

# **CAMEO COMMUNICATIONS, INC.**

## **2023 Annual General Shareholders' Meeting**

### **Meeting Agenda**

### **(Translation)**

Date : May 31, 2023

Place : Les enfants Building

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

## Table of Contents

<b>I. Meeting Procedures.....</b>	<b>1</b>
<b>II. Meeting Agenda .....</b>	<b>2</b>
1. Report Items.....	3
2. Adoption Items.....	4
3. Election Items.....	5
4. Other Items .....	7
5. Special Motions.....	7
<b>III.Attachments.....</b>	<b>8</b>
1. 2022 Business Report.....	9
2. Audit Committee’s Review Report .....	13
3. CPA’s Report and 2022 Financial Statements.....	14
4. 2022 Earnings Distribution Proposal .....	30
<b>IV.Appendix.....</b>	<b>31</b>
1. Procedure of Shareholders’ meeting .....	32
2. Articles of Incorporation .....	39
3. Procedure for the Election of Directors.....	42
4. Shareholding of all directors .....	43

# **I. Meeting Procedures**

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

**CAMEO COMMUNICATIONS, INC.**  
**2023 Annual General Shareholders' Meeting Agenda**

1. Time: 1:00 p.m., May 31, 2023 (Wednesday)
2. Place: Les enphants Building  
(B1, No. 60, Ln. 321, Yangguang St., Neihu Dist., Taipei City 114, Taiwan)
3. Call method : Physical shareholders meeting
4. Call Meeting to Order
5. Chairman's Remarks
6. Report Items
  - (1) 2022 Business Report
  - (2) 2022 Audit Committees' Review Report
  - (3) Report 2022 the Implementation of Sound Business Plan
  - (4) Report 2022 the Distribution of Employees' and Directors' Remuneration
7. Adoption Items
  - (1) To adopt 2022 business report and financial statements
  - (2) To adopt 2022 Earnings Distribution Proposal
8. Election Items
  - (1) To elect 12th Board of Directors (including 3 Independent Directors)
9. Other Items
  - (1) To release the newly elected directors from non-competition restrictions
10. Special Motions
11. Meeting Adjourned

## Report Items

### 1. 2022 Business Report

Description:

(1) For the 2022 business report, please refer to Attachment 1 (pages 9~12) of this manual.

### 2. 2022 Audit Committees' Review Report

Description:

(1) The 2022 business report, financial statements, and earnings distribution proposal, which were resolved by the Board, were audited by the CPAs Samuel Au and Yvette Chien of KPMG, and a review report was issued.

(2) For the 2022 Audit Committees' Review Report, please refer to Attachment 2 (page 13) of the manual.

### 3. Report 2022 the Implementation of Sound Business Plan

Description:

The implementation of sound business plan as of December 31, 2022. Unit: NT\$ Thousands

Year Item	2022					
	Estimated A		Actual B		Diff	
	Amount	%	Amount	%	Amount C=B-A	%
Operating revenue	4,736,633	100	3,379,117	100	-1,357,516	-28.7
Operating costs	4,082,987	86.2	3,088,896	91.4	-994,091	<u>5.2</u>
Gross profit	653,646	13.8	290,221	8.6	-363,425	<u>-5.2</u>
Operating expenses	594,201	12.5	380,102	11.2	-214,099	<u>-1.3</u>
Net operating income (loss)	59,445	1.3	-89,881	-2.7	-149,326	<u>-3.9</u>
Non-operating income and expenses	-12,000	-0.3	185,042	5.5	197,042	<u>5.7</u>
Operating revenue	47,445	1.0	95,161	2.8	47,716	<u>1.8</u>

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

#### **4. Report 2022 the Distribution of Employees' and Directors' Remuneration**

Description:

The distribution plan is in accordance with Article 18 of the Articles of Incorporation. 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.

- (1) According to the company law and the the Articles of Incorporation. The Board of directors resolve to distribute remuneration NT\$2,392,000 to employees and NT\$1,594,000 to directors. Both remuneration are distributed in cash, which is no different from the original estimate.
- (2) The distribution plan has been resolved by the Board of Directors on February 22, 2023.

### **Adoption Items**

#### **1. To adopt 2022 business report and financial statements (Proposed by the Board of Directors)**

Description:

- (1) The 2022 financial statements of the Company which were resolved by the Board, were audited by the CPAs Samuel Au, and Yvette Chien 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 9~12) and Attachment 3 (page14~29) of this manual.

Resolution :

#### **2. To adopt 2022 Earnings Distribution Proposal. (Proposed by the Board of Directors)**

Description:

- (1) 2022 Earnings Distribution Proposal was resolved by the Board of Directors on February 22, 2023.
- (2) Upon the approval of the Annual Meeting of Shareholders, the Board of Directors will set the ex-dividend base date.
- (3) For the distribution details, please refer to Attachment4 (page 30).
- (4) The Board of Directors will be authorized to adjust the dividend to be distributed by relevant laws or regulations, a request by the competent authorities, or adjust according to the actual needs.

Resolution :

## **Election Items**

### **1. To elect 12th Board of Directors (including 3 Independent Directors)**

#### **(Proposed by the Board of Directors)**

Description:

- (1) The term of office for directors will expire on June 14, 2023. The Company is to elect 12<sup>th</sup> Board of Directors (including three Independent Directors) and all newly appointed independent directors will form the Audit Committee.
- (2) Newly appointed directors will assume their office after the present shareholders' meeting on May 31, 2023 and with term of office expires on May 30, 2026.
- (3) The elections for Directors of the company shall be done by nomination system with candidates. Independent directors and non-independent directors shall be elected concurrently, and the number of elected seats shall be calculated separately.
- (4) Candidate list for the Board of Directors and their relevant qualification is shown below

Title	Name	Education	Experiences	Con-Current Job	Shareholdings
Director	Taiwan Network Group United Co., Ltd Representative: Tsung-Che Wu	University of Mississippi PhD in Finance	Assistant professor National Chiayi University	Assistant professor Department of Banking and Finance National Chiayi University Independent director , Star Travel Corp.	2,000
Director	Taiwan Network Group United Co., Ltd Representative: James Huang	National Kaohsiung University of Science and Technology, Master of Finance	Representative Director, Solar Applied Materials Technology Corp. Representative Director, Quintain Steel Co., LTD. Representative Director, Cameo Communications Inc.	GM,Kings Asset Management Co., Ltd Chairman, Yitongyuan Investment Co., Ltd. Chairman, Taiwan Chemical Green Energy Co., Ltd. Supervisor, Taiwan Steel Group United Co., Ltd. Supervisor, Taiwan Steel Aerospace Manufacturing Co., LTD. Supervisor, D-Link Investment Co. Ltd Supervisor, Tianchuan Investment Co., Ltd Taiwan Health Exercise CO., LTD Director,UFC GYM TAIWAN LIMITED Director, NewSoft Technology Corporation Director, Argo Yachts Development Co.,Ltd. Director ,YUNG FU CO., LTD Director, UNITED FIBER OPTIC COMMUNICATION INC. Supervisor, Taiwan Steel engineering Co., Ltd. Supervisor,Taiwan Network Group United Co., Ltd.	2,000
Director	D-Link Corporation Representative: Victor Kuo	Master of Electrical Engineering NTU	President of AXUS Microsystems, Inc.	Chairman, D-Link Corporation D-Link International Pte. Ltd. Director, D-Link Holding Co. Ltd. Director ,D-Link (Holdings) Ltd. Director, D-Link (Holdings) Ltd. Director, D-Link Shiang-Hai (Cayman) Inc. Director, D-Link Russia Investment Co. Ltd. Director, D-Link Holding Mauritius, Inc. Representative Director ,You Tai Investment Co.,Ltd. Representative Director ,Cameo Communications Inc. Representative Director ,Yong Rui Investment Co., Ltd. Chairman, AMIGO TECHNOLOGY INC. Chairman, Amit Wireless Inc.,	137,532,993
Director	D-Link Corporation Representative: CJ Chang	Institute of Business Management, Senshu University	GM, D-Link Corporation GM group Asia D-Link Corporation	CEO, D-Link Corporation Chairman,D-Link Korea Ltd Chairman, D-Link Japan K.K. Director, D-Link Australia Pty. Ltd. Director,D-Link Middle-East FZCO Director, D-Link Systems, Inc. Director, D-Link (Europe) Ltd. Director, D-Link Holding Mauritius, Inc. Director of D-Link (Shiang-Hai) Co., Ltd., Chairman Representative of Institutional Director of D-Link (Shiang-Hai) Co., Ltd. Beijing Branch and First Branch Chairman and Representative of Institutional Director of Netpro Trading Chairman,(Shiang-Hai) Co., Ltd. and Beijing Branch and Changsha Branch, Representative Director , You Tai Investment Co.,Ltd	137,532,993
Independent director	Zhengting Chen	Fudan University EMBA Bachelor of Accounting, Chinese University	CPA, Jiahe United Accounting Firm	Head of Jiahe United Accounting Firm Independent director ,Hsing Ta Cement Co.,Ltd Independent director ,Huang Long Development	0
Independent director	Ming Jyi Jang	Mechanical PhD of National Cheng Kung University Master of Aeronautics and Astronautics National Cheng Kung University	Chairman,,TAI JUN BIOTECH CO., LTD. Vice-principal ,Far East Technology University	Chairman,,TAI JUN BIOTECH CO., LTD	0
Independent director	Zhen Yu Li	Master of Information and Telecommunication Engineering, Ming Chuan University Bachelor of Statistics, National Taipei University	Manager ,Clco Conference Consulting Ltd.	Manager ,Clco Conference Consulting Ltd	0

Resolution :



## **Other Items**

### **1. To release the newly elected directors from non-competition restrictions**

**(Proposed by the Board of Directors)**

Description:

- (1) The Company proposed to release from non-competition restrictions of the company's new directors.
- (2) In accordance with Article 209 of the Company Law, 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.
- (3) In order to promote market opportunities and business performance, the directors act for themselves or others for engaging business is necessary.
- (4) The newly directors concurrently job positions will be supplemented when the proposal is resolved.

Resolution :

## **Special Motions**

## **Meeting Adjourned**

# **Attachments**

**Cameo Communications, Inc.**

**I. 2022 Operating Results**

**(1) Implementation Result of the 2022 Business Plan**

The consolidated revenue of 2022 was NTD3.38 billion, which was increase of 35% year-over-year, compared to NTD2.49 billion of 2021. One of the major reasons was the impact of the transfer of our production from mainland China to Taiwan. The shortage of labors made it more difficult when the handover between two sites was going at that period. Besides, the material shortages caused by the unbalance between demand and supply of the global supply chain, and the long lead time problems of the key components impacted by COVID-19 pandemic, as well as the shipment issues due to the lockdown policies by those countries impacted by pandemic, made it worse to implement the business plan.

The impact caused by transferring the production is getting to be improved as the performance of the new factory in Tainan Taiwan is raised. And the deliveries for those purchase orders become smooth gradually as we keep hiring the labors and pulling in the materials actively. It is sure that there shall be more and more investment on the network infrastructure since the demand of network keep growing as we are entering the "post pandemic era" when the pandemic becomes less impact on vaccinated people's life while the COVID-19 becomes like the flu, as well as people having gotten used to the lifestyle of working from home during the pandemic.

**(2) Budget Execution**

The company did not disclose the financial forecast for 2022.

### (3) Financial Profitability Analysis

Factors	2022(*)	2021(*)
Liabilities to assets ratio ( % )	42.29	40.45
Long-term capital to property, plant, and equipment ( % )	284.32	267.97
Current ratio ( % )	260.84	326.02
Quick ratio ( % )	176.37	233.76
Return on assets ( % )	2.00	8.07
Return on equity ( % )	2.98	15.32
Net profit rate ( % )	2.81	15.68
EPS (after fully diluted) (NT\$)	0.29	1.23

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

### (4) Overview of Research and Development

The new products under development planned are listed as following.

- Enterprise Core Switch
- L2/L3 Stackable Management Core Switch
- Outdoor Wide Temperature Switch
- 2.5G/5G/10G RJ45 POE++ (802.3bt) Switch
- SDN Switch
- Cloud Management System
  - Cloud Management Software
  - Cloud Switch
  - Cloud SDN Gateway
  - Cloud Wireless Access Point
- AI Controller Based Management System

- AI Network Management Controller
- AI Controller Based Switch
- AI Controller Based VPN Gateway
- AI Controller Based Wireless Access Point

## **II. Overview of 2023 Business Plan**

### **(1) Operating Policies**

1. Keep improving the production quality and efficiency: After the hard working in the past year, we have transferred the purchase orders and the material from the old factory in China and kept tuning for running smoothly gradually at the new factory in Taiwan. We will keep improving and integrating the processes with high flexibility to raise the performance and lower down the cost in order to overcome the challenge of the production cost up.
2. Enhance the cooperation partnership between/ among customers and suppliers: we will cooperate with our customers and suppliers by sharing the market information and the technologies, also trying to cooperate in developing the future technologies and products to satisfy the customers by leveraging our suppliers.
3. Enhance the software R&D capability for high-end technologies: we will keep invest on the new technologies based on current inner R&D resource to provide the high-end products by enhancing software value-added functions which can provide better gross profit significantly than just products with hardware manufactured only. To approach this goal, we will introduce more excellent engineers into our team, and also cooperate with our customers, suppliers for joint development.

### **(2) Sales Forecast, Basis and Important Production and Sales Policies**

1. Estimated sales of the company in 2023  
For the wired products, we plan to finish developing 2.5G/ 5G/ 10G RJ45 PoE++ (802.3bt) network switches, and also put our effort on the development for the stackable L2/L3 software hardware integrated high-end switches. Our goal is to deliver them at the end of this year or early next year for the better gross profit. For the wireless products, we will keep investing in high unit price, high value-added enterprise access point, cloud commercial wireless network access point, 5G/LTE wireless routers, in order to enhance the product competition for better profitability.
2. Basis and important production and marketing policies We keep improving the production efficiency and introducing the automation to reduce production costs. We will also enhance the cooperation relationship continuously with our suppliers in order to accelerate the process to get the raw material and lower down the cost. We will establish deeper relationship with our customers and enhance the technology capability to provide the competitive products to our customers.

## **III. Future Development Strategy, Impact of External Competition Environment, Legal Environment and Overall Business Environment**

### **(1) Future Development Strategies**

The main development strategies are as follows:

1. Keep controlling the quality and the cost strictly to raise the production efficiency and the capability to gain.

2. Enhance the cooperation partnership between/ among the customers and suppliers.
3. Keep investing in the advanced technologies to improve the H/W & S/W development capabilities for the high-end products.

**(2) The Impact of External Competition Environment, Legal Environment, and Overall Business Environment**

1. As the world enters the post pandemic era, people in most of the countries have gotten vaccinated so that the COVID-19 becomes like the flu to exist in our life which makes our economic activities among countries be recovered gradually from locking down. However, the material shortage issues are still impacting on the achievement of the business. In addition, it would be harder variables to be considered for the trade war among countries under the forming new cold war situation.
2. The lead time is impacted and the shipping cost is going up due to the insufficient global transport capacity and the unresolved congestion issues of the major international trade ports.
3. It would be an impact on the reviving economic activities for the expectations or implementation of raising the interest or reducing the balance sheet by the US FED.

To sum up, on one hand, we believed that the economic will be recovered due to the pandemic easing in 2022; but on the other hand we also face the difficulties of the barriers of the trade, or the cost up issues. In the coming year, we shall take the opportunities coming with the recovery, and also be ready to face the challenges in order to achieve our goals.

Wish all shareholders good health and a safe family!

Chairman : Jerry Chien

CEO/President : Allen Cheng

Accounting Supervisor : Amy Wang

Cameo Communications Inc.

**Audit Committee's Review Report**

The 2022 business report, financial statements, and earnings distribution proposal, which were resolved by the Board, were audited by the CPAs Samuel Au and Yvette Chien 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

2023 General Shareholders' Meeting of Cameo Communications Inc.

Convener of the Audit Committee: Arens Chiang

February 22, 2023

## **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, 2022 and 2021, 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, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 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(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 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(e).

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

As part of an audit in accordance with auditing Standards on Auditing of the Republic of China, we exercise professional judgment and 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 Szu-Chuan Chien.

KPMG

Taipei, Taiwan (Republic of China)  
February 22, 2023

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

**Balance Sheets**

**December 31, 2022 and 2021**

(Expressed in Thousands of New Taiwan Dollars)

		<u>December 31, 2022</u>		<u>December 31, 2021</u>				<u>December 31, 2022</u>		<u>December 31, 2021</u>	
<b>Assets</b>		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>			<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current assets:</b>						<b>Liabilities and Equity</b>					
1100	Cash and cash equivalents (note 6(a))	\$ 867,449	16	262,475	5	2100	Short-term borrowings (note 6(j))	\$ -	-	92,340	2
1170	Trade receivables, net (notes 6(c) and 6(r))	520,844	9	281,858	6	2120	Current financial liabilities at fair value through profit or loss (note 6(b))	-	-	298	-
1180	Trade receivables due from related parties, net (notes 6(c), 6(r) and 7)	553,173	9	177,612	4	2170	Trade payables	1,085,403	19	518,799	10
1200	Other receivables (note 6(d))	38,259	1	24,499	-	2200	Other payables	157,136	3	144,980	3
1210	Other receivables due from related parties (notes 6(d) and 7)	1,889	-	4,929	-	2220	Other payables to related parties (note 7)	38,000	1	44,597	1
1220	Current tax assets	543	-	399	-	2250	Current provisions (note 6(m))	5,810	-	4,808	-
1310	Inventories, net (note 6(e))	1,211,345	22	875,115	17	2280	Current lease liabilities (note 6(l))	19,587	-	23,163	-
1470	Other current assets	<u>40,655</u>	<u>1</u>	<u>66,292</u>	<u>1</u>	2305	Other current liabilities	41,637	1	46,660	1
		<u>3,234,157</u>	<u>58</u>	<u>1,693,179</u>	<u>33</u>	2320	Long-term borrowings, current portion (note 6(k) and 8)	<u>114,151</u>	<u>2</u>	<u>35,118</u>	<u>1</u>
<b>Non-current assets:</b>								<u>1,461,724</u>	<u>26</u>	<u>910,763</u>	<u>18</u>
1550	Investments accounted for using equity method (note 6(f))	686,872	12	1,584,189	31	<b>Non-Current liabilities:</b>					
1600	Property, plant and equipment (notes 6(g) and 8)	1,448,451	26	1,578,182	31	2540	Long-term borrowings (note 6(k) and 8)	773,184	14	917,335	18
1755	Right-of-use assets (note 6(h))	71,971	1	110,031	2	2570	Deferred tax liabilities (note 6(o))	48,086	1	44,994	1
1780	Intangible assets (note 6(i))	11,647	-	17,250	-	2580	Non-current lease liabilities (note 6(l))	52,513	1	87,061	2
1840	Deferred tax assets (note 6(o))	49,086	1	44,994	1	2600	Other non-current liabilities	-	-	240	-
1975	Net defined benefit assets, non-current (note 6(n))	35,732	1	26,480	1			<u>874,783</u>	<u>16</u>	<u>1,049,630</u>	<u>21</u>
1990	Other non-current assets (notes 6(a) and 8)	<u>32,549</u>	<u>1</u>	<u>36,439</u>	<u>1</u>		<b>Total liabilities</b>	<u>2,336,507</u>	<u>42</u>	<u>1,960,393</u>	<u>39</u>
		<u>2,336,308</u>	<u>42</u>	<u>3,397,565</u>	<u>67</u>		<b>Equity capital (note 6(p)):</b>				
						3110	Ordinary shares	3,307,792	59	3,307,792	64
						3300	Retained earnings	85,042	2	(19,789)	-
						3400	Other equity	<u>(158,876)</u>	<u>(3)</u>	<u>(157,652)</u>	<u>(3)</u>
							<b>Total equity</b>	<u>3,233,958</u>	<u>58</u>	<u>3,130,351</u>	<u>61</u>
<b>Total assets</b>		<u><u>\$ 5,570,465</u></u>	<u><u>100</u></u>	<u><u>5,090,744</u></u>	<u><u>100</u></u>		<b>Total liabilities and equity</b>	<u><u>\$ 5,570,465</u></u>	<u><u>100</u></u>	<u><u>5,090,744</u></u>	<u><u>100</u></u>

(English Translation of Financial Statements Originally Issued in Chinese)

**CAMEO COMMUNICATIONS, INC.**

**Statements of Comprehensive Income**

**For the years ended December 31, 2022 and 2021**

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

		<b>2022</b>		<b>2021</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	Operating revenues (notes 6(r) and 7)	\$ 3,376,432	100	2,479,234	100
5000	Operating costs (notes 6(e), 6(g), 6(h), 6(i), 6(n), 7 and 12)	3,088,894	91	2,412,174	97
5900	<b>Gross profit</b>	287,538	9	67,060	3
5910	Unrealized profit from sales	-	-	223	-
	<b>Gross profit from operations</b>	287,538	9	67,283	3
6000	<b>Operating expenses (notes 6(c), 6(g), 6(h), 6(i), 6(n), 7 and 12):</b>				
6100	Selling expenses	84,536	3	114,774	5
6200	Administrative expenses	85,079	3	121,508	5
6300	Research and development expenses	144,370	4	196,502	8
	<b>Total operating expenses</b>	313,985	10	432,784	18
6900	<b>Net operating loss</b>	(26,447)	(1)	(365,501)	(15)
7000	<b>Non-operating income and expenses (notes 6(f), 6(g), 6(h), 6(l) and 7):</b>				
7050	Finance costs	(17,348)	(1)	(12,173)	-
7100	Interest income	5,504	-	785	-
7190	Other income	17,178	1	58,557	2
7210	Gains on disposals of property, plant and equipment	42,173	1	676	-
7230	Foreign exchange losses	52,553	2	(629)	-
7235	Gains on financial assets (liabilities) at fair value through profit or loss	228	-	(151)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	22,128	1	711,185	28
7228	Profit from lease modification	514	-	-	-
7590	Other loss	(1,446)	-	-	-
		121,484	4	758,250	30
7900	<b>Profit from continuing operations before tax</b>	95,037	3	392,749	15
7950	Less: Income tax expenses (note 6(o))	64	-	2,096	-
	<b>Profit</b>	94,973	3	390,653	15
8300	<b>Other comprehensive income(loss):</b>				
8310	<b>Items that may not be reclassified to profit or loss (notes 6(n))</b>				
8311	Gains on remeasurements of defined benefit plans	9,858	-	1,757	-
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	(22,551)	(1)	(61,546)	(2)
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	(12,693)	(1)	(59,789)	(2)
8360	<b>Items that may be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	21,327	1	2,602	-
8399	Income tax related to items that may be reclassified to profit or loss	-	-	-	-
	Total items that may be reclassified to profit or loss	21,327	1	2,602	-
8300	<b>Total other comprehensive income</b>	8,634	-	(57,187)	(2)
8500	<b>Total comprehensive income</b>	<b>\$ 103,607</b>	<b>3</b>	<b>333,466</b>	<b>13</b>
	<b>Basic earnings per share (note 6(q))</b>				
9750	Basic earnings per share	<b>\$ 0.29</b>		<b>1.23</b>	
9850	Diluted earnings per share	<b>\$ 0.29</b>		<b>1.23</b>	

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

**Statements of Changes in Equity**  
**For the years ended December 31, 2022 and 2021**  
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings				Other equity			
	Ordinary shares	Legal reserve	Accumulated deficits	Retained Earnings	Exchange differences on translation of foreign financial statements	Unrealized gains	Total other equity	Total equity
						(losses) on financial assets measured at fair value through other comprehensive income		
<b>Balance at January 1, 2021</b>	<u>\$ 2,296,792</u>	<u>-</u>	<u>(229,208)</u>	<u>(229,208)</u>	<u>(64,304)</u>	<u>(34,404)</u>	<u>(98,708)</u>	<u>1,968,876</u>
Profit for the year ended December 31, 2021	-	-	390,653	390,653	-	-	-	390,653
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	1,757	1,757	2,602	(61,546)	(58,944)	(57,187)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	392,410	392,410	2,602	(61,546)	(58,944)	333,466
Capital increase by cash	1,011,000	-	(182,991)	(182,991)	-	-	-	828,009
Balance at December 31, 2021	<u>3,307,792</u>	<u>-</u>	<u>(19,789)</u>	<u>(19,789)</u>	<u>(61,702)</u>	<u>(95,950)</u>	<u>(157,652)</u>	<u>3,130,351</u>
Profit for the year ended December 31, 2022	-	-	94,973	94,973	-	-	-	94,973
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	9,858	9,858	21,327	(22,551)	(1,224)	8,634
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	104,831	104,831	21,327	(22,551)	(1,224)	103,607
<b>Balance at December 31, 2022</b>	<u><b>\$ 3,307,792</b></u>	<u><b>-</b></u>	<u><b>85,042</b></u>	<u><b>85,042</b></u>	<u><b>(40,375)</b></u>	<u><b>(118,501)</b></u>	<u><b>(158,876)</b></u>	<u><b>3,233,958</b></u>

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

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
<b>Cash flows from (used in) operating activities:</b>		
Profit (loss) before tax	\$ 95,037	392,749
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	132,402	145,190
Amortization expense	6,690	12,239
Net profit (loss) on financial assets or liabilities at fair value through profit or loss	(228)	151
Interest expense	17,348	12,173
Interest income	(5,504)	(785)
Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	(22,128)	(711,185)
Gain (loss) from disposal of property, plant and equipment	(42,173)	(676)
Others	(490)	(235)
<b>Total adjustments to reconcile profit (loss)</b>	<b>85,917</b>	<b>(543,128)</b>
<b>Changes in operating assets and liabilities:</b>		
Decrease in on financial assets at fair value through profit or loss mandatorily measured at fair value	240	7,398
Increase (decrease) in notes and trade receivables	(238,986)	303,656
(Increase) decrease in trade receivables due from related parties	(375,561)	166,549
Increase (decrease) in other receivables	(10,495)	17,326
Increase in inventories	(336,230)	(336,460)
Decrease (increase) in net defined benefit assets	606	(5,552)
Decrease in other operating assets	25,637	4,320
<b>Total changes in operating assets</b>	<b>(934,789)</b>	<b>157,237</b>
Decrease in financial liabilities held for trading	(310)	(5,005)
Increase in trade payables	566,604	37,592
Decrease in trade payables to related parties	-	(272,724)
Increase (decrease) in other payables	12,420	(44,168)
Decrease in other operating liabilities	(4,021)	(5,411)
<b>Total changes in operating liabilities</b>	<b>574,693</b>	<b>(289,716)</b>
<b>Total changes in operating assets and liabilities, net</b>	<b>(360,096)</b>	<b>(132,479)</b>
<b>Total adjustments</b>	<b>(274,179)</b>	<b>(675,607)</b>
Cash outflow generated from operations	(179,142)	(282,858)
Interest received	5,279	812
Dividends received	271,678	-
Interest paid	(17,211)	(12,553)
Income taxes paid	(208)	(1,681)
<b>Net cash flows used in operating activities</b>	<b>80,396</b>	<b>(296,280)</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of property, plant and equipment	(7,533)	(20,300)
Proceeds from disposal of property, plant and equipment	69,224	676
Increase in refundable deposits	994	208
Acquisition of intangible assets	(1,087)	(5,576)
Decrease in other non-current assets	2,895	30,192
Proceeds from capital reduction of investments accounted for using equity method	646,555	-
<b>Net cash flows from investing activities</b>	<b>711,048</b>	<b>5,200</b>
<b>Cash flows from (used in) financing activities:</b>		
Decrease in short-term borrowings	(92,340)	(320,067)
Proceeds from long-term borrowings	44,547	35,297
Repayments of long term borrowings	(109,665)	(172,043)
(Decrease) increase in other non-current liabilities	(240)	240
Decrease in other payables to related parties	(6,597)	(78,983)
Payment of lease liabilities	(22,175)	(24,867)
Capital increase by cash	-	828,009
<b>Net cash flows from financing activities</b>	<b>(186,470)</b>	<b>267,586</b>
<b>Net decrease in cash and cash equivalents</b>	<b>604,974</b>	<b>(23,494)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>262,475</b>	<b>285,969</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 867,449</b>	<b>262,475</b>

## **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, 2022 and 2021 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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the 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, 2022 and 2021, 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 the 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient 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 Szu-Chuan Chien.

KPMG

Taipei, Taiwan (Republic of China)  
February 22, 2023

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

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021				December 31, 2022		December 31, 2021	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (note 6(a))	\$ 1,486,260	26	1,658,832	32	2100	Short-term borrowings (note 6(j))	\$ -	-	92,340	2
1170	Notes and trade receivables, net (notes 6(d) and 6(r))	521,359	9	284,005	5	2120	Current financial liabilities at fair value through profit or loss (note 6(b))	-	-	298	-
1180	Trade receivables due from related parties, net (notes 6(d), 6(r) and 7)	553,172	10	177,612	3	2170	Trade payables	1,085,405	19	520,799	10
1200	Other receivables, net (note 6(e))	54,942	1	266,520	5	2200	Other payables (note 7)	213,200	4	207,222	3
1210	Other receivables due from related parties, net (notes 6(e) and 7)	1,889	-	4,929	-	2250	Current provisions (note 6(m))	5,810	-	4,808	-
1310	Inventories, net (note 6(f))	1,211,345	22	875,115	17	2280	Current lease liabilities (note 6(l))	19,587	-	23,163	-
1470	Prepayments and other current assets	<u>42,232</u>	<u>1</u>	<u>68,841</u>	<u>1</u>	2230	Current tax liabilities	3,193	-	94,094	2
		<u>3,871,200</u>	<u>69</u>	<u>3,335,854</u>	<u>63</u>	2305	Other current liabilities	42,782	1	45,372	1
<b>Non-current assets:</b>						2320	Long-term borrowings, current portion (note 6(k) and 8)	<u>114,151</u>	<u>2</u>	<u>35,118</u>	<u>1</u>
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	80,696	1	103,247	2		<b>Non-Current liabilities:</b>	<u>1,484,128</u>	<u>26</u>	<u>1,023,214</u>	<u>19</u>
1600	Property, plant and equipment (notes 6(g) and 8)	1,448,869	26	1,579,963	30	2540	Long-term borrowings (notes 6(k) and 8)	773,184	14	917,335	17
1755	Right-of-use assets (note 6(h))	71,971	1	110,031	2	2570	Deferred tax liabilities (note 6(o))	59,828	1	87,061	2
1780	Intangible assets (note 6(i))	11,647	-	17,521	-	2580	Non-current lease liabilities (note 6(l))	52,513	1	98,781	2
1840	Deferred tax assets (note 6(o))	49,086	1	44,994	1	2600	Other non-current liabilities	<u>-</u>	<u>-</u>	<u>283</u>	<u>-</u>
1920	Refundable deposits	5,757	-	6,599	-		<b>Total liabilities</b>	<u>885,525</u>	<u>16</u>	<u>1,103,460</u>	<u>23</u>
1975	Net defined benefit assets, non-current (note 6(n))	35,732	1	26,480	1		<b>Equity (note 6(c) and 6(p)):</b>	<u>2,369,653</u>	<u>42</u>	<u>2,126,674</u>	<u>57</u>
1990	Other non-current assets, others (notes 6(a) and 8)	<u>28,653</u>	<u>1</u>	<u>32,336</u>	<u>1</u>		<b>Equity attributable to owners of parent :</b>				
		<u>1,732,411</u>	<u>31</u>	<u>1,921,171</u>	<u>37</u>	3110	Ordinary share	3,307,792	59	3,307,792	63
						3300	Retained earnings	85,042	2	(19,789)	-
						3400	Other equity	<u>(158,876)</u>	<u>(3)</u>	<u>(157,652)</u>	<u>(3)</u>
							<b>Total equity</b>	<u>3,233,958</u>	<u>58</u>	<u>3,130,351</u>	<u>60</u>
<b>Total assets</b>		<u><u>\$ 5,603,611</u></u>	<u><u>100</u></u>	<u><u>5,257,025</u></u>	<u><u>100</u></u>		<b>Total liabilities and equity</b>	<u><u>\$ 5,603,611</u></u>	<u><u>100</u></u>	<u><u>5,257,025</u></u>	<u><u>100</u></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, 2022 and 2021**

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

		<b>2022</b>		<b>2021</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	Operating revenues (notes 6(r) and 7)	\$ 3,379,117	100	2,491,907	100
5000	Operating costs (notes 6(f), 6(g), 6(h), 6(n) and 12)	<u>3,088,896</u>	<u>91</u>	<u>2,461,701</u>	<u>99</u>
5900	<b>Gross profit</b>	<u>290,221</u>	<u>9</u>	<u>30,206</u>	<u>1</u>
6000	<b>Operating expenses (notes 6(g), 6(h), 6(n), 7 and 12):</b>				
6100	Selling expenses	85,478	3	122,899	5
6200	Administrative expenses	107,259	3	288,264	12
6300	Research and development expenses	<u>187,365</u>	<u>6</u>	<u>250,560</u>	<u>10</u>
	<b>Total operating expenses</b>	<u>380,102</u>	<u>12</u>	<u>661,723</u>	<u>27</u>
6900	<b>Net operating loss</b>	<u>(89,881)</u>	<u>(3)</u>	<u>(631,517)</u>	<u>(26)</u>
7000	<b>Non-operating income and expenses (notes 6(g), 6(h), 6(l) and 7):</b>				
7050	Finance costs	(17,026)	-	(12,375)	(1)
7100	Interest income	28,818	1	10,944	-
7190	Other income	31,086	1	51,907	2
7210	Gains on disposals of property, plant and equipment	42,294	1	765,037	31
7228	Gains on lease modification	514	-	367,631	15
7230	Foreign exchange losses	100,794	3	(8,150)	-
7235	Gains on financial assets (liabilities) at fair value through profit or loss	228	-	(151)	-
7590	Other loss	<u>(1,666)</u>	<u>-</u>	<u>(2,511)</u>	<u>-</u>
		<u>185,042</u>	<u>6</u>	<u>1,172,332</u>	<u>47</u>
7900	<b>Profit from continuing operations before tax</b>	95,161	3	540,815	21
7950	Less: Income tax expenses (note 6(o))	<u>188</u>	<u>-</u>	<u>150,162</u>	<u>6</u>
	<b>Profit</b>	<u>94,973</u>	<u>3</u>	<u>390,653</u>	<u>15</u>
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that may not be reclassified to profit or loss</b>				
8311	Gains on remeasurements of defined benefit plans	9,858	-	1,757	-
8316	Unrealized losses (gains) from investments in equity instruments measured at fair value through other comprehensive income	<u>(22,551)</u>	<u>(1)</u>	<u>(61,546)</u>	<u>(2)</u>
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	<u>(12,693)</u>	<u>(1)</u>	<u>(59,789)</u>	<u>(2)</u>
8360	<b>Items that may be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	21,327	1	2,602	-
8399	Income tax related to items that may be reclassified to profit or loss	-	-	-	-
	Total items that may be reclassified to profit or loss	<u>21,327</u>	<u>1</u>	<u>2,602</u>	<u>-</u>
8300	<b>Other comprehensive income</b>	<u>8,634</u>	<u>-</u>	<u>(57,187)</u>	<u>(2)</u>
8500	<b>Total comprehensive income</b>	<u>\$ 103,607</u>	<u>3</u>	<u>333,466</u>	<u>13</u>
	<b>Basic earnings per share (note 6(q))</b>				
9750	Basic earnings per share	<u>\$ 0.29</u>		<u>1.23</u>	
9850	Diluted earnings per share	<u>\$ 0.29</u>		<u>1.23</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, 2022 and 2021**

**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent					Other equity		
	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
	Ordinary shares	Capital surplus	Legal reserve	Accumulated deficits	Retained earnings			Total equity
<b>Balance at January 1, 2021</b>	2,296,792	-	-	(229,208)	(229,208)	(64,304)	(34,404)	1,968,876
Profit for the year ended December 31, 2021	-	-	-	390,653	390,653	-	-	390,653
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	1,757	1,757	2,602	(61,546)	(57,187)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	392,410	392,410	2,602	(61,546)	333,466
Capital increase by cash	1,011,000	-	-	(182,991)	(182,991)	-	-	828,009
<b>Balance at December 31, 2021</b>	3,307,792	-	-	(19,789)	(19,789)	(61,702)	(95,950)	3,130,351
Profit for the year ended December 31, 2022	-	-	-	94,973	94,973	-	-	94,973
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	9,858	9,858	21,327	(22,551)	8,634
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	104,831	104,831	21,327	(22,551)	103,607
<b>Balance at December 31, 2022</b>	<b>\$ 3,307,792</b>	<b>-</b>	<b>-</b>	<b>85,042</b>	<b>85,042</b>	<b>(40,375)</b>	<b>(118,501)</b>	<b>3,233,958</b>

(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, 2022 and 2021**

**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from (used in) operating activities:</b>		
Profit (loss) before tax	\$ 95,161	540,815
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	133,795	176,601
Amortization expense	6,935	12,680
Net gain on financial assets or liabilities at fair value through profit or loss	(228)	151
Interest expense	17,026	12,375
Interest income	(28,818)	(10,944)
Dividend income	(1630)	(1,772)
Gain on disposal of property, plant and equipment	(42,294)	(765,037)
Gain on lease modification	(514)	(367,631)
Others	67	-
<b>Total adjustments to reconcile loss (profit)</b>	<u>84,339</u>	<u>(943,577)</u>
<b>Changes in operating assets and liabilities:</b>		
Decrease in on financial assets at fair value through profit or loss mandatorily measured at fair value	240	7,398
(Increase) decrease in notes and trade receivables	(237,354)	316,262
(Increase) decrease in trade receivables due from related parties	(375,561)	166,549
(Increase) decrease in other receivables	(16,418)	4,021
Decrease in other receivable due from related parties	3,040	13,301
Increase in inventories	(336,230)	(170,455)
Decrease in other current assets	26,609	9,971
Decrease (increase) in net defined benefit assets	606	(5,552)
<b>Total changes in operating assets</b>	<u>(935,068)</u>	<u>341,495</u>
Decrease in financial liabilities held for trading	(310)	(5,005)
Increase (decrease) in trade payables	564,606	(200,976)
Increase (decrease) in other payable	6,302	(62,599)
Decrease in other operating liabilities	(1,588)	(11,120)
<b>Total changes in operating liabilities</b>	<u>569,010</u>	<u>(279,700)</u>
<b>Total changes in operating assets and liabilities, net</b>	<u>(366,058)</u>	<u>61,795</u>
<b>Total adjustments</b>	<u>(281,719)</u>	<u>(881,782)</u>
Cash outflow generated from operations	(186,558)	(340,967)
Dividends received	1,630	1,772
Interest received	21,694	5,733
Interest paid	(16,949)	(13,029)
Income taxes paid	(134,134)	(1,467)
<b>Net cash flows used in operating activities</b>	<u>(314,317)</u>	<u>(347,958)</u>
<b>Cash flows from (used in) investing activities:</b>		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	4,275
Acquisition of property, plant and equipment	(7,533)	(19,312)
Proceeds from disposal of property, plant and equipment	304,465	960,283
Acquisition of intangible assets	(1,087)	(5,576)
Decrease in other financial assets	8,534	23,371
Decrease in other non-current assets	(4,009)	4,580
<b>Net cash flows from investing activities</b>	<u>300,370</u>	<u>968,071</u>
<b>Cash flows from (used in) financing activities:</b>		
Decrease in short-term borrowings	(92,340)	(448,380)
Proceeds from long-term borrowings	44,547	35,297
Repayments of long-term borrowings	(109,665)	(172,043)
Payment of lease liabilities	(22,175)	(24,867)
(Decrease) increase in other non-current liabilities	(283)	240
Capital increase by cash	-	828,009
<b>Net cash flows (used in) from financing activities</b>	<u>(179,916)</u>	<u>218,256</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>21,291</u>	<u>2,546</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<u>(172,572)</u>	<u>840,915</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>1,658,832</u>	<u>817,917</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>\$ 1,486,260</u></u>	<u><u>1,658,832</u></u>

CAMEO COMMUNICATIONS, INC.  
Earnings Distribution Proposal

2022

Unit: NTD

Items	Amount	Note
Accumulated deficit on Dec. 31, 2021	-19,788,768	
Add (Less):		
Changes in actuarial gains and losses in 2021	9,858,000	
2022 net income	94,973,297	
Undistributed earnings for the Current Period	85,042,529	
Less: 10% Legal reserve	-8,504,253	
Less: special reserve	-1,224,367	
Distributable earnings for the current period	75,313,909	
Shareholders' dividends—Cash (NT\$1.0 per share)	72,771,427	(NT\$0.22per share)
Unappropriated retained earnings at the end of period	2,542,482	

Chairman : Jerry Chien  
President : Allen Cheng  
Accounting Supervisor : Amy Wang



# 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 1<sup>st</sup> instance: June 14, 2006

Amendment for the 2<sup>nd</sup> instance: June 17, 2010

Amendment for the 3<sup>rd</sup> instance: June 18, 2012

Amendment for the 4<sup>th</sup> instance: June 16, 2017

Amendment for the 5<sup>th</sup> instance: June 15, 2020.



**CAMEO COMMUNICATIONS, INC.**

**Articles of Incorporation**

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 signature or sealed and numbered by the 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 7-9 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 1<sup>st</sup> instance: November 26, 1991

Amendment for the 2<sup>nd</sup> instance: December 30, 1991

Amendment for the 3<sup>rd</sup> instance: February 19, 1993

Amendment for the 4<sup>th</sup> instance: January 4, 1994

Amendment for the 5<sup>th</sup> instance: April 7, 1994

Amendment for the 6<sup>th</sup> instance: May 18, 1995

Amendment for the 7<sup>th</sup> instance: June 14, 1996

Amendment for the 8<sup>th</sup> instance: September 30, 1996

Amendment for the 9<sup>th</sup> instance: May 22, 1998

Amendment for the 10<sup>th</sup> instance: May 14, 1999

Amendment for the 11<sup>th</sup> instance: March 23, 2000

Amendment for the 12<sup>th</sup> instance: June 10, 2002

Amendment for the 13<sup>th</sup> instance: May 26, 2003

Amendment for the 14<sup>th</sup> instance: May 13, 2005

Amendment for the 15<sup>th</sup> instance: June 30, 2005

Amendment for the 16<sup>th</sup> instance: June 14, 2006

Amendment for the 17<sup>th</sup> instance: June 21, 2007

Amendment for the 18<sup>th</sup> instance: June 13, 2008

Amendment for the 19<sup>th</sup> instance: June 17, 2010

Amendment for the 20<sup>th</sup> instance: June 10, 2011

Amendment for the 21<sup>st</sup> instance: June 17, 2016

Amendment for the 22<sup>nd</sup> instance: June 16, 2017

Amendment for the 23<sup>rd</sup> instance: June 15, 2020

Amendment for the 24<sup>th</sup> instance: July 5, 2021

Amendment for the 25<sup>th</sup> instance: May 27, 2022

**CAMEO COMMUNICATIONS, INC.**  
**Procedure for the Election of Directors**

Approved on 2017.6.16

Article 1: Except as otherwise provided by law and regulation or by the Company's Article of Incorporation, election of directors shall be conducted in accordance with these procedures.

Article 2: The election of Directors shall be conducted at Shareholders' Meetings.

Article 3: The cumulative voting method shall be used for election of the directors of the Company.

Article 4: The election of the directors of the Company shall be conducted in accordance with the Company's Articles of Incorporation. Each share will have voting rights in number equal to the directors to be elected and may be cast for a single candidate or split among multiple candidates. The election for independent and non-independent directors shall be held at the same time, but the numbers to be elected shall be calculated separately.

Article 5: Based on the seats available, candidates who acquire more votes should win the seats of directors. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the Chairman shall draw lots on behalf of the candidate who is not present.

Article 6: When the election begins, the chair shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel.

Article 7: The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 8: A voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a juristic-person shareholder, the name of the juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 9: A ballot is invalid under any of the following circumstances:

- (1) The ballot was not prepared in accordance with these Procedures.
- (2) The number of candidates filled in exceeds the seats.
- (3) Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
- (4) The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
- (5) The writing is unclear and indecipherable.
- (6) The name of the candidate filled in the ballot is identical to that of another shareholder, and no shareholder account number or identification number is provided in the ballot.

Article 10: A ballot box is set up for the election of directors, and the ballot box will be opened by the monitoring personnel after voting.

Article 11: The counting of the votes is monitored by the monitoring personnel, and the results of the counting of the votes are announced by the chairman on the spot.

Article 12: The Board of Directors of the Company shall issue notifications to the individual persons elected as directors.

Article 13: These Procedures, and any amendments hereto, shall be implemented on the date of approval by a shareholders meeting.

## Shareholding of all Directors

April 2, 2023

Title	Name	Date elected	Term	Shares held when elected		Number of shares currently held	
				Number of shares held	%	Number of shares held	%
Chairman	D-Link Investment Co., Ltd.	2020.6.15	3	350,000	0.13	299,690	0.09
Chairman D-Link Investment Co., Ltd. Representative Director	Victor Kuo	2021.10.7	3	-	-	-	-
Director	D-Link Corporation	2020.6.15	3	21,498,506	8.01	137,532,993	41.58
D-Link Corporation Representative Director	Joseph Wang	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						137,832,683	41.67

- 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 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 13,231,168shares. As of April 2, 2023, the total number of shares held by Directors: 137,832,683 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. 2, 2023 is 330,779,215 shares.