from two (2) or more professional appraisers shall be obtained.</p> <p>(III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific</p>	

Amended Provision	Current Provision	Explanation
<p>transaction amount.</p> <p>2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(IV) No more than three (3) months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than six (6) months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>(V) If the Company acquires or disposes of assets through a court auction process, the evidence documents provided by such a court can replace appraisal reports or certified public accountants' opinions.</p>	<p>opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(IV) No more than three (3) months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than six (6) months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>(V) If the Company acquires or disposes of assets through a court auction process, the evidence documents provided by such a court can replace appraisal reports or certified public accountants' opinions.</p>	
<p>Article 7: (Procedures for acquiring or disposing of securities investment)</p> <p>I~III (Omitted)</p> <p>IV. Acquisition of expert opinions</p> <p>(I) If the Company acquires or disposes of marketable securities which have public quotations in the active market or if any of the following circumstances occurs, it may be exempted from applying Article 10 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies. The Company shall first obtain the underlying</p>	<p>Article 7: (Procedures for acquiring or disposing of securities investment)</p> <p>I~III (Omitted)</p> <p>IV. Acquisition of expert opinions</p> <p>(I) If the Company acquires or disposes of marketable securities which have public quotations in the active market or if any of the following circumstances occurs, it may be exempted from applying Article 10 of the Regulations Governing the Acquisition and Disposal of Assets by Public</p>	<p>Amended according to the Letter Jin-Guan-Zheng-Fa-Zi No. 1110380465 dated January 28, 2022</p>

Amended Provision	Current Provision	Explanation
<p>company's latest financial statements which have been checked, certified or reviewed by an accountant. If the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC). If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF:</p> <p>(1) Initiating the establishment or raising of funds to obtain securities in cash;</p> <p>(2) Those who participate in the subscription of the target company in accordance with relevant laws and regulations to carry out capital increased by cash and issue securities as per face value;</p> <p>(3) Those whose 100% of participation in the subscription of the shift in investment has been processed by an investment company to carry out capital increased by cash and issue securities as per face value;</p> <p>(4) Listed companies' securities at the stock exchange market, the over-the-counter market and the emerging stock market, which have been traded in the stock exchange or securities firm's</p>	<p>Companies. The Company shall first obtain the underlying company's latest financial statements which have been checked, certified or reviewed by an accountant. If the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF:</p> <p>(1) Initiating the establishment or raising of funds to obtain securities in cash;</p> <p>(2) Those who participate in the subscription of the target company in accordance with relevant laws and regulations to carry out capital increased by cash and issue securities as per face value;</p> <p>(3) Those whose 100% of participation in the subscription of the shift in investment has been processed by an investment company to carry out capital increased by cash and issue securities as per face value;</p> <p>(4) Listed companies' securities at the stock exchange market, the over-the-counter market and the emerging stock market, which have been traded in the stock exchange or securities firm's business</p>	

Amended Provision	Current Provision	Explanation
<p>business premises; (5) Bonds that are public debt, with buyback, and sellback conditions; (6) Domestic or foreign funds; (7) Acquiring or disposing of the stocks of listed company (or OTC company) according to the Rules Governing Purchase of Listed Securities (OTC Securities) by Reverse Auction enacted by the Stock Exchange Corporation or OTC Center; (8) Participating in the public offering company's cash increase and subscription, and the obtained securities are not privately held securities; (9) Purchasing the fund prior to the fund establishment, pursuant to the provisions in Paragraph 1, Article 11 of the Securities Investment Trust and Consulting Act, as well as the stipulations in Order Chin Kuan Zheng Shi No. 0930005249 from our meeting on November 1, 2004; or (10) —As for the domestic privately offered funds that have been subscribed or bought back, if the investment contract already states that the investment strategy is the same as the investment scope of the publicly offered fund except for the securities credit transaction and the relevant partitions of commodities which have not been written off.</p> <p>(II) If the Company acquires or disposes of assets through a court auction process, the evidence documents provided by such a court can replace appraisal reports or certified public accountants' opinions.</p>	<p>premises; (5) Bonds that are public debt, with buyback, and sellback conditions; (6) Domestic or foreign funds; (7) Acquiring or disposing of the stocks of listed company (or OTC company) according to the Rules Governing Purchase of Listed Securities (OTC Securities) by Reverse Auction enacted by the Stock Exchange Corporation or OTC Center; (8) Participating in the public offering company's cash increase and subscription, and the obtained securities are not privately held securities; (9) Purchasing the fund prior to the fund establishment, pursuant to the provisions in Paragraph 1, Article 11 of the Securities Investment Trust and Consulting Act, as well as the stipulations in Order Chin Kuan-Zheng-Shi No. 0930005249 from our meeting on November 1, 2004; or (10) As for the domestic privately-offered funds that have been subscribed or bought back, if the investment contract already states that the investment strategy is the same as the investment scope of the publicly-offered fund except for the securities credit transaction and the relevant partitions of commodities which have not been written off.</p> <p>(II) If the Company acquires or disposes of assets through a court auction process, the evidence documents provided by such a court can replace appraisal reports or certified public accountants' opinions.</p>	

Amended Provision	Current Provision	Explanation
<p>Article 8: Procedures handling related party transactions</p> <p>I (Omitted)</p> <p>II. Evaluation and operating procedures</p> <p>When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company shall not proceed to enter into a transaction contract or make a payment until the following information has been approved by more than half of all audit committee members and then submitted to the board of directors for a resolution, and Paragraph 2, Article 6 herein shall apply mutatis mutandis: (I)~(VI) (Omitted)</p> <p>(VII) Restrictive covenants and other important stipulations associated with the transaction:</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may, pursuant to Paragraph 2, Article 6, delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p> <p>I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p>	<p>Article 8: Procedures handling related party transactions</p> <p>I (Omitted)</p> <p>II. Evaluation and operating procedures</p> <p>When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company shall not proceed to enter into a transaction contract or make a payment until the following information has been approved by more than half of all audit committee members and then submitted to the board of directors for a resolution, and Paragraph 2, Article 6 herein shall apply mutatis mutandis: (I)~(VI) (Omitted)</p> <p>(VII) Restrictive covenants and other important stipulations associated with the transaction:</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Paragraph 1, Article 13 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the audit committee and adopted by the board of director need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its</p>	<p>Amended according to the Letter Jin-Guan-Zheng-Fa-Zi No. 1110380465 dated January 28, 2022</p>

Amended Provision	Current Provision	Explanation
<p>II. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>Where the position of independent director has been created by the Company, when a matter is submitted for discussion by the board of directors pursuant to the rules, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p><u>When the Company or any subsidiary that is not domestic public company engages in the transaction mentioned in Paragraph 1 and the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall neither enter the transaction contract nor pay until the materials mentioned in Paragraph 1 have been adopted in the shareholders' meeting. However, this does not apply to transactions between the Company and its subsidiaries or between its subsidiaries.</u></p> <p>The calculation of the transaction amounts referred to in <u>Paragraph 1 and</u> the preceding paragraph shall be made in accordance with Paragraph 1, Article 13 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted to the <u>shareholders' meeting</u>, approved by the board of directors, and ratified by the review committee need not be counted toward the transaction amount.</p> <p>(Omitted)</p>	<p>subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may, pursuant to Paragraph 2, Article 6, delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p> <p>I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>II. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>Where the position of independent director has been created by the Company, when a matter is submitted for discussion by the board of directors pursuant to the rules, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>(Omitted)</p>	
<p>Article 9 (Procedures for acquiring or disposing of intangible assets or right-of-use assets thereof or memberships)</p> <p>(I)~(III) (Omitted)</p> <p>(IV) Expert opinions or appraisal reports for intangible assets or right-of-use assets thereof or memberships</p> <p>1. In acquiring or disposing of intangible assets or right-of-use assets thereof or memberships where</p>	<p>Article 9 (Procedures for acquiring or disposing of intangible assets or right-of-use assets thereof or memberships)</p> <p>(I)~(III) (Omitted)</p> <p>(IV) Expert opinions or appraisal reports for intangible assets or right-of-use assets thereof or memberships</p> <p>1. In acquiring or disposing of intangible assets or right-of-use assets thereof or memberships</p>	<p>Amended according to the Letter Jin-Guan-Zheng-Fa-Zi No. 1110380465 dated January 28, 2022</p>

Amended Provision	Current Provision	Explanation
<p>the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, unless transacting with a government agency, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. The CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p>2. If the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships through a court auction process, the evidence documents provided by such a court can replace appraisal reports or certified public accountants' opinions.</p>	<p>where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, unless transacting with a government agency, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. The CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p>2. If the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships through a court auction process, the evidence documents provided by such a court can replace appraisal reports or certified public accountants' opinions.</p>	
<p>Article 16: (Omitted) <u>The 11th amendment was made on May 31, 2022.</u></p>	<p>Article 16: (Omitted)</p>	<p>The date of amendment is added</p>

Chenbro Micom Co., Ltd.

Table of Comparison of Provisions of the Rules of Procedure for Shareholders' Meetings Before and After Amendment

Amended Provision	Current Provision	Explanation
<p>Article 3: (Convention and Notice of Shareholders' Meeting)</p> <p>Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the board of directors.</p> <p><u>Changes to the means of convening a shareholders' meeting shall be subject to a resolution of the board of directors, and shall be made no later than the delivery of the shareholders' meeting notice.</u></p> <p>The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the causes of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) prior to 30 days before the date of an annual general meeting or prior to 15 days before the date of an extraordinary general meeting. The Company shall prepare electronic versions of the shareholders' meeting handbook and supplemental meeting materials and upload them to the MOPS prior to 21 days before the date of an annual general meeting or prior to 15 days before the date of an extraordinary general meeting.</p> <p><u>However, if the Company has paid-in capital of NT\$10 billion or more at the end of the most recent fiscal year or has 30% of its shares held by foreign and mainland Chinese investors based on the shareholder register at the shareholders' meeting in the most recent fiscal year, it shall upload the electronic versions of such materials to the MOPS prior to 30 days before the date of an annual general meeting.</u></p> <p>Prior to 15 days before the date of a shareholders' meeting, the Company shall have prepared the shareholders' meeting handbook and supplemental meeting</p>	<p>Article 3: (Convention and Notice of Shareholders' Meeting)</p> <p>Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the board of directors.</p> <p>The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the causes of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) prior to 30 days before the date of an annual general meeting or prior to 15 days before the date of an extraordinary general meeting. The Company shall prepare electronic versions of the shareholders' meeting handbook and supplemental meeting materials and upload them to the MOPS prior to 21 days before the date of an annual general meeting or prior to 15 days before the date of an extraordinary general meeting.</p> <p>Prior to 15 days before the date of a shareholders' meeting, the Company shall have prepared the shareholders' meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time, and display them in the Company and the professional stock affairs agency appointed by the Company, while shall distribute it at the shareholders' meeting on-site.</p> <p>(Omitted)</p>	<p>Handled in accordance with letter Tai-Zheng-Zhi-Li No. 1110004250 dated March 8, 2022</p>

Amended Provision	Current Provision	Explanation
<p>materials and made them available for review by shareholders at any time, and display them in the Company and the professional stock affairs agency appointed by the Company, while shall distribute it at the shareholders' meeting on site.</p> <p><u>The Company shall make the shareholders' meeting handbook and supplemental meeting materials mentioned in the preceding paragraph available for review by shareholders on the day of an annual general shareholders' meeting in the following ways:</u></p> <p><u>I. When a shareholders' meeting is held on-site, distribute at the meeting.</u></p> <p><u>II. When a video-assisted shareholders' meeting is held, distribute at the meeting and on the video networking platform as electronic files.</u></p> <p><u>III. When a shareholders' meeting is held by means of visual communication network, distribute on the video networking platform as electronic files.</u></p> <p>(Omitted)</p>		
<p>Article 4: (Attendance at Shareholders' Meeting)</p> <p>(Omitted)</p> <p><u>After the delivery of a proxy to the Company, a shareholder intending to attend the shareholders' meeting by means of visual communication network shall provide, two (2) days before the date of the shareholders' meeting, a written notice to the Company for rescinding the said proxy. Where the period for rescinding the proxy has expired, the voting right exercised by the proxy entrusted at the meeting shall prevail.</u></p>	<p>Article 4:(Attendance at Shareholders' Meeting)</p> <p>(Omitted)</p>	<p>Handled in accordance with letter Tai-Zheng-Zhi-Li No. 1110004250 dated March 8, 2022</p>
<p>Article 5: (Principles determining time and place of shareholders' meeting)</p> <p>(Omitted)</p> <p><u>When the Company convenes a shareholders' meeting by means of visual communication network, it is not subject to the restrictions on the place of shareholders' meeting mentioned in the preceding paragraph.</u></p>	<p>Article 5: (Principles determining time and place of shareholders' meeting)</p> <p>(Omitted)</p>	<p>Handled in accordance with letter Tai-Zheng-Zhi-Li No. 1110004250 dated March 8, 2022</p>

Amended Provision	Current Provision	Explanation
<p>Article 6: (Preparation of documents, including the sign-in book)</p> <p>The Company shall, in the notice of the shareholders' meeting, specify the time and place for shareholder, <u>solicitor, and proxy agent (shareholder)</u> sign-in and other important matters to be noted.</p> <p>Registration for shareholders referred to in the preceding paragraph shall begin at least thirty (30) minutes before the meeting. The sign-in place shall be clearly marked and sufficiently and adequately staffed. <u>Where a shareholders' meeting is held by means of visual communication network, shareholders shall register on the video networking platform at least thirty (30) minutes before the meeting. Shareholders who have completed the registration shall be deemed to have attended the shareholders' meeting in person.</u></p> <p>The shareholders themselves or proxies entrusted by them (hereinafter referred to as shareholders) shall attend the shareholders' meeting with the attendance card, attendance sign-in card, or other certificates. The Company shall not arbitrarily add requirements for provision of other certificates in addition to said documents. The proxy solicitors shall come with an ID certificate for verification.</p> <p>The Company shall provide a sign-in book for shareholders to sign in, or require the attending shareholders to submit their sign-in cards in lieu of sign-in.</p> <p>The Company shall deliver the handbook, annual report, attendance card, speaker's slip, votes, and other meeting materials to each shareholder attending the shareholders' meeting; if there are directors to be elected, ballots shall also be provided.</p> <p>When a government or a juridical person is a shareholder, it may have more than one representative to attend the shareholders' meeting. In the event that a juridical person is entrusted to attend a shareholders' meeting, the juridical person may appoint</p>	<p>Article 6: (Preparation of documents, including the sign-in book)</p> <p>The Company shall, in the notice of the shareholders' meeting, specify the time and place for shareholder sign-in, and other important matters to be noted.</p> <p>Registration for shareholders referred to in the preceding paragraph shall begin at least thirty minutes before the meeting. The sign-in place shall be clearly marked and sufficiently and adequately staffed.</p> <p>The shareholders themselves or proxies entrusted by them (hereinafter referred to as shareholders) shall attend the shareholders' meeting with the attendance card, attendance sign-in card, or other certificates. The Company shall not arbitrarily add requirements for provision of other certificates in addition to said documents. The proxy solicitors shall come with an ID certificate for verification.</p> <p>The Company shall provide a sign-in book for shareholders to sign in, or require the attending shareholders to submit their sign-in cards in lieu of sign-in.</p> <p>The Company shall deliver the handbook, annual report, attendance card, speaker's slip, votes, and other meeting materials to each shareholder attending the shareholders' meeting; if there are directors to be elected, ballots shall also be provided.</p> <p>When a government or a juridical person is a shareholder, it may have more than one representative to attend the shareholders' meeting. In the event that a juridical person is entrusted to attend a shareholders' meeting, the juridical person may appoint only one representative to participate in the meeting.</p> <p>(Omitted)</p>	<p>Handled in accordance with letter Tai-Zheng-Zhi-Li No. 1110004250 dated March 8, 2022</p>

Amended Provision	Current Provision	Explanation
<p>only one representative to participate in the meeting.</p> <p><u>Where a shareholders' meeting is held by means of visual communication network, shareholders who intend to attend the meeting by means of visual communication network shall register with the Company two (2) days prior to the shareholders' meeting.</u></p> <p><u>Where a shareholders' meeting is held by means of visual communication network, the Company shall upload the meeting handbook, annual report, and other materials to the video networking platform at least thirty (30) minutes before the start of the shareholders' meeting and maintain their availability until the end of the meeting.</u></p>		
<p>Article 6-1: (Matters to be specified in the notice of shareholders' meeting held by means of visual communication network)</p> <p><u>When the Company holds a shareholders' meeting by means of visual communication network, it shall specify the following matters in the shareholders' meeting notice:</u></p> <p><u>I. Methods for shareholders to attend and exercise their rights in a shareholders' meeting held by means of visual communication network.</u></p> <p><u>II. Methods for handling obstacles to the video networking platform or attendance at a shareholders' meeting by means of visual communication network due to natural disasters, incidents, or other force majeure circumstances, including but not limited to:</u></p> <p>(I) <u>Where the aforesaid obstacles cannot be removed, the Company shall determine whether the shareholders' meeting should be postponed or reconvened within a period of time, and shall set the date of postponement or reconvention if appropriate;</u></p> <p>(II) <u>Shareholders who have not registered to attend the</u></p>		<p>1 Added</p> <p>2 Handled in accordance with letter Tai-Zheng-Zhi-Li No. 1110004250 dated March 8, 2022</p>

Amended Provision	Current Provision	Explanation
<p><u>shareholders' meeting by means of visual communication network shall not attend the postponed or reconvened meeting;</u></p> <p>(III) <u>When the Company holds a video-assisted shareholders' meeting and fails to proceed with the meeting by means of visual communication network, the shareholders' meeting shall continue if the number of shares held by the attending shareholders, after deducting the number of shares held by the shareholders attending the meeting by means of visual communication network, reaches the quorum. For shareholders attending the meeting by means of visual communication network, the number of shares held by them shall be included in the total number of shares held by the attending shareholders, and they shall be deemed to have abstained in all proposals of the shareholders' meeting; and</u></p> <p>(IV) <u>Methods for handling in the event that all proposals have been declared results and no extempore motion has been made.</u></p> <p><u>III. When convening a shareholders' meeting by means of visual communication network, the Company shall specify appropriate alternatives for shareholders who may have difficulty attending the meeting by means of visual communication network.</u></p>		
<p>Article 8: (Documentation of shareholders' meeting by audio or video) (Omitted)</p> <p><u>When a shareholders' meeting is held by means of visual communication network, the</u></p>	<p>Article 8: (Documentation of shareholders' meeting by audio or video) (Omitted)</p>	<p>Handled in accordance with letter Tai-Zheng-Zhi-Li No. 1110004250 dated March 8, 2022</p>

Amended Provision	Current Provision	Explanation
<p><u>Company shall record and retain the shareholders' registration, sign-in, attendance registration, questions, voting, and vote counting results, and shall make an uninterrupted audio and video recording of the shareholders' meeting.</u></p> <p><u>The materials and the audio and video recording mentioned in the preceding paragraph shall be properly retained by the Company throughout its life, and the audio and video recording shall be supplied to an institution that is entrusted to handle video conferencing affairs for retention.</u></p> <p><u>When a shareholders' meeting is held by means of visual communication network, the Company shall make the audio and video recording of the backend user interface of the video networking platform.</u></p>		
<p>Article 9:</p> <p>The participation by shareholders shall be based on the number of shares they hold. The calculation of the number of shares present shall be based on the attendance book or sign-in cards submitted by the shareholders, <u>the number of shares registered on the video networking platform</u>, and shares whose votes are exercised by mail or electronic means. The chair shall call the meeting to order at the time scheduled for the meeting, as well as announce the number of shares without voting right and shares present.</p> <p>In the event that the meeting is attended by shareholders representing less than half of the total issued shares, the chair may announce a postponement of the meeting, however, there may not be more than two postponements in total and the total time accumulated in the postponement(s) shall not exceed one hour. In the event that the meeting is still attended by shareholders representing less than one-third of the total issued shares after two postponements, the chair may announce that the meeting fails to be convened for a lack of quorum. <u>If a</u></p>	<p>Article 9:</p> <p>The participation by shareholders shall be based on the number of shares they hold. The calculation of the number of shares present shall be based on the attendance book or sign-in cards submitted by the shareholders and those shares whose votes are exercised by mail or electronic means.</p> <p>The chair shall call the meeting to order at the time scheduled for the meeting, as well as announce information, such as the number of shares without voting right and shares present.</p> <p>In the event that the meeting is attended by shareholders representing less than half of the total issued shares, the chair may announce a postponement of the meeting, however, there may not be more than two postponements in total and the total time accumulated in the postponement(s) shall not exceed one hour. In the event that the meeting is still attended by shareholders representing less than one-third of the total issued shares after two postponements, the chair may announce that the meeting fails to be convened for a lack of quorum.</p>	<p>Handled in accordance with letter Tai-Zheng-Zhi-Li No. 1110004250 dated March 8, 2022</p>

Amended Provision	Current Provision	Explanation
<p><u>shareholders' meeting is held by means of visual communication network, the Company shall also announce the adjournment of the shareholders' meeting on the video networking platform.</u></p> <p>In the event that the meeting is still attended by shareholders representing less than one-third of the total issued shares after two postponements as in the preceding paragraph, a tentative resolution may be passed in accordance with Paragraph 1, Article 175 of the Company Act, while notifying all shareholders of the tentative resolution to convene another shareholders' meeting within one month. <u>If a shareholders' meeting is held by means of visual communication network, shareholders who intend to attend the meeting by means of visual communication network shall re-register with the Company in accordance with Article 6 herein.</u></p> <p>(Omitted)</p>	<p>In the event that the meeting is still attended by shareholders representing less than one-third of the total issued shares after two postponements as in the preceding paragraph, a tentative resolution may be passed in accordance with Article 175 of the Company Act, while notifying all shareholders of the tentative resolution to convene another shareholders' meeting within one month.</p> <p>(Omitted)</p>	
<p>Article 11: (Shareholder speech) (Omitted)</p> <p><u>If a shareholders' meeting is held by means of visual communication network, shareholders attending the meeting by means of visual communication network may ask questions in text form on the video networking platform after the chair declares the commencement of the meeting and before the chair declares the adjournment of the meeting. The number of questions asked for each proposal shall not exceed two (2), with each question limited to 200 words. The provisions of Paragraphs 1 to 5 shall not apply.</u></p> <p><u>If the questions mentioned in the preceding paragraph do not violate the regulations or do not exceed the scope of the proposals, the Company shall make the questions public on the video networking platform.</u></p>	<p>Article 11: (Shareholder speech) (Omitted)</p>	<p>Handled in accordance with letter Tai-Zheng-Zhi-Li No. 1110004250 dated March 8, 2022</p>
<p>Article 13: (Omitted)</p> <p>After the shareholders exercise their voting rights in writing or electronic means, if they</p>	<p>Article 13: (Omitted)</p> <p>After the shareholders exercise their voting rights in writing or electronic means, if they</p>	<p>Handled in accordance with letter Tai-Zheng-Zhi-Li No.</p>

Amended Provision	Current Provision	Explanation
<p>want to attend the shareholders' meeting in person <u>or by means of visual communication network</u>, they shall cancel the intent of exercising voting rights in the preceding paragraph in the same manner as exercising the voting rights two days before the shareholders' meeting; if it is canceled after the time limit, voting rights exercised in writing or via electronic means shall prevail. If the voting rights are exercised in writing or via electronic means and a proxy is entrusted to attend the shareholders' meeting by a power of attorney, the voting rights exercised by the attending entrusted proxy shall prevail.</p> <p>(Omitted)</p> <p><u>When the Company convenes a shareholders' meeting by means of visual communication network, shareholders attending the meeting by means of visual communication network shall vote on the proposals and the election on the video networking platform after the chair announces the commencement of the meeting and before the chair announces the close of voting. Shareholders failing to do so shall be deemed to have abstained.</u></p> <p><u>If a shareholders' meeting is held by means of visual communication network, the votes shall be counted at one time after the chair announces the close of voting, and the voting and election results shall be announced thereafter.</u></p> <p><u>When the Company holds a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by means of visual communication network in accordance with Article 6 herein and intend to attend the meeting in person shall cancel the registration in the same manner as registration two (2) days before the shareholders' meeting; shareholders who fail to cancel the registration within the time limit may only attend the shareholders' meeting by means of visual communication network.</u></p> <p><u>Shareholders who exercise their voting rights in writing or electronically without revoking their intentions and attend the shareholders' meeting by means of visual communication</u></p>	<p>want to attend the shareholders' meeting in person, they shall cancel the intent of exercising voting rights in the preceding paragraph in the same manner as exercising the voting rights two days before the shareholders' meeting; if it is canceled after the time limit, voting rights exercised in writing or via electronic means shall prevail. If the voting rights are exercised in writing or via electronic means and a proxy is entrusted to attend the shareholders' meeting by a power of attorney, the voting rights exercised by the attending entrusted proxy shall prevail.</p> <p>(Omitted)</p>	<p>1110004250 dated March 8, 2022</p>

Amended Provision	Current Provision	Explanation
<u>network shall not exercise their voting rights on the original proposals, propose amendments to the original proposals, or exercise the voting rights for amendments to the original proposals, except for extempore motions.</u>		
<p>Article 15: (Omitted)</p> <p><u>If a shareholders' meeting is held by means of visual communication network, the minutes of the shareholders' meeting shall record the start and end time of the shareholders' meeting, the method of convening the meeting, and the names of the chair and the minute taker, as well as the methods and results of handling in the event of obstacles to the video networking platform or attendance at the shareholders' meeting by means of visual communication network caused by natural disasters, incidents or other force majeure circumstances, in addition to matters that shall be recorded according to the provisions of the preceding paragraph.</u></p> <p><u>When the Company convenes a shareholders' meeting by means of visual communication network, it shall specify in the minutes of the meeting the alternatives provided for shareholders who have difficulty attending the meeting by means of visual communication network while complying with the provisions of the preceding paragraph.</u></p>	<p>Article 15: (Omitted)</p>	<p>Handled in accordance with letter Tai-Zheng-Zhi-Li No. 1110004250 dated March 8, 2022</p>
<p>Article 16:(Public disclosure)</p> <p>The Company shall generate, on the date of the shareholders' meeting, a table in a prescribed format for the number of shares obtained by solicitors through solicitation, number of shares represented by proxies, <u>and the number of shares held by attending shareholders in writing or electronically</u>, and shall clearly disclose the said table at the place of the shareholders' meeting. <u>If a shareholders' meeting is held by means of visual communication network, the</u></p>	<p>Article 16: (Public disclosure)</p> <p>The Company shall generate, on the date of the shareholders' meeting, a table in a prescribed format for the number of shares obtained by solicitors through solicitation and number of shares represented by proxies, and shall clearly disclose the said table at the place of the shareholders' meeting.</p> <p>For any shareholders' meeting resolution that relates to statutory regulations or to</p>	<p>Handled in accordance with letter Tai-Zheng-Zhi-Li No. 1110004250 dated March 8, 2022</p>

Amended Provision	Current Provision	Explanation
<p><u>Company shall upload the aforesaid material to the video networking platform at least thirty (30) minutes before the start of the shareholders' meeting and maintain its availability until the end of the meeting.</u></p> <p><u>When the Company announces the commencement of a shareholders' meeting held by means of visual communication network, it shall disclose the total number of shares held by attending shareholders on the video networking platform. The same shall apply if the total number of shares and voting rights of the shareholders attending the shareholders' meeting is counted during the meeting.</u></p> <p>For any shareholders' meeting resolution that relates to statutory regulations or to material information as specified by the Taiwan Stock Exchange Corporation (or Taipei Exchange), the Company shall upload, within the specified time limit, said resolution to the MOPS.</p>	<p>material information as specified by the Taiwan Stock Exchange Corporation (or Taipei Exchange), the Company shall upload, within the specified time limit, said resolution to the MOPS.</p>	
<p>Article 19: <u>(Disclosure of shareholders' meeting held by means of visual communication network)</u></p> <p><u>If a shareholders' meeting is held by means of visual communication network, the Company shall immediately disclose the voting results of the proposals and the election results on the video networking platform in accordance with the regulations, and shall maintain their availability for at least fifteen (15) minutes after the chair announces the adjournment of the meeting.</u></p>		<p>Added in accordance with letter Tai-Zheng-Zhi-Li No. 1110004250 dated March 8, 2022</p>
<p>Article 20: <u>(Location of the chair and minute taker of shareholders' meeting held by means of visual communication network)</u></p> <p><u>When the Company holds a shareholders' meeting by means of visual communication network, the chair and the minute taker shall be at the same place in Taiwan, and the chair shall announce the address of the place at the time of the meeting.</u></p>		<p>Added in accordance with letter Tai-Zheng-Zhi-Li No. 1110004250 dated March 8, 2022</p>
<p>Article 21: <u>(Handling of disconnection)</u></p>		<p>Added in accordance</p>

Amended Provision	Current Provision	Explanation
<p><u>If a shareholders' meeting is held by means of visual communication network, the Company may provide a simple connection test for shareholders before the meeting and also render related services immediately before and during the meeting to help shareholders solve telecommunication problems.</u></p> <p><u>If a shareholders' meeting is held by means of visual communication network, the chair shall, when announcing the commencement of the meeting, separately announce the date of the shareholders' meeting postponed or reconvened within five (5) days in case of an obstacle to the video networking platform or attendance by means of visual communication network that is caused by natural disasters, incidents, or other force majeure circumstances and lasts for more than thirty (30) minutes before the adjournment of the meeting announced by the chair, except for the circumstances where there is no need to postpone or reconvene the shareholders' meeting as stipulated in Paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies. Article 182 of the Company Act does not apply.</u></p> <p><u>Where the shareholders' meeting is postponed or reconvened as mentioned in the preceding paragraph, shareholders who have not registered to attend the original shareholders' meeting by means of visual communication network shall not attend the postponed or reconvened meeting.</u></p> <p><u>When the shareholders' meeting shall be adjourned or reconvened in accordance with Paragraph 2, if shareholders who have registered to attend the original shareholders' meeting by means of visual communication network and have registered attendance fail to attend the adjourned or reconvened meeting, the number of shares held by them and their voting rights and election rights exercised at the original shareholders'</u></p>		<p>with letter Tai-Zheng-Zhi-Li No. 1110004250 dated March 8, 2022</p>

Amended Provision	Current Provision	Explanation
<p><u>meeting shall be included in the total number of shares and voting rights and election rights of the shareholders attending the adjourned or reconvened meeting.</u></p> <p><u>When a shareholders' meeting is postponed or reconvened in accordance with Paragraph 2, there is no need to discuss and resolve on the proposals whose voting and counting of votes have been completed and voting results or a list of elected directors and supervisors announced.</u></p> <p><u>When the Company holds a video-assisted shareholders' meeting and fails to proceed with the meeting by means of visual communication network as prescribed in Paragraph 2, the shareholders' meeting shall continue if the number of shares held by attending shareholders, after deducting the number of shares held by the shareholders attending the meeting by means of visual communication network, reaches the quorum. There is no need to postpone or reconvene the shareholders' meeting in accordance with the provisions of Paragraph 2.</u></p> <p><u>If a shareholders' meeting shall continue in accordance with the preceding paragraph, the number of shares held by shareholders who attend the meeting by means of visual communication network shall be included in the total number of shares held by attending shareholders; however, shareholders who attend the shareholders' meeting by means of visual communication network shall be deemed to have abstained in all proposals of the shareholders' meeting.</u></p> <p><u>When the Company postpones or reconvenes the shareholders' meeting in accordance with Paragraph 2, it shall make preparations based on the date of the original shareholders' meeting and in accordance with Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p> <p><u>The Company shall base the period prescribed in the latter part of Article 12 and</u></p>		

Amended Provision	Current Provision	Explanation
<u>Paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies and Paragraph 2, Article 44-5, Article 44-15, and Paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies on the date of the postponed or reconvened shareholders' meeting in accordance with Paragraph 2.</u>		
<u>Article 22: (Handling of digital gap) When the Company convenes a shareholders' meeting by means of visual communication network, it shall provide appropriate alternatives for shareholders who have difficulty in attending the meeting by means of visual communication network.</u>		Added in accordance with letter Tai-Zheng-Zhi-Li No. 1110004250 dated March 8, 2022
Article 9 Article 23: The Rules shall be implemented after approval by the shareholders' meeting, and the same shall apply to any amendment thereto.	Article 19: The Rules shall be implemented after approval by the shareholders' meeting, and the same shall apply to any amendment thereto.	Article number is adjusted
Article 20 Article 24: (Omitted) <u>The 7th amendment was made on May 31, 2022.</u>	Article 20: (Omitted) The sixth amendment was made on May 14, 2021.	The date of amendment is added and the article number is adjusted