



Chenbro Micom Co., Ltd.

2024 Annual Shareholders' Meeting Handbook

Stock Code : 8210

Time and Date: 9:00 a.m., Monday, May 27, 2024

Venue: RF, No. 558, Zhongyuan Rd., Xinzhuang Dist., New Taipei City
(Physical Shareholders Meeting)

Table of Contents

Chapter 1	Meeting Agenda	2
I.	Reports	3
II.	Ratifications	5
III.	Discussions	6
IV.	Extempore Motions	8
V.	Adjournment	8
Chapter 2	Attachments	
I.	Business Report	10
II.	Audit Committee Audit Report	16
III.	CPAs' Audit Report and 2023 Financial Statements	17
IV.	Profit Distribution Statement.....	45
V.	Comparison Table of "Rules of Procedure for Shareholders' Meetings" Before and After Revision	46
VI.	Regulations for the Issuance of Restricted Stock Awards (RSA)	48
Chapter 3	Annexes	
I.	Articles of Incorporation	54
II.	Rules of Procedure for Shareholders' Meetings (Before Revision)	60
III.	List of shareholdings of all directors	74

Chenbro Micom Co., Ltd.

2024 Annual General Meeting

Time and Date: 9:00 a.m., Monday, May 27, 2024

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

Form of the Meeting: Physical Shareholders' Meetings

Meeting Agenda:

- I. Meeting Called to Order
- II. Chairperson Remarks
- III. Reports:
 1. 2023 Business Reports.
 2. Audit Committee's review report of 2023 financial statements.
 3. Distribution of employee compensation and remuneration to directors for 2023.
 4. Report on the Company's investment in mainland China.
 5. Report on the status of endorsements/guarantees and funds loaned to others.
 6. Report on the Execution of the Company's First Domestic Unsecured Convertible Corporate Bonds.
- IV. Ratifications:
 1. Ratification of 2023 Business Report and Financial Statements.
 2. Ratification of Distribution of Earnings for 2023.
- V. Discussions:
 1. Proposed Amendment to the Company's "Rules of Procedure for Shareholders' Meetings".
 2. Proposed Issuance of Restricted Stock Awards (RSA) by the Company.
- VI. Extempore motion
- VII. Adjournment

[Reports]

Report 1

Subject:	2023 Business Reports.
Description:	2023 Business Report (Please refer to [Attachment 1] on page 10 of the handbook).

Report 2

Subject:	Audit Committee's review report of 2023 financial statements.
Description:	Audit Committee's review report (Please refer to [Attachment 2] on page 16 of the handbook).

Report 3

Subject:	Distribution of employee compensation and remuneration to directors for 2023.
Description:	<ol style="list-style-type: none">1. The employee compensation and the remuneration to directors of the Company for 2023 were approved by the board of directors on March 12, 2024 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 2023 is NT\$105,157,621.3. The total amount of the Company's remuneration to directors for 2023 is NT \$30,928,712.

Report 4

Subject:	Report on the Company's investment in mainland China.
Description:	As of December 31, 2023, 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.
Description:	<ol style="list-style-type: none"> 1. The Company relieved its endorsement/guarantee responsibility towards CloudWell Holdings, LLC after repaying the loan due on November 30, 2023. The Company's endorsement/guarantee to external parties as of December 31, 2023: None. 2. The Company's loaning of funds to external parties as of December 31, 2023: None.

Report 6

Subject:	Report on the execution status of the Company's first domestic unsecured convertible corporate bonds.
Description:	<ol style="list-style-type: none"> 1. In order to repay bank borrowings, the Company issued its first domestic unsecured convertible corporate bonds in 2023, raising a total of NT\$1,096,915,590. The issuance was approved by the Financial Supervisory Commission under letter no. 1120363980 dated December 15, 2023, and was issued on January 19, 2024, with a conversion price of NT\$271. 2. The Company's utilization of funds from the bonds as of March 31, 2024, is as follows:

Unit: NT\$ thousand

Project Item	Execution Status		Accumulated as of March 31, 2024	Reasons for Progress Ahead or Behind and Improvement Plan
Repayment of Bank Borrowings	Amount Utilized	Planned	1,020,000	None
		Actual	1,020,000	
	Execution Progress	Planned	100.00%	
		Actual	100.00%	
To increase working capital (Excess funds beyond the original planned amount)	Amount Utilized	Planned	76,916	
		Actual	76,916	
	Execution Progress	Planned	100.00%	
		Actual	100.00%	
Total	Amount Utilized	Planned	1,096,916	
		Actual	1,096,916	
	Execution Progress	Planned	100.00%	
		Actual	100.00%	

[Ratifications]

Report 1 (proposed by the board of directors)

Subject:	Ratification of 2023 Business Report and Financial Statements.
Description:	<ol style="list-style-type: none">1. The 2023 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] on page 10 and [Attachment 3] on page 17 of the handbook for the 2023 Business Report and Financial Statements and CPAs' audit report.3. The proposal is hereby submitted to the shareholders' meeting for ratification.
Resolution:	

Report 2 (proposed by the board of directors)

Subject:	Ratification of Distribution of Earnings for 2023.
Description:	<ol style="list-style-type: none">1. The board of directors has prepared an earnings distribution table for 2023 in accordance with the Company Act and the Company's Articles of incorporation for the proposal for the distribution of earnings for 2023.2. Please refer to [Attachment 4] on page 45 of the handbook for the distribution of earnings.3. The total cash dividend distribution for this time amounts to NT\$602,934,750. Calculated based on the shareholders' register as of the ex-dividend date, cash dividends of NT\$5 per share are distributed for each share held by shareholders. Calculated to the nearest dollar, any fractions of less than one dollar are disregarded, and the total amount of fractional dividends less than one dollar is included in the company's other income.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,

	<p>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.</p> <p>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.</p> <p>6. The proposal is hereby submitted to the shareholders' meeting for ratification.</p>
Resolution:	

[Discussions]

Report 1 (proposed by the board of directors)

Subject:	The proposed amendment to the "Rules of Procedure for Shareholders' Meetings" of the Company is hereby open for discussion.
Description:	<p>1. In accordance with the letter dated March 17, 2023 from the Taiwan Stock Exchange under Governance Letter No. 11200041671, certain articles of the "Rules of Procedure for Shareholders' Meetings" of the Company have been revised.</p> <p>2. The table of "Rules of Procedure for Shareholders' Meetings" before and after the amendment, please refer to [Attachment 5] on page 46 of the handbook.</p>
Resolution:	

Report 2 (proposed by the board of directors)

Subject:	The Company's proposed issuance of Restricted Stock Awards (RSA) is open for discussion.
Description:	<p>1. In order to attract and retain the professional talents required by the Company, and to motivate employees to create profits, thereby jointly creating benefits for the Company and its shareholders, it is proposed to approve the issuance of RSA. The issuance shall be carried out once or in installments within one year from the date of effectiveness notice sent by the competent authority following the resolution of the shareholders' meeting.</p>

2. Qualifications for employees to receive allocations and the number of shares they may receive: The qualification to receive allocations of RSA is limited to full-time employees within the Company's formal establishment. The actual allocation of RSA and the quantity of shares allocated will be determined by the Board of Directors based on factors such as seniority, job level, job performance, overall contribution, or special achievements. The limitation on the number of shares that may be subscribed or allocated by a single subscriber shall be handled in accordance with the provisions of Article 69 of the "Regulations Governing the Offering and Issuance of Securities by Issuers."
3. Possible amount of expenses, dilution of earnings per share, and other matters affecting shareholders' equity:
 - a. Possible amount of expenses:

The Company shall measure the fair value of the stock on the grant date and recognize related expenses over the vesting period. Based on the closing price of the Company's common stock at NT\$256 on March 11, 2024, the total amount of possible expenses under full achievement of vesting conditions is estimated to be NT\$102,400,000. Estimated expenses for 2024 to 2027 are NT\$24,889,000, NT\$46,933,000, NT\$22,613,000, and NT\$7,964,000, respectively.
 - b. Dilution of earnings per share:

Calculated based on the Company's outstanding common shares of 120,586,950 as of March 12, 2024, the estimated reduction in earnings per share for 2024 to 2027 is NT\$0.21, NT\$0.39, NT\$0.19, and NT\$0.07, respectively.
 - c. Other matters affecting shareholders' equity:

No significant impact.
4. In accordance with Article 267, paragraph 8 of the Company Act and relevant regulations such as the "Regulations Governing the Offering and Issuance of Securities by Issuers" issued by the Financial Supervisory Commission of the Executive Yuan, the Company has formulated the issuance method for this RSA. Please refer to [Attachment 6] on page 48 of this handbook.
5. In the event of changes in laws or regulations or changes required by the competent authority, the Chairman is

	authorized to handle them with full authority.
Election Results:	

[Extempore Motion]

[Adjournment]

Attachment

Business Report

Dear Shareholders,

Continuing from the turbulence of 2022, 2023 remained affected by the inflation crisis brought about by loose monetary policies during the epidemic. Additionally, factors such as changes in US-China relations, slowdowns in economic recovery in various regions, geopolitical turmoil, and adjustments in end-customer capital expenditures compounded the external environment, becoming crucial considerations for global corporate operations. Throughout the year, our operations felt like a roller coaster ride, full of challenges. Continuously enhancing our adaptability and sustainable operational capabilities has become Chenbro's top priority.

Looking back at Chenbro's position in the cloud industry, demand for general-purpose servers remained weak due to sluggish economic recovery in various regions, resulting in overall weak demand and a year-long period of inventory adjustment. Additionally, benefits from the new CPU platform were deferred due to adjustments in end-customer capital expenditures. However, 2023 could be described as the first year of global high-end AI, with a surge in demand for high-end servers and ongoing development of related applications such as AI, HPC, and storage projects. This drove growth momentum throughout the year. Coupled with rapid adjustments in our business strategy, collaboration with industry partners, and the efforts of all our colleagues, Chenbro ultimately delivered outstanding results in the turbulent environment, with annual revenue reaching 11.25 billion and EPS reaching 9.03, setting a new revenue and profit peak in the past 40 years!

Looking ahead to 2024, the uncertainty of the external operating environment continues to increase, with geopolitical changes such as nearly 40% of the global population entering election years, further adding to the uncertainty in global trade and supply chains. However, the overall growth prospects of the cloud industry remain promising. Chenbro will continue to optimize our competitiveness, actively understand market trends and customer needs, deepen our global customer and market layout, satisfy different applications through high compatibility and high customization system integration capabilities and standard products, and prosper together with the upstream and downstream supply chains by implementing flexible layouts and lean pulling for production scheduling. We hope to create our core values and sustainable growth through a strategy of internal and external balance. The following is a summary of Chenbro's operational performance in 2023 and future prospects:

I. Operational Results in 2023

(I) Financial results

1. Results of the business plan

Unit: NT\$ thousand

Item	2023	2022	Amount of increase (decrease)	Increase (decrease)%
Operating revenue	11,247,258	10,557,701	689,557	6.53
Gross income from operations	2,573,827	2,130,549	443,278	20.81
Operating income	1,461,716	1,141,601	320,115	28.04
Net income before tax	1,429,636	1,342,715	86,921	6.47
Net income	1,107,040	1,008,463	98,577	9.77
Net income attributable to owners of the parent company	1,085,456	998,685	86,771	8.69

2. Budget execution

According to the current laws and regulations, the Company did not prepare public financial estimates for 2023.

3. Financial income and expenditure and profitability analysis

Item		2023	2022
Capital structure (%)	Debt ratio	60.12	59.95
	Long-term funds to real estate, plants and equipment ratio	169.30	149.60
Liquidity (%)	Current ratio	151.12	147.92
	Quick ratio	117.03	92.91
	Interest guarantee (times)	1894.74	2900.88
Return on investment (%)	Return on assets (ROA) (%)	8.73	8.80
	Return on equity (ROE) (%)	20.81	22.04
	Operating income to paid-in capital (%)	121.17	94.51
	Pre-tax income to paid-in capital (%)	118.55	111.31
	Net Profit Margin (%)	9.65	9.46
	Earnings per share (NTD)	9.03	8.32

(II) R&D

With a commitment to continuous innovation, Chenbro leverages two major platforms, namely the Research and Development Center and the Technical Forum, to continuously improve R&D technology and develop new products. Strengthening the protection of intellectual property rights, as of 2023, Chenbro has obtained a total of 484 patents in Taiwan, the United States, and mainland China.

In 2023, Chenbro also focused on the development and application for new patents for various products, adding a total of 47 new patents globally. These cover a wide range of areas, including server immersion cooling efficient heat dissipation design, high-density storage structures, rack-mounted chassis structures, flexible hard disk installation structures, high-performance computing applications, as well as tool-free, load-bearing resistance technology, and system modularization applications. Breakthroughs have been achieved in various functional technologies such as product new material processes, modular system planning, structural support strength, system energy-saving technology, system heat dissipation technology, and assembly simplification.

Continuously expanding its presence in fields such as 5G, AI, AIoT, Cloud, and the cloud industry, Chenbro continues to invest in research resources. Through extensive exchanges and collaborations across industries and academia, Chenbro further enhances its product modular system integration and verification capabilities. By pursuing modular design to maximize the sharing of various components, Chenbro significantly shortens product development and verification cycles, reduces customer tooling costs, meets the market trend of small-batch diversification, enhances Chenbro's product added value to maintain market competitiveness, and realizes Chenbro's new generation product sustainable development strategy and plan. Chenbro aims to achieve product development planning through sustainable development strategies such as Simplify (Reduce), Universal Expansion (Reuse), and Efficiency Environmental Protection (Recycle).

II. Overview of 2024 Business Plan

(I) Management Principles

Looking ahead, Chenbro will continue to expand its applications in AI, HPC, and other fields, develop solutions compatible with emerging technologies such as cooling, and initiate layouts in emerging market business opportunities. It will actively deepen its global market presence and manage its entire product range. Through lean management, Chenbro will enhance operational efficiency while aligning with global green trends and ensuring sustainable development, striving to create sustainable competitive advantage in the transition to net zero.

1. In response to the demands of cloud data centers and artificial intelligence, Chenbro will diversify its production lines and offer differentiated services to grasp cutting-edge technologies and solidify its market position.

2. To adapt to the constantly changing market demands, Chenbro will enhance operational efficiency through lean management and inventory management. This will increase flexibility and strengthen competitiveness amid intense competition.
3. Chenbro will strengthen its core values and expand customer cooperation depth and breadth through diverse business models, creating a unique market position.
4. In line with the trend of sustainable development, Chenbro will plan and implement relevant sustainable development projects to achieve the company's sustainable growth and social responsibility.

(II) Sales volume forecast and basis

The company is experiencing balanced development in various fields. With the expectation of continued growth in the global server industry, the shipment volume and revenue of the company's server chassis and other products are also expected to grow accordingly.

(III) Key production and sales policy

1. Sales strategy

In response to the diverse and rapidly changing demands of the server industry, Chenbro provides highly customized structural integration solutions tailored to customer needs. Leveraging its core strengths in research and development design capabilities and flexible manufacturing capabilities, Chenbro expands the depth and breadth of customer cooperation through three major business models: ODM/JDM (Original Design Manufacturing/Joint Design Manufacturing), OBM (Original Brand Manufacturing), and OEM Plus (Original Equipment Manufacturing Plus). Chenbro also collaborates with external strategic partners to create a unique market position, successfully serving customers of all sizes worldwide, and becoming a leading provider in the white-label structural solutions market. This aligns with Chenbro's goal of achieving sharing, altruism, and mutual success.

2. Production strategy

The company integrates manufacturing capabilities across all production bases, focusing on customer needs to provide more flexible delivery services. Continuously integrating engineering teams, the company collaborates with customers on product development and validation requirements, ensuring high quality and rapid response to meet customer demands. Increasing investment in key process automation facilities further enhances factory manufacturing capabilities to meet the growing customer demands.

The factory continues to implement lean management, promotes Low Cost Intelligence Manufacturing (LCIM), continuously optimizes operational processes and rational working methods, adjusts factory production layouts, increases investment in automated processes, overcomes the hidden dangers of rising labor costs, and achieves optimal quality and cost. From various aspects such as quality, safety, efficiency, and cost, deep improvements and optimizations are made, and intelligent manufacturing is developed to

transform into an information-based and automated factory. Lean management seeks minimum costs and comprehensively promotes LCIM to maximize profits, aiming to achieve a win-win situation with customers.

3. R&D strategy

Considering technological advancements leading industry market changes, in addition to establishing a presence in existing markets and developing related products, Chenbro has set up a forward-looking research and development center and regularly hosts technical forums. These initiatives actively engage in cutting-edge technology market research, cultivate R&D talents, and continuously break through in innovative patent technologies for new product development. This includes, but is not limited to, researching energy-saving and carbon reduction, high-strength, lightweight materials, and efficient cooling solutions. Furthermore, in response to the trend of sustainable development, Chenbro has established environmentally friendly product design guidelines, proactively implementing hazardous substance management, adopting environmentally friendly materials, and expanding product portfolios through matrix module augmentation. The design principles emphasize lightweight, high compatibility, tool-free, and easy disassembly, aiming to provide customers with non-toxic, low-pollution, recyclable, and energy-efficient products throughout the product life cycle, thereby achieving the strategy and plan for sustainable development of next-generation products.

III. Future development strategy

Looking ahead to 2024, as a leading provider of global cloud industry electromechanical integration solutions, Chenbro will continue to uphold the business philosophy of "diligence, service, and integrity." Supported by the four core values of "integrity, innovation, inclusiveness, and altruism," Chenbro is committed to developing in four main areas: "deepening global markets and application fields," "improving end-to-end operational efficiency," "strengthening sustainable competitiveness," and "cultivating comprehensive talent capabilities."

With the flourishing development of the cloud industry, Chenbro focuses on four major application areas: Edge, AI, Cloud/Enterprise, and Storage, utilizing three innovative business models and competitive products. In addition to deepening its presence in the Chinese and American markets, Chenbro is actively expanding globally to enhance its global market share and service quality.

In response to the continuously changing external environment, the group internally integrates "lean management" methodologies into its entire operational process and nurtures market talents to continuously optimize operational efficiency and enhance internal and external adaptability. Furthermore, in line with global sustainable development trends, the company has established a sustainable development committee and working group, overseen by the board of directors, to maximize the interests of stakeholders and create sustainable corporate competitiveness.

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

Since its establishment in 1983, Chenbro has continuously enhanced its management capabilities and competitiveness, actively responding to the rapid changes in the internal and external competitive business environment and dynamic adjustments in regulations. This includes but is not limited to fluctuations in international raw materials, changes in labor costs, supply chain of components, and the establishment of environmental regulations.

In response to external competition and the overall business environment, Chenbro not only proactively understands customer needs but also strives to control cost impact factors. This includes adjusting production and sales structures, planning raw material procurement, implementing lean production, etc., to enhance product and service competitiveness while maintaining flexibility to respond effectively. Regarding regulatory environments, Chenbro complies with various regulations issued or amended by regulatory authorities, including compiling reports, adhering to environmental regulations related to suppliers and products, etc., to fulfill corporate responsibilities.

In summary, we hereby present a report to all shareholders on the operating performance in 2023 and the outlook for the company's operations in 2024. We sincerely thank all shareholders for their support and patronage. Chenbro's entire team will continue to strive for excellence in creating the best corporate value.

With respectful wishes for prosperity and success

Chairperson:

Mei-chi Chen

Managers:

Ya-nan Chen , Chien-Nan Hsu

Accounting Supervisor:

Shu-Chen Yu

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 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.

Yours sincerely,
The Company 2024 Annual General Meeting

Chenbro Micom Co., Ltd.
Chairman of the Audit Committee: Wei-shun Cheng

March 12, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

(24) PWCR 23004166

To the Board of Directors and Stockholders 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, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for years then ended, and notes to the consolidated financial statements, including a summary of material 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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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 2023 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 2023 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(5) for description of allowance for inventory valuation losses. As of December 31, 2023, the Group's carrying amount of inventories was NT\$1,842,956 thousand.

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 exceeding a certain period and individually identified as obsolete, its net realisable value is calculated based on 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. Obtaineing 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. Obtaining an understanding of judgement logic of parameters in the inventory cost and net realisable value calculation report and verifying the logical calculation accuracy of 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 obsolete 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 sales revenue

Description

Refer to Note 4(26) for the accounting policies on revenue recognition and Note 6(19) 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. As the sales of the Company's top 10 trading counterparties accounted for over 80%, the newly top 10 and significant changes in revenue of top 10 trading counterparties are significant to the consolidated 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 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 whether 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 any significant sales returns and discounts that occurred.

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, 2023 and 2022.

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 Standards on Auditing of 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.

Hui-Lin, Pan

Pei-Chuan, Huang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 12, 2024

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,947,153	21	\$ 1,852,718	15
1136	Current financial assets at amortised cost	6(3) and 8	31,924	-	15,019	-
1150	Notes receivable, net	6(4) and 7	11,839	-	18,864	-
1170	Accounts receivable, net	6(4) and 7	3,598,978	26	2,347,742	19
1200	Other receivables	7	56,234	-	51,152	-
1220	Current income tax assets	6(25)	4,306	-	83,052	1
130X	Inventories	6(5)	1,842,956	13	2,399,929	19
1410	Prepayments		90,262	1	183,202	2
1470	Other current assets		4,459	-	3,689	-
11XX	Total current assets		8,588,111	61	6,955,367	56
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	91,547	1	54,050	-
1535	Non-current financial assets at amortised cost	6(3) and 8	1,000	-	17,666	-
1600	Property, plant and equipment	6(6) and 8	4,874,679	35	5,076,048	41
1755	Right-of-use assets	6(7)	58,933	-	67,933	1
1780	Intangible assets	6(8)	70,675	1	21,029	-
1840	Deferred income tax assets	6(25)	248,973	2	80,230	1
1900	Other non-current assets	6(6)(9)	53,166	-	71,033	1
15XX	Total non-current assets		5,398,973	39	5,387,989	44
1XXX	Total assets		\$ 13,987,084	100	\$ 12,343,356	100

(Continued)

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2023		December 31, 2022					
			Notes	AMOUNT	%	AMOUNT	%			
Current liabilities										
2100	Short-term borrowings	6(10)	\$	375,751	3	\$	1,545,078	12		
2130	Current contract liabilities	6(19)		54,423	1		8,278	-		
2170	Accounts payable	7		3,037,503	22		1,978,598	16		
2200	Other payables	6(11) and 7		1,453,424	10		973,041	8		
2230	Current income tax liabilities			303,782	2		189,957	2		
2280	Current lease liabilities			8,990	-		9,718	-		
2320	Long-term liabilities, current portion	6(12)		444,153	3		8,116	-		
2399	Other current liabilities			4,811	-		7,217	-		
21XX	Total current liabilities			5,682,837	41		4,720,003	38		
Non-current liabilities										
2540	Long-term borrowings	6(12)		2,700,625	19		2,652,266	22		
2570	Deferred income tax liabilities	6(25)		1,743	-		2,677	-		
2580	Non-current lease liabilities			3,578	-		9,754	-		
2600	Other non-current liabilities	6(13)		20,466	-		21,921	-		
25XX	Total non-current liabilities			2,726,412	19		2,686,618	22		
2XXX	Total liabilities			8,409,249	60		7,406,621	60		
Equity attributable to owners of parent										
Equity										
	Share capital	6(15)								
3110	Common stock			1,205,945	9		1,206,320	10		
	Capital surplus	6(16)								
3200	Capital surplus			149,084	1		148,709	2		
	Retained earnings	6(17)								
3310	Legal reserve			985,172	7		885,097	7		
3320	Special reserve			181,405	1		270,716	2		
3350	Unappropriated retained earnings			3,192,304	23		2,599,492	21		
	Other equity interest	6(18)								
3400	Other equity interest		(187,252)	(1)	(203,192)	(2)
31XX	Equity attributable to owners of the parent			5,526,658	40		4,907,142	40		
36XX	Non-controlling interests			51,177	-		29,593	-		
3XXX	Total equity			5,577,835	40		4,936,735	40		
	Significant contingent liabilities and unrecorded contract commitments	9								
	Significant events after the balance sheet date	11								
3X2X	Total liabilities and equity		\$	13,987,084	100	\$	12,343,356	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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share data)

				Year ended December 31	
				2023	2022
Items	Notes	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(19) and 7	\$ 11,247,258	100	\$ 10,557,701	100
5000 Operating costs	6(5)(24) and 7	(8,673,431)	(77)	(8,427,152)	(80)
5950 Net operating margin		<u>2,573,827</u>	<u>23</u>	<u>2,130,549</u>	<u>20</u>
Operating expenses	6(24) and 7				
6100 Selling expenses		(362,045)	(3)	(307,749)	(3)
6200 General and administrative expenses		(574,519)	(5)	(483,782)	(5)
6300 Research and development expenses		(201,979)	(2)	(187,085)	(2)
6450 Expected credit impairment gain (loss)	12(2)	<u>11,250</u>	<u>-</u>	<u>(10,332)</u>	<u>-</u>
6000 Total operating expenses		(1,127,293)	(10)	(988,948)	(10)
6500 Net other income (expenses)		<u>15,182</u>	<u>-</u>	<u>-</u>	<u>-</u>
6900 Operating profit		<u>1,461,716</u>	<u>13</u>	<u>1,141,601</u>	<u>10</u>
Non-operating income and expenses					
7100 Interest income	6(3)(20)	33,196	-	19,655	-
7010 Other income	6(21)	45,936	1	31,566	-
7020 Other gains and losses	6(22)	(31,555)	-	197,832	2
7050 Finance costs	6(23)	(79,657)	(1)	(47,939)	-
7000 Total non-operating income and expenses		(32,080)	-	201,114	2
7900 Profit before income tax		1,429,636	13	1,342,715	12
7950 Income tax expense	6(25)	(322,596)	(3)	(334,252)	(3)
8200 Profit for the year		<u>\$ 1,107,040</u>	<u>10</u>	<u>\$ 1,008,463</u>	<u>9</u>

(Continued)

CHENBRO MICOM CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share data)

Items	Notes	Year ended December 31			
		2023		2022	
		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		\$ 809	-	\$ 2,585	-
8316 Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(2)(18)	37,497	-	6,247	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(161)	-	(516)	-
8310 Other comprehensive income that will not be reclassified to profit or loss		38,145	-	8,316	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations	6(18)	(32,888)	-	84,290	1
8399 Income tax relating to the components of other comprehensive income	6(18)(25)	-	-	(1,226)	-
8360 Other comprehensive (loss) income that will be reclassified to profit or loss		(32,888)	-	83,064	1
8300 Total other comprehensive income for the year		\$ 5,257	-	\$ 91,380	1
8500 Total comprehensive income for the year		\$ 1,112,297	10	\$ 1,099,843	10
Profit attributable to:					
8610 Owners of the parent		\$ 1,085,456	10	\$ 998,685	9
8620 Non-controlling interest		21,584	-	9,778	-
		<u>\$ 1,107,040</u>	<u>10</u>	<u>\$ 1,008,463</u>	<u>9</u>
Comprehensive income attributable to:					
8710 Owners of the parent		\$ 1,090,713	10	\$ 1,090,065	10
8720 Non-controlling interest		21,584	-	9,778	-
		<u>\$ 1,112,297</u>	<u>10</u>	<u>\$ 1,099,843</u>	<u>10</u>
Earnings per share (in dollars)	6(26)				
9750 Basic earnings per share		<u>\$ 9.03</u>		<u>\$ 8.32</u>	
9850 Diluted earnings per share		<u>\$ 8.95</u>		<u>\$ 8.19</u>	

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, 2023 AND 2022
(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				Financial statements translation differences of foreign operations	Unrealised gains 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>2022</u>														
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 for the year	6(2)(18)	-	-	-	-	-	-	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(17)													
Legal reserve		-	-	-	-	67,742	-	(67,742)	-	-	-	-	-	-
Special reserve		-	-	-	-	-	10,212	(10,212)	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(362,309)	-	-	-	(362,309)	-	(362,309)
Share-based payment	6(14)	(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
<u>2023</u>														
Balance at January 1, 2023		\$ 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
Profit for the year		-	-	-	-	-	-	1,085,456	-	-	-	1,085,456	21,584	1,107,040
Other comprehensive income (loss) for the year	6(2)(18)	-	-	-	-	-	-	648	(32,888)	37,497	-	5,257	-	5,257
Total comprehensive income (loss)		-	-	-	-	-	-	1,086,104	(32,888)	37,497	-	1,090,713	21,584	1,112,297
Distribution of 2022 earnings	6(17)													
Legal reserve		-	-	-	-	100,075	-	(100,075)	-	-	-	-	-	-
Reversal of special reserve		-	-	-	-	-	(89,311)	89,311	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(482,528)	-	-	-	(482,528)	-	(482,528)
Share-based payment	6(14)	(375)	18,597	-	(18,222)	-	-	-	-	-	11,331	11,331	-	11,331
Balance at December 31, 2023		\$ 1,205,945	\$ 95,015	\$ 6,222	\$ 47,847	\$ 985,172	\$ 181,405	\$ 3,192,304	(\$ 233,649)	\$ 56,853	(\$ 10,456)	\$ 5,526,658	\$ 51,177	\$ 5,577,835

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,429,636	\$ 1,342,715
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment (gain) loss	12(2)	(11,250)	10,332
Depreciation	6(6)(7)(24)	289,704	363,209
Amortization	6(8)(24)	8,487	13,675
Interest expense	6(23)	79,657	47,939
Interest income	6(20)	(33,196)	(19,655)
Loss on disposal of property, plant and equipment	6(22)	198	1,225
Gains arising from lease modifications	6(7)(23)	-	(11)
Share-based payments	6(14)	11,331	22,564
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		7,025	6,944
Accounts receivable		(1,239,982)	(11,552)
Other receivables		(4,930)	43,533
Inventories		543,312	(5,413)
Prepayments		93,156	(30,853)
Other current assets		(770)	434
Changes in operating liabilities			
Current contract liabilities		46,145	(4,723)
Notes payable		-	(80,527)
Accounts payable		1,058,905	(1,015,689)
Other payables		596,339	182,448
Other current liabilities		(2,406)	2,143
Other non-current liabilities		(636)	(964)
Cash inflow generated from operations		2,870,725	867,774
Interest received		33,044	20,099
Interest paid		(79,986)	(46,340)
Income tax paid		(299,863)	(346,394)
Net cash flows from operating activities		2,523,920	495,139

(Continued)

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of financial assets at amortised cost		(\$	4,474)	(\$	240,479)
Proceeds from disposal of financial assets at amortised cost			4,283		221,000
Acquisition of property, plant and equipment	6(27)	(	215,401 )	(	847,816)
Proceeds from disposal of property, plant and equipment			1,512		6,723
Acquisition of intangible assets	6(8)(27)	(	29,709 )	(	50,456)
Decrease (increase) in other non-current assets			<u>10,050</u>	(	<u>615</u>)
Net cash flows used in investing activities		(	<u>233,739</u> )	(	<u>911,643</u>)

CASH FLOWS FROM FINANCING ACTIVITIES

Increase in short-term borrowings	6(28)		2,818,130		6,099,561
Repayment of short-term borrowings	6(28)	(	3,983,968 )	(	5,667,696)
Increase in long-term borrowings (including current portion)	6(28)		910,856		686,470
Repayment of long-term borrowings (including current portion)	6(28)	(	426,800 )	(	6,060)
Payment of the principal of lease liabilities	6(7)(28)	(	10,341 )	(	10,383)
Payment of cash dividends	6(17)	(	<u>482,528</u> )	(	<u>362,309</u>)
Net cash flows (used in) from financing activities		(	<u>1,174,651</u>)		<u>739,583</u>
Effect on foreign exchange difference		(	<u>21,095</u>)		<u>92,454</u>
Net increase in cash and cash equivalents			1,094,435		415,533
Cash and cash equivalents at beginning of year	6(1)		<u>1,852,718</u>		<u>1,437,185</u>
Cash and cash equivalents at end of year	6(1)	\$	<u><u>2,947,153</u></u>	\$	<u><u>1,852,718</u></u>

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

INDEPENDENT AUDITORS' REPORT

(24) PWCR 23003584

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, 2023 and 2022, 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 material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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 2023 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 2023 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, 2023, the Company's cost of inventory amounted to NT\$486,180 thousand.

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 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.

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

Huang, Pei-Chuan

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 12, 2024

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2023		December 31, 2022			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	1,114,075	10	\$	473,607	5
1136	Current financial assets at amortised cost	6(3) and 8		31,924	-		15,019	-
1150	Notes receivable, net	6(4)		10,355	-		17,940	-
1170	Accounts receivable, net	6(4)		501,853	4		816,165	8
1180	Accounts receivable - related parties	7		2,283,306	20		1,404,226	13
1200	Other receivables			53,356	1		20,100	-
1210	Other receivables - related parties	7		68,691	1		143,922	1
1220	Current income tax assets	6(25)		4,009	-		4,009	-
130X	Inventories	6(5)		486,180	4		261,154	3
1410	Prepayments			25,933	-		124,936	1
1470	Other current assets			2,707	-		1,552	-
11XX	Total current assets			4,582,389	40		3,282,630	31
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(2)		91,547	1		54,050	1
1535	Non-current financial assets at amortised cost	6(3) and 8		1,000	-		14,460	-
1550	Investments accounted for using equity method	6(6)(18)		2,866,097	25		3,071,658	29
1600	Property, plant and equipment	6(7) and 8		3,860,693	33		3,954,326	38
1780	Intangible assets	6(8)		64,787	-		13,580	-
1840	Deferred income tax assets	6(25)		74,482	1		39,354	-
1900	Other non-current assets	6(9)		51,256	-		47,473	1
15XX	Total non-current assets			7,009,862	60		7,194,901	69
1XXX	Total assets		\$	11,592,251	100	\$	10,477,531	100

(Continued)

CHENBRO MICOM CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(10)	\$ 305,808	2	\$ 942,687	9
2130	Current contract liabilities	6(19)	12,975	-	1,808	-
2170	Accounts payable		1,171,558	10	376,766	4
2180	Accounts payable - related parties	7	660,870	6	992,413	9
2200	Other payables	6(11)	550,374	5	510,391	5
2220	Other payables - related parties	7	904	-	661	-
2230	Current income tax liabilities		279,639	2	163,108	1
2320	Long-term liabilities, current portion	6(12)	444,153	4	-	-
2399	Other current liabilities, others		1,879	-	1,682	-
21XX	Total current liabilities		3,428,160	29	2,989,516	28
Non-current liabilities						
2540	Long-term borrowings	6(12)	2,615,354	23	2,552,870	25
2570	Deferred income tax liabilities	6(25)	975	-	1,942	-
2600	Other non-current liabilities	6(13)	21,104	-	26,061	-
25XX	Total non-current liabilities		2,637,433	23	2,580,873	25
2XXX	Total liabilities		6,065,593	52	5,570,389	53
Equity						
	Share capital	6(14)(15)				
3110	Share capital - common stock		1,205,945	10	1,206,320	11
	Capital surplus	6(16)				
3200	Capital surplus		149,084	1	148,709	2
	Retained earnings	6(17)				
3310	Legal reserve		985,172	9	885,097	8
3320	Special reserve		181,405	2	270,716	3
3350	Unappropriated retained earnings		3,192,304	28	2,599,492	25
	Other equity interest	6(18)				
3400	Other equity interest		(187,252)	(2)	(203,192)	(2)
3XXX	Total equity		5,526,658	48	4,907,142	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		\$ 11,592,251	100	\$ 10,477,531	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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share data)

				Year ended December 31			
				2023		2022	
Items	Notes			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19) and 7	\$	7,428,009	100	\$ 7,395,041	100
5000	Operating costs	6(5)(24) and 7	(	5,236,667	(71)	(5,885,771)	(80)
5900	Net operating margin			2,191,342	29	1,509,270	20
5910	Unrealised profit from sales		(	118,342	(2)	(107,334)	(1)
5920	Realised profit from sales			107,334	2	69,559	1
	Net realised profit from sales	6(6)	(	11,008)	-	(37,775)	-
5950	Net operating margin			2,180,334	29	1,471,495	20
	Operating expenses	6(24) and 7					
6100	Selling expenses		(	93,215	(1)	(86,962)	(1)
6200	General and administrative expenses		(	389,846	(5)	(295,954)	(4)
6300	Research and development expenses		(	149,822	(2)	(134,044)	(2)
6450	Expected credit impairment gain (loss)	12(2)		10,408	-	(10,842)	-
6000	Total operating expenses		(	622,475	(8)	(527,802)	(7)
6500	Net other income (expenses)			79,592	1	-	-
6900	Operating profit			1,637,451	22	943,693	13
	Non-operating income and expenses						
7100	Interest income	6(20)		4,556	-	1,013	-
7010	Other income	6(21) and 7		12,475	-	13,540	-
7020	Other gains and losses	6(22)	(	19,843)	-	80,426	1
7050	Finance costs	6(23)	(	62,899)	(1)	(27,899)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method, net	6(6)	(	161,665)	(2)	184,794	2
7000	Total non-operating revenue and expenses		(	227,376)	(3)	251,874	3
7900	Profit before income tax			1,410,075	19	1,195,567	16
7950	Income tax expense	6(25)	(	324,619)	(4)	(196,882)	(2)
8200	Profit for the year		\$	1,085,456	15	\$ 998,685	14

(Continued)

CHENBRO MICOM CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share data)

		Year ended December 31			
		2023		2022	
Items	Notes	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)	\$ 809	-	\$ 2,585
8316	Unrealised gain from investments in equity instruments measured at fair value through other comprehensive income	6(2)(18)	37,497	-	6,247
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	(161)	-	(516)
8310	Other comprehensive income that will not be reclassified to profit or loss		38,145	-	8,316
Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(18)	(32,888)	-	84,290
8399	Income tax relating to the components of other comprehensive income	6(18)(25)	-	-	(1,226)
8360	Other comprehensive (loss) income that will be reclassified to profit or loss		(32,888)	-	83,064
8300	Other comprehensive income for the year		\$ 5,257	-	\$ 91,380
8500	Total comprehensive income for the year		\$ 1,090,713	15	\$ 1,090,065
Earnings per share (in dollars)		6(26)			
9750	Basic earnings per share		\$ 9.03	\$	8.32
9850	Diluted earnings per share		\$ 8.95	\$	8.19

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Capital Reserves			Retained Earnings			Other Equity Interest				
									Unrealised gains from financial assets measured at fair value through other comprehensive income	Other equity - others	Total equity	
Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Treasury stock transactions	Capital Surplus, restricted stock	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations				
<u>2022</u>												
		\$ 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
		-	-	-	-	-	-	998,685	-	-	-	998,685
		-	-	-	-	-	-	2,069	83,064	6,247	-	91,380
	6(2)(18)	-	-	-	-	-	-	1,000,754	83,064	6,247	-	1,090,065
<u>Distribution of 2021 earnings</u>												
	6(17)											
		-	-	-	-	67,742	-	(67,742)	-	-	-	-
		-	-	-	-	-	10,212	(10,212)	-	-	-	-
		-	-	-	-	-	-	(362,309)	-	-	-	(362,309)
	6(14)(18)	(1,565)	11,769	-	(10,204)	-	-	-	-	-	22,564	22,564
		\$ 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
<u>2023</u>												
		\$ 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
		-	-	-	-	-	-	1,085,456	-	-	-	1,085,456
	6(2)(18)	-	-	-	-	-	-	648	(32,888)	37,497	-	5,257
		-	-	-	-	-	-	1,086,104	(32,888)	37,497	-	1,090,713
<u>Distribution of 2022 earnings</u>												
	6(17)											
		-	-	-	-	100,075	-	(100,075)	-	-	-	-
		-	-	-	-	-	(89,311)	89,311	-	-	-	-
		-	-	-	-	-	-	(482,528)	-	-	-	(482,528)
	6(14)(18)	(375)	18,597	-	(18,222)	-	-	-	-	-	11,331	11,331
		\$ 1,205,945	\$ 95,015	\$ 6,222	\$ 47,847	\$ 985,172	\$ 181,405	\$ 3,192,304	(\$ 233,649)	\$ 56,853	(\$ 10,456)	\$ 5,526,658

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 1,410,075	\$ 1,195,567
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment (gain) loss	12(2)	(10,408)	10,842
Depreciation	6(24)	136,124	64,994
Amortisation	6(8)(24)	6,497	11,533
Interest expense	6(23)	62,899	27,899
Interest income	6(20)	(4,556)	(1,013)
Loss on disposal of property, plant and equipment	6(22)	187	1,221
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	161,665	(184,794)
Net realised loss from sales	6(6)	11,008	37,775
Share-based payments	6(14)	11,331	22,564
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		7,585	6,108
Accounts receivable		324,720	(258,563)
Accounts receivable - related parties		(879,080)	(329,232)
Other receivables		(33,226)	(4,833)
Other receivables - related parties		75,231	(40,074)
Inventories		(225,026)	94,676
Prepayments		99,219	(36,218)
Other current assets		(1,155)	1,930
Changes in operating liabilities			
Notes payable		-	(80,527)
Current contract liabilities		11,167	(4,611)
Accounts payable		794,792	(6,715)
Accounts payable - related parties		(331,543)	(95,763)
Other payables (including related parties)		155,619	109,132
Other current liabilities		328	173
Other non-current liabilities		(4,171)	(3,061)
Cash inflow generated from operations		1,779,282	539,010
Interest received		4,526	1,013
Interest paid		(63,172)	(26,280)
Income tax paid		(244,344)	(87,102)
Net cash flows from operating activities		1,476,292	426,641

(Continued)

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of financial assets at amortised cost		(\$ 3,445)	(\$ 19,479)
Acquisition of property, plant and equipment	6(27)	(188,626)	(751,490)
Proceeds from disposal of property, plant and equipment		477	2,869
Acquisition of intangible assets	6(27)	(29,182)	(47,223)
Increase in other non-current assets		(286)	(1,668)
Net cash flows used in investing activities		(221,062)	(816,991)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from short-term borrowings	6(28)	2,483,065	4,674,033
Repayment of short-term borrowings	6(28)	(3,119,944)	(4,531,114)
Proceeds from long-term borrowings	6(28)	910,856	686,470
Repayment of long-term borrowings(including current portion)	6(28)	(404,219)	-
Payment of the principal of lease liabilities	6(9)(28)	(1,992)	(1,746)
Payment of cash dividends	6(17)	(482,528)	(362,309)
Net cash flows (used in) from financing activities		(614,762)	465,334
Net increase in cash and cash equivalents		640,468	74,984
Cash and cash equivalents at beginning of year	6(1)	473,607	398,623
Cash and cash equivalents at end of year	6(1)	<u>\$ 1,114,075</u>	<u>\$ 473,607</u>

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

Chenbro Micom Co., Ltd.
Distribution of Earnings
2023

Unit: NTD

Item	Amount	
	Subtotal	Total
Undistributed earnings, at the beginning of year		2,106,199,194
Add (Less): Other comprehensive income(Note 2)		647,556
Add: Net income after tax for 2023(EP\$9.03)		1,085,456,295
Distributable earnings for the year		3,192,303,045
Less:		
Legal reserve	(108,610,385)	
Special reserve	4,609,350	
Distribution items		
Shareholders' dividend—cash (120,586,950 shares outstanding); NT\$5 allocated to each share	(602,934,750)	(706,935,785)
Undistributed earnings, at the end of year		2,485,367,260

Notes:

- [Note 1] Priority will be given to the distribution of net income for 2023.
- [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 , Chien-Nan Hsu

Accounting Supervisor:

Shu-Chen Yu

Chenbro Micom Co., Ltd.

**Table of "The Rules of Procedure for Shareholders' Meetings"
Before and After Amendment**

Amended Provision	Current Provision	Reason for amendment
<p>Article 3 (Convening and Notice of Shareholders' Meeting)</p> <p>Unless otherwise provided by laws and regulations, the shareholders' meeting of the Company shall be convened by the Board of Directors. In convening a video conference of shareholders' meeting, unless otherwise provided by the <u>Guidelines for Handling Securities Affairs of Public Issuers</u>, it shall be stipulated in the Articles of Incorporation, and shall be resolved by the Board of Directors. A video shareholders' meeting shall be conducted only upon the resolution of the Board of Directors with the consent of two-thirds or more of the attending directors and the majority of the attending directors.</p> <p>(The rest omitted)</p>	<p>Article 3 (Convening and Notice of Shareholders' Meeting)</p> <p>Unless otherwise provided by laws and regulations, the shareholders' meeting of the Company shall be convened by the Board of Directors.</p> <p>In convening a video conference of shareholders' meeting, unless otherwise provided by the</p> <p>(The rest omitted)</p>	<p>In compliance with the letter No. 11200041671 issued by the Taiwan Stock Exchange on March 17, 2023.</p>
<p>Article 6-1 (Notice of Convening Shareholders' Meeting via Video Conference)</p> <p>(The above omitted)</p> <p>3. When convening a video shareholders' meeting, it shall specify appropriate alternative measures for shareholders who have difficulty participating in the shareholders' meeting via video. <u>Except for the circumstances specified in Article 44-9, Paragraph 6 of the Guidelines for Handling Securities Affairs of Public Issuers</u>, at least shareholder connection equipment and necessary assistance shall be provided, and the period during which shareholders may apply to the company and other relevant matters to be noted shall be specified.</p>	<p>Article 6-1 (Notice of Convening Shareholders' Meeting via Video Conference)</p> <p>(The above omitted)</p> <p>3. When convening a video shareholders' meeting, it shall specify appropriate alternative measures for shareholders who have difficulty participating in the shareholders' meeting via video.</p>	<p>In compliance with the letter No. 11200041671 issued by the Taiwan Stock Exchange on March 17, 2023.</p>
Article 22 (Handling of Digital	Article 22 (Handling of Digital	In compliance

Discrepancy) When the company convenes a video shareholders' meeting, appropriate alternative measures shall be provided for shareholders who have difficulty attending the shareholders' meeting via video. <u>Except for the circumstances specified in Article 44-9, Paragraph 6 of the Guidelines for Handling Securities Affairs of Public Issuers, the company shall provide at least shareholder connection equipment and necessary assistance, and shall specify the period during which shareholders may apply to the company and other relevant matters to be noted.</u>	Discrepancy) When the company convenes a video shareholders' meeting, appropriate alternative measures shall be provided for shareholders who have difficulty attending the shareholders' meeting via video.	with the letter No. 11200041671 issued by the Taiwan Stock Exchange on March 17, 2023.
Article 24 (The above omitted) The seventh revision was made on May 31,2022 <u>The eighth revision was made on May 27, 2024.</u>	Article 24 (The above omitted) The seventh revision was made on May 31,2022	Addition of the amendment date and modification of the article numbers

CHENBRO MICOM CO., LTD.**Restricted Stock Awards (RSA) Issuance Regulations for 2024****1. Purpose of Issuance**

To retain the necessary professional talent within the company and to enhance employees' morale and sense of belonging, in order to collectively create benefits for the company and its shareholders, this issuance of Restricted Stock Awards (RSA) is established in accordance with Article 267 of the Company Act and relevant regulations issued by the Financial Supervisory Commission of the Executive Yuan, including the "Guidelines for Issuers on the Offering and Issuance of Securities."

2. Issuance Period

Within one year from the date when the effective notification of declaration is received by the competent authority, the issuance may be conducted either in one installment or in multiple installments as deemed necessary. The actual issuance date and related operational matters shall be determined by the Chairman of the Board authorized by the Board of Directors.

3. Eligibility Criteria and Allocation of Shares to Employees

- 3.1 This provision applies to full-time regular employees within the organization of the Company and its subsidiaries (as determined pursuant to Article 369-2, Paragraph 1 of the Company Act). The actual allocation of Restricted Stock Awards (RSA) to eligible employees and the quantity thereof shall take into account factors such as years of service, job level, job performance, overall contribution, special achievements, or other management considerations. After verification by the Chairman, it shall be submitted to the Board of Directors for approval. However, those holding managerial positions shall obtain prior approval from the Compensation Committee, while those without managerial positions shall obtain prior approval from the Audit Committee
- 3.2 Pursuant to Article 56-1, Paragraph 1 of the Regulations Governing the Offering and Issuance of Securities by Issuers, the cumulative number of shares that may be subscribed by a single employee, taking into account both the cumulative Restricted Stock Awards (RSA) granted to the employee and the total number of shares issued, shall not exceed three per thousand of the total issued shares. Additionally, the cumulative number of shares that may be subscribed by the employee, considering both the cumulative Employee Stock Option Certificates (ESOCs) granted to the employee and the total number of shares issued, shall not exceed one-hundredth of the total issued shares, as stipulated in Article 56, Paragraph 1 of the Regulations Governing the Offering and Issuance of Securities by Issuers.

CHENBRO MICOM CO., LTD.

Restricted Stock Awards (RSA) Issuance Regulations for 2024

4. Total Number of Shares to be Issued

The maximum total amount of Restricted Stock Awards (RSA) to be issued in this offering is NT\$4,000,000 (New Taiwan Dollars Four Million). Each share has a par value of NT\$10 (New Taiwan Dollars Ten), with a total issuance of 400,000 ordinary shares.

5. Issuance Conditions

5.1 Issue Price: Each share is issued at a price of NT\$0, i.e., granted to employees free of charge.

5.2 Eligibility Requirements:

5.2.1 Employees who remain employed upon the expiration of the following period from the date of receipt of the restricted stock awards (i.e., the reference date for the increase in restricted stock awards), and who meet the performance conditions required by the Company (both company performance and individual performance conditions must be met), shall have the following share ratios:

Target Audience	Company Performance	Individual Performance	Duration/Ratio	Note
Middle to senior-level executives and key talents	1. If the company's EPS in the previous fiscal year is equal to or exceeds 10 yuan, the overall weight is 100%. 2. If the company's EPS in the previous fiscal year ranges from 6 to 9.9 yuan, the overall weight is 50%. 3. If the company's EPS in the previous fiscal year is below 6 yuan, the overall weight is 0%.	The individual's performance appraisal in the most recent year preceding the expiration of the vested period is rated at or above "ST" .	1 year completion: 30% 2 years completion: 30% 3 years completion: 40%	

5.2.2 If an employee who has been granted restricted stock awards by the Company violates this regulation, trust agreements, labor contracts, work rules, contracts between the employee and the Company (related contract agreements authorized by the Board of Directors and signed by the Chairman representing the Company), or other Company regulations, the Company reserves the right to retrieve the shares allocated to the employee but not yet subject to vested conditions, without charge, and proceed with their cancellation. In case the specified period ends on a holiday, the action will be advanced to the preceding business day.

5.3 Type of Shares Issued: Ordinary Shares of the Company.

CHENBRO MICOM CO., LTD.

Restricted Stock Awards (RSA) Issuance Regulations for 2024

5.4 If an employee fails to meet the vested conditions or in the event of inheritance, the following procedures shall apply:

5.4.1 Voluntary Resignation/Retirement/Dismissal/Termination:

For the portion of restricted stock awards (RSA) granted but not vested, the Company shall reclaim the shares at no cost in accordance with the law and proceed with their cancellation.

5.4.2 Leave of Absence without Pay:

For employees who have not met the vested conditions for restricted stock awards (RSA), upon return to work, their rights shall be reinstated. However, the conditions for vesting shall be deferred based on the duration of the leave without pay.

5.4.3 General Death:

For the portion of restricted stock awards (RSA) granted but not vested, the Company shall reclaim the shares at no cost in accordance with the law and proceed with their cancellation.

5.4.4 Occupational Accident:

5.4.4.1 Disability Due to Occupational Accident: For employees disabled due to occupational accidents and unable to continue employment, the portion of restricted stock awards (RSA) not yet vested may be vested upon resignation. However, regarding the vested shares for the confirmed operational and personal performance achievement goals, the actual shares vested for each relevant year must be calculated according to the conditions set forth in this regulation. For the years in which operational and personal performance goals cannot be confirmed, all unvested restricted stock awards (RSA) may be vested.

5.4.4.2 Death Due to Occupational Accident: In the event of an employee's death due to an occupational accident, the portion of restricted stock awards (RSA) not yet vested may be inherited by the successors upon completion of the necessary legal procedures and submission of relevant documents. However, regarding the vested shares for the confirmed operational and personal performance achievement goals, the actual shares vested for each relevant year must be calculated according to the conditions set forth in this regulation. For the years in which operational and personal performance goals cannot be confirmed, all unvested restricted stock awards (RSA) may be vested.

CHENBRO MICOM CO., LTD.

Restricted Stock Awards (RSA) Issuance Regulations for 2024

5.5 Transfer:

When an employee is transferred to a related enterprise or another company (excluding subsidiaries), their restricted stock awards (RSA) shall be handled in the same manner as "Voluntary Resignation" specified in the first paragraph of this section. However, if an employee is reassigned to a related enterprise or another company at the Company's discretion, their granted restricted stock awards (RSA) shall not be affected by the transfer.

5.6 Employees or their successors shall receive the transferred shares upon meeting the vested conditions as per the trust agreement.

5.7 Other: In the event of significant misconduct such as violation of the Company's labor contracts or work rules, and deemed severe by the Company, for the portion of restricted stock awards (RSA) not yet vested, the Company reserves the right to reclaim the shares at no cost and proceed with their cancellation.

6. Restricted Rights before Meeting Vesting Conditions

6.1 The restricted stock awards (RSA) issued under these regulations shall be delivered to the employees in trust and registered in the name of the employee in the shareholder register. Until the vesting conditions are met, the following restrictions apply:

6.1.1 Employees who have been granted restricted stock awards (RSA) may not sell, pledge, transfer, gift, mortgage, or otherwise dispose of the shares until they meet the vesting conditions, except in the case of inheritance.

6.1.2 Attendance, proposal submission, speech, and voting rights at shareholder meetings shall be executed by the trustee institution according to the trust agreement.

6.2 Apart from the restrictions imposed by the trust agreement, employees who have been granted restricted stock awards (RSA) under these regulations shall have rights, including but not limited to dividend entitlement, voting rights, and rights to capital reserve distribution, similar to those of the Company's issued ordinary shares until the vesting conditions are met.

7. Procedure for Receiving Granted Shares

7.1 Upon granting of restricted stock awards (RSA) to employees, the Company shall allocate the shares in the shareholder register and deliver the new shares or stock right certificates to the employees through book-entry transfer. The shares shall be held in trust within the specified vesting period according to the trust agreement.

7.2 The Company shall process the necessary registration changes in accordance with these regulations for the restricted stock awards (RSA) issued under these regulations.

CHENBRO MICOM CO., LTD.

Restricted Stock Awards (RSA) Issuance Regulations for 2024

8. Signing and Confidentiality

- 8.1 Employees who receive restricted stock awards (RSA) must complete the signing of the "Restricted Stock Award Acceptance Agreement" and related trust custody procedures as notified by the Company's responsible unit before they are considered to have acquired the restricted stock awards. Failure to sign the relevant documents as required shall be deemed as waiving the restricted stock awards.
- 8.2 Employees and any other recipients of the restricted stock awards (RSA) and derivative benefits acquired under these regulations must comply with the provisions of these regulations and the "Restricted Stock Award Acceptance Agreement." Violations shall be considered as not meeting the vesting conditions. They shall also adhere to the Company's salary confidentiality regulations, refrain from inquiring or disclosing to others the content, quantity, or related personal benefits of the granted restricted stock awards (RSA), or disclosing the relevant details of the case to others. In case of violation, the Company reserves the right to reclaim the unvested restricted stock awards (RSA) at no cost and proceed with their cancellation.

9. Taxation

The relevant taxes for the restricted stock awards (RSA) granted under these regulations shall be handled in accordance with legal regulations.

10. Other Important Matters

- 10.1 In the future, if there are any revisions or adjustments to the matters related to the issuance of restricted stock awards (RSA) by the competent authority, it is proposed that the Board of Directors be fully authorized by the shareholders' meeting to handle them. If revisions are required during the submission and review process due to the requests of the competent authority, the Chairman is authorized to amend these regulations, subject to subsequent confirmation by the Board of Directors before issuance.
- 10.2 For matters not covered in these regulations, except where otherwise provided by law, the Board of Directors or its authorized representatives shall have full authority to amend or implement them in accordance with relevant laws and regulations.

Annexes

Chenbro Micom Co., Ltd.

Articles of Incorporation

Chapter 1 General Provisions

- Article 1 The Company is incorporated in accordance with the Company Act. The name of the Company is 勤誠興業股份有限公司 in Chinese and Chenbro Micom Co., Ltd. in English.
- Article 2 The main business operated by the Company is as follows:
- I. J399010 Software Publishing
 - II. C805050 Industrial Plastic Products Manufacturing
 - III. C805990 Other Plastic Products Manufacturing
 - IV. CC01080 Electronic Components Manufacturing
 - V. CC01110 Computer and Peripheral Equipment Manufacturing
 - VI. CC01120 Data Storage Media Manufacturing and Duplicating
 - VII. CQ01010 Mold and Die Manufacturing
 - VIII. F113050 Wholesale of Computers and Clerical Machinery Equipment
 - IX. F213030 Retail Sale of Computers and Clerical Machinery Equipment
 - X. F401010 International Trade
 - XI. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The Company may act as a guarantor for the needs of its business.
- Article 4 When the Company becomes a shareholder of limited liability in other companies, the total amount of its investments in such other companies is exempted from the restriction that such investment shall not exceed 40 % of the paid-in capital as specified in Article 13 of the Company Act.
- Article 5 The Company is located in New Taipei City, Taiwan. The Company may establish branches or subsidiaries in Taiwan or overseas if necessary upon resolution by the board of directors of the Company.
- Article 6 The Company's announcement method is handled in accordance with the provisions of Article 28 of the Company Act.

Chapter 2 Shares

- Article 7 The Company's total registered capital is NT\$1.5 billion, divided into 150 million shares, with a par value of NT\$10 per share, and the board of directors is authorized to issue the shares in tranches.
- Of the total registered capital in the preceding paragraph, an amount of NT\$10 million is retained, divided into one million shares, with a par value of NT\$10 per share, which are for the Company's employee stock warrants, which the board of directors is authorized to issue said shares in tranches. The board of directors is authorized to issue the remaining shares unissued in tranches according to law. The Company's treasury shares purchased in accordance with the Company Act shall be transferred to recipients that include employees of controlling or subordinate companies who meet the criteria.
- The Company's employee stock warrants are issued to recipients that include employees of controlling or subordinate companies who meet the criteria. Where the Company issues new shares, the employees eligible for share subscription shall include employees of controlling or subordinate companies who meet the criteria.
- The Company's employee restricted shares are issued to recipients that include

Articles of Incorporation

- employees of controlling or subordinate companies who meet the criteria.
- Article 7-1 Where the Company intends to apply for de-listing, it shall be proposed to a shareholders' meeting for adoption.

Chapter 3 Shareholders' Meetings

- Article 8 The Company's shares shall be registered and bear the signatures or personal seals of the directors, who represent the Company, and be issued upon certification in accordance with the law. After the Company publicly issues shares, it may be exempted from printing any share certificates for the shares issued.
- Article 9 Registration of share transfer shall be completed within 60 days before the date of each annual general meeting, 30 days before the date of each extraordinary meeting, or five (5) days before the date at which dividends, bonus, or any other distributions will be paid or made by the Company.
- Article 10 Shareholders' meetings are divided into annual general meetings and extraordinary general meetings; the annual general meeting shall be convened once a year by the board of directors within six (6) months after the end of each fiscal year. The extraordinary general meeting is convened when necessary. The shareholders' meeting notice may be issued in writing or by electronic means after approved by shareholders.
For shareholders holding less than one thousand registered shares, the notice stated in the preceding paragraph can be delivered in the form of a public announcement.
- Article 10-1 The Company may hold a shareholders' meeting by means of visual communication network or other methods promulgated by the Ministry of Economic Affairs.
- Article 11 The shareholders' meeting shall be duly chaired by the Chairperson. If the Chairperson is on leave or unable to exercise his/her power and authority for any cause, the Chairperson shall designate one person to act on his/her behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chair of the board of directors. If the meeting is convened by a person with the power to convene other than the board of directors, such person shall chair the meeting; if there are more than one person with the power to convene, they shall elect from among themselves to chair the meeting.
- Article 12 A shareholder who is unable to attend a shareholders' meeting may authorize another person to attend as a proxy using the form provided by the Company, with the shareholder's signature and seal affixed, which sets forth the scope of the authorization. The proxy process is governed by Article 177 of the Company Act and the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies promulgated by the competent authority.
- Article 13 Each share of the Company held by shareholders is entitled to one voting right 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..
- Article 14 Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.
According to the regulations of the competent authority, the shareholders of the

Articles of Incorporation

Company may exercise their voting rights electronically. Shareholders exercising their voting rights electronically shall be deemed to have been present in person, and related matters shall be handled in accordance with the regulations.

The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes shall be kept in accordance with Article 183 of the Company Act and shall be kept permanently during the existence of the Company. The meeting minutes mentioned in the preceding paragraph shall be duly produced and distributed in accordance with the Company Act.

Chapter 4 Directors and Audit Committee

- Article 15 The Company shall appoint 7 to 11 directors for a term of three years. The Company's election of directors is based on the candidate nomination system in accordance with Article 192-1 of the Company Act. Director candidate nomination acceptance method, announcement, and other relevant matters shall be handled according to the Company Act, Securities and Exchange Act, and other relevant regulations. The election of independent directors and non-independent directors shall be held concurrently, provided that the number of independent directors and non-independent directors elected are calculated separately, and said directors are eligible for renewal of term if elected. As for the percentage of ownership by all directors, the rules of the competent securities authorities shall prevail. When a director's term expires and another director cannot be elected in time, he/she shall extend his/her term until a newly elected director takes office. The board of directors of the Company may set up various functional committees, and the qualifications, exercise of powers, and relevant matters shall be handled in accordance with relevant laws and regulations, and shall be prescribed by the board of directors.
- Article 15-1 In compliance with Article 14-2 of the Securities and Exchange Act, Company shall have at least three independent directors among the number of directors referred to in the preceding paragraph, and the independent directors shall represent at least one-fifth of the board. The independent directors shall be elected at a shareholders' meeting using the candidate nomination system and from among a list of candidates. The restrictions on professional qualifications, share ownership, concurrent positions held, the manner of nomination, the election of the independent directors, and other relevant matters shall comply with applicable laws and regulations prescribed by the competent securities authority.
- Article 15-2 The Company establishes an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee is composed of all independent directors. The Company shall formulate the audit committee charter to govern the number of audit committee members, terms of office, powers and responsibilities, and rules of procedure in accordance with the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies. The Company may set up other functional committees according to the needs of business operations, and the establishment and powers and responsibilities of the relevant committees shall be handled in accordance with the regulations of the competent authority.

Articles of Incorporation

-
- Article 16 The board of directors is composed of directors, and the Chairperson of the board shall be elected with the consent of a majority of the directors at a meeting attended by more than two-thirds of the directors. The Chairperson is the representative of the Company.
- Article 17 The powers and responsibilities of the board of directors are as follows:
- I. To provide business plans.
 - II. To put forth proposals for earnings distribution or loss compensation.
 - III. To put forth proposals for capital increase or reduction.
 - IV. To formulate material rules and the Company's organizational charters.
 - V. To appoint and dismiss the Company's general managers and managers who are required by law to be approved by the board of directors.
 - VI. To set up and shut down branches.
 - VII. To prepare budgets and final accounts
 - VIII. Other powers and duties conferred by the Company Act or by the resolution adopted at the shareholders' meeting.
- Article 18 Unless otherwise provided by law or regulations, the Company's board meetings shall be convened by the Chairperson. Except otherwise provided by the Company Act, resolutions of the board of directors shall be adopted by at least a majority of the directors present at a meeting attended by at least a majority of the directors holding office.
- Article 19 Chairperson serves as the chair of board meetings. If the Chairperson is on leave or unable to exercise his/her power and authority for any cause, the Chairperson shall designate one person to act on his/her behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chair. The directors shall attend board meetings in person. If a director is unable to attend a meeting for any reason, he/she may entrust another director to act on their behalf. The aforementioned proxy shall be limited to act on behalf of one person. Independent directors shall attend board meetings in person, or entrust other independent directors to act on their behalf.
- Article 20 The Company may purchase liability insurance for directors to protect them against potential liabilities arising from exercising their duties during their tenure. When performing duties for the Company, the directors shall receive remuneration from the Company regardless of its gain or loss; the board is authorized to determine the remuneration according to their individual participation in the Company's operations and the value of their contribution, while taking into account the general standard in the industry.

Chapter 5 Managers

- Article 21 The Company shall have several managers. The employment, dismissal, and remuneration of those mentioned above shall be conducted in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

- Article 22 At the end of each fiscal year, the Company's board of directors shall prepare the following list of documents, which shall be submitted to the annual general meeting for ratification.
- I. Business report;

Articles of Incorporation

- II. Financial statements;
 III. Earnings distribution or loss compensation proposals.
 The distribution of the business report, financial statements, and earnings distribution or loss compensation proposals in the preceding paragraph to each shareholder shall be handled in accordance with the provisions of the Company Act.
- Article 23 If the Company has earnings at the end of a year, it shall set aside 3% to 12% of the balance as employee compensation and no greater than 3% of the balance as remuneration to directors.
 The board of directors determines the dividend distribution in stocks or cash, and the employee compensation may also be distributed to employees of subordinate companies who meet certain criteria. Said criteria are set by the board of directors. The distribution of employee compensation and remuneration to directors shall be reported to the shareholders' meeting.
 However, where the Company still has accumulated losses, it shall reserve an amount to compensate the losses in advance, and then distribute remuneration to directors and employee compensation based on the percentages specified in Article 21.
- Article 23-1 If the Company has any earnings after the closing of the fiscal year, it shall distribute the earnings in the following order:
 I. Pay taxes.
 II. Make up for accumulated deficit/loss.
 III. Set aside 10 percent for the legal reserve. However, where such legal reserve amounts to the paid-in capital, this provision shall not apply.
 IV. Appropriate or reverse special reserves according to laws or the regulations of the competent securities authority.
 V. If there is still a balance, the board of directors shall decide whether to retain or distribute the undistributed earnings, together with the accumulated undistributed earnings from previous years, to shareholders as dividends based on the capital status and economic development of the current year, while submitting it to the shareholders' meeting for resolution.
- Article 23-2 The Company's dividend policy is based on the current year's profitability and consideration for the Company's future growth, capital budget planning, capital needs, and other factors, while the interests of shareholders and the Company's long-term financial planning are considered. Shareholder dividends are appropriated from distributable earnings, in the form of cash or stock dividends. However, the cash dividends shall not be less than 10% of the total dividends. If the cash dividend per share is less than NT\$0.20, it will not be distributed and will be distributed as stock dividend instead.
- Article 24 From January 1, 2008, the Company may transfer its shares to employees at a price lower than the average price of the shares actually redeemed or issue employee stock warrants at a subscription price lower than the market price (net value per share), which shall only be implemented with the consent of attending shareholders representing two-thirds of the voting rights present at a shareholders'

Articles of Incorporation

- meeting attended by a majority of shareholders. The Company may file applications for implementation of said matter multiple times within one year from the date of the shareholders' resolution.
- Article 24-1 When the Company repurchases treasury shares, it may transfer shares to employees at a price lower than the average actual price of share repurchase, which shall only be implemented with the consent of attending shareholders representing two-thirds of the voting rights present at a shareholders' meeting attended by a majority of shareholders while in accordance with relevant laws. The Company may file applications for implementation of said matter multiple times within one year from the date of the shareholders' resolution.
- Article 25 Matters not specified in the Articles of Incorporation shall be governed by the Company Act.

Supplementary Provisions

- Article 26 The Articles of Incorporation was formulated on November 21, 1983.
The 1st amendment was made on May 10, 1984.
The 2nd amendment was made on May 5, 1986.
The 3rd amendment was made on November 5, 1986.
The 4th amendment was made on November 20, 1987.
The 5th amendment was made on October 2, 1989.
The 6th amendment was made on December 16, 1989.
The 7th amendment was made on March 9, 1990.
The 8th amendment was made on January 3, 1990.
The 9th amendment was made on June 30, 1998.
The 10th amendment was made on June 10, 1999.
The 11th amendment was made on October 20, 1999.
The 12th amendment was made on June 26, 2000.
The 13th amendment was made on June 27, 2002.
The 14th amendment was made on June 30, 2003.
The 15th amendment was made on June 21, 2005.
The 16th amendment was made on June 23, 2006.
The 17th amendment was made on June 22, 2007.
The 18th amendment was made on June 27, 2008.
The 19th amendment was made on June 26, 2009.
The 20th amendment was made on June 14, 2010.
The 21st amendment was made on May 25, 2012.
The 22nd amendment was made on June 23, 2016.
The 23rd amendment was made on June 20, 2017.
The 24th amendment was made on June 25, 2019.
The 25th amendment was made on June 23, 2020.
The 26th amendment was made on May 14, 2021.
The 27th amendment was made on May 31, 2022.
The 28th amendment will be made on May 31, 2023.

Chenbro Micom Co., Ltd.**Rules of Procedure for Shareholders' Meetings**

-
- Article 1: To establish a strong governance system and sound supervisory capabilities for this Company's shareholders' meetings, and to strengthen management capabilities, the Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2: Unless otherwise provided by laws or the Company's Articles of Incorporation, the Company shall duly convene the shareholders' meeting in accordance with the Rules.
- Article 3: (Convention and Notice of Shareholders' Meeting)
 Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the board of directors.
 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.
 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.
 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.
 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.
 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:
- I. When a shareholders' meeting is held on-site, distribute at the meeting.
 - II. When a video-assisted shareholders' meeting is held, distribute at the

Chenbro Micom Co., Ltd.**Rules of Procedure for Shareholders' Meetings**

meeting and on the video networking platform as electronic files.

III. When a shareholders' meeting is held by means of visual communication network, distribute on the video networking platform as electronic files.

The cause or subject of a meeting of shareholders to be convened shall be indicated in the individual notice to be given to shareholders; and the notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient thereof.

Election or dismissal of directors, change of Articles of Incorporation, reduction of capital, application for cessation of public offering, cancellation of non-compete duty for directors, capital increase from earnings, surplus transferred to common stock, company dissolution, merger, demerger, or any listed in Paragraph 1, Article 185 of the Company Act shall be listed and specified in the convening reason, and shall not be proposed as an extempore motion.

Where the notice of the reasons for convening the shareholders' meeting already specifies the election of all directors and the date of elected directors taking office, once the election is completed in the shareholders' meeting, the date of the elected directors taking office may not be changed by motions or other methods in the same meeting.

A shareholder holding 1 percent or more of the total number of issued shares may submit a proposal to the Company for discussion at an annual general meeting, and shall only submit one proposal; any proposal in excess of one shall not be included in the agenda. However, a shareholder proposal proposed for urging the Company to promote public interests or fulfill its social responsibilities may still be included in the agenda. In addition, when the circumstances specified in any subparagraph of Paragraph 4, Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before an annual general meeting is held, the Company shall publicly announce that it will accept shareholder proposals, in written or by electronic means, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Each shareholder proposal is limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting and take part in discussion of the proposal.

Prior to the date of issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal review results and shall list in the meeting notice the proposals that conform to the

Chenbro Micom Co., Ltd.**Rules of Procedure for Shareholders' Meetings**

provisions of this article. At the shareholders' meeting, the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4: For each shareholders' meeting, a shareholder may issue a proxy in the form printed by the Company to expressly stipulate the scope of authority to authorize a representative to attend the shareholders' meeting on his/her behalf. A shareholder shall issue one proxy and entrust one proxy only, and shall deliver the proxy to the Company five days before the shareholders' meeting; if more than one proxy is delivered, the earliest one received by the Company shall prevail. However, a statement to revoke an earlier proxy is not subject to the aforementioned rule. After the delivery of a duplicate proxy to the Company is postponed, the shareholder intends to personally attend the shareholders' meeting or exercised voting rights by correspondence or electronic means after delivering a proxy to the Company, the shareholder shall provide, two (2) days before the date of the shareholders' meeting, a written notice to the Company for rescinding said proxy. Where the period for rescinding the proxy has expired, the voting right exercised by the proxy entrusted at the meeting shall prevail.

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.

Article 5: (Principles determining time and place of shareholders' meeting)
The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

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.

Article 6: (Preparation of documents, including the sign-in book)
The Company shall, in the notice of the shareholders' meeting, specify the time and place for shareholder, solicitor, and proxy agent (shareholder) sign-in, and other important matters to be noted.

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. Where a shareholders' meeting is held by means of visual communication network, shareholders shall register

Chenbro Micom Co., Ltd.**Rules of Procedure for Shareholders' Meetings**

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.

The 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.

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.

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.

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.

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.

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.

Article 6-1: (Matters to be specified in the notice of shareholders' meeting held by means of visual communication network)

When the Company holds a shareholders' meeting by means of visual communication network, it shall specify the following matters in the shareholders' meeting notice:

- I. Methods for shareholders to attend and exercise their rights in a shareholders' meeting held by means of visual communication network.
- 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:
 - (I) Where the aforesaid obstacles cannot be removed, the Company shall determine whether the shareholders' meeting should be postponed or

Chenbro Micom Co., Ltd.**Rules of Procedure for Shareholders' Meetings**

reconvened within a period of time, and shall set the date of postponement or reconvention if appropriate;

- (II) Shareholders who have not registered to attend the shareholders' meeting by means of visual communication network shall not attend the postponed or reconvened meeting;
- (III) 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
- (IV) Methods for handling in the event that all proposals have been declared results and no extempore motion has been made.

- 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.

Article 7: (The chair and non-voting participants of a shareholders' meeting)

If a shareholders' meeting is convened by the board of directors of the Company, the Chairperson of the board shall preside over such meeting. If the Chairperson is on leave or unable to exercise his/her powers and duties for some reason, the Vice Chairperson shall preside over such meeting. The Chairperson shall designate a managing director to act on his/her behalf if a Vice Chairperson is not appointed, or if the Vice Chairperson is on leave or unable to exercise his powers and duties for some reason. If no managing director of the Company is appointed, the Chairperson shall designate a director to preside as the chair. If the Chairperson fails to designate a chair for the meeting, the managing directors or the directors shall nominate one from among themselves to preside over the meeting.

The managing director or director who is designated as the chair for the meeting pursuant to the preceding paragraph shall have held office for at least six months and be familiar with the financial and business condition of the Company. The same requirements shall apply if the chair for the meeting is a representative of a corporate director.

For a shareholders' meeting convened by the board of directors, it is advised that the Chairperson should chair the meeting in person, that a majority of

Chenbro Micom Co., Ltd.**Rules of Procedure for Shareholders' Meetings**

directors attend the meeting in person, and that at least one member of each functional committee attends the meeting as a representative. Attendance details shall be recorded in the minutes of the shareholders' meeting.

Where the shareholders' meeting is convened by a convener other than the board of directors, the convener shall chair the meeting in person. Where there are two or more conveners, they shall elect one from among themselves to chair the meeting.

The Company may appoint the retained attorney(s), certified public accountant(s), or relevant personnel to participate in a shareholders' meeting in a non-voting capacity.

Article 8: (Documentation of shareholders' meeting by audio or video)

The Company shall record, by audio or video means, the entire process, from shareholder sign-in, the meeting process to the voting and vote counting continuously and uninterruptedly.

The aforementioned audio and video recordings shall be kept for at least one (1) year. In the event of a lawsuit filed by any shareholder under Article 189 of the Company Act, said ballots shall be kept until the conclusion of the lawsuit. When a shareholders' meeting is held by means of visual communication network, the 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.

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.

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.

Article 9: 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, the number of shares registered on the video networking platform, 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.

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. If a shareholders' meeting is held by means of visual communication network, the

Chenbro Micom Co., Ltd.**Rules of Procedure for Shareholders' Meetings**

Company shall also announce the adjournment of the shareholders' meeting on the video networking platform.

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. 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.

In the event that the total number of shares represented by attending shareholders reaches a majority of the total issued shares before the same shareholder meeting is adjourned, the chair may bring the tentative resolution(s) so adopted into the shareholders' meeting anew to be duly resolved in accordance with Article 174 of the Company Act.

Article 10: (Discussion of proposals)

The agenda for the shareholders' meeting shall be set by the board of directors if such meeting is convened by the board of directors. Relevant proposals (including extempore motions and revision of original proposals) shall be voted on a case-by-case basis. Unless otherwise resolved by resolution at the meeting, the meeting shall be carried out in accordance with the scheduled agenda.

The preceding paragraph shall apply mutatis mutandis to meetings convened by any person, other than the board of directors, with the right to convene such meeting.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda stated in the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules and procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with the statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motions put forward by the shareholders; where the chair is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chair may announce the discussion closed and bring the matter to vote and arrange sufficient time for voting.

Article 11: (Shareholder speech)

An attending shareholder shall issue and submit a speech slip before having a

Chenbro Micom Co., Ltd.**Rules of Procedure for Shareholders' Meetings**

floor at the shareholders' meeting. The speech slip shall expressly describe the subject of the speech and his/her shareholder account number (or the attendance card number) so that the chair may determine the order of the speech.

An attending shareholder who submits a speech slip but does not speak at the meeting is deemed to have not spoken. In the event of any inconsistency between the contents of a shareholder's speech and those recorded on the slip, the contents of shareholder's speech shall prevail.

On the same proposal, each shareholder shall not take the floor more than twice and shall not speak for more than five minutes for each round unless agreed upon by the chair. However, where a shareholder's speech violates the regulations or exceeds the scope of the topic, the chair may stop his/her speech. When an attending shareholder is speaking at the meeting, no other shareholder shall interrupt the speech unless otherwise permitted by the chairperson and such shareholder making a speech; the chairperson shall stop any such violations.

In the event that a juridical person (corporate) shareholder appoints two or more representatives to participate in a shareholders' meeting, only one representative may speak on the same proposal.

After a shareholder speaks on the floor; the chair may answer either in person or designate relevant personnel to respond.

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.

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.

Article 12: (Calculation of voting shares and recusal system)

The voting by shareholders shall be duly calculated based on the number of shares they hold.

With respect to the resolutions of a shareholders' meeting, the number of shares held by a shareholder without voting rights shall not be counted toward the total number of issued shares.

When a shareholder is an interested party in relation to an item on the agenda, and there is the likelihood that such a relationship would prejudice the interests of the Company, such a shareholder shall not vote on that item, and shall not exercise voting rights as a proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the

Chenbro Micom Co., Ltd.**Rules of Procedure for Shareholders' Meetings**

preceding paragraph shall not be counted toward the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the counting.

Article 13: A shareholder shall have one voting right in respect of each share; however, this limit is not applicable to those who are restricted, or who do not have the right to vote under Paragraph 2, Article 179 of the Company Act.

When the Company convenes a shareholders' meeting, shareholders may exercise their voting rights in writing or by electronic means; the method of exercising their voting rights shall be specified in the shareholders' meeting notice. A shareholder who exercises his/her voting rights at a shareholders' meeting in writing or by electronic means shall be deemed to have attended said shareholders' meeting in person. However, the shareholder shall be regarded to have abstained for extempore motions or for revision of the original proposals. Thus, it is advised that the Company shall avoid proposing extempore motions or revising the original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic transmission under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. However, when a declaration is made to cancel an earlier declaration of intent is not subject to the limits.

After the shareholders exercise their voting rights in writing or electronic means, if they want to attend the shareholders' meeting in person or by means of visual communication network, 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.

Unless otherwise provided by laws and the Company's Articles of Incorporation, proposals at a shareholders' meeting shall be resolved and adopted by a majority vote of the shareholders attending the meeting. When voting on each proposal, the chair or personnel designated by the chair shall announce the total voting rights of the shareholders present on a case-by-case basis, and the shareholders shall vote on a case-by-case basis. On the day after

Chenbro Micom Co., Ltd.**Rules of Procedure for Shareholders' Meetings**

the shareholders' meeting is held, the results of shareholders' resolutions, including the number of votes for, votes against, and abstentions, shall be uploaded to the Market Observatory Post System (MOPS).

In the event that an amendment or an alternative to the same proposal, together with the original one, the chair shall determine the order in which they will be put to a vote. When anyone among them is passed, the other proposal(s) will then be deemed rejected, and no further voting shall be required.

Scrutineers and vote counting personnel for the voting on a proposal shall be appointed by the chair, provided that all scrutineers shall be shareholders of the Company.

Vote counting for proposals at a shareholders' meeting or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

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.

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.

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.

Shareholders who exercise their voting rights in writing or electronically without revoking their intentions and attend the shareholders' meeting by means of visual communication 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.

Article 14: (Election Matters)

The election of directors at the shareholders' meeting, if any, shall be handled according to the relevant regulations on election formulated by the Company, and the voting results shall be announced on the spot, including the list of

Chenbro Micom Co., Ltd.**Rules of Procedure for Shareholders' Meetings**

elected directors and the numbers of votes they obtained, as well as the list of unelected directors and the number of votes they received.

The ballots shall be sealed and signed off by the scrutineers and be kept for at least a year. In the event of a lawsuit filed by any shareholder under Article 189 of the Company Act, said ballots shall be kept until the conclusion of the lawsuit.

Article 15: The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be kept and distributed electronically. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including the number of votes counted), and the number of votes each candidate obtains shall be disclosed in the case of an election of directors. The records shall be kept for the duration of the existence of the Company.

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.

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.

Article 16: (Public disclosure)

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 the number of shares held by attending shareholders in writing or electronically, and shall clearly disclose the said table at the place of the shareholders' meeting. If a shareholders' meeting is held by means of visual communication network, the 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.

Chenbro Micom Co., Ltd.**Rules of Procedure for Shareholders' Meetings**

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.

For any shareholders' meeting resolution that relates to statutory regulations or to material information as specified by the Taiwan Stock Exchange Corporation, the Company shall upload, within the specified time limit, said resolution to the MOPS.

Article 17: (Maintaining order at the meeting place)

Staff at the shareholders' meetings shall wear ID badges or arm badges.

The chair may direct proctors or security personnel to assist in maintaining the order of the meeting. The proctors or security personnel shall wear arm badges or ID badges marked "Proctor" while assisting in maintaining the order of the meeting.

There is amplification equipment at the meeting place, if a shareholder makes a speech with amplification equipment not provided by the Company, the chair may stop it.

In the event that a shareholder violates the rules of procedure, defies the chair's order, or obstructs progress of the meeting, and refuses to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting

Article 18: (Recess and resumption of a shareholders' meeting)

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19: (Disclosure of shareholders' meeting held by means of visual communication network)

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.

Chenbro Micom Co., Ltd.**Rules of Procedure for Shareholders' Meetings**

Article 20: (Location of the chair and minute taker of shareholders' meeting held by means of visual communication network)

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.

Article 21: (Handling of disconnection)

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.

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.

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.

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' 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.

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.

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

Chenbro Micom Co., Ltd.**Rules of Procedure for Shareholders' Meetings**

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.

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. 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.

The Company shall base the period prescribed in the latter part of Article 12 and 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.

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.

Article 23: The Rules shall be implemented after approval by the shareholders' meeting, and the same shall apply to any amendment thereto.

Article 24: The Rules were formulated on September 27, 1999.

The 1st amendment was made on June 23, 2006.

The 2nd amendment was made on June 20, 2013.

The 3rd amendment was made on June 11, 2015.

The 4th amendment was made on June 20, 2017.

The 5th amendment was made on June 23, 2020.

The sixth amendment was made on May 14, 2021.

The 7th amendment was made on May 31, 2022.

Director Shareholding Statement

Title	Name	Shareholding Numbers Recorded in the Shareholder Registry as of March 29, 2024
Chairperson	Mei-chi Chen	9,656,009 shares
Director	Tsun-yen Lee	5,306,029 shares
Director	Chung-pao Wu	0 shares
Director	Te-feng Wu	0 shares
Director	Yu-ling Tsai	0 shares
Independent Director	Chung-hsing Huang	0 shares
Independent Director	Wei-shun Cheng	0 shares
Independent Director	Wen-zheng Liu	31,000 shares
Independent Director	Pei-fang Cai	0 shares
Total		14,993,038 shares

Note 1: As of the record date of this shareholders' meeting (March 29, 2024), the paid-in capital of the Company amounted to NT\$1,205,869,500, with a total issued shares of 120,586,950.

Note 2: According to Article 2 of the "Regulations Governing the Shareholding Ratios of Directors and Supervisors of Publicly Issued Companies and the Implementation of Audits", all directors of the Company, excluding independent directors, shall collectively hold a minimum of 8,000,000 shares.

