

Chenbro Micom Co., Ltd.

Meeting Minutes for 2023 Annual General Meeting

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., Wednesday, May 31, 2023

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

Form of the Meeting : Physical Shareholders' Meetings

Attending Directors : Mei-chi Chen, Chairperson, Tsun-yen Lee, Director, Chung-pao Wu, Director, Wei-shun Cheng, Independent Director (Convener of the Audit Committee), Wen-cheng Huang, Independent Director, Chung-hsing Huang, Independent Director.

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

Attendees : Ya-nan Chen, CEO, Hui-ling Pan, CPA, PricewaterhouseCoopers, Jane Tsai, Lawyer, Lee, Tsai & Partners

Chairperson : Mei-chi Chen, Chairperson

Recorder : Wan-Ming Huang

Total outstanding Chenbro shares (excluding shares with no voting right as provided by Article 179 of the Company Law) : 120,606,950 shares

Total shares represented by shareholders present in person or by proxy : 81,583,265 shares

Percentage of shares held by shareholders present in person or by proxy : 67.64%

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: 2022 Business Reports. (Acknowledged)

Description: 2022 Business Report. (Please refer to Attachment 1.)

Report 2

Subject: Audit Committee's review report of 2022 financial statements.
(Acknowledged)

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 2022. (Acknowledged)

Description: 1. The employee compensation and the remuneration to directors of the Company for 2022 were approved by the board of directors on March 14, 2023 to allocate 6.8% for employee compensation and 2% for the remuneration to directors, both of which will be distributed in cash.

2. The total amount of the Company's employee compensation for 2022 is NT\$ 89,095,369.

3. The total amount of the Company's remuneration to directors for 2022 is NT \$ 26,204,520.

Report 4

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

Description: As of December 31, 2022, 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	\$ 307,100
Dongguan Procace Electronic Co., Ltd.	Computer case manufacturing and processing	\$ 385,165
ChenPower Information Technology (Shang Hai) Co., Ltd.	Trade and purchase order accepting	\$ 64,491

Report 5

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

Description: 1. The aggregate amount of endorsements/guarantees provided by the Company as of December 31, 2022 should not exceed NT\$2,944,285 thousand (60% of the Company's net worth), and the limit of endorsements/guarantees to a single company is NT\$981,428 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\$2,453,571 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	180,432	171,976	107,512	3.50%

2. The Company's loaning of funds to external parties as of December 31, 2022: None.

Questions from shareholders: (account number: 51947)

Raised relevant questions about the figures in the sales volume and production volume tables in the last two years, the gross profit margin, the annotations of the affiliated company ADEPT International Company, and the revenue and payable figures.

Questions from shareholders: (account number: 16654)

Relevant questions were asked about the revenue and performance, average sales days, long-term liabilities (Chiayi factory), possible risks of plant expansion, and balance sheet figures from 2022.

Questions from shareholders: (account number: 46466)

Raised questions about US dollar loans, related party transaction amounts, transactions with subsidiaries, and subsidiary Cloudwell Holdings, LLC.

Reply:

After the chairman and his designated relevant personnel explained the figures found in the sales volume and production volume tables for the last two years, the gross profit margin, the comments on the affiliated company ADEPT International Company, and the revenue and payable figures, the information was duly noted by the shareholders..

After the chairman and his designated relevant personnel explained the revenue and performance, average sales days, long-term liabilities (Chiayi factory), possible risks of plant expansion, and balance sheet figures for 2022, the information was duly noted by the shareholders.

After the chairman and his designated relevant personnel explained the US dollar loans, the related party transaction amounts, the relationship with subsidiaries, and the subsidiary Cloudwell Holdings, LLC., the information was duly noted by the shareholders.

2 [Ratifications]

Report 1 (proposed by the board of directors)

Subject: Ratification of 2022 Business Report and Financial Statements.

Description: 1. The 2022 Financial Statements have been audited by certified public accountants (CPAs) Hui-Ling Pan and Pei-Chuan Huang from PricewaterhouseCoopers Taiwan and reviewed by the Audit Committee.

2. Please refer to [Attachment 1] and [Attachment 3] for the 2022 Business Report and Financial Statements and CPAs' audit report.

3. The proposal is hereby submitted to the shareholders' meeting for ratification.

Resolution: (No shareholder questions, 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 : 81,583,265	
Approval votes : 80,114,274 votes	98.19%
Disapproval votes : 12,283 votes	0.01%
Invalid votes : none	0.00%
Abstention votes : 1,456,708 votes	1.78%

Report 2 (proposed by the board of directors)

Subject: Ratification of Distribution of Earnings for 2022.

Description: 1. The board of directors has prepared an earnings distribution table for 2022 in accordance with the Company Act and the Company's Articles of incorporation for the proposal for the distribution of earnings for 2022.

2. Please refer to [Attachment 4] on page 44 of the handbook 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\$4 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.

Questions from shareholders: (account number: 51947)

Relevant questions were raised about the figures of the subsidiary Dongguan Procace Electronic Co., Ltd. (DGP).

Reply:

After the chairman and his designated relevant personnel explained the figures from the subsidiary Dongguan Procace Electronic Co., Ltd. (DGP), the information was duly noted by the shareholders.

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 : 81,583,265	
Approval votes : 80,127,274 votes	98.21%
Disapproval votes : 17,283 votes	0.02%
Invalid votes : none	0.00%
Abstention votes : 1,438,708 votes	1.76%
According to the voting results: this case was passed as proposed by the board of directors.	

3 [Discussions]

Report 1 (proposed by the board of directors)

Subject: Amendments to the Articles of Incorporation.

Description:1. Some articles of the company's articles of association have been amended in order to meet the needs of the Company's operations.

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

Resolution: (No shareholder questions, 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 : 81,583,265	
Approval votes : 80,127,273 votes	98.21%
Disapproval votes : 18,284 votes	0.02%
Invalid votes : none	0.00%
Abstention votes : 1,437,708 votes	1.76%

According to the voting results: this case was passed as proposed by the board of directors.

4 [Election Matters]

Subject: Amendments to the Company's Rules of Procedure for Shareholders' Meetings (proposed by the board of directors)

Description: 1. The terms of office of our directors (including independent directors) will expire on June 22, 2023, and a general re-election is required by law to be held at the 2023 Annual Shareholders' Meeting.

2. In accordance with the Articles of Incorporation, the Company shall have seven to eleven directors, the number of independent directors shall not be less than three and the term of office shall be three years. Nine directors (including four independent directors) will be elected by the shareholders from a list of candidates under the candidate nomination system. The new directors will take office immediately after the completion of the re-election and will serve for a term of three years from May 31, 2023 to May 30, 2026. The former directors will be dismissed from their duties from the time the new directors take office.

3. For the list of candidates for directors and independent directors, please refer to [Attachment 6] and [Attachment 7].

4. A re-election is proposed for the Shareholders' Meetings.

Election Results: (No shareholder questions, the list of elected directors/independent directors in this case are as follows)

Position	Name	Voting Received
Director	Mei-chi Chen	108,112,106
Director	Tsun-yen Lee	95,198,369
Director	Chung-pao Wu	92,681,303
Director	Yu-ling Tsai	79,737,975
Director	Te-feng Wu	77,231,249
Independent Director	Wei-shun Cheng	62,648,524
Independent Director	Chung-hsing Huang	60,636,477
Independent Director	Wen-cheng Liu	60,449,524
Independent Director	Pei-fang Tsai	60,439,250

5 [Other Proposals]

Subject: Release of prohibition on non-compete agreements for new directors.
(proposed by the board of directors)

Description: 1. In accordance with Article 209 of the Company Act and the Company's Articles of Incorporation.

2. The directors may have investments in or serve as directors in other companies with identical or similar business as the Company. Such circumstance shall obtain approval from the shareholders' meeting. If the Company's directors meet the above conditions, the shareholders' meeting shall discuss the removal of the non-compete restriction for the Company's newly elected directors and the legal person represented by them.

Company name	Positions they hold concurrently	Mei-chi Chen	Tsun-yen Lee	Chung-pao Wu	Yu-ling Tsai	Te-feng Wu	Chung-hsing Huang	Wei-shun Cheng	Wen-cheng Liu
Chen-Source Inc.	Director	V							
Chen-Source Inc.	Director's legal representative		V						
Chen-Feng Precision Co., Ltd.	Chairperson's legal representative	V							
Promate Electronic Co., Ltd.	Independent Director	V							
Chenxergo Inc.	Chairperson's legal representative		V						
Protech Systems Co., Ltd.	Chairperson			V					
Marketch International Corp.	Independent Director			V					
Prox Systems Co., Ltd.	Chairperson			V					
Jess-Link Products Co., Ltd.	Director's legal representative				V				
Taiwan Star Telecom Corporation Limited	Director's legal representative					V			
CF Global Co., Ltd.	Chairperson					V			
Medical Imaging Corporation	Independent Director						V		
Shirre Lab Corp.	Director							V	
Daxin Materials Corporation	Independent Director							V	
Raydium Semiconductor Corporation	Independent Director							V	
Unictron Technologies Corporation	Independent Director							V	
Vanguard International Semiconductor Corporation	Independent Director								V
Advantech Co., LTD	Independent Director								V
Maywufa Company LTD.	Director's legal representative								V

3. Proposal for the removal of prohibition on non-compete agreements for new directors and the positions they hold concurrently.

Resolution: (No shareholder questions, 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 : 81,583,265	
Approval votes : 79,654,172 votes	97.63%

Disapproval votes : 49,972 votes	0.06%
Invalid votes : none	0.00%
Abstention votes : 1,879,121 votes	2.30%
According to the voting results: this case was passed as proposed by the board of directors.	

6 [Extempore Motion]

None.

7 [Adjournment]

Meeting was adjourned at 10:24AM on the same day.

(The minutes of the shareholders' meeting only contain the important content of the shareholders' questions and the company's replies. The meeting's content, procedures, and shareholders' speeches may be found in the audio and video record of the meeting.)

Business Report

Dear Shareholders,

The annual representative word "Permacrisis" that was selected by the Collins dictionary in 2022 reflected the turmoil and challenges encountered by the world, including but not limited to the COVID-19 pandemic, the Russian-Ukrainian war, inflation, and global energy, etc. In turn, it will affect all aspects of the global logistics, cash flow, and talent flow, and global industries, enterprises, and individuals will all have to take part. How to cope with the current situation and how to turn the crisis into an opportunity has become top priority for companies, and enhancing the ability of enterprises to cope with the crisis and sustainable operation has become the top priority for Chenbro.

The development of the cloud industry was affected by factors such as supply chain, raw materials, and inventory, but is still driven by the demand for end, edge and cloud applications as well as technological evolution in the long run. With clear and effective strategies, the concerted efforts from all employees, and the strong support from industry partners, Chenbro survived the turbulent environment by persevering and operating just like a tiger. The Company achieved NT\$10.56 billion in revenue and NT\$8.32 in EPS for the year, the highest revenue and profit in its 40-year history!

Looking ahead to 2023, uncertainties in the external business environment continue to evolve, the global political and economic situation is still changing rapidly, inflation and central bank policies continue to influence each other, but growth in the cloud industry can still be expected. Chenbro will continue to optimize its competitiveness through actively understanding market trends and customer needs, cultivating global customer and market presence, and satisfying different applications through highly compatible and customized system integration capabilities and standard products. Chenbro will also maintain good communication with the upstream and downstream supply chains, pursue prosperity with partners, and introduce flexible but precise scheduling for production that will improve the efficiency of cooperation between plants. The new Chiayi plant will start contributing to production capacity in January 2022 and is expected to continue to maximize automation results and increase production efficiency to build Chenbro's core value through various internal and external strategies. The following is a summary of Chenbro's operating performance in 2022 and the outlook to the future:

I. Operational Results in 2022

(I) Financial results

1. Results of the business plan

Unit: NT\$ thousand

Item	2022	2021	Amount of increase (decrease)	Increase (decrease)%
Operating revenue	10,557,701	9,423,020	1,134,681	12.04%

Gross income from operations	2,130,549	1,843,866	286,683	15.55%
Operating income	1,141,601	882,382	259,219	29.38%
Net income before tax	1,342,715	885,990	456,725	51.55%
Net income	1,008,463	672,026	336,437	50.06%
Net income attributable to owners of the parent company	998,685	672,901	325,784	48.41%

2. Budget execution

According to the current laws and regulations, the Company did not prepare public financial estimates for 2022.

3. Financial income and expenditure and profitability analysis

Item		2022	2021
Capital structure (%)	Debt ratio	59.95	62.88
	Long-term funds to real estate, plants and equipment ratio	149.60	139.09
Liquidity (%)	Current ratio	147.92	128.78
	Quick ratio	92.91	78.11
	Interest guarantee (times)	2900.88	5,472.89
Return on investment (%)	Return on assets (ROA) (%)	8.80	7.11
	Return on equity (ROE) (%)	22.04	16.64
	Operating income to paid-in capital (%)	94.51	73.05
	Pre-tax income to paid-in capital (%)	111.31	73.35
	Net Profit Margin (%)	9.46	7.14
	Earnings per share (NTD)	8.32	5.62

(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 2022, it has filed 576 patent applications and obtained 481 patents in Taiwan, the U.S., and mainland China.

In 2022, Chenbro was also engaged in development of and application for new patents for various products, and acquired a total of another 16 patents worldwide. The products ranged from efficient thermal conducting server design with immersion cooling, high density storage structures, rack-mounted chassis 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. Through many cross-industry and academic exchanges and collaborations, it has been able to refine the product 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. To implement Chenbro's strategy and plan for sustainable development of new generation products, the Company has implemented sustainable development strategies such as Reduce, Reuse, and Recycle for product development.

II. Overview of 2023 Business Plan

(I) Management Principles

Looking ahead, Chenbro will continue to expand its global customer and market presence, optimize and develop a full range of products, improve operational efficiency, and cultivate market talents, as well as combine "lean management" to ensure efficiency, increase productivity, and reduce inventory throughout the process. In addition, the Company has also established a "Sustainable Development Committee" and a "Chief Sustainability Officer" in response to the trend of sustainable development, hoping to fulfill its sustainable obligations during the development process to be able to improve operational performance and maximize profits under the concurrent focus on corporate governance and corporate culture.

1. Investing in global markets and applications, expanding the depth and breadth as well as the layout of product lines, create flexible production along with differentiation in services will leverage the Company's competitive technologies and consolidate its position in the market.
2. The Company will continue to optimize the efficiency combine lean management and digital transformation to improve the speed and efficiency of internal and external feedback and response, at the same time strengthening its corporate foundation.

3. Chenbro will strengthen its competitiveness for sustainable development, enhance corporate governance, and maximize the interests of stakeholders through active supervision and management by the Board of Directors.
4. The Company will cultivate a full range of human resource functions, improve the quality of human resources, and promote the corporate mission, vision, and core values to stabilize operations and think globally while acting locally.

(II) Sales volume forecast and basis

Main products	Sales volume in 2023 (thousand units)
Personal computer chassis	70
Server chassis	2,150

(III) Key production and sales policy

1. Sales strategy

In line with the diverse demands of the server industry and the fast-changing market trend, Chenbro provides highly customized structural integration solutions based on customer needs. With the core strengths of "R&D and design capability" and "flexible manufacturing capability", Chenbro expands the depth and breadth of customer cooperation through three business models: ODM/JDM (joint development), OBM (standard products), and OEM Plus (contracted OEM). By building alliances with external strategic partners, a unique market position has been created for Chenbro and which has successfully served the small, medium and large customers from all over the world, becoming the market leader in white label corporate solutions and achieving the goal of sharing, benefiting others, and a win-win situation.

2. Production strategy

In response to changes in the external environment and customer needs, Chenbro continues to integrate and optimize the manufacturing capabilities of its production bases and is committed to providing high-quality services based on customer needs. Each production site continues to integrate engineering and technical teams, implement lean management and value chain cost management, optimize operational processes at each node, and simultaneously invest in key process automation facilities to transform information and automated chemical plants. Chenbro strives to achieve in-depth improvements in quality, safety, efficiency, and cost to achieve a win-win situation with suppliers and customers.

3. R&D strategy

In addition to developing technologies and products for existing markets, Chenbro has established a forward-looking R&D center and holds regular technical forums to actively conduct market research on

cutting-edge technologies and cultivate R&D technical talents. Chenbro continues to make breakthroughs in new product development and innovative patented technologies, including but not limited to research on energy saving and carbon reduction, high strength, lightweight materials, and efficient heat conducting solutions. In response to the trend of sustainable development, Chenbro has established environmentally friendly product design guidelines, proactively implemented hazardous material management, adopted environmentally friendly materials, and expanded its product portfolio with matrix modules, with lightweight, highly compatible, tool-free, and easily disassembled modules as the guidelines for design. Chenbro provides customers with non-toxic, low-pollution, recyclable, and energy-saving product designs throughout the product life cycle, and realize sustainable development strategies and plans for new-generation products.

III. Future development strategy

Looking ahead to the year 2023, Chenbro as a leading provider of E&M integrated solutions for the global cloud industry, will continue to uphold the management philosophy of "Diligence and Integrity", supplemented by the four core values of "Integrity, Innovation, Inclusion, and Benefiting Others", and devote itself to the four major directions of "Deepening the global market and applications", "Enhancing the efficiency of operations", "Strengthening the sustainable competitiveness of the company", and "Cultivating a full range of human resources".

With the booming development of the cloud industry, Chenbro focuses on four areas of application along with three innovative business models and competitive products in line with the trend, including Edge, AI, Cloud/Enterprise, and Storage. In addition to the two regional markets of China and the U.S., Chenbro is also actively expanding into the global market, striving to improve global market share and service quality.

In response to the ever-changing external environment, the Group has adopted the "Lean Management" methodology for the entire operation process and nurtured marketing talents to continuously optimize operational efficiency and enhance internal and external responsiveness. In addition, with the development of the global trend of sustainable development, the company has also established a sustainable development committee and task force. Through the supervision from the board of directors, Chenbro seeks to maximize the interests of stakeholders and build sustainable corporate competitiveness.

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 2022 operating performance and the 2023 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

Managers:
Ya-nan Chen

Accounting Supervisor:
Wan-Ming Huang

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 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 14, 2023

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

(22)PWCR 22003655

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, 2022 and 2021, 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, 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 that came into effect 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 Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 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, 2022, the Group's inventory cost and allowance for market value decline and obsolete and slow-moving inventories amounted to NT\$2,499,628 thousand and NT\$99,699 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:

- A. 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.
- B. 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..

- C. Assessing the reasonableness of obsolete loss based on the inventory aging and clearance of inventory individually identified by management, and obtaining evidences.
- D. Verifying details of net realisable value of inventory and amount of obsolescence loss, recalculating the accuracy and comparing against historical data.
- E. Obtaining details of net realisable value of inventory and amount of obsolescence loss, recalculating the accuracy and comparing against historical data.

Existence of sales 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:

- A. Assessing the revenue cycle and performing tests to determine that the Group's revenue process is conducted in accordance with the internal control procedures.
- B. Checking the related industry background in respect of the newly top 10 trading counterparties.
- C. 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.

- D. 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 of 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

We performed the following audit procedures relative to the above key audit matter:

- A. Obtained the Groups' addition procedures on property, plant and equipment, exampled purchase contract and invoice of property, plant and equipment to confirm transactions had been adequately approved and the accuracy of accounted amount.
- B. 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.
- C. 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 – 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, 2022 and 2021.

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

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

- A. 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.

- B. 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.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. 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.
- E. 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.
- F. 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

Huang, Pei-Chuan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 14, 2023

The accompanying consolidated 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 consolidated 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.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,852,718	15	\$ 1,437,185	13
1136	Current financial assets at amortised cost, net	6(3) and 8	15,019	-	10,000	-
1150	Notes receivable, net	6(4) and 7	18,864	-	25,808	-
1170	Accounts receivable, net	6(4) and 7	2,347,742	19	2,346,573	21
1200	Other receivables	7	51,152	-	95,129	1
1220	Current income tax assets		83,052	1	25,011	-
130X	Inventories	6(6)	2,399,929	19	2,398,731	21
1410	Prepayments		183,202	2	152,349	2
1470	Other current assets		3,689	-	4,123	-
11XX	Total current assets		6,955,367	56	6,494,909	58
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	54,050	-	47,803	-
1535	Non-current financial assets at amortised cost	6(3) and 8	17,666	-	3,951	-
1600	Property, plant and equipment	6(7) and 8	5,076,048	41	4,450,022	40
1755	Right-of-use assets	6(8)	67,933	1	80,992	1
1780	Intangible assets	6(9)	21,029	-	19,145	-
1840	Deferred income tax assets	6(26)	62,364	1	52,409	-
1900	Other non-current assets	6(7)(10)	71,033	1	103,764	1
15XX	Total non-current assets		5,370,123	44	4,758,086	42
1XXX	Total assets		\$ 12,325,490	100	\$ 11,252,995	100

(Continued)

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2022		December 31, 2021					
			Notes	AMOUNT	%	AMOUNT	%			
Current liabilities										
2100	Short-term borrowings	6(11)	\$	1,545,078	13	\$	1,076,474	9		
2130	Current contract liabilities	6(20)		8,278	-		13,001	-		
2150	Notes payable			-	-		80,527	1		
2170	Accounts payable	7		1,978,598	16		2,994,287	27		
2200	Other payables	6(12) and 7		973,041	8		764,193	7		
2230	Current income tax liabilities			172,091	1		95,620	1		
2280	Current lease liabilities			9,718	-		10,370	-		
2320	Long-term liabilities, current portion	6(13)		8,116	-		7,117	-		
2399	Other current liabilities, others			7,217	-		5,074	-		
21XX	Total current liabilities			4,702,137	38		5,046,663	45		
Non-current liabilities										
2540	Long-term borrowings	6(13)		2,652,266	22		1,962,658	18		
2570	Deferred income tax liabilities	6(26)		2,677	-		21,552	-		
2580	Non-current lease liabilities			9,754	-		20,024	-		
2600	Other non-current liabilities	6(14)		21,921	-		25,461	-		
25XX	Total non-current liabilities			2,686,618	22		2,029,695	18		
2XXX	Total liabilities			7,388,755	60		7,076,358	63		
Share capital										
3110	Share capital - common stock	6(16)		1,206,320	10		1,207,885	11		
Capital surplus										
3200	Capital surplus	6(17)		148,709	2		147,144	2		
Retained earnings										
3310	Legal reserve	6(18)		885,097	7		817,355	7		
3320	Special reserve			270,716	2		260,504	2		
3350	Unappropriated retained earnings			2,599,492	21		2,039,001	18		
Other equity interest										
3400	Other equity interest	6(19)	(203,192)	(2)	(315,067)	(3)
31XX	Equity attributable to owners of the parent			4,907,142	40		4,156,822	37		
36XX	Non-controlling interests			29,593	-		19,815	-		
3XXX	Total equity			4,936,735	40		4,176,637	37		
Significant contingent liabilities and unrecorded contract commitments										
Significant events after the balance sheet date										
3X2X	Total liabilities and equity		\$	12,325,490	100	\$	11,252,995	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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share data)

				Year ended December 31			
				2022		2021	
Items	Notes	AMOUNT	%	AMOUNT	%		
4000 Operating revenue	6(20) and 7	\$ 10,557,701	100	\$ 9,423,020	100		
5000 Operating costs	6(6)(25) and 7	(8,427,152)	(80)	(7,579,154)	(80)		
5950 Net operating margin		2,130,549	20	1,843,866	20		
Operating expenses	6(25) and 7						
6100 Selling expenses		(307,749)	(3)	(323,689)	(3)		
6200 General and administrative expenses		(483,782)	(5)	(433,349)	(5)		
6300 Research and development expenses		(187,085)	(2)	(203,912)	(2)		
6450 Expected credit impairment loss	12(2)	(10,332)	-	(534)	-		
6000 Total operating expenses		(988,948)	(10)	(961,484)	(10)		
6900 Operating profit		1,141,601	10	882,382	10		
Non-operating income and expenses							
7100 Interest income	6(3)(21)	19,655	-	20,840	-		
7010 Other income	6(22)	31,566	-	45,472	-		
7020 Other gains and losses	6(23)	197,832	2	(46,214)	-		
7050 Finance costs	6(24)	(47,939)	-	(16,490)	-		
7000 Total non-operating income and expenses		201,114	2	3,608	-		
7900 Profit before income tax		1,342,715	12	885,990	10		
7950 Income tax expense	6(26)	(334,252)	(3)	(213,964)	(2)		
8200 Profit for the year		\$ 1,008,463	9	\$ 672,026	8		

(Continued)

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share data)

				Year ended December 31			
				2022		2021	
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)	\$ 2,585	-	\$ 5,646	-	
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(2)(19)	6,247	-	19,607	-	
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(516)	-	(1,129)	-	
8310	Other comprehensive income that will not be reclassified to profit or loss		8,316	-	24,124	-	
Components of other comprehensive income that will be reclassified to profit or loss							
8361	Financial statements translation differences of foreign operations	6(19)	84,290	1	(33,228)	-	
8399	Income tax relating to the components of other comprehensive income	6(19)(26)	(1,226)	-	3,409	-	
8360	Other comprehensive loss that will be reclassified to profit or loss		83,064	1	(29,819)	-	
8300	Total other comprehensive income for the year		<u>\$ 91,380</u>	<u>1</u>	<u>(\$ 5,695)</u>	<u>-</u>	
8500	Total comprehensive income for the year		<u>\$ 1,099,843</u>	<u>10</u>	<u>\$ 666,331</u>	<u>8</u>	
Profit, attributable to:							
8610	Owners of the parent		\$ 998,685	9	\$ 672,901	8	
8620	Non-controlling interest		9,778	-	(875)	-	
			<u>\$ 1,008,463</u>	<u>9</u>	<u>\$ 672,026</u>	<u>8</u>	
Comprehensive income attributable to:							
8710	Owners of the parent		\$ 1,090,065	10	\$ 667,206	8	
8720	Non-controlling interest		9,778	-	(875)	-	
			<u>\$ 1,099,843</u>	<u>10</u>	<u>\$ 666,331</u>	<u>8</u>	
Earnings per share		6(27)					
9750	Basic earnings per share		<u>\$ 8.32</u>		<u>\$ 5.62</u>		
9850	Diluted earnings per share		\$ 8.19		\$ 5.56		

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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent														
Capital Reserves					Retained Earnings				Other equity interest					
		Capital surplus, additional paid-in capital	Treasury stock transactions	Capital Surplus, restricted stock	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Others	Total	Non-controlling interests	Total equity	
Notes	Share capital - common stock													
2021														
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) for the year	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
2022														
Balance at January 1, 2022		\$ 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
Profit for the year		-	-	-	-	-	-	998,685	-	-	-	998,685	9,778	1,008,463
Other comprehensive income (loss) for the year	6(2)(19)	-	-	-	-	-	-	2,069	83,064	6,247	-	91,380	-	91,380
Total comprehensive income		-	-	-	-	-	-	1,000,754	83,064	6,247	-	1,090,065	9,778	1,099,843
Distribution of 2021 earnings	6(18)													
Legal reserve		-	-	-	-	67,742	- (67,742)	-	-	-	-	-	-	-
Special reserve		-	-	-	-	-	10,212 (10,212)	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	- (362,309)	-	-	-	(362,309)	-	(362,309)	-
Share-based payment	6(15)	(1,565)	11,769	- (10,204)	-	-	-	-	-	22,564	22,564	-	22,564	-
Balance at December 31, 2022		\$ 1,206,320	\$ 76,418	\$ 6,222	\$ 66,069	\$ 885,097	\$ 270,716	\$ 2,599,492	(\$ 200,761)	\$ 19,356	(\$ 21,787)	\$ 4,907,142	\$ 29,593	\$ 4,936,735

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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,342,715	\$ 885,990
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment loss	12(2)	10,332	535
Depreciation	6(7)(8)(25)	363,209	325,008
Amortization	6(9)(25)	13,675	13,490
Interest expense	6(24)	47,939	16,490
Interest income	6(21)	(19,655)	(20,840)
Loss on disposal of property, plant and equipment	6(23)	1,225	1,300
Gains arising from lease modifications	6(8)(23)	(11)	(30)
Share-based payments	6(15)	22,564	43,908
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		6,944	(24,887)
Accounts receivable		(11,552)	(595,483)
Other receivables		43,533	(51,284)
Inventories		(5,413)	(976,049)
Prepayments		(30,853)	(125,843)
Other current assets		434	1,072
Changes in operating liabilities			
Current contract liabilities		(4,723)	5,888
Notes payable		(80,527)	80,527
Accounts payable		(1,015,689)	1,024,229
Other payables		182,448	164
Other current liabilities		2,143	693
Increase in other non-current liabilities		(964)	(352)
Cash inflow generated from operations		867,774	604,526
Interest received		20,099	38,493
Interest paid		(46,340)	(14,264)
Income tax paid		(346,394)	(185,616)
Net cash flows from operating activities		495,139	443,139

(Continued)

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		(\$ 240,479)	(\$ 7,000)
Proceeds from disposal of financial assets at amortised cost		221,000	217,000
Acquisition of property, plant and equipment	6(28)	(847,816)	(1,996,521)
Proceeds from disposal of property, plant and equipment		6,723	2,684
Acquisition of intangible assets	6(9)(28)	(50,456)	(14,808)
(Increase) decrease in other non-current assets		(615)	1,692
Net cash flows used in investing activities		(911,643)	(1,796,953)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		6,099,561	6,891,193
Repayment of short-term borrowings		(5,667,696)	(6,663,788)
Increase in short-term borrowings (including current portion)		686,470	1,866,400
Repayment of long-term borrowings (including current portion)		(6,060)	(5,684)
Payment of the principal of lease liabilities	6(8)	(10,383)	(10,678)
Increase in guarantee deposits received		-	20
Payment of cash dividends	6(18)	(362,309)	(483,644)
Net cash flows from financing activities		739,583	1,593,819
Effect on foreign exchange difference		92,454	(18,994)
Net increase in cash and cash equivalents		415,533	221,011
Cash and cash equivalents at beginning of year	6(1)	1,437,185	1,216,174
Cash and cash equivalents at end of year	6(1)	\$ 1,852,718	\$ 1,437,185

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

INDEPENDENT AUDITORS' REPORT

(22) PWCR 22004069

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, 2022 and 2021, 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, 2022 and 2021, 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 that came into effect 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 Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, 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 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters of the Company's 2022 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, 2022, the Company's cost of inventory and allowance for market value decline and obsolete and slow-moving inventories amounted to NT\$276,669 thousand and NT\$15,515 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:

- A. 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.
- B. 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.
- C. 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.
- D. Assessing the reasonableness of obsolescence loss based on the inventory aging and clearance of inventory individually identified by management, and obtaining evidences.

- E. 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:

- A. Assessing the revenue cycle and performing tests to determine whether the Company's revenue process is conducted in accordance with the internal control procedures.
- B. Checking the related industry background in respect of the newly top 10 trading counterparties.
- C. 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.
- D. 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:

- A. 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.
- B. 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.
- C. 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.

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

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

- A. 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.
- B. 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.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. 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.
- E. 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 constituent entities and events within related transactions achieves fair presentation.

- F. 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.

Pan, Hui-Lin

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 14, 2023

Huang, Pei-Chuan

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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 473,607	5	\$ 398,623	5
1136	Current financial assets at amortised cost	8	15,019	-	10,000	-
1150	Notes receivable, net	6(3)	17,940	-	24,048	-
1170	Accounts receivable, net	6(3)	816,165	8	568,444	7
1180	Accounts receivable - related parties	7	1,404,226	13	1,074,994	12
1200	Other receivables		20,100	-	15,267	-
1210	Other receivables - related parties	7	143,922	1	103,848	1
1220	Current income tax assets	6(25)	4,009	-	21,113	-
130X	Inventories	6(5)	261,154	3	355,830	4
1410	Prepayments		124,936	1	88,718	1
1470	Other current assets		1,552	-	3,482	-
11XX	Total current assets		3,282,630	31	2,664,367	30
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	54,050	1	47,803	1
1535	Non-current financial assets at amortised cost	8	14,460	-	-	-
1550	Investments accounted for using equity method	6(6)(18)	3,071,658	29	2,840,349	32
1600	Property, plant and equipment	6(7) and 8	3,954,326	38	3,178,221	36
1780	Intangible assets	6(8)	13,580	-	12,880	-
1840	Deferred income tax assets	6(25)	39,354	-	33,726	-
1900	Other non-current assets	6(9)	47,473	1	83,166	1
15XX	Total non-current assets		7,194,901	69	6,196,145	70
1XXX	Total assets		\$ 10,477,531	100	\$ 8,860,512	100

(Continued)

CHENBRO MICOM CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2022		December 31, 2021			
			Notes	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(10)	\$	942,687	9	\$	799,768	9
2130	Current contract liabilities	6(19)		1,808	-		6,419	-
2150	Notes payable			-	-		80,527	1
2170	Accounts payable			376,766	4		383,481	4
2180	Accounts payable - related parties	7		992,413	9		1,088,176	12
2200	Other payables	6(11)		510,391	5		379,293	4
2220	Other payables - related parties	7		661	-		2,768	-
2230	Current income tax liabilities			163,108	1		50,385	1
2300	Other current liabilities			1,682	-		1,509	-
21XX	Total current liabilities			2,989,516	28		2,792,326	31
Non-current liabilities								
2540	Long-term borrowings	6(12)		2,552,870	25		1,866,400	21
2570	Deferred income tax liabilities	6(25)		1,942	-		14,619	-
2600	Other non-current liabilities	6(13)		26,061	-		30,345	1
25XX	Total non-current liabilities			2,580,873	25		1,911,364	22
2XXX	Total liabilities			5,570,389	53		4,703,690	53
Equity								
	Share capital	6(14)(15)						
3110	Share capital - common stock			1,206,320	11		1,207,885	14
	Capital surplus	6(16)						
3200	Capital surplus			148,709	2		147,144	2
	Retained earnings	6(17)						
3310	Legal reserve			885,097	8		817,355	9
3320	Special reserve			270,716	3		260,504	3
3350	Unappropriated retained earnings			2,599,492	25		2,039,001	23
	Other equity interest	6(18)						
3400	Other equity interest		(	203,192)	(2)	(	315,067)	(4)
3XXX	Total equity			4,907,142	47		4,156,822	47
	Significant contingent liabilities and unrecorded contract commitments	9						
	Significant events after the balance sheet date	6(17) and 11						
3X2X	Total liabilities and equity		\$	10,477,531	100	\$	8,860,512	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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

				Year ended December 31			
				2022		2021	
Items	Notes			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19) and 7	\$	7,395,041	100	\$	6,165,491
5000	Operating costs	6(5)(24) and 7	(	5,885,771)	(80)	(	5,170,997)
5900	Net operating margin			1,509,270	20		994,494
5910	Unrealised profit from sales		(	107,334)	(1)	(	69,559)
5920	Realised profit from sales			69,559	1		47,534
	Net realised profit from sales	6(6)	(	37,775)	-	(	22,025)
5950	Net operating margin			1,471,495	20		972,469
	Operating expenses	6(24) and 7					
6100	Selling expenses		(	86,962)	(1)	(	78,865)
6200	General and administrative expenses		(	295,954)	(4)	(	243,897)
6300	Research and development expenses		(	134,044)	(2)	(	142,701)
6450	Expected credit impairment (loss) gain	12(2)	(	10,842)	-		26
6000	Total operating expenses		(	527,802)	(7)	(	465,437)
6900	Operating profit			943,693	13		507,032
	Non-operating income and expenses						
7100	Interest income	6(20)		1,013	-		139
7010	Other income	6(21) and 7		13,540	-		13,545
7020	Other gains and losses	6(22)		80,426	1	(	22,880)
7050	Finance costs	6(23)	(	27,899)	-	(	7,722)
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method, net	6(6)		184,794	2		294,559
7000	Total non-operating revenue and expenses			251,874	3		277,641
7900	Profit before income tax			1,195,567	16		784,673
7950	Income tax expense	6(25)	(	196,882)	(2)	(	111,772)
8200	Profit for the year		\$	998,685	14	\$	672,901

(Continued)

CHENBRO MICOM CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Notes	Year ended December 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Gain on remeasurement of defined benefit plan	6(13)	\$ 2,585	-	\$ 5,646	-
8316 Unrealised gain from investments in equity instruments measured at fair value through other comprehensive income	6(2)(18)	6,247	-	19,607	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	(516)	-	(1,129)	-
8310 Other comprehensive income that will not be reclassified to profit or loss		8,316	-	24,124	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations	6(18)	84,290	1	(33,228)	-
8399 Income tax relating to the components of other comprehensive income	6(18)(25)	(1,226)	-	3,409	-
8360 Other comprehensive income (loss) that will be reclassified to profit or loss		83,064	1	(29,819)	-
8300 Other comprehensive income (loss) for the year		\$ 91,380	1	(\$ 5,695)	-
8500 Total comprehensive income for the year		\$ 1,090,065	15	\$ 667,206	11
Earnings per share (in dollars)	6(26)				
9750 Basic earnings per share		\$ 8.32		\$ 5.62	
9850 Diluted earnings per share		\$ 8.19		\$ 5.56	

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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Capital Reserves			Retained Earnings			Other Equity Interest				

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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,195,567	\$ 784,673
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment loss (gain)	12(2)	10,842 (	26)
Depreciation	6(24)	64,994	31,915
Amortisation	6(8)(24)	11,533	10,216
Interest expense	6(23)	27,899	7,722
Interest income	6(20)	(1,013 ) (	139)
Loss on disposal of property, plant and equipment	6(22)	1,221	-
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	(184,794 ) (	294,559)
Net realised loss from sales	6(6)	37,775	22,025
Share-based payments	6(14)	22,564	43,908
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		6,108 (	24,048)
Accounts receivable		(258,563 ) (	220,480)
Accounts receivable - related parties		(329,232 ) (	110,221)
Other receivables		(4,833)	10,042
Other receivables - related parties		(40,074 ) (	44,829)
Inventories		94,676 (	143,937)
Prepayments		(36,218 ) (	82,014)
Other current assets		1,930 (	166)
Changes in operating liabilities			
Notes payable		(80,527)	80,527
Current contract liabilities		(4,611)	4,765
Accounts payable		(6,715)	217,676
Accounts payable - related parties		(95,763)	382,778
Other payables (including related parties)		109,132 (	8,085)
Other current liabilities		173	847
Other non-current liabilities		(3,061)	2,810
Cash inflow generated from operations		539,010	671,400
Interest received		1,013	137
Interest paid		(26,280 ) (	6,046)
Income tax paid		(87,102 ) (	134,202)
Net cash flows from operating activities		426,641	531,289

(Continued)

CHENBRO MICOM CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		(\$ 19,479)	(\$ 7,000)
Proceeds from cash dividends distributed by subsidiaries	6(6)	-	82,306
Acquisition of property, plant and equipment	6(27)	(751,490)	(1,757,003)
Proceeds from disposal of property, plant and equipment		2,869	2,500
Acquisition of intangible assets	6(27)	(47,223)	(12,576)
Increase in other non-current assets		(1,668)	(6,645)
Net cash flows used in investing activities		(816,991)	(1,698,418)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(28)	4,674,033	6,087,236
Repayment of short-term borrowings	6(28)	(4,531,114)	(6,136,537)
Proceeds from long-term borrowings	6(28)	686,470	1,866,400
Payment of the principal of lease liabilities	6(9)(28)	(1,746)	(1,343)
Payment of cash dividends	6(17)	(362,309)	(483,644)
Net cash flows from financing activities		465,334	1,332,112
Net increase in cash and cash equivalents		74,984	164,983
Cash and cash equivalents at beginning of year	6(1)	398,623	233,640
Cash and cash equivalents at end of year	6(1)	\$ 473,607	\$ 398,623

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

Chenbro Micom Co., Ltd.
Distribution of Earnings
2022

Unit: NTD

Item	Amount	
	Subtotal	Total
Undistributed earnings, at the beginning of year		1,598,739,232
Add (Less): Other comprehensive income(Note 2)		2,067,228
Add: Net income after tax for 2022(EP\$8.32)		998,685,394
Distributable earnings for the year		2,599,491,854
Less:		
Legal reserve	(100,075,262)	
Special reserve	89,310,402	
Distribution items		
Shareholders' dividend—cash (120,631,950 shares outstanding); NT\$4 allocated to each share	(482,527,800)	(493,292,660)
Undistributed earnings, at the end of year		2,106,199,194

Notes:

- [Note 1] Priority will be given to the distribution of net income for 2022.
- [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

Managers:

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
<p>Article 21</p> <p>The Company shall have <u>several</u> managers one general manager and several deputy general managers, assistant deputy general managers, and others in equivalent positions.</p> <p>The employment, dismissal, and remuneration of those mentioned above the general manager shall be conducted in accordance with Article 29 of the Company Act.</p>	<p>Article 21</p> <p>The Company shall have one general manager and several deputy general managers, assistant deputy general managers, and others in equivalent positions. The employment, dismissal, and remuneration of the general manager shall be conducted in accordance with Article 29 of the Company Act.</p>	<p>To meet the needs of the Company's operations.</p>
<p>Article 26</p> <p>...(Omitted)</p> <p><u>The 28th amendment will be made on May 31, 2023.</u></p>	<p>Article 26</p> <p>...(Omitted)</p>	<p>The date of amendment is added</p>

Chenbro Micom Co., Ltd.
Profile of the Director Nominees

Name	Mei-chi Chen	Tsun-yen Lee	Chung-pao Wu	Yu-ling Tsai	Te-feng Wu
Educational Background	EMBA, National Taiwan University Department of Money and Banking, National Chengchi University	Business Management Program, Taipei Municipal Shilin High School of Commerce	Master of International Business, National Taiwan University	Master of Law, National Taiwan University	EMBA international programme, National Taiwan University MBA, Fudan University, Shanghai
Experiences	Chairperson of the Company	Chairperson, Ming Kuan Investment Co., Ltd	Founded Protech Systems Co., LTD. in 1990	Minister without Portfolio in the Executive Yuan, IBM's General Counsel in Taiwan and Greater China region (Hong Kong, Taiwan, China), District court judge at Shilin, Taoyuan, Changhua District Courts	Vice President and Chief Strategy Officer of PwC Taiwan Chairperson of Eyes Media Co., Ltd Director, Tai Fung Co., Ltd. Advisory Committee Member, College of Management, National Taiwan University Executive Director, China Rental Tax Research Association (Taiwan) Director, Chunghua Association of Public Finance Director, Asia Pacific Creativity Industries

Name	Mei-chi Chen	Tsun-yen Lee	Chung-pao Wu	Yu-ling Tsai	Te-feng Wu
					Association Financial Integrity Advisory Committee Member Member, Intellectual Property Rights Committee, Chinese National Federation of Industries Associate Professor, Department of Accounting, Chung Yuan Christian University
Current Employment	Chief Strategy Officer of the Company Director, Pong Wei Investment Co., Ltd. Chairperson, Lien Mei Investment Co., Ltd Director, Chen- Source Inc. Legal representative, Chen-Feng Precision Co., Ltd Independent Director, Promate	Executive Assistant to Chairperson of the Company Chairperson, Ming Kuan Investment Co., Ltd. Chairperson, Chung Chiao Asset Management Co., Ltd. Legal representative of Directors, Chen-Source Inc. Legal representative of Chairperson, Chenxergo Inc. Independent Director, HIM International	Chairperson, Protech Systems Co., Ltd. Independent Director, Marketch International Corp. Independent Director, EVA Airways Corp. Legal representative of Directors, CPC Corporation Chairperson, Prox Systems Co., Ltd.	Co-founder, Lee, Tsai & Partners Chairman of the Board, Taiwan FinTech Association Honorary Chairman of the Board, Women on Boards Taiwan Legal representative of Directors, Jess-Link Products Co., Ltd. Supervisor, Huafan University Director, K.T. Li Foundation for Development of Science and Technology Taipei Smart City Committee Member Taipei City Government	Chairpersn, China Rental Tax Research Center Legal representative of Directors, Taiwan Star Telecom Corporation Limited Director, Belray Coffee Plus Pte. Ltd, Singapore Honorary Chairman of the Board, Chunghwa Institute of International Taxation Adjunt Professor, Department of Accounting and Department of Law, Soochow University Chairperson, TIGER Strategic Management

Name	Mei-chi Chen	Tsun-yen Lee	Chung-pao Wu	Yu-ling Tsai	Te-feng Wu
	Electronic Co., Ltd.	Music Inc. Chairperson, China Prosperity Construction Corporation		International Affairs Advisory Council Member Taipei City Government Data Governance Committee Member Supervisor, Artificial Intelligence Foundation	Consultants Ltd.
Number of Shares	9,656,009 Shares	5,306,029 Shares	0 Shares	0 Shares	0 Shares

Chenbro Micom Co., Ltd.
Nominee Independent Director Profile

Name	Wei-shun Cheng	Chung-hsing Huang	Wen-cheng Liu	Pei-fang Tsai
Educational Background	Masters of Accounting, Northern Illinois University	MBA, University of Texas at Austin	Master of International Business Management, Winthrop University Bachelor in Accounting, Soochow University	EMBA/Masters in Marketing, Baruch College, The City University of New York Bachelors in Applied Mathematics, National Chiao Tung University
Experiences	CFO/ Executive Vice President, AUO Corporation Legal representative, Darwin Precision Corp. Legal representative of Directors, Lextar Electronics Corp. Chairperson, Sung Da Materials Co., Ltd. Vice Chairperson, AUO Crystal Corp. Legal representative of Directors/President, Kang Li Investment Co., Ltd. Legal representative of Directors/President, Long Li Investment Co., Ltd.	Associate Dean, College of Management, National Taiwan University Part-time Professor, College of Management, Tung Hai University Supervisor, Test Rite International Co., Ltd. Chairperson, Dotcom Charity Foundation	Chairperson of the Board, Taiwan Corporate Governance Association Independent Director, Global Unichip Corp.	Legal representatives of the Chairperson/ Managing Director, Wincor Nixdorf Taiwan Ltd./
Current	Director, Shirre Lab Corp. Independent Director, Daxin	Independent Director, Huxen Corporation	Independent Director, Vanguard International	None

Name	Wei-shun Cheng	Chung-hsing Huang	Wen-cheng Liu	Pei-fang Tsai
Employment	Materials Corp. Independent Director, Raydium Semiconductor Corporation Independent Director, Unictron Technologies Corporation	Independent Director, Medical Imaging Corporation Director, Avary Holding (Shenzhen) Co., Ltd. Professor, College of Management, Chang Gung University Director of Department, School of Business, Chang Gung University	Semiconductor Corporation Independent Director, Advantech Co., Ltd. Legal representative of Directors, Maywufa Company Ltd. Managing Director/ Chairman of the Evaluation Committee, Taiwan Corporate Governance Association	
Number of Shares	0 Shares	0 Shares	0 Shares	0 Shares