

CAMEO COMMUNICATIONS, INC.

2021 Annual General Shareholders' Meeting

Meeting Agenda

(Translation)

Date : June 18, 2021

Place : Les enfants Building

B1, No. 60, Ln. 321, Yangguang St., Neihu Dist., Taipei City 114, Taiwan

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I. Meeting Procedures

- 1. Call Meeting to Order**
- 2. Chairman's Remarks**
- 3. Report Items**
- 4. Adoption Items**
- 5. Discussion Items**
- 6. Special Motions**
- 7. Meeting Adjourned**

CAMEO COMMUNICATIONS, INC.
2021 Annual General Shareholders' Meeting Agenda

1. Time: 9:00 a.m., June 18, 2021 (Friday)
2. Place: Les enphants Building
(B1, No. 60, Ln. 321, Yangguang St., Neihu Dist., Taipei City 114, Taiwan)
3. Call Meeting to Order
4. Chairman's Remarks
5. Report Items
 - (1) 2020 Business Report
 - (2) 2020 Audit Committees' Review Report
 - (3) The Status of Endorsement and Guarantee
 - (4) Report on Capital Reduction and Compensation Losses and the Implementation of Sound Business Plan
 - (5) Report on implementation of private placement of common stock
6. Adoption Items
 - (1) To adopt 2020 business report and financial statements
 - (2) To adopt 2020 Deficit Compensation Proposal
7. Discussion Items
 - (1) To revise the Articles of Incorporation
 - (2) To approve the release of Representative Director of non-competition restrictions
8. Special Motions
9. Meeting Adjourned

Report Items

1. 2020 Business Report

Explanatory Notes :

- (1) For the 2020 business report, please refer to Attachment 1 (pages 8~14) of this manual.

2. 2020 Audit Committees' Review Report

Explanatory Notes :

- (1) The 2020 business report, financial statements, and deficit appropriation proposal, which were resolved by the Board, were audited by the CPAs Samuel Au and Isabella Lou of KPMG, and a review report was issued.
- (2) For the 2020 Audit Committees' Review Report, please refer to Attachment 2 (page 15) of the manual.

3. The Status of Endorsement and Guarantee.

Explanatory Notes :

- (1) As of December 31, 2020, the company has been approved by the board of directors to provide endorsement guarantees as follows:

Name	Guaranteed amount (USD thousands)	Guaranteed amount (NT\$ thousands)	Amount used (USD thousands)	Amount used (NT\$ thousands)	Bank
CAMEO INTERNATIONAL LTD.	USD 10,000	NTD 280,950	USD 0	NTD 0	Taipei Fubon Bank

4. Report on Capital Reduction and Compensation Losses and the Implementation of Sound Business Plan.

Explanatory Notes :

- (1) In order to offset losses and improve the financial structure, the Company reduced the issued Capital NT\$385,564,180, and cancelled 38,556,418 shares. The Capital reduction ratio is 14.374085%. After capital reduction, the issued capital would be NT\$2,296,792,150.
- The capital reduction to offset the loss was approved by Extraordinary Shareholders' Meeting on September 21, 2020. , and by the Financial Supervisory Commission as per letter with Ref. No. Financial Supervisory Securities Corporate-1090370259 dated October 21, 2020. Record date of the capital reduction was Decemer 30, 2020. The base date of issued shares after the capital reduction was completed on April 14, 2021.
- (2) The implementation of sound business plan as of March 31, 2021.

Unit: NT\$ Thousands

Item \ Year	2021 Q1					
	Estimated A		Actual B		Diff C=B-A	
	Amount	%	Amount	%	Amount	%
operating revenue	767,971	100	701,707	100	-66,264	-8.6
Operating costs	721,821	94	714,392	102	-7,429	<u>7.8</u>
Gross profit	46,150	6.0	-12,685	-1.8	-58,835	<u>-7.8</u>
Operating expenses	143,125	18.6	136,795	19.5	-6,330	<u>0.9</u>
Net operating income (loss)	-96,975	-12.6	-149,480	-21.3	-52,505	<u>-8.7</u>
Non-operating income and expenses	-3,853	-0.5	25,448	3.6	29,301	<u>4.1</u>
Net profit before tax (loss) from continuing operations	-100,828	-13.1	-124,032	-17.7	-23,204	<u>-4.5</u>

The bottom line number indicates the deviation :Percentage Points,PP

5. Report on implementation of private placement of common stock.

Explanatory Notes :

- (1) The total amount of private placement of common stock is no more than 150,000,000 shares, which authorized to be issued once within a year and approved by Extraordinary Shareholders' Meeting on September 21, 2020.
- (2) The company has privately placed 101,100,000 shares on February 9, 2021, each with a par value of NT\$10. The actual purchase price was NT\$8.19 per share, and the total funds raised were NT\$828,009,000.
- (3) The implementation of private placement of common stock.

Item	2020 1 st Private Placement Issue Date: April 15, 2021.(Delivery date)
Securities under private placement	Common stock
Date of resolution and approved quantity	Date of share meeting: September 21, 2020. The total amount of private placement of common stock is no more than 150,000,000 shares, which the board of directors authorized to be issued once within a year.
Basis and rationale for price setting	The pricing of the private common stock is determined in accordance with the "Directions for Public Companies Conducting Private Placements of Securities", The price per share of private placement would be not lower than 80% of the reference price. The reference price shall be the higher of the following two calculations: a. The simple average closing price of the common stock of the TWSE listed or TPEX listed company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction. b. The simple average closing price of the common stock of the TWSE listed or TPEX listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

Selection method of specified parties	In accordance with Article 43-6 of the Securities and Exchange Act.				
Reasons for private placement	If the funds are raised by publicly raised securities, it may not be easy to obtain the required funds in a short period of time. Taking the timeliness and convenience of raising funds into consideration, the Company conduct private placement to raise funds from specific people in order to strengthen the financial structure and enrich operations funds.				
Date of payment and completion	February 9, 2021.				
Information on contributing parties	Target	Eligibility	Quantity Purchased	Relationship with the Company	Participation in Company Operations
	D-Link Corporation	Article 43-6, paragraph 1, of the Securities And Exchange Act	97,680,000	Director	Director
	JunYang Investment Co., Ltd.	Article 43-6, paragraph 1, of the Securities and Exchange Act	3,420,000	Director	Director
Actual purchase (or conversion) price	NT\$ 8.19 per share.				
Difference between the actual purchase (or conversion) price and the reference price	The actual private placement price NT\$8.19 is 80.6% of the reference price NT\$10.23.				
Impact of private placement on shareholders' equity (ex. causing an increase in accumulated losses)	The method for setting the price of common stock of private placement is in accordance with the laws and regulations of the competent authority. In order to increase the willingness to subscribe since the closing price of common stock of the company is currently lower than the par value of the stock, the actual private placement price is lower than that of the stock to cause the company to incur cumulative losses is reasonable. The company will take capital reduction, surplus or capital reserve to make up for losses into consideration depending operations.				
Use of funds from private placement and progress of proposed plans	Expected to be completed in 2021 Q4.				
Effectiveness of private placement	Private placement of common stock is to enrich working capital, which is expected to strengthen financial structure and enhance operations, and have positive effect on shareholders' equity				

Adoption Items

1. To adopt 2020 business report and financial statements (Proposed by the Board of Directors)

Explanatory Notes :

- (1) The 2020 financial statements of the Company which were resolved by the Board, were audited by the CPAs Samuel Au, and Isabella Lou of KPMG, and a review report was issued.

The reports together with the financial statements were sent to the Audit Committee.

The review was completed and a review report was issued.

- (2) For the financial statements and reports, please refer to Attachment 1 (page 8~14) and Attachment 3 (page 16~31) of this manual.

Resolution :

2. To adopt 2020 Deficit Compensation Proposal. (Proposed by the Board of Directors)

Explanatory Notes :

- (1) 2020 Deficit Compensation Proposal was resolved by the Board of Directors on March 24, 2021.

- (2) The Company's 2020 Net loss after tax was NTD 434,941,826. No dividends will be distributed this year.

- (3) For the Deficit Compensation Proposal, please refer to Attachment 4 (page 32).

Resolution :

Discussion Items

1. To revise the Articles of Incorporation. (Proposed by the Board of Directors)

Explanatory Notes :

For amended clauses, please refer to Attachment 5 (page 33).

Resolution :

2. To approve the release of Representative Director of non-competition restrictions

Explanatory Notes :

- (1) As stipulated in the Article 209 of the Company Act, “a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”
- (2) The Directors may be released from non-competition restrictions to expand market opportunities and facilitate performance of growth business of the Company.
- (3) The list of Representative Director serving concurrently in other companies are as follows:

Title	Name	Concurrent posts in other companies
D-Link Investment Co., Ltd. Representative Director	James Huang	Chairman, E-TOP NAVIGATOR Investment INC. Director, Quintain Steel Co., LTD. Supervisor, Taiwan Steel Group Director, Solar Applied Materials Technology Corp. Director, UFC GYM TAIWAN LIMITED Supervisor, Taiwan Steel Aerospace Manufacturing Co., LTD.

Special Motions

Meeting Adjourned

Attchments

Cameo Communications, Inc.

I. Annual Report in 2020

(1) Achievement of business in 2020

The consolidated revenue in 2020 reached 3.29 billion, which was a slight drop of approximately 3% from the consolidated revenue of 3.39 billion in 2019. The main reason for the decline in revenue is still the impact of the appreciation of the New Taiwan dollar against the U.S. dollar. According to the Central Bank's data, the rate of appreciation of the New Taiwan Dollar against the U.S. dollar in 2020 was about 5.7%. If calculated in U.S. dollar revenue, compared with the consolidated revenue in 2019, the consolidated revenue in 2020 was about 2% growing.

In terms of product mix, wireless communication products accounted for approximately 37% of revenue. Benefited from the impact of COVID-19, the demand for home wireless routers driven by long-distance work and home school has grown by about 30%; in addition, the wireless access point (Enterprise Access Point) in the enterprise market has been cultivated in the past few years. It also started a bumper harvest last year, with a substantial growth of about 68%. Not only did it increase in quantity, but the average unit price also increased due to the introduction of 11AX products. Therefore, the overall revenue of wireless communication products in 2020 increased by about 32% compared to the revenue in 2019.

The revenue of wired communication products accounted for about 60%, which was a decline of about 17% compared to the revenue of 2019. The main reason is the decline in the overall sales volume, which led to the decline in revenue. It is estimated that due to the impact of COVID-19, companies and operators are not clear about the industry's prospects. Therefore, capital expenditures on network infrastructure have

fallen or been delayed. Fortunately, the average sales price is roughly the same.

Therefore, when the future demand increases, it is expected to return to the track of revenue growth.

In summary, regarding the revenue distribution of the product portfolio in 2020, the following table is:

Mix		2020	2019	YoY%
Wired Products	Revenue (in Million New Taiwan dollar)	1,963	2,365	-17
Wireless Products	Revenue (in Million New Taiwan dollar)	1,230	929	32
Others	Revenue (in Million New Taiwan dollar)	98	99	-1
SUM	Revenue (in Million New Taiwan dollar)	3,291	3,393	-3

(2) Achievement of budget in 2020

The company did not issue a financial forecast for 2020, thus, there is no budget implementation achievement.

(3) Financial profitability analysis

Factors	2020	2019
Debt to assets ratio (%)	57.87	51.52
Long-term capital to fixed assets ratio (%)	173.37	167.25
Current ratio (%)	160.93	155.72
Speed ratio (%)	112.44	113.50
Return on assets (%)	-8.95	-7.01
Return on equity (%)	-20.36	-13.64
Net profit rate (%)	-13.22	-10.00
EPS (after fully diluted)	-1.89	-1.48

(*) Calculated based on the amount of the consolidated financial report audited by CPA of KPMG.

(4) Research and Development

- The product roadmap is as below list :
- 10G/25G/100G/200G/400G High Density Data Center Switch
- Data center OCP chassis high-density 25G/100G/200G Ethernet Line Module
- 2.5G/5G/10G RJ45 POE++ (802.3bt) network switch
- Cloud Managed Network Switch (Cloud Switch)
- Cloud Network Management Service Platform (Cloud Management System)
- Outdoor Wide Temperature Switch
- L2 stacked network management network switch
- L3 network management network switch
- White Box or Bare Metal Switch
- Software Defined Network Switch (SDN Switch)
- 802.11ax router
- Cloud Commercial Wireless Local Area Network Access Point (Cloud Enterprise Access Point)
- Commercial Wireless Local Area Network Controller (Wireless Enterprise Access Controller)
- Commercial Wireless Local Area Network Access Point (Wireless Enterprise Access Point)
- Outdoor Access Point
- 5G/LTE wireless router (5G/LTE 802.11ax Wireless Router)
- Optical fiber converter (Fanout 100G to 4x25G Card)

II. Business Plan in 2021

(1) Management policy

1. Become the best partner of chip vendors: In terms of R&D investment, we will quickly work with chip vendors to complete the product concept (POC, Proof of Concept) in terms of firmware and software, in order to become the best partner of chip vendors. A good partner, and increase our contribution to chip vendors in value chain. And we plan to expand cooperation with new chip vendors around the world in the data center product market in the next five years to deepen our understanding of the application market and increase our competitiveness in this vertical market and solutions.
2. Extend the life cycle of product portfolio: The Company has successively shifted its

product portfolio from retail user products and telecommunications and operator user-end product markets to enterprise user products and data center product markets. Adjustments, on the one hand, prolong the contribution time of the product portfolio to revenue and profit, in order to obtain better R&D investment recovery; on the other hand, through the adjustment of the target customers focused on the product portfolio, to get rid of low unit prices and low gross rates, Bargaining competition with low entry barriers.

3. Lean manufacturing replaces mass manufacturing: In 2018, we have completed the factory infrastructure construction of the Tainan factory in Taiwan and invested in SMT equipment, automated warehousing and warehouse management systems (WMS, Warehouse Management System) to better understand the material status in real time. To respond to changes in customer needs. And, integrate Oracle EBS's Advanced Supply Chain Planning (ASCP, Advanced Supply Chain Planning) to increase inventory turnover and reduce the level of inventory. In the next five years, we will continue to invest in automation systems on this basis to achieve the manufacturing vision unveiled by Industry 4.0. Completing the construction of this system will help us to respond to the production of future models, and when demand changes drastically, while increasing flexibility, we can still effectively improve efficiency. We look forward to improving per capita output by increasing to offset the rising wages in the future.

(2) Expected sales volume, basis and important production and sales policies

1. The estimated sales of the company in 2021:

In terms of wired products, the main focus of resources is to invest in high unit price, smart high-port-count switches, and develop 10G/25G/100G/200G/400G high-density data center network switches, and 2.5G/5G/10G RJ45 PoE The network switch is expected to bring an increase in gross profit this year.

In terms of wireless products, the future development direction will be toward high unit price, high value-added enterprise wireless access points, cloud commercial wireless network access points, 5G/LTE wireless routers, and look forward to better product quality and use To get rid of the price war competition.

2. Basis and important production and marketing policies:

Improve production efficiency and automated production introduction, reduce production costs, lean manufacturing and improve production competitiveness; establish deeper adhesion with manufacturers, increase the competitiveness of raw material prices; invest in future product research and development, expand target markets, and develop key customers in hopes Improve the company's operating performance.

III. Future development strategies, and external, regulatory and overall business environment

(1) Future development strategies

The estimated sales of the company in 2021:

The following is a summary of the development strategies for the three main axes that need to be strengthened:

1. Become the best partner of chip manufacturers.
2. Extend the life cycle of the product portfolio.
3. Lean manufacturing replaces mass manufacturing.

However, short-term development strategies must continue to increase revenue and reduce expenditure. In the open source part, first adjust the product mix and optimize the customer structure to enter different target markets. The throttling part is to continue to invest in automation and improve processes to reduce manufacturing and operating costs.

(2) The influence of external competition environment, legal environment and overall business environment

1. In 2021, as the COVID-19 vaccine began to be administered, the global economy has gradually begun to unblock, and the economic recovery should be expected. However, after two years of wrestling in the US-China trade war, especially the supply and demand imbalance caused by the semiconductor project, as the economy recovers, the problem seems to be more difficult to deal with. Therefore, whether the shortage of materials can be effectively alleviated will be a key factor in whether our revenue can grow.
2. Domestic manufacturers have gradually mastered key technologies and are now developing towards high-end products: With the formulation of the 802.11ax (renamed WIFI 6) standard, it is expected that domestic chip manufacturers will also appear in 2021, allowing wireless networks to officially enter the sixth generation. However, price competition is also inevitable, and the challenge to our revenue will be the second biggest worry.
3. Rising oil prices, rising non-precious metal materials, and unfavorable factors such as rising costs of containers and freight, estimate that it will continue to extend to 2021. As for whether the impact will be in the whole year or only in the first half of the year, this will have a bearing on our profit status.

In summary, 2021 is a year full of opportunities and challenges. The establishment of the economic recovery is indeed an opportunity; but with the rise in various costs, it is also a great challenge. Therefore, how to effectively integrate the advantages of the upstream and downstream supply chains of Taiwan's communications industry could effectively overcome challenges and seize opportunities.

Finally, I wish all shareholders good health and a safe family!

Chairman : Jerry Chien

CEO/President : Steve Lin/ Juan Tseng

Accounting Supervisor : Amy Wang

Cameo Communications Inc.

Audit Committee's Review Report

The 2020 business report, financial statements, and deficit appropriation proposal, which were resolved by the Board, were audited by the CPAs Samuel Au and Isabella Lou of KPMG, and a review report was issued.

These have been reviewed and determined to be correct and accurate by the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, hereby submit this Report.

Best regards

2021 General Shareholders' Meeting of Cameo Communications Inc.

Convener of the Audit Committee: Arens Chiang

March 24, 2021

Independent Auditors' Report

To the Board of Directors of Cameo Communications, Inc.:

Opinion

We have audited the financial statements of Cameo Communications, Inc.(“the Company”), which comprise the balance sheets as of December 31, 2020 and 2019, the statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit of the financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission on February 25, 2020, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

Please refer to Note 4(n) and Note 6(q) for accounting policy and detailed disclosure of revenue, respectively.

Description of key audit matter:

Cameo Communications, Inc. is a listed company primarily engaged in the manufacture and sale of wired and wireless communications products. As one of important items of the financial statements, the amount and movements in operating revenue may impact the understanding of the financial statements as a whole. Therefore, testing of revenue recognition has been identified as one of the key audit matters in our audit of the financial report.

How the matter was addressed in our audit:

The principal auditing procedures for the above key audit matters included the relevant controls of testing related to the sales and payment collection cycles; checking and reconciling the sales system information and the general ledger; comparing the movements of the top ten customers in the current and previous years as well as analyzing the changes in the revenue with respect to each product and the price thereof to assess if there were material anomalies; conducting a sampling of sales transactions in the periods before and after the balance sheet date and checking the relevant certificates to assess whether or not the timing and amount of the recognition of the operating revenue were in accordance with pertinent accounting standards.

2. Valuation of inventories

For the accounting policies for valuation of inventories, please refer to Note 4(g); for accounting estimates of inventory valuation, please refer to Note 5; for disclosures regarding inventories, please refer to Note 6(f).

Description of key audit matter:

The major business activities of the Company are the sale of wireless and wired communications products, with ODM, its core competitiveness, coupled with OEM, to establish a business model. Electronic products may experience price declines due to horizontal competition and advancing technology, and the amount of inventories will influence the understanding of the financial statements as a whole. Therefore, the testing of inventory valuation was determined to be one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matters above, our principal audit procedures included testing relevant controls over the operating cycle of cost, assessing whether the Company's recognition of inventory write-downs and obsolescence loss were carried out according to the Company's policies and relevant accounting standards. In addition, we assessed the reasonableness of management's estimate of allowances for inventory valuation through reviewing the inventory aging report, with a focus on inventories that had a longer inventory age, so as to understand the sales thereof subsequent and to assess the measurement basis adopted for their net realizable values.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on these 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 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.

The engagement partners on the audit resulting in this independent auditors' report are Yiu-Kwan Au and Jui-Lan Lo.

KPMG

Taipei, Taiwan (Republic of China)
March 24, 2021

(English Translation of Financial Statements Originally Issued in Chinese)
CAMEO COMMUNICATIONS, INC.

Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2020		December 31, 2019	
	Amount	%	Amount	%
Assets				
Current assets:				
1100 Cash and cash equivalents (note 6(a))	\$ 285,969	6	658,965	14
1110 Current financial assets at fair value through profit or loss (note 6(b))	4,930	-	-	-
1170 Notes and trade receivables, net (notes 6(c) and 6(q))	585,514	13	386,252	8
1180 Trade receivables due from related parties, net (notes 6(c), 6(q) and 7)	344,161	7	387,485	8
1200 Other receivables (note 6(d))	28,551	1	21,609	1
1210 Other receivables due from related parties (notes 6(d) and 7)	18,230	-	19,551	-
1220 Current tax assets	814	-	618	-
1310 Inventories, net (note 6(c))	538,655	12	396,161	8
1470 Other current assets	70,612	2	49,895	1
	<u>1,877,436</u>	<u>41</u>	<u>1,920,536</u>	<u>40</u>
Non-current assets:				
1550 Investments accounted for using equity method (note 6(f))	931,713	20	998,381	21
1600 Property, plant and equipment (notes 6(g) and 8)	1,679,721	36	1,687,501	35
1755 Right-of-use assets (note 6(h))	16,876	-	48,778	1
1780 Intangible assets (note 6(i))	23,913	1	21,337	1
1975 Net defined benefit assets, non-current (note 6(m))	19,171	-	18,614	-
1990 Other non-current assets (notes 6(a) and 8)	66,839	2	63,405	2
	<u>2,738,233</u>	<u>59</u>	<u>2,838,016</u>	<u>60</u>
Total assets	<u>\$ 4,615,669</u>	<u>100</u>	<u>4,758,552</u>	<u>100</u>
Liabilities and Equity				
Current liabilities:				
2100 Short-term borrowings (note 6(j))	\$ 412,407	9	400,000	8
2120 Current financial liabilities at fair value through profit or loss (note 6(b))	2,684	-	-	-
2170 Trade payables	481,207	10	313,550	7
2180 Trade payables to related parties (note 7)	272,724	6	504,572	11
2200 Other payables	190,808	4	287,849	6
2220 Other payables to related parties (note 7)	123,685	3	135,091	3
2280 Current lease liabilities (note 6(l))	17,200	-	29,351	1
2305 Other current liabilities	56,879	1	65,271	1
	<u>1,557,594</u>	<u>33</u>	<u>1,735,684</u>	<u>37</u>
Non-Current liabilities:				
2540 Long-term borrowings (notes 6(k) and 8)	1,089,199	24	700,000	15
2580 Non-current lease liabilities (note 6(m))	-	-	20,039	-
	<u>1,089,199</u>	<u>24</u>	<u>720,039</u>	<u>15</u>
Total liabilities	<u>2,646,793</u>	<u>57</u>	<u>2,455,723</u>	<u>52</u>
Equity capital (note 6(o)):				
3110 Ordinary shares	2,296,792	50	2,682,357	56
3200 Capital surplus	-	-	415,638	9
3300 Retained earnings	(229,208)	(5)	(573,913)	(12)
3400 Other equity	(98,708)	(2)	(221,253)	(5)
Total equity	<u>1,968,876</u>	<u>43</u>	<u>2,302,829</u>	<u>48</u>
Total liabilities and equity	<u>\$ 4,615,669</u>	<u>100</u>	<u>4,758,552</u>	<u>100</u>

(English Translation of Financial Statements Originally Issued in Chinese)
CAMEO COMMUNICATIONS, INC.

Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(q) and 7)	\$ 3,275,514	100	3,362,184	100
5000	Operating costs (notes 6(e), 6(g), 6(h), 6(i), 6(m), 7 and 12)	3,146,724	96	3,246,883	97
5900	Gross profit	128,790	4	115,301	3
5910	Unrealized profit (loss) from sales	(211)	-	-	-
	Gross profit from operations	128,579	4	115,301	3
6000	Operating expenses (notes 6(c), 6(g), 6(h), 6(i), 6(m), 7 and 12):				
6100	Selling expenses	104,736	3	104,281	3
6200	Administrative expenses	106,912	4	135,993	4
6300	Research and development expenses	263,396	8	233,684	7
6450	Expected credit impairment loss (gain)	(66)	-	(138)	-
		474,978	15	473,820	14
6900	Net operating loss	(346,399)	(11)	(358,519)	(11)
7000	Non-operating income and expenses (notes 6(f), 6(l), and 7):				
7050	Finance costs	(15,484)	-	(9,973)	-
7100	Interest income	4,044	-	10,381	-
7190	Other income	99,480	3	45,271	1
7210	Gains on disposal of property, plant and equipment	1,680	-	-	-
7230	Foreign exchange losses	(15,141)	-	(16,061)	-
7235	Gains on financial assets (liabilities) at fair value through profit or loss	4,863	-	-	-
7070	Share of loss of subsidiaries, associates and joint ventures accounted for using equity method	(166,892)	(5)	(10,234)	-
7590	Other loss	(1,093)	-	-	-
		(88,543)	(2)	19,384	1
7900	Loss from continuing operations before tax	(434,942)	(13)	(339,135)	(10)
7950	Less: Income tax expenses (note 6(n))	-	-	-	-
	Loss	(434,942)	(13)	(339,135)	(10)
8300	Other comprehensive income:				
8310	Items that may not be reclassified to profit or loss (note 6(m))				
8311	Gains (losses) on remeasurements of defined benefit plans	452	-	(1,815)	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that may not be reclassified to profit or loss	99,643	3	9,190	-
8349	Income tax related to items that may not be reclassified to profit or loss	-	-	-	-
	Total items that may not be reclassified to profit or loss	100,095	3	7,375	-
8360	Items that may be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	894	-	(33,922)	(1)
8399	Income tax related to items that may be reclassified to profit or loss	-	-	-	-
	Total items that may be reclassified to profit or loss	894	-	(33,922)	(1)
8300	Total other comprehensive income	100,989	3	(26,547)	(1)
	Total comprehensive income	\$ (333,953)	(10)	(365,682)	(11)
	Basic earnings per share (note 6(p))				
9750	Basic earnings (loss) per share	\$ (1.89)		(1.48)	

(English Translation of Financial Statements Originally Issued in Chinese)
CAMEO COMMUNICATIONS, INC.

Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings				Other equity			
	Ordinary shares	Capital surplus	Legal reserve	Accumulated deficits	Retained Earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity

(English Translation of Financial Statements Originally Issued in Chinese)
CAMEO COMMUNICATIONS, INC.

Statements of Cash Flows
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Loss before tax	\$ (434,942)	(339,135)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	136,632	122,304
Amortization expense	12,050	8,740
Gain on reversal of expected credit impairment loss	(66)	(138)
Net gain on financial assets or liabilities at fair value through profit or loss	(4,863)	-
Interest expense	15,484	9,973
Interest income	(4,044)	(10,381)
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method	166,892	10,234
Gain on disposal of property, plant and equipment	1,680	-
Others	530	62
Total adjustments to reconcile profit (loss)	324,295	140,794
Changes in operating assets and liabilities:		
Decrease in on financial assets at fair value through profit or loss mandatorily measured at fair value	5,468	-
Increase in notes and trade receivables	(199,196)	(13,067)
Decrease in trade receivables due from related parties	43,324	73,731
Increase in other receivables	(5,625)	(14,564)
Increase in inventories	(142,494)	(139,443)
Increase in net defined benefit assets	(105)	(148)
Increase in other operating assets	(20,387)	(9,893)
Total changes in operating assets	(319,015)	(103,384)
Decrease in financial liabilities held for trading	(2,851)	-
Increase in trade payables	167,657	97,464
Decrease in trade payables to related parties	(231,848)	(457,576)
Increase (decrease) in other payables	35,867	(2,549)
Decrease in other operating liabilities	(8,392)	(11,180)
Total changes in operating liabilities	(39,567)	(373,841)
Total changes in operating assets and liabilities, net	(358,582)	(477,225)
Total adjustments	(34,287)	(336,431)
Cash outflow generated from operations	(469,229)	(675,566)
Interest received	4,048	10,500
Interest paid	(15,084)	(9,806)
Income taxes paid	(196)	(201)
Net cash flows used in operating activities	(480,461)	(675,073)
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(236,179)	(217,166)
Proceeds from disposal of property, plant and equipment	(1,680)	-
Increase in refundable deposits	953	71
Acquisition of intangible assets	(14,626)	(7,851)
Decrease in other receivables from related parties	-	215,005
(Increase) decrease in other non-current assets	(4,387)	9,978
Net cash flows (used in) from investing activities	(255,919)	37
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	12,407	179,000
Proceeds from long-term borrowings	389,199	700,000
Increase in other payables to related parties	(11,330)	113,590
Payment of lease liabilities	(26,892)	(28,346)
Net cash flows from financing activities	363,384	964,244
Net (decrease) increase in cash and cash equivalents	(372,996)	289,208
Cash and cash equivalents at beginning of period	658,965	369,757
Cash and cash equivalents at end of period	\$ 285,969	658,965

Independent Auditors' Report

To the Board of Directors of Cameo Communications, Inc.:

Opinion

We have audited the consolidated financial statements of Cameo Communications, Inc. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, 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 with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission on February 25, 2020, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

Please refer to Note 4(n) and Note 6(r) for accounting policy and detailed disclosure of revenue, respectively.

Description of key audit matter:

Cameo Communications, Inc. is a listed company primarily engaged in the manufacture and sale of wired and wireless communications products. As one of important items of the consolidated financial statements, the amount and movements in operating revenue may impact the understanding of the consolidated financial statements as a whole. Therefore, testing of revenue recognition has been identified as one of the key audit matters in our audit of the consolidated financial report.

How the matter was addressed in our audit:

The principal auditing procedures for the above key audit matters included the relevant controls of testing related to the sales and payment collection cycles; checking and reconciling the sales system information and the general ledger; comparing the movements of the top ten customers in the current and previous years as well as analyzing the changes in the revenue with respect to each product and the price thereof to assess if there were material anomalies; conducting a sampling of sales transactions in the periods before and after the balance sheet date and checking the relevant certificates to assess whether or not the timing and amount of the recognition of the operating revenue were in accordance with pertinent accounting standards.

2. Valuation of inventories

For the accounting policies for valuation of inventories, please refer to Note 4(h); for accounting estimates of inventory valuation, please refer to Note 5; for disclosures regarding inventories, please refer to Note 6(f).

Description of key audit matter:

The major business activities of the Group are the sale of wireless and wired communications products, with ODM, its core competitiveness, coupled with OEM, to establish a business model. Electronic products may experience price declines due to horizontal competition and advancing technology, and the amounts of inventories will influence the understanding of the financial statements as a whole. Therefore, the testing of inventory valuation was determined to be one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matters above, our principal audit procedures included testing relevant controls over the operating cycle of cost, assessing whether the Group's recognition of inventory write-downs and obsolescence loss were carried out according to the Group's policies and relevant accounting standards. In addition, we assessed the reasonableness of management's estimate of allowances for inventory valuation through reviewing the inventory aging report, with a focus on inventories that had a longer inventory age, so as to understand the sales thereof subsequent and to assess the measurement basis adopted for their net realizable values.

Other Matter

Cameo Communications, Inc. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unmodified opinion.

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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 Audit Committee) 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 and 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.

The engagement partners on the audit resulting in this independent auditors' report are Yiu-Kwan Au and Jui-Lan Lo.

KPMG

Taipei, Taiwan (Republic of China)

March 24, 2021

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2020		December 31, 2019	
	Amount	%	Amount	%
Assets				
Current assets:				
1100 Cash and cash equivalents (note 6(a))	\$ 817,917	18	1,116,280	24
1110 Current financial assets at fair value through profit or loss (notes 6(b) and 6(r))	4,930	-	-	-
1170 Notes and trade receivables, net (notes 6(d) and 6(r))	600,267	12	414,885	9
1180 Notes and trade receivables due from related parties, net (notes 6(d), 6(r) and 7)	344,161	7	387,176	8
1200 Other receivables, net (note 6(e))	30,210	1	21,686	1
1210 Other receivables due from related parties, net (notes 6(e) and 7)	18,230	-	19,551	-
1220 Current tax assets	814	-	618	-
1310 Inventories, net (note 6(f))	704,533	15	670,631	14
1470 Prepayments and other current assets	78,812	2	58,500	1
	<u>2,599,874</u>	<u>55</u>	<u>2,689,327</u>	<u>57</u>
Non-current assets:				
1517 Non-current financial assets at fair value through other comprehensive income (note 6(g))	169,519	4	97,789	2
1600 Property, plant and equipment (notes 6(g) and 8)	1,763,854	38	1,795,368	37
1755 Right-of-use assets (note 6(h))	29,728	1	61,988	2
1780 Intangible assets (note 6(i))	24,625	1	22,809	-
1920 Refundable deposits	6,677	-	7,779	-
1975 Net defined benefit assets, non-current (note 6(n))	19,171	-	18,614	-
1990 Other non-current assets, others (notes 6(a) and 8)	60,209	1	56,261	2
	<u>2,073,783</u>	<u>45</u>	<u>2,060,608</u>	<u>43</u>
Total assets	<u>\$ 4,673,657</u>	<u>100</u>	<u>4,749,935</u>	<u>100</u>
Liabilities and Equity				
Current liabilities:				
2100 Short-term borrowings (note 6(j))	\$ 540,720	12	487,321	10
2120 Current financial liabilities at fair value through profit or loss (note 6(b))	2,684	-	-	-
2170 Trade payables	721,775	15	772,841	16
2200 Other payables	271,860	6	380,465	8
2250 Current provisions (note 6(m))	4,581	-	4,484	-
2280 Current lease liabilities (note 6(l))	17,200	-	29,351	1
2305 Other current liabilities	56,719	1	52,562	1
	<u>1,615,539</u>	<u>34</u>	<u>1,727,024</u>	<u>36</u>
Non-Current liabilities:				
2540 Long-term borrowings (notes 6(k) and 8)	1,089,199	23	700,000	15
2580 Non-current lease liabilities (note 6(l))	-	-	20,039	-
2600 Other non-current liabilities	43	-	43	-
	<u>1,089,242</u>	<u>23</u>	<u>720,082</u>	<u>15</u>
Total liabilities	<u>2,704,781</u>	<u>57</u>	<u>2,447,106</u>	<u>51</u>
Equity (note 6(p)):				
Equity attributable to owners of parent :				
Ordinary share	2,296,792	50	2,682,357	57
Capital surplus	-	-	415,638	9
Retained earnings	(229,208)	(5)	(573,913)	(12)
Other equity	(98,708)	(2)	(221,253)	(5)
Total equity	<u>1,968,876</u>	<u>43</u>	<u>2,302,829</u>	<u>49</u>
Total liabilities and equity	<u>\$ 4,673,657</u>	<u>100</u>	<u>4,749,935</u>	<u>100</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(r) and 7)	\$ 3,291,260	100	3,393,006	100
5000	Operating costs (notes 6(f), 6(g), 6(h), 6(i), 6(n) and 12)	3,216,162	98	3,167,173	93
5900	Gross profit	75,098	2	225,833	7
6000	Operating expenses (notes 6(d), 6(g), 6(h), 6(i), 6(n), 7 and 12):				
6100	Selling expenses	114,517	3	126,665	4
6200	Administrative expenses	143,130	4	183,340	5
6300	Research and development expenses	320,608	10	297,277	9
6450	Expected credit impairment loss (gain)	(66)	-	(18)	-
	Total operating expenses	578,189	17	607,264	18
6900	Net operating loss	(503,091)	(15)	(381,431)	(11)
7000	Non-operating income and expenses (notes 6(b), 6(l), 6(t) and 7):				
7050	Finance costs	(16,501)	-	(16,589)	-
7100	Interest income	12,804	-	19,293	1
7130	Dividend income	-	-	1,470	-
7190	Other income	92,192	3	49,990	1
7210	Gains on disposals of property, plant and equipment	1,881	-	1,066	-
7230	Foreign exchange losses	(26,361)	(1)	(10,517)	-
7235	Gains on financial assets (liabilities) at fair value through profit or loss	5,246	-	-	-
7590	Other loss	(1,145)	-	(2,465)	-
		68,116	2	42,248	2
7900	Loss from continuing operations before tax	(434,975)	(13)	(339,183)	(9)
7950	Less: Income tax expenses (income) (note 6(o))	(33)	-	(48)	-
	Loss	(434,942)	(13)	(339,135)	(9)
8300	Other comprehensive income:				
8310	Items that may not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	452	-	(1,815)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	99,643	3	9,190	-
8349	Income tax related to items that may not be reclassified to profit or loss	-	-	-	-
	Total items that may not be reclassified to profit or loss	100,095	3	7,375	-
8360	Items that may be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	894	-	(33,922)	(1)
8399	Income tax related to items that may be reclassified to profit or loss	-	-	-	-
	Total items that may be reclassified to profit or loss	894	-	(33,922)	(1)
8300	Other comprehensive income	100,989	3	(26,547)	(1)
8500	Total comprehensive income	<u>\$ (333,953)</u>	<u>(10)</u>	<u>(365,682)</u>	<u>(10)</u>
	Basic earnings per share (note 6(q))				
9750	Basic earnings (loss) per share	<u>\$ (1.89)</u>		<u>(1.48)</u>	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent							Other equity	
	Ordinary shares	Capital surplus	Legal reserve	Retained earnings		Retained earnings	Exchange differences on translation of foreign financial statements	comprehensive income	Total other equity
				Accumulated deficits	earnings				
Balance at January 1, 2019	\$ 2,682,357	415,638	15,824	(248,787)	(232,963)	(31,276)	(165,245)	(196,521)	2,668,511
Loss for the year ended December 31, 2019	-	-	-	(339,135)	(339,135)	-	-	-	(339,135)
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	(1,815)	(1,815)	(33,922)	9,190	(24,732)	(26,547)
Balance at December 31, 2019	2,682,357	415,638	15,824	(589,737)	(573,913)	(65,198)	(156,055)	(221,253)	2,302,829
Appropriation and distribution of retained earnings:									
Legal reserve used to offset accumulated deficits	-	-	(15,824)	15,824	-	-	-	-	-
Other changes in capital surplus:									
Capital surplus used to offset accumulated deficits	-	(415,638)	-	415,638	415,638	-	-	-	-
Loss for the year ended December 31, 2020	-	-	-	(434,942)	(434,942)	-	-	-	(434,942)
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	452	452	894	99,643	100,537	100,989
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	(434,490)	(434,490)	894	99,643	100,537	(333,953)
Capital reduction to offset accumulated deficits	(385,565)	-	-	385,565	385,565	-	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	(22,008)	(22,008)	-	22,008	22,008	-
Balance at December 31, 2020	\$ 2,296,792	-	-	(229,208)	(229,208)	(64,304)	(34,404)	(98,708)	1,968,876

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
CAMEO COMMUNICATIONS, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Loss before tax	\$ (434,975)	(339,183)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	171,462	164,069
Amortization expense	12,863	9,834
Gain on reversal of expected credit impairment loss	(66)	(18)
Net gain on financial assets or liabilities at fair value through profit or loss	(5,246)	-
Interest expense	16,501	16,589
Interest income	(12,804)	(19,293)
Dividend income	-	(1,470)
Gain on disposal of property, plant and equipment	(1,881)	(1,066)
Others	217	526
Total adjustments to reconcile profit (loss)	181,046	169,171
Changes in operating assets and liabilities:		
Decrease in on financial assets at fair value through profit or loss mandatorily measured at fair value	5,851	44,735
(Increase) decrease in notes and trade receivables	(185,316)	2,860
Decrease in trade receivables due from related parties	43,015	72,670
Increase in other receivables	(7,848)	(6,275)
Decrease (increase) in other receivable due from related parties	1,321	(11,010)
(Increase) decrease in inventories	(34,158)	139,305
(Increase) decrease in other current assets	(19,982)	1,979
Increase in net defined benefit assets	(105)	(148)
Total changes in operating assets	(197,222)	244,116
Decrease in financial liabilities held for trading	(2,851)	-
Decrease in trade payables	(51,066)	(140,720)
Increase (decrease) in other payable	24,334	(10,904)
Increase (decrease) in other operating liabilities	4,254	(13,906)
Total changes in operating liabilities	(25,329)	(165,530)
Total changes in operating assets and liabilities, net	(222,551)	78,586
Total adjustments	(41,505)	247,757
Cash outflow generated from operations	(476,480)	(91,426)
Interest received	12,128	19,662
Dividends received	-	1,470
Interest paid	(16,056)	(16,412)
Income taxes paid	(163)	(153)
Net cash flows used in operating activities	(480,571)	(86,859)
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	27,913	-
Acquisition of property, plant and equipment	(247,120)	(221,074)
Proceeds from disposal of property, plant and equipment	2,074	1,142
Acquisition of intangible assets	(14,684)	(8,950)
Decrease in other financial assets	525	43,781
(Increase) decrease in other non-current assets	(3,371)	10,974
Net cash flows used in investing activities	(234,663)	(174,127)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	53,399	181,347
Proceeds from long-term borrowings	389,199	700,000
Repayments of long-term borrowings	-	(224,715)
Payment of lease liabilities	(26,892)	(28,346)
Decrease in other non-current liabilities	-	(1)
Net cash flows from financing activities	415,706	628,285
Effect of exchange rate changes on cash and cash equivalents	1,165	(28,308)
Net (decrease) increase in cash and cash equivalents	(298,363)	338,991
Cash and cash equivalents at beginning of period	1,116,280	777,289
Cash and cash equivalents at end of period	\$ 817,917	1,116,280

CAMEO COMMUNICATIONS, INC.

Deficit Compensation Proposal

2020

Unit: NTD

Items	Amount	Note
Accumulated deficit on Dec. 31, 2019	-158,274,062	
Add (Less):		
Changes in actuarial gains and losses in 2020	452,000	
2020 net loss	-434,941,826	
Capital Reduction and Compensation Losses	385,564,180	
Disposal of equity instrument measured at fair value through other comprehensive income by subsidiaries	-22,008,526	
Accumulated deficit on Dec. 31, 2020	-229,208,234	

Chairman : Jerry Chien

President : Juan Tseng

Accounting Supervisor : Amy Wang

Cameo Communications, Inc.

Comparison Table of “Articles of Incorporation” before and after amendments

	Clauses after the amendments	Existing clauses	Explanation
Article 6	The shares of the Company shall be registered and issued by signature or <u>sealed and numbered</u> of more than three <u>by the</u> directors on the visa of the competent authority or its approved issuing and registration authority.	The shares of the Company shall be registered and issued by the signature or seal of more than three directors on the visa of the competent authority or its approved issuing and registration authority.	In accordance with Article 162 of the Company Law, the provisions on issuance of shares were revised.
Article 22	This Article of Incorporation was constituted on February 26, 1991. Amendment for the 1 st ~23 rd (Omitted) Amendment for the 24 th instance: June 18, 2021.	This Article of Incorporation was constituted on February 26, 1991. Amendment for the 1 st ~23 rd (Omitted)	Added the 24 th amendment date

Appendix

Procedure for Shareholders Meetings of CAMEO COMMUNICATION,INC

1. In order to establish the company's good shareholders' meeting governance system, improve supervision functions and strengthen management functions, in accordance with the listing of corporate governance practices in accordance with Article 5 of the provisions of these rules, in order to comply with capital.
2. The rules of procedure of the shareholders meeting of the company shall comply with the provisions of these rules, unless otherwise provided by laws or regulations.
3. Unless otherwise provided by laws and regulations, the shareholders meeting of the company shall be convened by the board of directors.

For the convening of the regular shareholders meeting, a meeting manual shall be prepared and the shareholders shall be notified 30 days before. For shareholders holding less than 1,000 registered shares, they may enter the public information observing station announcement before 30 days; temporary shareholders meeting All shareholders shall be notified 15 days before the convening. For shareholders holding less than 1,000 shares of registered stock, they may enter the public information observatory before 15 days.

The notice and announcement shall specify the reason for the convening; if the notice is approved by the counterparty, it can be done electronically.

The appointment or dismissal of directors, changes in articles of association, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, company dissolution, merger, division, or each of the first paragraphs of Article 185 of the Company Law, Article 26-1 of the Securities and Exchange Act, and Article 43-6 shall The reasons for the convening shall be listed and explained in the notice of the reasons and shall not be proposed as a temporary motion. ; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the corporation. Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

Shareholders who hold more than 1% of the total number of issued shares may submit a written proposal to the company's regular shareholders meeting. However, it is limited to one item, and any proposal with more than one item will not be included in the proposal. , provided a shareholder proposal for urging the corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by

the board of directors. In addition, the shareholder's proposal has one of the conditions in Article 172-1, Item 4 of the Company Law, and the board of directors may not be included as a proposal.

The company shall announce the acceptance of shareholders' proposals, the place of acceptance, and the acceptance period before the stock transfer suspension date before the general meeting of shareholders; the acceptance period shall not be less than ten days.

A proposal proposed by a shareholder is limited to three hundred characters, and if it exceeds three hundred characters, it shall not be included in the proposal; the proposing shareholder should attend the shareholders' meeting in person or entrust others to attend the meeting and participate in the discussion of the proposal.

The company shall notify the proposing shareholders of the processing results before the notice day of the shareholders meeting, and list the proposals that conform to the provisions of this Article in the meeting notice. For shareholder proposals that are not included in the proposal, the board of directors shall explain the reasons for not being included in the shareholders meeting.

The company shall prepare the handbook of the current shareholder meeting and the supplementary materials of the meeting 15 days before the meeting of shareholders, for shareholders to request at any time, display them on the company and its stock affairs agency, and distribute them on-site at the shareholders meeting.

The company shall, 21 days before the meeting of the regular shareholders meeting or 15 days before the meeting of the extraordinary shareholders meeting, make an electronic file and send it to the public information observation station.

4. At each meeting of shareholders, shareholders may issue a power of attorney issued by the company, specifying the scope of authorization, and appoint an agent to attend the meeting.

A shareholder shall issue a power of attorney and entrust one person as the limit. It shall be delivered to the company five days before the meeting of the shareholders meeting. If the power of attorney is repeated, the first shall prevail. However, this does not apply to those who declare to revoke the previous entrustment.

After the power of attorney is served to the company, shareholders who wish to attend the shareholders' meeting in person or exercise their voting rights in writing or electronically shall notify the company in writing of revocation of the entrustment two days before the meeting of shareholders; The voting rights exercised by people present shall prevail.

5. (Principle of the place and time of the shareholders meeting)

The meeting of shareholders shall be held at the location of the company or at a place convenient for shareholders to attend and suitable for the meeting of shareholders. The meeting shall not start earlier than 9 am or later than 3 pm. If the company has appointed independent directors, the place and time of the

shareholders meeting shall fully consider the opinions of independent directors.

6. (Preparation of signature books and other documents)

The company shall set up a signature book for the attending shareholders or their agents (hereinafter referred to as shareholders) to sign in, or the attending shareholders shall hand in a sign-in card to sign in on their behalf. The company shall deliver the proceedings manual, annual report, attendance certificate, speech slips, voting votes and other meeting materials to the shareholders attending the shareholders meeting; if there is an election of directors, additional voting votes shall be attached. Shareholders should present their attendance certificates, attendance sign cards or other attendance certificates to attend the shareholders meeting; they are the solicitors of the solicitation of power of attorney and should bring their identity documents for verification. When the government or legal person is a shareholder, the representative present at the shareholders meeting is not limited to one. When a legal person is entrusted to attend the shareholders meeting, only one representative may be appointed to attend.

7. If the shareholders' meeting is convened by the chairman of the board, the chairman shall be the chairman. When the chairman asks for leave or is unable to exercise his powers for some reason, the vice chairman shall act on behalf of the board of directors. If the chairman appoints one director to act as an agent, if the chairman of the board does not appoint an agent, the directors shall appoint one person to act as the agent. If the shareholders' meeting is convened by someone other than the board of directors who has the right to convene, the chairman shall be the convener. If there are two or more conveners, one of them shall be elected.

Lawyers, accountants or related personnel appointed by the company may attend the shareholders' meeting as non-voting delegates.

8. Record of recording or video recording of shareholders' meeting) The company shall record or record the whole process of shareholders' meeting and keep it for at least one year. However, if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law, it shall be kept until the end of the lawsuit.

9. The attendance of the shareholders meeting shall be calculated on the basis of shares. The number of attending shares is calculated based on the signature book or the handed sign-in card, plus the number of shares exercising voting rights in writing or electronically.

When the meeting time has expired, the chairman announces the meeting, but when no shareholder representing more than half of the total issued shares is present, the chairman may announce an extension. The number of delays is limited to two times, and the total delay time shall not exceed one hour. If the amount is still insufficient after the second delay and shareholders representing more than one-third

of the total number of issued shares are present, the resolution may be false in accordance with Article 175 of the Company Law.

Before the end of the meeting, if the number of shares represented by the present shareholders has reached more than half of the total issued shares, the chairman may make a false resolution and submit it to the meeting for voting in accordance with Article 174 of the Company Law.

10. If the shareholders' meeting is convened by the board of directors, the agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda).

If the shareholders' meeting is convened by someone other than the board of directors who has the right to convene, the provisions of the preceding paragraph shall apply *mutatis mutandis*.

Before the meeting (including provisional motions) is over, the chairman shall not declare the adjournment of the meeting without a resolution.

During the meeting of shareholders, if the chairman violates the rules of procedure and announces that the meeting is adjourned, he can elect one person as the chairman and continue the meeting with more than half of the voting rights of the shareholders present.

After the adjournment of the meeting, shareholders shall not elect another chairman to continue the meeting at the original site or in another place.

When the chairman considers that the discussion of the proposal scheduled sufficient time and has reached the point where it can be voted, he may announce the cessation of the discussion and put it to the vote.

11. (Shareholders speak)

Before attending shareholders' speeches, they must fill in the statement of speech, stating the main point of the speech, shareholder account number (or attendance certificate number) and account name, and the chairman shall determine the order of their speeches.

Shareholders present who only make a statement but do not make a statement shall be deemed to have not made a statement. If the content of the speech does not match the record of the speech, the content of the speech shall prevail.

Each shareholder's speech on the same proposal shall not exceed two times without the approval of the chairman, and each time shall not exceed five minutes. However, if the shareholder's speech violates the regulations or exceeds the scope of the topic, the chairman may stop his speech.

When the shareholders attend the speech, other shareholders shall not interfere with the speech except with the consent of the chairman and the speaking shareholder, and the chairman shall stop the offender.

When a legal person shareholder appoints two or more representatives to attend the shareholders

meeting, only one person may speak on the same proposal.

After the shareholders have spoken, the chairman may personally or designate relevant personnel to reply.

12. (Calculation of voting shares and avoidance system)

The voting of the shareholders meeting shall be calculated on the basis of shares.

The resolutions of the shareholders meeting shall not be included in the total number of issued shares for the number of shares of non-voting shareholders.

Shareholders may not participate in the voting when they have their own interest in the matters of the meeting that may be harmful to the interests of the company, and shall not exercise their voting rights on behalf of other shareholders.

The number of shares not allowed to exercise voting in the preceding paragraph shall not be counted as the number of voting rights of shareholders present.

Except for a trust enterprise or a stock agency approved by the securities authority, when one person is entrusted by two or more shareholders at the same time, the voting rights of the agent shall not exceed 3% of the total number of shares issued. Not to be calculated.

13. Shareholders have one voting right per share, except for those who are restricted or have no voting rights listed in Article 179 of the Company Law.

When the company convenes a shareholder meeting, it may exercise its voting rights in writing or electronically (in accordance with Article 177-1 of the Company Law, the first proviso shall adopt electronic voting companies: when the company convenes a shareholder meeting) , It shall adopt electronic means and may adopt written means to exercise its voting rights); when it exercises its voting rights in writing or electronic means, its exercise method shall be stated in the notice of shareholders meeting. Shareholders who exercise voting rights in writing or electronically are deemed to have attended the shareholders meeting in person. However, the provisional motions and amendments to the original proposals of the shareholders meeting shall be deemed as abstentions, so the company should avoid proposing provisional motions and amendments to the original proposals.

For those who exercise voting rights in writing or electronically in the preceding paragraph, their expressions of intent shall be delivered to the company two days before the meeting of shareholders. If there are duplicate expressions of intent, the first one shall prevail. However, those who express their intentions before the declaration is cancelled are not limited to this.

After shareholders have exercised their voting rights in writing or electronically, if they wish to attend the shareholders meeting in person, they shall revoke the expression of their intention to exercise the voting rights in the preceding paragraph two days before the meeting of the shareholders meeting in the same

manner as when exercising their voting rights; for overdue revocation, they shall exercise it in writing or electronically. The voting rights shall prevail. If voting rights are exercised in writing or electronically and a proxy is entrusted to attend the shareholders meeting with a proxy, the voting rights exercised by the entrusted proxy shall prevail.

The voting of the proposal shall be passed with the approval of a majority of the voting rights of the shareholders present, unless otherwise stipulated in the Company Law and the Articles of Association.

When voting, the chairman or his designated person shall announce the total voting rights of the shareholders present on a case-by-case basis, and then the shareholders shall vote on a case-by-case basis, and the results of shareholders' approval, opposition or abstention shall be entered into the public information observatory on the day after the shareholders meeting.

When there are amendments or alternatives to the same motion, the chairman shall determine the order of voting on the original motion. If one of the bills has been passed, the other bills are deemed to be rejected and there is no need to vote again.

The scrutineers and vote-counters for voting on proposals shall be designated by the chairman, but the scrutineers shall be shareholders.

The counting of votes shall be made publicly in the meeting of shareholders, and the results of voting shall be reported on the spot and recorded.

14. (Election matters)

When the shareholders' meeting elects directors, it shall proceed in accordance with the relevant election regulations set by the company, and shall announce the results of the election on the spot. The ballots for the election items mentioned in the preceding paragraph shall be sealed and signed by the scrutineers, and then properly kept for at least one year. However, if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law, it shall be kept until the end of the lawsuit.

15. The resolutions of the shareholders' meeting shall be recorded in the minutes, signed or sealed by the chairman, and distributed to all shareholders within 20 days after the meeting. The production and distribution of the proceedings can be done electronically.

For shareholders who hold less than one thousand registered shares, the company can enter the public information observatory for the distribution of the minutes of the preceding paragraph.

The minutes of the proceedings should be recorded in accordance with the year, month, day, venue, name of the chairman, resolution method, key points of the proceedings and results of the meeting (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors., and should be kept forever during the company's existence.

The resolution method in the preceding paragraph is based on the chairman's consultation with shareholders. If the shareholders have no objection to the proposal, it should record "the proposal is passed without objection after consultation by the chairman"; however, when shareholders disagree with the proposal, the method of voting and the number of voting rights should be stated Proportion to weight.

16. (External announcement)

The number of shares acquired by the solicitor and the number of shares represented by the entrusted agent shall be clearly disclosed in the shareholders meeting in a statistical table prepared in the prescribed format on the day of the shareholders meeting. The resolutions of the shareholders' meeting, if there is a material information required by laws and regulations or the Taiwan Stock Exchange Co., Ltd., the company shall transmit the content to the public information observatory within the specified time.

17. (Maintenance of venue order)

The meeting staff handling the shareholders meeting should wear identification cards or armbands.

The chairman may direct pickets (or security personnel) to help maintain order in the venue. When pickets (or security personnel) are present to help maintain order, they should wear a "Pickett" armband.

If the venue is equipped with amplifying equipment, the chairman may stop it when the shareholder does not use the equipment configured by the company to speak.

If a shareholder violates the rules of procedure and does not obey the chairman's correction, and obstructs the progress of the meeting and fails to comply with it, the chairman may direct the picket or security personnel to ask him to leave the venue.

18. (Rest, sequel assembly)

During the meeting, the chairman may announce a break at his discretion. In the event of irresistible circumstances, the chairman may rule to temporarily suspend the meeting and announce the renewal of the meeting time according to the situation. Before the meeting (including provisional motions) of the agenda scheduled for the shareholders meeting ends, the meeting venue cannot be used at that time, and the shareholders meeting may decide to find another venue to continue the meeting. The shareholders' meeting may, in accordance with Article 182 of the Company Law, decide to postpone or continue the meeting within five days.

19. These rules will be implemented after being approved by the shareholders' meeting, and the same applies when revised.

20. These rules of procedure were established on June 10, 2002 of the Republic of China.

Amendment for the 1st instance: June 14, 2006

Amendment for the 2nd instance: June 17, 2010

Amendment for the 3rd instance: June 18, 2012

Amendment for the 4th instance: June 16, 2017

Amendment for the 5th instance: June 15, 2020.

CAMEO COMMUNICATIONS,INC.

Articles of Incorporation (Before Amendments)

Article 1: The Company is duly incorporated in accordance with the Company Act and bears the title of CAMEO COMMUNICATIONS,INC

Article 2: The Company is engaged in the following business:

- (1) CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
- (2) CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing
- (3) CC01060 Wired Communication Equipment and Apparatus Manufacturing
- (4) CC01110 Computers and Computing Peripheral Equipments Manufacturing
- (5) E605010 Computing Equipments Installation Construction
- (6) E701010 Telecommunications Construction
- (7) E701030 Restrained Telecom Radio Frequency Equipments and Materials Construction
- (8) F113020 Wholesale of Household Appliance
- (9) F113050 Wholesale of Computing and Business Machinery Equipment
- (10) F113070 Wholesale of Telecom Instruments
- (11) F118010 Wholesale of Computer Software
- (12) F213010 Retail Sale of Household Appliance
- (13) F213030 Retail sale of Computing and Business Machinery Equipment
- (14) F213060 Retail Sale of Telecom Instruments
- (15) F218010 Retail Sale of Computer Software
- (16) F401010 International Trade
- (17) F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
- (18) I301010 Software Design Services
- (19) I301020 Data Processing Services
- (20) I301030 Digital Information Supply Services
- (21) CC01070
- (22) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company shall be based in Taipei City, ROC, and shall be free, upon resolution of the Board of Directors and approval of competent authority, to set up branch offices at various locations within and without the territory of ROC.

Article 4 : (deleted)

Article 5: The total capital of the Company shall be NTD4 billion, divided into 400 million shares with a par value of NT\$10 per share, and may be paid-up in installments. The Corporation may issue employee stock options. A total of NTD 200 million from the above capital shall be divided into 20,000,000 shares, reserved for issuing employee stock options. Shares issued by the Company may be exempted from printing shares, but should be contacted with the securities centralized custody institutions to log in.

Article 6: The shares of the Company shall be registered and issued by the signature or seal of more than three directors on the visa of the competent authority or its approved issuing and registration authority.

Article 7: The rename for transfer of shares shall be suspended by 60 days before regular shareholders meeting, or 30 days before temporary shareholders meeting, or 5 days before the company decides to distribute stock dividends or other interest.

Article 8: The General Meeting of shareholders is consisted of regular sessions and special sessions. Regular

session will be convened once a year within 6 months after close of each fiscal year. Special sessions will be called for at any time with the law when necessary.

Article 9: In case shareholder is unable to attend shareholders meeting for certain reasons, a form of proxy printed by the company with expressly statement of authorization scope, signature, or stamp shall be presented for proxy to attend the meeting.

Article10: Except in the circumstances otherwise provided for in Article 179 of the Company Act, a shareholder shall have one voting power in respect of each share in his/her/its possession.

Article11: Except for other stipulations of Company Act, the resolutions of shareholders' meeting shall be approved for execution with favorable votes by more than half of participating shareholders representing total issued shares of the company in shareholders meeting. Shareholders of the Company are also able to exercise their voting rights electronically, and shareholders who exercise their voting rights electronically are deemed to be present in person, and their related matters are handled in accordance with the law.

Article12: The Company shall establish 7 Directors who shall be elected by the shareholders' meeting from among the persons with disposing capacity. The term of office of a Director shall be three years; but he/she may be eligible for re-election. The remuneration of the directors of the Company authorizes the board of directors to make an agreement on the extent to which the directors participate in the operation of the Company and the value of their contributions and the usual level of their industry. The Company may, during the term of office of a director, purchase liability insurance for the scope of its business in accordance with the law.

Article12-1: The company shall have at there shall be at least 3 Independent Directors and not less than one fifth of the seats on the board of directors. Act, the elections for Directors of the company shall be done by nomination system with candidates. Independent Directors professional qualifications, shareholdings, restrictions on part-time jobs, nomination and selection methods, and other matters to be complied with shall be handled in accordance with relevant laws and regulations such as the Company Act and the Securities Exchange Act.

Article13: The board shall be formed by Directors, and shall appoint one Chairman and a Vice Chairman during a board meeting with more than two-thirds of Directors present, and with the support of more than half of all attending Directors. The chairman of the board represents the company externally.

Article14: The board of directors shall be convened by the chairman, and the resolution of the board of directors shall, unless otherwise provided in the Company Act, be attended by more than half of the directors and the consent of the majority of the directors present. If a director is unable to attend the board of directors for any reason, he may, in accordance with Article 205 of the Company Act, issue a power of attorney to entrust other directors to attend, provided that the agent is entrusted by one person. When the Board meets, its directors shall be deemed to be in person if they attend the meeting by video.

Article14-1: In calling a meeting of the Board of Directors, a notice shall be given to each Director no later than 7 days prior to the scheduled meeting date. In the case of emergency, a meeting of the Board of Directors may be convened at any time. The notice set forth in the preceding paragraph may be effected by means of written documents, E-mail, or facsimile.

Article15: In case Chairman is unable to attend Board of Directors, his agent shall act in accordance with the provisions of Article 208 of the Company Act; The agent of the director shall act in accordance with the provisions of Article 205 of the Company Act.

Article16: The Company shall have one general manager and several vice general managers whose appointment, appointment and remuneration shall be handled in accordance with the provisions of Article 29 of the Company Act.

Article17: At the end of each fiscal year, the Board of Directors shall, in accordance with Article 228 of the Company Act, fabricate the various forms and submit them to the regular sessions of Shareholders

for recognition.

Article18: Based on the profit of the year, the Company shall appropriate 3%~10% of the profit as remuneration to employees, and no more than 1% of the profit as remuneration to directors. However, profits must first be taken to offset against cumulative losses if any. The object of payment of stock or cash by the former employee shall include employees of a subordinate company who meet certain conditions, which shall be determined by the board of directors.

Article18-1: If there is a surplus in the company's annual final accounts, tax shall be withholding to cover previous losses, and if there is still a surplus, it shall be assigned in the following order:

(1)The withdrawal of 10% is a statutory surplus reserve, but this is not the case when the statutory surplus has reached the amount of capital received by the Company.

(2)Special surplus accumulations may be included or transferred in accordance with the relevant ordinances and the operation of the company.

(3)After deducting the previous balances, the board of directors shall propose a distribution motion for the balance and the cumulative unearned surplus, which shall be submitted to the shareholders' meeting for distribution by resolution. However, the cash dividend shall not be less than 10% of each dividend paid to shareholders.

Article19 : The total amount of the Company's transfer of investment shall not be subject to the restrictions on the proportion of investments in Article 13 of the Company Act.

Article20 : The Company shall be guaranteed to the outside world by resolution of the Board of Directors for business needs.

Article21 : The outstanding matters in these Articles of Association shall be handled in accordance with the provisions of the Company Act and the relevant ordinances.

Article22 : This Article of Incorporation was constituted on February 26, 1991.

Amendment for the 1st instance: November 26, 1991

Amendment for the 2nd instance: December 30, 1991

Amendment for the 3rd instance: February 19, 1993

Amendment for the 4th instance: January 4, 1994

Amendment for the 5th instance: April 7, 1994

Amendment for the 6th instance: May 18, 1995

Amendment for the 7th instance: June 14, 1996

Amendment for the 8th instance: September 30, 1996

Amendment for the 9th instance: May 22, 1998

Amendment for the 10th instance: May 14, 1999

Amendment for the 11th instance: March 23, 2000

Amendment for the 12th instance: June 10, 2002

Amendment for the 13th instance: May 26, 2003

Amendment for the 14th instance: May 13, 2005

Amendment for the 15th instance: June 30, 2005

Amendment for the 16th instance: June 14, 2006

Amendment for the 17th instance: June 21, 2007

Amendment for the 18th instance: June 13, 2008

Amendment for the 19th instance: June 17, 2010

Amendment for the 20th instance: June 10, 2011

Amendment for the 21st instance: June 17, 2016

Amendment for the 22nd instance: June 16, 2017

Amendment for the 23rd instance: June 15, 2020

Shareholding of all Directors

April 20, 2021

Title	Name	Date elected	Term	Shares held when elected		Number of shares currently held	
				Number of shares held	%	Number of shares held	%
Chairman	Jerry Chien	2020.6.15	3	4,577,898	1.71	3,919,867	1.18
Director	D-Link Corporation	2020.6.15	3	21,498,506	8.02	137,532,993	41.58
D-Link Corporation Representative Director	Joseph Wang	2020.6.15	3	-	-	-	-
Director	D-Link Investment Co., Ltd.	2020.6.15	3	350,000	0.13	299,690	0.09
D-Link Investment Co., Ltd. Representative Director	James Huang	2021.3.24	3	-	-	-	-
Director	JunYang Investment Co., Ltd.	2020.6.15	3	2,561,000	0.95	5,612,879	1.70
JunYang Investment Co., Ltd. Representative Director	Joseph Lin	2020.6.15	3	-	-	-	-
Independent director	Arens Chiang	2020.6.15	3	-	-	-	-
Independent director	Yu-Chang Lin	2020.6.15	3	-	-	-	-
Independent director	Jeff Hong	2020.6.15	3	-	-	-	-
Number of shares held by all directors and percentage of total issued shares						147,365,429	44.55

- According to Article 26 of the Securities Exchange Act and Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies , the total registered shares owned by all directors shall not be less than five percent of the total issued shares; and shall not be lower than the the maximum shares calculated at the level.

If a public company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors and supervisors other than the independent directors and shall be decreased by 20 percent.

- The minimum numbers of shares required to be held by all Directors of the Company is 13,231,169 shares. As of Apr. 20, 2021, the total number of shares held by Directors: 147,365,429 shares.
- The shares held by Independent Directors are not included in that held by the Directors.
- The Company has set up an Audit Committee. Thus the numbers of shares required to be held by all Supervisors stipulated by law is not applicable.
- The total number of issued shares as of Apr. 20, 2021 is 330,779,215 shares.