113年股東常會
議事手冊

股票代碼: 2377

中華民國113年6月14日

Stock Code: 2377

Micro-Star International Co., Ltd.

Handbook for the 2024 Annual Meeting of Shareholders

MEETING TIME:June 14, 2024.

PLACE:1F., No. 488, Bannan Rd., Zhonghe Dist., New Taipei City 235, Taiwan R.O.C.

Notice to readers

This English-version handbook is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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Micro-Star International Co., Ltd.
Year 2024

Agenda of Annual Meeting of Shareholders

Time: 9:00 a.m. on Friday, June 14, 2024.

Place: Company's conference room 3102 (1F., No. 488, Bannan Rd., Zhonghe Dist., New Taipei City 235, Taiwan R.O.C.)

Shareholders' meeting will be held physically.

Chairperson Remarks

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Report No. 1
Business Report of 2023

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Business Report

In 2023, the global economy experienced multiple financial and political shocks. In the first half of the year, global central banks continued to combat high inflation policies, resulting in several interest rate hikes that led some countries to face debt crises, consequently causing a decline in private consumption capacity and a significant downturn in the PC market. In the latter half of the year, geopolitical conflicts, including the Israel-Palestine conflict and the escalation of the Red Sea crisis, further exacerbated the situation. Despite these adverse conditions, there were sporadic positive developments, particularly in the latter half of the year when economies in Europe and America began a slow recovery. Expectations of inflation decreasing to normal levels boosted demand in the PC consumer market, leading to a noticeable improvement in sales. Despite the overall decline in the PC market in 2023, our company achieved revenue growth and a significant increase in market share in key countries, thanks to the collective efforts of all employees.

Looking ahead to 2024, the global economy continues to face challenges from high interest rates, regional conflicts, China's economic slowdown, and the US-China technology dispute. However, there is optimism that the United States and Europe may gradually lower interest rates after the second quarter. Additionally, with the widespread integration of AI into various applications, AI-powered PCs are beginning to emerge. The replacement cycle of PCs purchased during the pandemic coincides with the introduction of new AI PC products and the impact of Microsoft discontinuing support for the Windows 10 operating system. These factors are expected to stimulate the replacement of old PCs with new ones, potentially leading to growth in the global PC market in the second and third quarters. Our company will actively seize new business opportunities in the AI era, expanding our market share in the gaming sector with AI PCs and deepening our presence in the commercial market. Furthermore, we will continue to invest and expand in related areas such as server business, automotive applications, AIoT, and charging piles, leveraging the synergies of One MSI in technology development, product design, and marketing channels. Additionally, MSI will continue to adhere to a sustainable development strategy, using the United Nations Sustainable Development Goals (SDGs) as a guiding direction. We will maintain continuous communication with supply chain partners to reduce high energy consumption and the use of environmentally hazardous materials, actively engaging in social activities to enhance our corporate social impact in areas such as education, poverty alleviation, environmental protection, and local community engagement, promoting the realization of corporate responsibility.

I. Operating Performance in 2023

1. Consolidated financial results

Unit: NT$ thousands

Year / Item	2023	2022	Growth amount	Growth rate
Sales revenue	182,965,688	180,411,242	2,554,446	1.42%
Gross profit	22,845,651	25,728,080	(2,882,429)	(11.20%)
Profit after tax	7,532,896	9,962,520	(2,429,624)	(24.39%)
Basic earnings per share (After-tax) (in NT dollars)	8.92	11.79	(2.87)	(24.34%)
Diluted earnings per share (After-tax) (in NT dollars)	8.87	11.65	(2.78)	(23.86%)

2. Profitability analysis

Year / Item		Financial Analysis for the Last Two-Years	
		2023	2022
Financial structure (%)	Debt to asset ratio (%)	44.57	44.28
	Long-term capital to property, plant and equipment (%)	975.38	891.19
Solvency (%)	Current ratio (%)	208.42	208.81
	Quick ratio (%)	118.09	125.09
	Interest earned ratio (times) (%)	33,280.34	32,224.29
Profitability (%)	Return on assets (%)	8.52	10.59
	Return on shareholders' equity (%)	15.28	20.87
	Profit ratio (%)	4.12	5.52
	Basic after-tax EPS(NT$)	8.92	11.79

3. Research and Development Status

MSI is a leading brand in the global AI PC, gaming, creator, business, and AIoT fields, with advanced research and development as our foundation and customer satisfaction as our driving force. Our products, including laptops, graphics cards, monitors, motherboards, desktops, peripherals, servers, industrial PCs, service robots, automotive electronics, and charging stations, are beloved and praised by consumers and customers worldwide. We are committed to creating digital products that combine outstanding quality, human-centric design, and stylish aesthetics, continuously innovating user value and becoming a comprehensive technology leader.

II. Operating Plan for 2024

To cope with the change of future environment, MSI's adopted operation guidelines, estimated goals and important sales strategies for 2024 are as follows:

1. operation guideline
   (1) Sales and marketing aspect: progressively explore new markets and new customers and establish a long-term entrusted stable business relationship with customers with potentials and sound financial status to create mutual benefits.
   (2) Product R&D aspect: Develop products which meet users' needs.
   (3) Manufacturing, quality and service aspect: continue implementing automated manufacturing to increase quality and efficiency. Improve repair and services to enhance customer satisfaction.
   (4) In business management: Continue to improve operational efficiency.
   (5) Finance aspect: uphold the principle of steady and stable operation, and control various financial risks.
2. Sales forecast and the analysis
   We cover a wide range of products. While we continuously devote our efforts in the market of high-end products and pursuit of stable growth of each product, we will seek to increase the shipment in new product development and marketing, including display cards, PCs, motherboards, gaming monitors, gaming peripherals, laptops, servers, industrial computers, auto electronics and charging pile. We anticipate room for growth in the market. The company's objective is to increase the overall revenue, and will proactively broaden the market share of every product.
3. Important production and sales policy
   (1) Production policy aspect: Always paying attention to the global major political and economic situations to respond to the possible change in market demand and the suppliers' productivity. To increase capacity utilization rate by adopting planned procurement of components. To adopt flexible production to reduce stock level yet fulfilling customer's order demand. To observe the dynamic of supply chains and to ensure an effective production of employees, equipment, materials, and manufacturing methods.
   (2) Sales policy aspect: to provide good quality products that suit customers' need. To gain a mutual success in sales target with our customers.

I hereby on behalf of the MSI management team express our appreciation to all our shareholders, customers and suppliers. We also appreciate the hard efforts of all employees and directors made during the past year. We hope our shareholders will keep supporting and encouraging us. We will work harder to achieve a greater performance and sales results to share with you.

Sincerely yours,

Chairman：Hsu, Hsiang **President：Huang,Chin-Ching** **Accounting Officer：Lin, Hui-Chin**

Report No. 2

The Audit Committee's Review Report on the 2023 Financial Statements.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and proposal for earnings distribution and the Financial Statements have been audited by CPA Liang, Hua-Ling and Yu, Chih-Fan of PwC . The Business Report, Financial Statements, and earnings distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Micro-Star International Co., Ltd.
Therefore, we are in accordance with Article #14-4 under the Securities and Exchange Act and Article #219 under Company Act, we hereby submit this report.

Micro-Star International Co., Ltd.

Chairman of the Audit Committee:
Hsu,Jun-Shyan

March 14, 2024

Report No. 3
Report of Employees' Compensation and Directors' Compensation for 2023.

(1) 2023 Employees' Compensation and Directors' Compensation distribution plan is in accordance with Article 235-1 of the Company Act and Article 19-1 of the Articles of Incorporation.
(2) The company's 2023 profit before allocation of Employees' Compensation and Directors' Compensation of which an approximate 7.07% is distributed to Employees' Compensation, count NT $665,300,000 (all cash distribution) ; of which 0.73% is distributed to Directors' Compensation, count NT$68,200,000. Both Eemployees' Compensation and Directors' Compensation are distributed in cash.
(3) The distribution above is resolved by the Company's Remuneration Committee and the Board of Directors. The above figures are no difference from the amount recognized in 2023.

Report No. 4
The 2023 Earnings Distribution of cash dividends.

(1) The Board of Directors is authorized to decide the distribution of partial or full dividends in cash, and report the decision to the shareholders meeting in accordance with Company Act in Paragraph 5 of Article 240 and Article 19 of the Articles of Incorporation. Shareholders' meeting may explicitly stipulate in the Articles of Incorporation to authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be reported to the shareholders' meeting.
(2) The distributable earnings of the year 2023 is NT$4,562,223,474will be distributed in cash totally to Shareholders' dividends (NT$5.4 per share) have been approved by the board of directors on March 14, 2024. With the approval of the cash dividend by the meeting of shareholders, the Chairman will be authorized to determine the base date and distribution date of dividends. Cash dividends will be distributed up to one dollar (rounded down values below NT$1). The odd amount will be combined to the Company's non-operating income.
(3) The dividend rate changed after this date as the number of shares circulated on the market under the influence of the following factors: buying back of the company shares and transfer or revocation of treasury shares. Please allow the Chairman to handle the affair. The Chairman is authorized by the Board of Directors to make adjustment to such distribution at his discretion.

Adoption Items

1. **Proposed by the Board**

Proposal:

Adoption of the 2023 Business Report and Financial Statements

Explanation:

(1) MSI Company's Financial Statements, including the balance sheet, income statement, statement of changes in shareholders' equity, and statement of cash flows, were audited by independent auditors, Liang, Hua-Ling and Yu, Chih-Fan of PricewaterhouseCoopers, Taiwan, please refer to page11-15, 22-26). Also Business Report and Financial Statements have been approved by the Board of Directors and examined by the Audit Committee, please refer to page 6.

(2) The 2023 audit report attached, please refer to page 16-21, 27-32.

Resolution:

2. **Proposed by the Board**

Proposal:

Adoption of the Proposal for Distribution of 2023 Profits

Explanation:

(1) The Board of Directors has proposed the Distribution of 2023 Profits in accordance with Article 19 of the Articles of Incorporation as below

Micro-Star International Co., Ltd.
Earnings Distribution Table of 2023

（Unit: NT $ ）

Items	Amount
Beginning retained earnings	24,540,950,029
-2023Retained Earnings Adjustment	(1,223,446)
+2023 Net Profit after Tax	7,532,895,637
-Legal Reserve	(753,167,219)
-Reverse Special Reserve	(174,283,100
-Cash Dividends to Shareholders (NT$5.4per share)	(4,562,223,474)
Unappropriated Retained Earnings	26,582,948,427

Note:

1. Profit of 2023 is prioritized for profit distribution this year.
2. The cash dividend distribution earnings of the year 2023 accordance with Company Act in Paragraph 5 of Article 240 and Article 19 of the Articles of Incorporation has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors and examined by the Audit Committee on March 14, 2024.

Chairman：Hsu, Hsiang　　President：Huang,Chin-Ching　　Accounting Officer：Lin, Hui-Chin

Resolution:

Election Items

1. Proposed by the Board

Proposal:

Election of Directors. Please vote.

Explanation:

(1) The present directors of the Company were elected at shareholders' meeting on July 16, 2021 for a term of three years and the term will expire on July 15, 2024. The term of present directors and supervisors will be valid until the shareholders' meeting is completed.

(2) In accordance with Article 14 of MSI's Articles of Incorporation, eleven directors (including three independent directors) shall be elected by this current shareholders' general meeting. The new directors will serve a term of three years that begin on June 14, 2024 and expires on June 13, 2027.

(3) Directors shall be elected by adopting candidates nomination system as specified in Article 192-1 of the Company Law. The election adopts the candidate nomination system and the shareholders shall elect the directors from the list of the nominated candidates. Candidates for directors and independent directors are listed as below:

Title	Shareholder No. or ID No Name	Education Experience	Current Job	Representative
Director	1 Hsu,Hsiang	The electronic engineering from National Cheng Kung University. The engineer of Sony Industries Taiwan Co., Ltd.	Director of MSI The Chairman of MSI **Director & President of** Micro-Star International Netherlands Holding B. V.	 Micro Star International Co., Ltd.
Director	5 Huang,Chin-Ching	The electronics from Chung Yuan Christian University. The engineer of Sony Industries Taiwan Co., Ltd.	Director of MSI The Vice Chairman and The President of MSI **Director & President of the following companies:** MSI Computer Cayman Co., Ltd. MSI Computer (Australia) Pty. Ltd. **Director of the following company:** MSI Computer Corp. **Executive Director of the following company:** MSI Electronics (Kunshan) Co., Ltd..	 Micro Star International Co., Ltd. Micro Star International Co., Ltd. Micro Star International Co., Ltd. Micro Electronics Holding Co., Ltd.
Director	10 Lin,Wen-Tung	The electronic engineering from the Lien Ho Industrial and Technological Junior College. The engineer of Sony Industries Taiwan Co., Ltd.	Director of MSI The Senior Vice President of MSI **Director & President of** MSI Computer Japan Co., Ltd. **Director of the following company:** MSI Computer (Australia) Pty. Ltd..	 Micro Star International Co., Ltd. Micro Star International Co., Ltd.
Director	99 Kuo,Hsu-Kuang	The master of business administration from University of Southern Queensland The manager of Chun-Sheng Computer	Director of MSI The **Executive** Vice President &NB BU GM of MSI	
Director	492 Liao,Chun-Keng	The master of business administration from University of South Australia The sales manager of Magic Systech Inc	Director of MSI The **Executive** Vice President &GNP BU GM of MSI	
Director	11864 Hung,Yu-Sheng	ITI International Business Administration Program Shih Chien College of Design and Management MA of Pou Chen Group	Director of MSI The **Executive** Vice President &CND BU GM of MSI	
Director	87186 Chen,Te-Ling	Department of Foreign Languages and Literatures,National Taiwan University . D-LINK CORPORATION Administrator	Director of MSI Vice President of MSI Corp. Supply Chain	
Director	84920 Li,Chao-Ming	The master of mechanical system from University of Liverpool ACER INCORPORATED Manager	Vice President of MSI Corp. Manufacture & Quality Assurance **President of the following companies**: MSI Computer (Shenzhen) Co., Ltd. MSI Electronics (Kunshan) Co., Ltd. Shenzhen Mega Information Co., Ltd.	

Title	Shareholder No. or ID No Name	Education Experience	Current Job
Independent Director	461 Hsu,Kao-Shan	Criminal investigation of Central Police University. Attorney of Yung Jan Attorneys-At-Law	Independent Director of MSI Li Tsai Attorneys-At-Law
Independent Director	26 Hsu,Jun-Shyan	The master of accounting from National Taipei University. Tung Shing & Co. C.P.A.	Independent Director of MSI Accountant of Chung Feng Accounting Firm
Independent Director	P12034**** Wang,Sung-Chou	The master of business administration from National Chengchi University. Independent Director of MSI Director of the KGI Securities Investment Advisory Co., Ltd. Supervisor of the China Securities Co., Ltd. (now KGI Securities Co., Ltd.) 、Grand Pacific Petrochemical Corporation..	Director of the following company: Kae Lee Investment Co., Ltd. Hai Shen Investment Co., Ltd. Rui Hui Food Co., Ltd. Chen Ho Co., Ltd. Supervisor of the following companies: Chien Ta Investment Co., Ltd. KK Enterprise Co., Ltd. Taiwan Sports Lottery Co., Ltd.

(4) The “Procedures for Election of Directors” of the Company. Please refer to Appendix 3 (page 41~42) for the revision in the Meeting Agenda Handbook.

Election Results:

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Opinion

We have audited the accompanying consolidated balance sheets of MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES (the "Group") as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 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 *Auditor's 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 ethical responsibilities in accordance with these requirements. Based on our audits and the audit reports of other independent auditors, we believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of 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:

Recognition of sales revenue generated from own-brand products

<u>Description</u>

Please refer to Note 4(26) for accounting policies on revenue recognition. Other than international brands, the Group sells its products to customers in various countries. The Group also actively develops own-brand products.

The recognition of sales revenue generated from own-brand products is critical to the Group's consolidated financial statements. Therefore, it was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

A. Obtained an understanding of and assessed internal controls in relation to sales revenue, and validated the operating effectiveness of those above-mentioned internal controls.
B. Obtained detailed listing of sales revenue from own-brand products in the current year, and sampled to validate supporting documents, including sales invoices, customer purchase orders and delivery documents to ensure the appropriateness of recognition.
C. Inspected contents and relevant evidences in relation to sales returns and discounts occurring subsequent to the reporting period.
D. Performed accounts receivable confirmation procedure to significant customers.

Estimation of allowance for inventory valuation losses

Description

Please refer to Note 4(14) for accounting policies on inventory valuation, Note 5(2) for the uncertainty of accounting estimates and assumptions applied on inventory valuation, and Note 6(7) for details of inventories.

The Group is primarily engaged in manufacturing and sales of motherboards, interface cards, notebook computers and other electronic products. Due to the rapid technological innovations and competition within the industry as well as frequent releases of new products resulting in potential price fluctuations, there is a higher risk of inventory losses due from market value decline or obsolescence. The Group recognises inventories at the lower of cost and net realisable value. The monetary values of allowance for inventory valuation losses is critical to the financial statements as of December 31, 2023. Therefore, it was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

A. Inquired with management, and assessed the reasonableness in relation to the provision of allowance for inventory valuation losses.
B. Validated the accuracy of the system logic in calculating the ageing of inventories, and confirmed the consistency with the Group's policies.
C. Validated the appropriateness of system logic of the report of individually identified obsolete inventory prepared by management and confirmed the consistency with the Group's policies.
D. Sampled and tested the net realisable value basis of the individual inventory and validated the appropriateness.

Other matter –Reference to audits of other independent auditors

We did not audit the financial statements of certain consolidated subsidiaries and investments accounted for under the equity method that are included in the consolidated financial statements. Those financial statements were audited by other independent auditors, whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on reports of the other independent auditors. Total assets of the above-mentioned entities (including investments accounted for under the equity method) amounted to NT$21,764,418 thousand and NT$19,245,391 thousand as of December 31, 2023 and 2022, constituting 24% and 22% of consolidated total assets, respectively. Sales revenue of the above-mentioned entities amounted to NT$50,514,919 thousand and NT$46,950,980 thousand for the years ended December 31, 2023 and 2022, constituting 28% and 26% of consolidated total sales revenue, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of MICRO-STAR INTERNATIONAL 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 that came into effect 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, including supervisors, 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 judgement and professional skepticism throughout the audit. We also:

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

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

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

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

Liang, Hua-Ling Yu, Chih-Fan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 14, 2024

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 25,772,522	29	$ 27,475,487	32
1110	Financial assets at fair value through profit or loss - current	6(2)	133,160	-	297,392	-
1136	Current financial assets at amortised cost	6(4)	464	-	454	-
1150	Notes receivable, net	6(5)	61,660	-	179,588	-
1170	Accounts receivable, net	6(5)	20,261,289	22	18,826,732	22
1200	Other receivables		207,557	-	298,360	-
1220	Current income tax assets		123,312	-	6,171	-
130X	Inventories, net	6(7)	33,395,003	37	29,295,155	34
1410	Prepayments	6(8)	2,218,831	3	2,219,118	3
11XX	**Total current assets**		82,173,798	91	78,598,457	91
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	86,991	-	71,791	-
1535	Non-current financial assets at amortised cost	6(4) and 8	666,475	1	654,607	1
1600	Property, plant and equipment	6(9)	5,238,639	6	5,522,073	6
1755	Right-of-use assets	6(10)	718,580	1	633,607	1
1760	Investment property - net	6(12)	34,195	-	96,348	-
1840	Deferred income tax assets	6(25)	1,482,297	1	1,142,233	1
1900	Other non-current assets		122,839	-	133,787	-
15XX	**Total non-current assets**		8,350,016	9	8,254,446	9
1XXX	**Total assets**		$ 90,523,814	100	$ 86,852,903	100

(Continued)

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2120	Financial liabilities at fair value through profit or loss - current	6(2)	$ 181,097	-	$ 167,284	-
2130	Current contract liabilities	6(19)	202,581	-	1,297,414	2
2170	Accounts payable		24,435,180	27	24,670,649	28
2200	Other payables	6(13)	6,964,146	8	5,918,276	7
2230	Current income tax liabilities		2,034,571	2	515,756	1
2250	Provision for liabilities - current	6(15)	1,276,692	1	1,139,739	1
2280	Current lease liabilities		312,506	1	222,272	-
2365	Refund liabilities- current		3,935,285	5	3,600,984	4
2399	Other current liabilities, others		85,334	-	108,411	-
21XX	**Total current liabilities**		39,427,392	44	37,640,785	43
	Non-current liabilities					
2570	Deferred income tax liabilities	6(25)	4,300	-	12,694	-
2580	Non-current lease liabilities		359,944	-	358,411	1
2640	Net defined benefit liability, non-current	6(14)	164,451	-	169,988	-
2670	Other non-current liabilities, others		387,463	1	272,436	-
25XX	**Total non-current liabilities**		916,158	1	813,529	1
2XXX	**Total liabilities**		40,343,550	45	38,454,314	44
	Equity attributable to owners of parent					
	Share capital	6(16)				
3110	Share capital - common stock		8,448,562	9	8,448,562	10
	Capital surplus	6(17)				
3200	Capital surplus		805,408	1	805,068	1
	Retained earnings	6(18)				
3310	Legal reserve		9,027,956	9	8,028,953	9
3320	Special reserve		703,121	1	901,794	1
3350	Unappropriated retained earnings		32,072,622	36	30,917,333	36
	Other equity interest					
3400	Other equity interest		(877,405)	(1)	(703,121)	(1)
31XX	**Equity attributable to owners of the parent**		50,180,264	55	48,398,589	56
3XXX	**Total equity**		50,180,264	55	48,398,589	56
3X2X	**Total liabilities and equity**		$ 90,523,814	100	$ 86,852,903	100

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

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

	Items	Notes	2023 AMOUNT	2023 %	2022 AMOUNT	2022 %
4000	Sales revenue	6(19)	$ 182,965,688	100	$ 180,411,242	100
5000	Operating costs	6(7)(23)	(160,120,037)	(88)	(154,683,162)	(86)
5900	Net operating margin		22,845,651	12	25,728,080	14
	Operating expenses	6(23)				
6100	Selling expenses		(8,034,888)	(4)	(8,884,636)	(5)
6200	General and administrative expenses		(1,699,803)	(1)	(1,704,253)	(1)
6300	Research and development expenses		(4,282,955)	(2)	(4,396,924)	(2)
6450	Expected credit loss		(17,976)	-	(46,381)	-
6000	Total operating expenses		(14,035,622)	(7)	(15,032,194)	(8)
6900	Operating profit		8,810,029	5	10,695,886	6
	Non-operating income and expenses					
7100	Interest income	6(4)(20)	456,735	-	145,683	-
7010	Other income	6(21)	698,178	-	639,825	-
7020	Other gains and losses	6(22)	(760,598)	-	840,529	1
7050	Finance costs		(27,657)	-	(38,238)	-
7000	Total non-operating income and expenses		366,658	-	1,587,799	1
7900	**Profit before income tax**		9,176,687	5	12,283,685	7
7950	Income tax expense	6(25)	(1,643,791)	(1)	(2,321,165)	(1)
8200	**Profit for the year**		$ 7,532,896	4	$ 9,962,520	6
	Other comprehensive income					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Actuarial (loss) gain on defined benefit plan	6(14)	($ 1,530)	-	$ 34,392	-
8316	Unrealised gain (loss) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	15,200	-	(33,056)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	(2,737)	-	(266)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		10,933	-	1,070	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(186,443)	-	225,117	-
8360	Components of other comprehensive (loss) income that will be reclassified to profit or loss		(186,443)	-	225,117	-
8300	**Total other comprehensive (loss) income for the year**		($ 175,510)	-	$ 226,187	-
8500	**Total comprehensive income for the year**		$ 7,357,386	4	$ 10,188,707	6
	Profit attributable to:					
8610	Owners of the parent		$ 7,532,896	4	$ 9,962,520	6
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 7,357,386	4	$ 10,188,707	6
	Earnings per share (in dollars)	6(26)				
9750	Basic earnings per share		$	8.92	$	11.79
9850	Diluted earnings per share		$	8.87	$	11.65

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

MICRO-STAR INTERNATIONAL 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 surplus				Retained earnings			Other equity interest		
	Notes	Share capital - common stock	Additional paid-in capital	Treasury stock transactions	Donated assets received	Employee stock warrants	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
2022												
Balance at January 1, 2022		$ 8,448,562	$ 628,134	$ 130,592	$ 1,330	$ 44,460	$ 6,336,840	$ 674,458	$ 31,717,738	($ 864,091)	($ 37,703)	$ 47,080,320
Profit for the year ended December 31, 2022		-	-	-	-	-	-	-	9,962,520	-	-	9,962,520
Other comprehensive income (loss) for the year ended December 31, 2022		-	-	-	-	-	-	-	27,514	225,117	(26,444)	226,187
Total comprehensive income (loss)		-	-	-	-	-	-	-	9,990,034	225,117	(26,444)	10,188,707
Appropriation of 2021 earnings	6(18)											
Legal reserve		-	-	-	-	-	1,692,113	-	(1,692,113)	-	-	-
Special reserve		-	-	-	-	-	-	227,336	(227,336)	-	-	-
Cash dividends		-	-	-	-	-	-	-	(8,870,990)	-	-	(8,870,990)
Due to donated assets received		-	-	-	552	-	-	-	-	-	-	552
Balance at December 31, 2022		$ 8,448,562	$ 628,134	$ 130,592	$ 1,882	$ 44,460	$ 8,028,953	$ 901,794	$ 30,917,333	($ 638,974)	($ 64,147)	$ 48,398,589
2023												
Balance at January 1, 2023		$ 8,448,562	$ 628,134	$ 130,592	$ 1,882	$ 44,460	$ 8,028,953	$ 901,794	$ 30,917,333	($ 638,974)	($ 64,147)	$ 48,398,589
Profit for the year ended December 31, 2023		-	-	-	-	-	-	-	7,532,896	-	-	7,532,896
Other comprehensive income (loss) for the year ended December 31, 2023		-	-	-	-	-	-	-	(1,226)	(186,443)	12,159	(175,510)
Total comprehensive income (loss)		-	-	-	-	-	-	-	7,531,670	(186,443)	12,159	7,357,386
Appropriation of 2022 earnings	6(18)											
Legal reserve		-	-	-	-	-	999,003	-	(999,003)	-	-	-
Special reserve		-	-	-	-	-	-	(198,673)	198,673	-	-	-
Cash dividends		-	-	-	-	-	-	-	(5,576,051)	-	-	(5,576,051)
Due to donated assets received		-	-	-	340	-	-	-	-	-	-	340
Balance at December 31, 2023		$ 8,448,562	$ 628,134	$ 130,592	$ 2,222	$ 44,460	$ 9,027,956	$ 703,121	$ 32,072,622	($ 825,417)	($ 51,988)	$ 50,180,264

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

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 9,176,687	$ 12,283,685
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including right-of-use assets and investment properties)	6(23)	1,374,142	1,402,814
Amortization	6(23)	535	439
Expected credit loss		17,976	46,381
Net loss on financial assets and liabilities at fair value through profit or loss		142,672	50,058
Interest expense		27,657	38,238
Interest income	6(20)	(456,735)	(145,683)
(Gain) loss on disposal of property, plant and equipment	6(22)	(31,556)	748
Gain on lease modification	6(10)	(99)	(196)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		40,035	(97,029)
Notes receivable, net		117,928	(86,368)
Accounts receivable		(1,452,322)	10,713,349
Other receivables		100,086	(215)
Inventories, net		(4,099,848)	8,644,507
Prepayments		287	(93,405)
Other non-current assets		26,128	(36,736)
Changes in operating liabilities			
Current contract liabilities		(1,094,833)	841,490
Accounts payable		(235,469)	(9,260,537)
Other payables		914,750	(1,972,776)
Provision for liabilities - current		136,953	(63,758)
Refund liabilities- current		334,301	(1,132,220)
Other current liabilities, others		(23,077)	(586,063)
Net defined benefit liability		(7,067)	(7,438)
Other non-current liabilities		120,441	(56,718)
Cash inflow generated from operations		5,129,572	20,482,567
Interest received		445,850	140,624
Interest paid		(27,437)	(39,627)
Income tax paid		(586,332)	(4,944,268)
Net cash flows from operating activities		4,961,653	15,639,296

(Continued)

MICRO-STAR INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortised cost		($ 11,878)	($ 52,875)
Acquisition of property, plant and equipment	6(9)	(643,585)	(821,223)
Proceeds from disposal of property, plant and equipment		66,458	1,203
(Increase) decrease in refundable deposits		(15,767)	31,068
Acquisition of investment properties	6(12)	(204)	(512)
Net cash flows used in investing activities		(604,976)	(842,339)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term borrowings	6(27)	-	(2,000,000)
Repayment of the principal portion of lease liabilities	6(27)	(317,354)	(295,601)
(Decrease) increase in guarantee deposits received	6(27)	(5,414)	30,576
Cash dividends paid	6(18)	(5,576,051)	(8,870,990)
Due to donated assets received		340	552
Net cash flows used in financing activities		(5,898,479)	(11,135,463)
Effect of exchange rate		(161,163)	159,192
Net (decrease) increase in cash and cash equivalents		(1,702,965)	3,820,686
Cash and cash equivalents at beginning of year	6(1)	27,475,487	23,654,801
Cash and cash equivalents at end of year	6(1)	$ 25,772,522	$ 27,475,487

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of MICRO-STAR INTERNATIONAL CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of MICRO-STAR INTERNATIONAL 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 notes to the parent company only 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 parent company only financial position of the Company as at December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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 *Auditor's 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 ethical responsibilities in accordance with these requirements. Based on our audits and the audit reports of other independent auditors, we believe that the audit evidence we have obtained are 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 parent company only financial statements for the year ended December 31, 2023. 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 for the Company's parent company only financial statements for the year ended December 31, 2023 are stated as follows:

Recognition of sales revenue generated from own-brand products

Description

Please refer to Note 4(23) for accounting policies on revenue recognition, and Note 6(16) for details of revenue. Other than international brands, the Company sells its products to customers in various countries. The Company also actively develops own-brand products. The recognition of sales revenue generated from own-brand products is critical to the Company's financial statements. Therefore, it was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

A. Obtained an understanding of and assessed internal controls in relation to sales revenue, and validated the operating effectiveness of those above-mentioned internal controls.
B. Obtained detailed listing of sales revenue from own-brand products in the current year, and sampled to validate supporting documents, including sales invoices, customer purchase orders and delivery documents to ensure the appropriateness of recognition.
C. Inspected contents and relevant evidence in relation to sales returns and discounts occurring subsequent to the reporting period.
D. Performed accounts receivable confirmation procedure to significant customers.

Estimation of allowance for inventory valuation losses

Description

Please refer to Note 4(11) for accounting policies on inventory valuation, Note 5(2) for the uncertainty of accounting estimates and assumptions applied on inventory valuation, and Note 6(6) for details of inventories.

The Company is primarily engaged in manufacturing and sales of motherboards, interface cards, notebook computers and other electronic products. Due to the rapid technological innovations and competition within the industry as well as frequent releases of new products resulting in potential price fluctuations, there is a higher risk of inventory losses due from market value decline or obsolescence. The Company recognises inventories at the lower of cost and net realisable value. The monetary values of allowance for inventory valuation losses is critical to the financial statements as of December 31, 2023. Therefore, it was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

A. Inquired with management, and assessed the reasonableness in relation to the provision of allowance for inventory valuation losses.
B. Validated the accuracy of the system logic in calculating the ageing of inventories, and confirmed the consistency with the Company's policies.
C. Validated the appropriateness of system logic of the report of individually identified obsolete inventory prepared by management and confirmed the consistency with the Company's policies.
D. Sampled and tested the net realisable value basis of the individual inventory and validated the appropriateness.

Other matter-Reference to audits of other independent auditors

We did not audit the financial statements of certain investments accounted for under the equity method that are included in the parent company only financial statements. Those financial statements were audited by other independent auditors, whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on reports of the other independent auditors. Total assets of the above-mentioned investees (including investments accounted for under the equity method) amounted to NT$1,681,813 thousand and NT$1,487,242 thousand as at December 31, 2023 and 2022, constituting 1.65% and 1.61% of total assets, respectively. Comprehensive income of the above-mentioned investees amounted to NT$181,150 thousand and NT$32,214 thousand for the years ended December 31, 2023 and 2022, constituting 2.46% and 0.32% of total comprehensive income, respectively.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the 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:

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

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

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

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

Liang, Hua-Ling   Yu, Chih-Fan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 14, 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.

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.

MICRO-STAR INTERNATIONAL CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 20,118,711	20	$ 23,097,322	25
1110	Financial assets at fair value through profit or loss - current	6(2)	57,706	-	199,790	-
1170	Accounts receivable, net	6(4)	10,139,272	10	9,930,666	11
1180	Accounts receivable - related parties	7	32,486,655	32	24,509,433	27
1200	Other receivables		184,689	-	216,812	-
130X	Inventories, net	6(6)	22,341,249	22	18,473,773	20
1410	Prepayments		1,476,894	1	1,450,636	1
11XX	**Total current assets**		86,805,176	85	77,878,432	84
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	86,991	-	71,791	-
1550	Investments accounted for using equity method	6(7)	11,284,532	11	10,426,515	12
1600	Property, plant and equipment	6(8)	2,622,560	3	2,669,341	3
1755	Right-of-use assets	6(9)	138,296	-	222,450	-
1840	Deferred income tax assets	6(21)	1,271,826	1	920,991	1
1900	Other non-current assets		19,099	-	18,247	-
15XX	**Total non-current assets**		15,423,304	15	14,329,335	16
1XXX	**Total assets**		$ 102,228,480	100	$ 92,207,767	100

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MICRO-STAR INTERNATIONAL CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2120	Financial liabilities at fair value through profit or loss - current	6(2)	$ 181,097	-	$ 167,284	-
2130	Current contract liabilities	6(16)	173,332	-	1,197,288	1
2170	Accounts payable		9,766,901	10	12,048,809	13
2180	Accounts payable - related parties	7	28,568,434	28	19,661,707	21
2200	Other payables	6(10)	5,555,771	5	4,687,069	5
2220	Other payables - related parties	7	556,993	1	488,416	1
2230	Current income tax liabilities		1,849,343	2	384,633	1
2250	Provisions for liabilities - current	6(12)	1,308,626	1	1,168,922	1
2280	Current lease liabilities		93,565	-	95,187	-
2365	Refund liabilities-current		3,621,999	4	3,444,272	4
2399	Other current liabilities, others		26,263	-	23,039	-
21XX	**Total current Liabilities**		51,702,324	51	43,366,626	47
	Non-current liabilities					
2570	Deferred income tax liabilities	6(21)	-	-	6,501	-
2580	Non-current lease liabilities		45,479	-	127,854	-
2640	Net defined benefit liability, non-current	6(11)	164,451	-	169,988	1
2670	Other non-current liabilities, others		135,962	-	138,209	-
25XX	**Total non-current liabilities**		345,892	-	442,552	1
2XXX	**Total Liabilities**		52,048,216	51	43,809,178	48
	Equity					
	Share capital	6(13)				
3110	Share capital - common stock		8,448,562	8	8,448,562	9
	Capital surplus	6(14)				
3200	Capital surplus		805,408	1	805,068	1
	Retained earnings	6(15)				
3310	Legal reserve		9,027,956	9	8,028,953	9
3320	Special reserve		703,121	1	901,794	1
3350	Unappropriated retained earnings		32,072,622	31	30,917,333	33
	Other equity interest					
3400	Other equity interest		(877,405)	(1)	(703,121)	(1)
3XXX	**Total equity**		50,180,264	49	48,398,589	52
3X2X	**Total liabilities and equity**		$ 102,228,480	100	$ 92,207,767	100

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

MICRO-STAR INTERNATIONAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

			Year ended December 31			
			2023		2022	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(16) and 7	$ 186,040,491	100	$ 177,538,166	100
5000	Operating costs	6(6)(19) and 7	(167,284,580)	(90)	(156,197,454)	(88)
5900	Operating margin		18,755,911	10	21,340,712	12
5910	Unrealised profit from sales		(965,332)	-	(101,513)	-
5950	Net operating margin		17,790,579	10	21,239,199	12
	Operating expenses	6(19) and 7				
6100	Selling expenses		(6,281,618)	(3)	(7,048,387)	(4)
6200	General and administrative expenses		(994,593)	(1)	(992,468)	(1)
6300	Research and development expenses		(3,677,707)	(2)	(3,771,580)	(2)
6450	Expected credit loss	6(4)	(10,855)	-	(30,643)	-
6000	Total operating expenses		(10,964,773)	(6)	(11,843,078)	(7)
6900	Operating profit		6,825,806	4	9,396,121	5
	Non-operating income and expenses					
7100	Interest income	6(17)	320,944	-	103,962	-
7010	Other income		213,399	-	179,405	-
7020	Other gains and losses	6(2)(18)	(679,626)	-	1,718,830	1
7050	Finance costs		(11,007)	-	(25,859)	-
7070	Share of profit of associates and joint ventures accounted for using equity method, net	6(7)	2,003,655	1	677,380	1
7000	Total non-operating income and expenses		1,847,365	1	2,653,718	2
7900	**Profit before income tax**		8,673,171	5	12,049,839	7
7950	Income tax expense	6(21)	(1,140,275)	(1)	(2,087,319)	(1)
8200	**Profit for the year**		$ 7,532,896	4	$ 9,962,520	6
	Other comprehensive income					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Actuarial (loss) gain on defined benefit plans	6(11)	($ 1,530)	-	$ 34,392	-
8316	Unrealised gain (loss) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	15,200	-	(33,056)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(21)	(2,737)	-	(266)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		10,933	-	1,070	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(186,443)	-	225,117	-
8360	Components of other comprehensive (loss) income that will be reclassified to profit or loss		(186,443)	-	225,117	-
8300	**Total other comprehensive (loss) income for the year**		($ 175,510)	-	$ 226,187	-
8500	**Total comprehensive income for the year**		$ 7,357,386	4	$ 10,188,707	6
	Earnings per share (in dollars)	6(22)				
9750	Basic earnings per share		$	8.92	$	11.79
9850	Diluted earnings per share		$	8.87	$	11.65

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

MICRO-STAR INTERNATIONAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

			Capital Reserves				Retained Earnings			Other equity interest		
	Notes	Share capital - common stock	Additional paid-in capital	Treasury stock transactions	Donated assets received	Employee stock warrants	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
2022												
Balance at January 1, 2022		$ 8,448,562	$ 628,134	$ 130,592	$ 1,330	$ 44,460	$ 6,336,840	$ 674,458	$ 31,717,738	($ 864,091)	($ 37,703)	$ 47,080,320
Profit for the year		-	-	-	-	-	-	-	9,962,520	-	-	9,962,520
Other comprehensive income (loss) for the year		-	-	-	-	-	-	-	27,514	225,117	(26,444)	226,187
Total comprehensive income (loss)		-	-	-	-	-	-	-	9,990,034	225,117	(26,444)	10,188,707
Appropriation of 2021 earnings	6(15)											
Legal reserve		-	-	-	-	-	1,692,113	-	(1,692,113)	-	-	-
Special reserve		-	-	-	-	-	-	227,336	(227,336)	-	-	-
Cash dividends		-	-	-	-	-	-	-	(8,870,990)	-	-	(8,870,990)
Due to donated assets received		-	-	-	552	-	-	-	-	-	-	552
Balance at December 31, 2022		$ 8,448,562	$ 628,134	$ 130,592	$ 1,882	$ 44,460	$ 8,028,953	$ 901,794	$ 30,917,333	($ 638,974)	($ 64,147)	$ 48,398,589
2023												
Balance at January 1,2023		$ 8,448,562	$ 628,134	$ 130,592	$ 1,882	$ 44,460	$ 8,028,953	$ 901,794	$ 30,917,333	($ 638,974)	($ 64,147)	$ 48,398,589
Profit for the year		-	-	-	-	-	-	-	7,532,896	-	-	7,532,896
Other comprehensive (loss) income for the year		-	-	-	-	-	-	-	(1,226)	(186,443)	12,159	(175,510)
Total comprehensive income		-	-	-	-	-	-	-	7,531,670	(186,443)	12,159	7,357,386
Appropriation of 2022 earnings	6(15)											
Legal reserve		-	-	-	-	-	999,003	-	(999,003)	-	-	-
Special reserve		-	-	-	-	-	-	(198,673)	198,673	-	-	-
Cash dividends		-	-	-	-	-	-	-	(5,576,051)	-	-	(5,576,051)
Due to donated assets received		-	-	-	340	-	-	-	-	-	-	340
Balance at December 31, 2023		$ 8,448,562	$ 628,134	$ 130,592	$ 2,222	$ 44,460	$ 9,027,956	$ 703,121	$ 32,072,622	($ 825,417)	($ 51,988)	$ 50,180,264

MICRO-STAR INTERNATIONAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 8,673,171	$ 12,049,839
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including right-of-use assets)	6(8)(9)(19)	309,345	326,442
Expected credit loss	6(4)	10,855	30,643
Net loss on financial assets and liabilities at fair value through profit or loss		155,897	50,599
Interest expense		11,007	25,859
Interest income	6(17)	(320,944)	(103,962)
Share of profit of associates and joint ventures accounted for using equity method		(2,003,655)	(677,380)
Gain on disposal of property, plant and equipment	6(18)	(176)	(19)
Gain on lease modification	6(9)	(91)	(12)
Unrealised profit from sales		965,332	101,513
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		-	15
Accounts receivable		(219,461)	9,487,131
Accounts receivable - related parties		(7,977,222)	(12,947,967)
Other receivables		39,488	45,162
Inventories, net		(3,867,476)	19,327,322
Prepayments		(26,258)	184,306
Changes in operating liabilities			
Current contract liabilities		(1,023,956)	786,114
Accounts payable		(2,281,908)	(21,368,027)
Accounts payable - related parties		8,906,727	19,661,707
Other payables		868,702	(2,033,191)
Other payables - related parties		68,577	(5,004,215)
Provisions for liabilities - current		139,704	(63,569)
Refund liabilities - current		177,727	(1,331,218)
Other current liabilities, others		3,224	(615,052)
Net defined benefit liability		(7,067)	(7,438)
Cash inflow generated from operations		2,601,542	17,924,602
Interest received		313,579	98,185
Interest paid		(11,007)	(27,016)
Income tax paid		(35,638)	(4,582,460)
Net cash flows from operating activities		2,868,476	13,413,311

(Continued)

MICRO-STAR INTERNATIONAL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of investment accounted for using equity method		($ 6,137)	$ -
Acquisition of property, plant and equipment	6(8)	(160,957)	(236,179)
Proceeds from disposal of property, plant and equipment		258	1,010
(Increase) decrease in refundable deposits		(852)	8,585
Net cash flows used in investing activities		(167,688)	(226,584)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term borrowings	6(23)	-	(2,000,000)
Repayment of the principal portion of lease liabilities	6(23)	(101,441)	(106,057)
(Decrease) increase in guarantee deposits received	6(23)	(2,247)	29,174
Cash dividends paid	6(15)	(5,576,051)	(8,870,990)
Due to donated assets received		340	552
Net cash flows used in financing activities		(5,679,399)	(10,947,321)
Net (decrease) increase in cash and cash equivalents		(2,978,611)	2,239,406
Cash and cash equivalents at beginning of year	6(1)	23,097,322	20,857,916
Cash and cash equivalents at end of year	6(1)	$ 20,118,711	$ 23,097,322

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

Extempore motions

Appendix

1. “Shareholders Meeting Rules”
2. “Articles of Incorporation”
3. “Rules for Election of Directors”
4. “Shareholding status of Directors”

Appendix 1

Shareholders Meeting Rules of
Micro-Star International Co., Ltd.

Article 1
The shareholders meeting rules of the Company is promulgated in accordance with Article 182-1 of the Company Act.
Article 2
Shareholders attending the Meeting shall submit the attendance card for the purpose of signing in. The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the attendance cards submitted by the shareholders.
Article 3
When the Company holds a shareholders meeting, it may opt for the shareholders to exercise voting rights by correspondence or electronic means.
Shareholders exercising voting rights by electronic means shall cast their votes through the Company designated electronic voting platform.
The attendance and voting at the shareholders meeting shall be calculated based on the shares.
Article 4
The place of the shareholders meeting shall be at the office of the Company or at a location convenient to the shareholders and suitable for convening a shareholders meeting. The time of the meeting may not be earlier than 9 a.m or later than 3 p.m.
Article 5
When the shareholders meeting was convened by the Board of Directors, the shareholders meeting shall be presided by the Chairman of the Board of Directors. If the Chairman is absent or is unable to exercise the duties for certain reasons, the vice-Chairman shall act on his/her behalf. If the vice-Chairman is absent or is unable to exercise the duties for certain reasons, the Chairman may designate the managing director to act on his/her behalf; if there is no managing director, one of the directors may be designated to act on his/her behalf. Where the Chairman does not designate a proxy, the managing director or directors may elect a person among themselves to act on behalf of the Chairman.
When the shareholders meeting was convened by other persons who have the convening right, the shareholders meeting shall be presided by the convener.
Article 6
The Company may designate attorneys, accountants or relevant personnel engaged to be present in the shareholders meeting. The staffs handling the shareholders meeting shall wear identification cards or arm-band.
Article 7
The Company shall sound record or video record the whole process of the shareholders meeting and shall preserve it for at least one year.
Article 8
Upon the starting time of the meeting, the chairman shall order the meeting to begin. and announce the relevant information such as the number of non-voting rights and the number of shares present. However, where the shareholders present represent half or less than half of the total outstanding shares, the chairman may postpone the meeting for a total of two times. The postponed time may not in total exceed one hour. Where after two postponements, the shareholders present still do not meet the quorum but represent one-third or more of the total outstanding shares, a tentative resolution may be passed in accordance with Paragraph 1, Article 175 of the Company Act. If the shares present represent more than half of the total outstanding shares before the end of the meeting, the chairman may propose the tentative resolution to the shareholders meeting for voting in accordance with Article 174 of the Company Act.
Article 9
The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda. The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting. Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved.
The shareholders shall not designate any other person as chairman and continue the Meeting in the same or other place after the Meeting is adjourned. However, in the event that the Chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the

Meeting, one person as chairman to continue the Meeting.
Article 10
Before a shareholder makes a statement, he/she must complete a statement slip stating the subject of the statement, the shareholder number (or attendance card number) and shareholder name, and the chairman shall determine the order of his/her statement. Where a shareholder present only completed a statement slip but did not make a statement, he/she will be deemed to not have made a statement. Where the statement made is inconsistent with that stated on the statement slip, the statement made will prevail. When a shareholder present makes a statement, the other shareholders may not make a statement and interfere, unless consent is obtained from the chairman and the shareholder making the statement.
The chairman shall restrain such interfering shareholder.
Article 11
For each proposal, a shareholder may not make more than two statements, unless consent is obtained from the chairman. Each statement may not exceed five minutes. The chairman may restrain the shareholder form making the statement if he/she violates the above provisions or has exceeded the scope of the proposal.
Article 12
Where an institution is delegated to attend the shareholders meeting, it may only appoint one representative to attend. Where the institution appoints two or more
representatives to attend the shareholders meeting, only one person may make a statement for each proposal.
Article 13
After a shareholder makes a statement, the chairman may respond him/herself or designate a relevant person to respond.
Article 14
Where the chairman believes that the proposal discussed may be resolved, he/she may announce the ending of the discussion and propose that votes be made.
The votes for the proposals shall be calculated by the votes casted on the spot plus the votes casted by electronic voting.
Article 15
The personnel supervising and calculating the votes for the proposals shall be
designated by the chairman, but the supervising personnel shall be a shareholder. The result of the votes shall be announced on the spot and recorded.

Article 15-1

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.
The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
Article 16
During the meeting, the chairman may announce recesses at his/her own discretion.
Article 17
Unless otherwise specified in the Company Act and the Articles of Incorporation, resolutions at a shareholders meeting shall be adopted by a majority vote of the shareholders present. When making a resolution, if shareholders present have no objections upon the inquiry of the chairman, it will be deemed as adopted and its effect shall be the same as resolution by voting.
Article 18
When a proposal has an amendment or a replacement, the chairman may combine it
with the original proposal and determine the order of resolution. If one of the proposals is resolved, the other proposals will be deemed as rejected and there is no need to make another resolution.
Article 19
The chairman may instruct the security officer to assist in maintaining the order of the meeting. The security officer shall wear an arm-band with the word "Security" when assisting in the maintenance of the order of the meeting.
Article 20
The Rule shall be approved by the shareholders' meeting, so does the amendment. The first version
established on January 19, 1998;
The second version amended on March 3, 2000; The
third version amended on May 16, 2002;
The fourth version amended on June 17, 2014;
The fifth amendment was made on June 11, 2021.

Appendix 2

Articles of Incorporation of
Micro-Star International Co., Ltd. (the "Company")

Section I - General Provisions

Article 1 - The Company is incorporated in accordance with the Company Act, with the name of 微星科技股份有限公司, and the English name of Micro-Star International Co., Ltd.

Article 2 - The purpose for which the Company is formed shall be as follows:

1. Design of various computer hardware and software and manufacture, sale and purchase of computer products, parts and components;
2. Manufacture and sale of electronic components and parts;
3. Import-export trading business in relation of the foregoing businesses;
4. Agency business for quotation, bid and distribution of related products;
5. CC01030 Manufacturing business of electric appliances;
6. CC01060 Manufacturing business of wired communications equipments;
7. CC01070 Manufacturing business of wireless communications equipments;
8. CE01030 Manufacturing business of optical devices;
9. CH01040 Manufacturing business of toys;
10. F109040 Wholesale business of toys and entertainment products;
11. F113020 Wholesale business of electric appliances;
12. F113050 Wholesale business of office machines and equipments;
13. F113070 Wholesale business of telecommunications equipments and materials;
14. F209030 Retail business of toys and entertainment products;
15. F213030 Retail business of office machines and equipments;
16. F213060 Retail business of telecommunications equipments and materials;
17. F213010 Retail business of electric appliances;
18. CC01101 Manufacturing business of regulated RF telecommunications equipments and materials;
19. F401021 Import business of regulated RF telecommunications equipments and materials;
20. CF01011 Manufacturing business of medical equipments;
21. F108031 Wholesale business of medical equipments;
22. F208031 Retail business of medical equipments;
23. CE01010 Manufacturing business of general equipments; and
24. ZZ99999 All other businesses not prohibited or restricted by laws and regulations except businesses requiring special permits.

Article 3 - The Company may provide guarantees to others in the same industry when necessary for its business, subject to the approvals of the Board of Directors.

Article 4 - The total amount of the investment by the Company is not subject to the limit of forty percent of the Company's issued and outstanding capital stock as provided for in the Republic of China Company Act.

Article 5 - The Company shall have its headquarters office in New Taipei City, Taiwan and may, when necessary, set up branch offices worldwide according to the resolution adopted at the meeting of the Board of Directors.

Article 6 - Deleted

Section II - Capital Stock

Article 7 - The total authorized capital stock of the Company shall be in the amount of NT$15,000,000,000 divided into 1,500,000,000 shares, at a par value of NT$10 each. Within the capital stock, 80,000,000 shares are reserved for the issuance of employee stock warrants.

The aforementioned capital stock may be issued in installments subject to the resolution of the Board of Directors.
In the event that the Company may purchase their own shares in accordance with laws, the Board of Director is authorized to do so pursuant to laws and regulation.

Article 7-1- The exercise price of employee stock warrants is less than the common stock closing price of issuance date shall be voted in favor by the majority present at a shareholders' meeting at which shareholders of more than two-thirds of the issued and outstanding shares present.
Lower than the actual average price of the shares of treasury stock, the transfer of shares to employees shall be voted in favor by the majority present at a shareholders' meeting at which shareholders of more than two-thirds of the issued and outstanding shares present.

Article 8 - The stock certificates of the Company shall be in registered form and issued after being signed and affixed with the seal specimen by three or more directors of the Company, being assigned serial numbers and being authenticated in accordance with law.
When issuance of new shares, the share certificates of the new issuance may be printed in combination form but shall be held in custody by centralized securities depository institutions. The shares may be made in non-printed form but shall be registered in centralized securities depository institutions.

Article 9 - Registration on shareholders' register for share transfer shall be suspended for sixty days before any ordinary shareholders' meeting, thirty days before any extraordinary shareholders' meeting, and five days before the record date for determination of the shareholders entitled to dividends or any other profits distribution by the Company.

Section III - Shareholders' Meeting

Article 10 - Shareholders' meetings of the Company are two kinds: ordinary shareholders' meetings and extraordinary shareholders' meetings. Ordinary shareholders' meetings shall be convened at least once a year by the Board of Directors in accordance with law within six months after the close of each fiscal year and notify each shareholder thirty days in advance. Extraordinary shareholders' meetings shall be convened whenever necessary and notify each shareholder fifteen days in advance.
Above mentioned notification shall provide the date, location and agenda of the meeting.
Except the rule governed by the Company Act, shareholders' meeting shall be convened by the Board of Directors.

Article 11 - If a shareholder is unable to attend a shareholders' meeting, he/she may execute and issue a proxy in the form as printed by the Company and specify the scope of the proxy. The use of proxies and calculation of voting rights under agency shall be governed by Company Act and the "Rules of Using Proxies When Attending Shareholders' Meeting of Public-Listed Companies" promulgated by the regulatory authorities.

Article 12 - Shareholders shall be entitled to one vote for each share held by them. Shares held by the Company in accordance with Paragraph 2, Article 179 of Company Act shall not be entitled to voting rights.

Article 13 - Any resolution at a shareholders' meeting shall, unless otherwise provided for in Company Act, be adopted if voted in favor by the majority present at a shareholders' meeting at which shareholders of more than one-half of the issued and outstanding shares present.

Section IV - Directors and Supervisors

Article 14 - The Company shall have seven to eleven directors. The term of the directors and supervisors shall be three years. The directors and supervisors shall be eligible for re-election and shall be elected from persons with legal capacity at a shareholders' meeting.
The board of directors of a company shall have at least three independent directors among the directors elected in accordance with the preceding Paragraph of this Article. The election of directors shall adopt the candidates nomination system. Non-independent directors and independent directors shall be elected together and the elected quota of which shall be calculated separately. Among the directors elect, candidate to whom the ballots cast represent a prevailing number of votes shall be dependent directors and the rest be independent directors.
The total shareholding of the directors shall be governed by the "Rules Governing the

Percentage and Inspection of the Shareholding of Directors and Supervisors of Public-listed Companies."

Enhancing supervision functions and strengthening management mechanisms, the board of directors of the Company may set up Functional committees.

Functional committees shall adopt an organizational charter to be approved by the board of directors, the organizational charter shall contain the number of directors, terms, and authorization of committee.

Article14-1- In the event the Company establishes an Audit Committee in accordance with Article 14.4 of the Securities Exchange Act, the date of Audit Committee establishment shall be date of abolition of supervisors. The rules regarding to the supervisors of the Companies Act, the Securities Exchange Act shall apply to the Audit Committee.

The functions and exercise of powers of the Audit Committee shall be governed by “Regulations Governing the Exercise of Powers by the Audit Committee of a Public Company” and relevant government authorities’ regulations.

Article 15 - The Board of Directors shall be composed of directors. The Chairman and Vice Chairman shall be elected from among the directors pursuant to Article 208 of Company Act. The Chairman of the Board of Directors shall have the authority to represent the Company externally.

Article 16 - The board meeting unless otherwise provided for in this Act, shall be called by the Chairman. The Chairman of the Board of Directors shall act as the chairman. In the event that the Chairman of the Board of Directors is at leave or cannot execute his duties for any cause, the attorney-in-fact shall handle pursuant to Article 208 of Company Act. In case of his/her absence of a director, the director may, by issuing a proxy specifying the scope of agency, designate one of the other directors to act for and on his/her behalf. A director may only act for one other director. If the board meeting is conducted through videoconference, the directors shall be deemed attending the board meeting in person is participating the meeting through videoconference.

In calling a meeting of the Board of Directors, a notice setting forth therein the subjects to be discussed at the meeting shall be given to each director no later than 7 days prior to the scheduled meeting date. However, in the case of emergency, the meeting may be convened at any time.

The notice of calling a meeting of the Board of Directors may be delivered by means of a written notice, email, or fax.

Article 16-1 - Any resolution at a Board meeting shall be adopted if voted in favor by the majority present at a Board meeting at which more than half of the Directors are present unless otherwise stipulated in Company Act.

Article 16-2- Deleted.

Article 16-3- The Company may authorize the Board of Directors to have liability insurance for all the directors during their tenure of the Board.

Article 16-4 - The remuneration of directors shall be discussed and decided by the Board of Directors referencing the standard generally adhered by other companies of the sameindustry.

Section V - Managers

Article 17 - The Company may have one president. The appointment, removal and remuneration of the president shall be conducted in accordance with Article 29 of Company Act.

Section VI - Accounting

Article 18 - The fiscal year of the Company is calendar year. At the end of each fiscal year, the Board of Directors shall prepare (1) report of business operation, (2)financial statements, (3) proposal for appropriation of earnings or covering of loss, etc, and send the same to the ordinary shareholders meeting for their recognition in accordance with relevant laws and regulations.

Article 19 - The Company is in a highly changeable industry. Many high-end lucrative products are in growth. The distribution of dividends shall be made taking into consideration the needs of Company future development and operation, and the interests of shareholders. If the annual results shall have profit, such profits should first pay all taxes and reimburse accumulative loss, then take 10% legal reserve, reserve or reverse special reserve according to the Company Act. After previous deductions and reserves, the Company can take 10% to 90% of the distributable earnings plus undistributed retained earnings as bonus proposed by the board of directors. The bonus distributed in cash at whole or partially can be decided by the board Board’s majority resolution and report to the shareholders' meeting. If the bonus will be distributed by the issuance new shares, the issuance shall be approved by the shareholders' meeting.

Shareholders' bonus shall be distributed in accordance with the percentage of the shares owned among the total outstanding shares of the Company. Shareholders' bonus can be distributed through the forms of cash and stock dividends. In such distribution combination, cash dividends shall be counted no less than 30% of the total distributed bonus.

In the event there are deductions under the account of shareholder's equity which cannot be allocated from after-tax profits of the current fiscal year, whether accumulated from previous year or occurred in the current year, the Company shall allocate sufficient special reserves from the beginning aggregate balance of undistributed earnings and subtract such shareholder equity deductions before profits distribution.

Article 19-1- The pre-tax income of the current fiscal year shall first offset the accumulated deficits. If the balance is positive, then the Company shall allocate the remuneration to be distributed to employees, directors in accordance with the following ratio.

1. Employee remuneration in the percentage of 6% to 10%. Individuals eligible for employee remuneration include the Company's employees and the employees of the Company's subsidiaries meeting certain requirements. Such requirements are to be set by the Board of Directors.
2. Remuneration to be distributed to directors shall not exceed 1%.

The decision of the percentage of remuneration to be distributed to employees, directors and supervisors set forth in the preceding Paragraph, the forms of distribution (cash or stock dividends) and the amounts and shares thereof shall be made through the special resolutions of the Board of Directors and reported to the shareholder's meeting.

Article 20 - According to provisions of Company ActArticle 241，the Company is able to authorize the Board to distribute legal reserve or capital surplus in cash at whole or partially with majority resolution and report at the shareholders' meeting. Alternatively, the distribution can be issuance new shares upon the approval of shareholders' meeting.

Section VII - Supplementary Provisions

Article 21 - Matters not provided for in these Articles of Incorporation shall be governed by Company Act.

Article 22 - These Articles of Incorporation were entered into on July 23, 1986.

The first amendment was made on June 30, 1989;The second amendment was made on March 26, 1990; The third amendment was made on June 25, 1991; The fourth amendment was made on April 25, 1994; The fifth amendment was made on May 30, 1995;The sixth amendment was made on June 11, 1996;

The seventh amendment was made on August 30, 1996; The eighth amendment was made on April 19, 1997; The ninth amendment was made on February 28, 1998; The tenth amendment was made on September 18, 1998; The eleventh amendment was made on May 20, 1999; The twelfth amendment was made on May 4, 2000;The thirteenth amendment was made on May 10, 2001; The fourteenth amendment was made on May 10, 2001; The fifteenth amendment was made on May 16, 2002; The sixteenth amendment was made on May 28, 2003; The seventeenth amendment was made on May 28, 2003; The eighteenth amendment was made on June 9, 2004; The nineteenth amendment was made on June 14, 2005;The twentieth amendment was made on June 14, 2006; The twenty-first amendment was made on June 13, 2007;The twenty-second amendment was made on June 11, 2008; The twenty-third amendment was made on June 16, 2009; The twenty-forth amendment was made on June 10, 2010; The twenty-fifth amendment was made on June 9, 2011; The twenty-sixth amendment was made on June 17, 2014;The twenty-seventh amendment was made on June 16, 2016; The twenty-eighth amendment was made on June 15, 2018; The twenty-nineth amendment was made on June 14, 2019; The thirtieth amendment was made on June 10, 2020.

Appendix 3

Micro-Star International Co., Ltd.
"Rules for Election of Directors"

Article 1
Unless otherwise provided in the Company Law or the Articles of Incorporation of this Company, the directors of this Company shall be elected in accordance with the rules specified herein. Election of directors of this Company shall be held at the shareholders' meeting.
Article 2
The Directors of the Company shall be elected by the shareholders' meeting from among the persons with disposing capacity.
Article 3
Unless otherwise provided by the Company Act or the Articles of Incorporation of the Company, the election of Directors, each common share with a voting right is entitled to the number of ballots which are equivalent to the numbers of directors to be elected, they can be voted to only one candidate or a few candidates.
Article 3-1
The election of independent directors and non-independent directors shall be held together; but elected places shall be calculated separately. The elected candidates shall base on the total voting rights received.
Article 4
The numbers including non-independent directors and independent directors of the Company shall be provided by the Articles of Incorporation of the Company. In the election for the directors and supervisors of the Company, the candidates receiving ballots representing the highest number of voting rights sequentially shall be elected. A candidate simultaneously elected as a director and supervisor shall, at the candidate's own discretion, decide to serve as either director or supervisor.
Article 5
Deleted
Article 6
At the beginning of the election, the Chairman shall appoint several persons each to check and record the ballots.
Article 7
The ballot boxes shall be prepared by the Board of Directors and laid open for inspection in public by the voting supervisory personnel before the voting begins.
Article 8
The Board of Directors shall prepare the blank ballots for election of directors according to the number of them to be elected which shall indicate the weight of the vote and distribute the ballots to the shareholders present at the relevant shareholders meeting. ◦
Article 9
If the candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot. For a non-shareholder, the voter shall enter the candidate's full name and ID number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper or both the name of the governmental organization or juristic-person shareholder and the name fo its representative may be entered. When there are multiple representatives, the name of each respective representative shall be entered.
Article 10
A ballots is invalid under any of the following circumstances:
1.The ballots was not prepared by the company;
2.A blsnk ballots is cased into the ballot box;
3.The handwriting is unclear and illegible;
4.The candidate elected is a shareholder, the identity and shareholder account number thereof are not in conformity with those specified in the shareholders' roster; or if the candidate elected is not a shareholder, the name and uniform ID number are proven non-conformity;
5.Other than the name and the shareholder account number or uniform ID number of the candidate, other contexts are included;
6.The ballots does not bear the shareholder account name (personal name) or shareholder account number (identification card number) of the candidate being voted for
7.Any of the candudate's name, shareholder's number (ID number) or the number of votes cast for such candidate being erased or changed;
8. The ballot bears the names of two or more candidates or more.
Article 11
The ballots should be calculated during the meeting right after the vote casting and the results of the election should be announced by the Chairman at the meeting.
Article 12
Other matters not stipulated in the Articles of "Rules for Election of Directors" Shall be handled in accordance with the Company Law, the Articles of Incorporation, and other relevant laws and regulations.

Article 13

These Rules and all subsequent amendments each shall be implemented after being approved by the Shareholders Meeting.
The first was made on February 10, 1995.
The second amendment was made on May 16, 2002;
The third amendment was made on June 16, 2009;
The fourth amendment was made on June 17, 2014;
The fifth amendment was made on June 15, 2018;
The fifth amendment was made on June 15, 2018.

Appendix 4

Micro-Star International Co., Ltd.

Shareholding of Directors

1. The Company's total paid-up capital is NT$8,448,561,990 with issued outstanding shares 844,856,199.
2. According to Article 26 of Securities and Exchange Act and Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, directors shall all together own at least 27,035,398 shares.
3. Up to the book closure date of this shareholders meeting, per shareholder's register each and all directors own the number of shares as set forth in the following table:

Book closure date: April 16,2024

Position	Name	Date elected	Shareholding while elected			Current shareholding			Remarks
			Type	Shares	Shareholding ratio (%)	Type	Shares	Shareholding ratio (%)	
Chairman of the Board of Directors	Hsu,Hsiang	2021.7.16	Common stock	51,983,151	6.15%	Common stock	46,883,151	5.55%	
Vice-Chairman of the Board of Directors	Huang,Chin-Ching	2021.7.16	Common stock	20,937,377	2.48%	Common stock	20,937,377	2.48%	
Director of Board	Lin,Wen-Tung	2021.7.16	Common stock	25,672,499	3.04%	Common stock	25,672,499	3.04%	
Director of Board	Yu, Hsien-Neng	2021.7.16	Common stock	17,892,824	2.12%	Common stock	17,892,824	2.12%	
Director of Board	Kuo,Hsu-Kuang	2021.7.16	Common stock	75,000	0.01%	Common stock	100,000	0.01%	
Director of Board	Liao,Chun-Keng	2021.7.16	Common stock	60,000	0.01%	Common stock	70,000	0.01%	
Director of Board	Hung,Yu-Sheng	2021.7.16	Common stock	306,660	0.04%	Common stock	306,660	0.04%	
Director of Board	Chen,Te-Ling	2021.7.16	Common stock	0	0.00%	Common stock	10,000	0.00%	
Independent Director of Board	Hsu,Kao-Shan	2021.7.16	Common stock	418,686	0.05%	Common stock	418,686	0.05%	Note 4
Independent Director of Board	Hsu,Jun-Shyan	2021.7.16	Common stock	490,415	0.06%	Common stock	490,415	0.06%	Note 4
Independent Director of Board	Liu ,Cheng-Yi	2021.7.16	Common stock	0	0.00%	Common stock	0	0.00%	Note 4
Amount				117,836,612			112,781,612		

Note 1: Total issued shares:844,856,199 shares on July 16,2021. (date elected).
Note 2: Total Issued shares: 844,856,199 shares on April 16,2024. (book closure date).
Note 3:The minimum required combined shareholding of all directors by law:27,035,398 shares
The combined shareholding of all directors on the book closure date:111,872,511 shares
Note 4: The shares held by independent directors shall not be counted in the calculation of directors shareholdings.