

Compal Broadband Networks, Inc.

2025 Regular Shareholders' Meeting Agenda Handbook

Date:

June 23, 2025

Venue:

2F., No. 3, Taiyuan 1st Street, Zhubei
City, Hsinchu County
(Multi-functional Conference Room,
Tai Yuen Hi-Tech Industrial Park
Phase III)

Convention Method:

Physical shareholders' meeting

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Meeting Procedures

Compal Broadband Networks, Inc.

2025 Regular Shareholders' Meeting Procedures

I. Call Meeting to Order

II. Chairman's Address

III. Report Items

IV. Ratification Items

V. Discussion Items

VI. Extempore Motions

VII. Adjournment

Agenda

Compal Broadband Networks, Inc.

2025 Regular Shareholders' Meeting Agenda

Time: 9:00 am., June 23 (Monday), 2025

Venue: 2F., No. 3, Taiyuan 1st Street, Zhubei City, Hsinchu County
(Multi-functional Conference Room, Tai Yuen Hi-Tech
Industrial Park Phase III)

I. Chairman's Address

II. Report Items

1. 2024 business report
2. 2024 Audit Committee's Audit Report
3. Report on the 2024 profit sharing remuneration to employees and directors and the distribution status

III. Ratification Items

1. Ratify the Company's 2024 business report and financial statements.
2. Ratify the Company's deficit compensation proposal for 2024.

IV. Discussion Items

1. Please vote for the amendment to the "Articles of Incorporation".
2. Please vote for the proposal to release directors from the non-compete restrictions.

V. Extempore Motions

VI. Adjournment

Report Items

Proposal 1

Proposed by the Board of Director

Cause: Please review the 2024 Business Report.

Description: Attached please find the 2024 Business Report (please refer to pages 4-6).


Compal Broadband Networks, Inc.
Business Report

I. 2024 business results

(I) Results of the business plans implemented.

In 2024, global manufacturing remained stable while the service sector expanded. Commodity prices, including oil, declined, easing inflation and supporting modest global economic growth. However, following Donald Trump's election as U.S. President in November, upcoming changes in trade, fiscal, immigration, and industrial policies may impact global supply and demand, creating future uncertainties. The market also faced challenges such as geopolitical risks, fierce competition, and changing consumer needs. We will continue to monitor these trends and adjust strategies accordingly. Due to inventory adjustments and product realignment by major clients, revenue declined year-over-year. However, we optimized our product and client mix, and effectively controlled costs, significantly reducing our net loss. Going forward, we remain focused on developing new clients and innovative applications, aiming to expand our scale and market share.

(II) Financial position, profitability, and budget execution

Our net operating revenue in 2024 amounted to NT\$ 941,934 thousand, which represents a YoY decrease of 19.1%. mainly due to continued inventory reduction by customers in Europe and the U.S., as well as product line adjustments by brand clients, resulting in lower order volumes. Gross profit reached NT\$166.816 million, an increase of 101.3% from the previous year, attributed to optimized product and customer mix and effective cost control. Net loss after tax narrowed to NT\$165.938 million, with an after-tax loss of NT\$2.46 per share. In terms of financial management, the Company maintained a prudent approach, aligning long- and short-term funding with operational growth needs. The current ratio stood at 246%, and the debt ratio at 35%, indicating a healthy financial structure.

The Company did not disclose the financial forecast, so there is no execution of budget.

(III) R&D status

1. A weak demand outlook in 2024 was driven by delayed inventory adjustments, ongoing layoffs, and product line changes by key clients, leading to cautious adoption of new technologies. Looking ahead to 2025, the launch of the iPhone 16 with full Wi-Fi 7 support, growing AI demand for high-speed networks, and inventory normalization by operators are expected to drive upgrades to Wi-Fi 7 home gateways and create new growth opportunities.
2. CBN continues to ship DOCSIS 3.1 + Wi-Fi 6 gateways and Wi-Fi Mesh APs, while providing samples of Extended DOCSIS 3.1 and Wi-Fi 7 integrated gateways for testing. Extended DOCSIS 3.1 offers near-DOCSIS 4.0 speeds using existing networks, while Wi-Fi 7 integration enhances wireless speed and reduces latency. CBN is also advancing DOCSIS 4.0 development, with modem samples under operator testing.
3. The CBN's 5G FWA and XGS-PON products have reached maturity and are being delivered through strategic partnerships with telecom operators to meet growing demand for high-speed CPE. These collaborations enhance competitiveness and ensure rapid market responsiveness. CBN will continue delivering innovative, high-performance solutions to strengthen its industry leadership.

II. Overview of 2025 business plan

(I) Operating guidelines

In this year, the Company will insist the policies of sustainable operation with continuous growth. The major operating guidelines are as below:

1. To expand in North America and support international growth, CBN is establishing a local presence and forming strategic partnerships to better serve regional customer needs.
2. CBN continues to lead in Smart Cable Gateway development, including DOCSIS 3.1 + Wi-Fi 6/7 and DOCSIS 4.0. DOCSIS 4.0 products are now under operator testing. Software features such as enhanced network security and mesh capabilities are also being strengthened.
3. CBN is actively developing new product lines, including XGS-PON, 5G FWA, and Wi-Fi 7 AP/Routers, to seize opportunities from next-gen network technologies.
4. The Company focuses on value-added solutions and value chain optimization, collaborating with customers, partners, and key suppliers to enhance competitiveness.
5. CBN remains committed to environmental protection, regulatory compliance, and corporate social responsibility, contributing its operational achievements back to society.

(II) Key production and sales policies

1. CBN is optimizing its Vietnam manufacturing base and supply chain, establishing a North America operations center, and evaluating additional sites to mitigate regional risks from natural disasters, geopolitical tensions, or policy changes, while enhancing competitive production and delivery support.
2. Conduct the raw material supply and QC strategy adjustment and control more effectively, to shorten the production cycle, increase the production momentum, for reducing the operating risks while enhancing the utilization of the working funds.
3. With the demand-oriented product design, the simplification of process and better production effectiveness are achieved, while lowering the inventory costs with the common parts and components.
4. Full-ranged quality management and the customer-oriented market strategy, and enhance the communication and coordination between the up- and downstream, to achieve the goal of profit sharing.

III. Future development strategies and external competition, and the effects of regulatory and macro operating environments

(I) Future development strategies of the Company

CBN is actively expanding into the North American market and developing new product portfolios to capture growth from next-generation network technologies. By focusing on innovation and delivering high-value, customized solutions, CBN strengthens its position within customer ecosystems and raises barriers to entry for competitors. The Company is also building a global operations network to better serve clients and mitigate risks, supporting long-term sustainability and growth.

(II) Effects of regulatory and macro operating environments

Driven by emerging technologies such as DOCSIS 4.0, XGS-PON, 5G FWA, and Wi-Fi 7, communication laws and initiatives across Europe and the U.S. are accelerating network equipment upgrades, reigniting demand for both consumer CPE and enterprise networking solutions. Looking ahead to 2025, CBN expects growth momentum from increased 5G FWA CPE shipments, rising Wi-Fi 7 adoption, and the gradual transition from DOCSIS 3.1 to 4.0. However, operations will remain cautious, with tighter controls on capital expenditure, accounts receivable, and inventory levels.

IV. Conclusion

Finally, all employees at CBN remain committed to teamwork and execution, continuously strengthening R&D and market development to enhance the Company's economic value. We will also uphold our responsibilities as a global corporate citizen and strive to maximize value for both the Company and our shareholders. We sincerely appreciate your continued support and encouragement for our management team. Thank you very much, and wish you

Your truly,

Chairman Wong, Chung-Pin



President Wang, Yu-Ho



Accounting Officer Lee, Shu-Cheng



Proposal 2

Proposed by the Board of Director

Proposal: Please review the 2024 Audit Committee's Audit Report.

Description:

1. The settled books and statement for 2024 have been audited and certified by CPAs and audited by the Audit Committee, and the audit reports are issued, respectively.
2. Attached please find the Independent Auditor's Report (please refer to pages 8-15).
3. Attached please find the Audit Committee's Audit Report (please refer to page 16).



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Independent Auditor's Report

To the Board of Directors of Compal Broadband Networks, Inc.:

Opinion

We have audited the consolidated financial statements of Compal Broadband Networks, Inc. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, 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 material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, 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 audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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. The key audit matters we judged shall be presented in the auditors' report as follows:

1. Operating revenue

For the accounting policies related to the recognition of operating revenue, please refer to Note 4(o) of the consolidated financial statements regarding revenue from contracts with customer.



Description of key audit matter:

Compal Broadband Networks, Inc. and its subsidiaries primarily engaged in the research, development, and sales of communication products such as smart gateways, digital set-top boxes, and wireless broadband routers. Operating revenue is a key indicator of whether the Company's financial targets are met. To meet investor expectations, operating revenue influences management's decision-making and may present a significant risk of material misstatement due to incorrect timing of revenue recognition. Therefore, revenue recognition is identified as a key audit matter requiring heightened attention from auditors.

How the matter was addressed in our audit:

The main audit procedures performed regarding the aforementioned key audit matter include understanding and evaluating the accounting policies for operating revenue of Compal Broadband Networks, Inc. and its subsidiaries, understanding and assessing the effectiveness of internal controls related to sales revenue recognition, verifying relevant sales revenue documents, and performing cut-off tests on sales revenue transactions for specific periods before and after the balance sheet date. These procedures aim to assess whether the recognized revenue belongs to the correct period and whether the timing of revenue recognition by Compal Broadband Networks, Inc. and its subsidiaries complies with relevant standards.

2. Inventory valuation

Regarding the accounting policies for inventory valuation, please refer to Note 4(h) of the consolidated financial statements on inventory; for uncertainties in inventory valuation, please refer to Note 5 of the consolidated financial statements; for details on inventory, please refer to Note 6(e) of the consolidated financial statements on inventory.

Description of key audit matter:

Inventory is measured at the lower of cost and net realizable value. As Compal Broadband Networks, Inc. and its subsidiaries primarily engaged in the research, development, and sales of communication products such as smart gateways, digital set-top boxes, and wireless broadband routers, the sales prices of these products are subject to fluctuations due to changes in supply from upstream suppliers and market competition. This results in the risk that the carrying amount of inventory may exceed its net realizable value. Therefore, inventory valuation is one of the key assessment matters when auditing the consolidated financial statements.

How the matter was addressed in our audit:

The main audit procedures performed regarding the aforementioned key audit matter include evaluating the reasonableness of the inventory write-down or obsolescence policies of Compal Broadband Networks, Inc. and its subsidiaries, performing sampling procedures to check the accuracy of the inventory aging reports, analyzing the changes in inventory aging over various periods, and assessing whether provisions have been made according to the established accounting policies. Additionally, relevant values in the calculations of the lower of cost and net realizable value are tested to evaluate the reasonableness of the net realizable value of inventory.

Other Matter

Compal Broadband Networks, Inc. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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 Chien, Szu-Chuan and Au, Yiu-Kwan.

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KPMG

Taipei, Taiwan (Republic of China)
March 11, 2025



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Independent Auditor's Report

To the Board of Directors of Compal Broadband Networks, Inc.:

Opinion

We have audited the financial statements of Compal Broadband Networks, Inc. ("the Company"), which comprise the balance sheet as of December 31, 2024 and 2023, 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 material 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, 2024 and 2023, and its financial performance and its cash flows for the years then ended December 31, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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. The key audit matters we judged shall be presented in the auditors' report as follows:

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For the accounting policies related to the recognition of operating revenue, please refer to Note 4(o) of the financial statements regarding revenue from contracts with customers.

Description of key audit matter:

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How the matter was addressed in our audit:

The main audit procedures performed regarding the aforementioned key audit matter include understanding and evaluating the accounting policies for operating revenue of Compal Broadband Networks, Inc., understanding and assessing the effectiveness of internal controls related to sales revenue recognition, verifying relevant sales revenue documents, and performing cut-off tests on sales revenue transactions for specific periods before and after the balance sheet date. These procedures aim to assess whether the recognized revenue belongs to the correct period and whether the timing of revenue recognition by Compal Broadband Networks, Inc. complies with relevant standards.

2. Inventory valuation

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Description of key audit matter:

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How the matter was addressed in our audit:

The main audit procedures performed regarding the aforementioned key audit matter include evaluating the reasonableness of the inventory write-down or obsolescence policies of Compal Broadband Networks, Inc., performing sampling procedures to check the accuracy of the inventory aging reports, analyzing the changes in inventory aging over various periods, and assessing whether provisions have been made according to the established accounting policies. Additionally, relevant values in the calculations of the lower of cost and net realizable value are tested to evaluate the reasonableness of the net realizable value of inventory.

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 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 members of 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 auditor's 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 the 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 the 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 Chien, Szu-Chuan and Au, Yiu-Kwan.

KPMG

Taipei, Taiwan (Republic of China)
March 11, 2025

Audit Report of the Audit Committee

The 2024 financial statements of Compal Broadband Networks, Inc. (hereafter “the Company”) have been approved by the Audit Committee and resolved by the board of directors, as well as audited by Chien, Szu-Chuan, CPA and Au, Yiu-Kwan, CPA from KPMG Taiwan with the auditor’s report issued. Additionally, the board of directors also prepared and submit the 2024 Business Report and Proposal of Deficit Compensation; after audit by the Audit Committee, it found no inconsistency to the related regulations including the Company Act. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, it is reported as above, for your review.

To

2025 Regular Shareholders’ Meeting

Compal Broadband Networks, Inc.



Convener of the Audit Committee:



March 11, 2025

Proposal 3

Proposed by the Board of Director

Cause: Please review the report on the 2024 profit sharing remuneration to employees and directors and the distribution status.

Description:

1. Pursuant to Article 24 of the Articles of Incorporation.
2. The 2024 employees' and directors' remunerations have been approved upon the resolutions of the Remuneration Committee and the board of directors, and no employees' and directors' remunerations will be distributed.

Ratification Items

Proposal 1

Proposed by the Board of Director

Cause: please ratify the Company's 2024 business report and financial statements.

Description:

1. The Company's 2024 business report and financial statements have been examined by the Audit Committee and adopted a resolution by the Board of Directors.
2. Attached please find the business report (please refer to pages 4-6) and the financial statements (please refer to pages 19-26); please ratify.

Resolution:

Compal Broadband Networks, Inc. and subsidiaries

Consolidated balance sheet

December 31, 2024 and 2023

Unit: NT\$ thousand

Chairman: Wong, Chung-Ping



Managerial Officer: Wang, Yu-Ho

Accounting Officer: Li, Shu-Cheng



Compal Broadband Networks, Inc. and subsidiaries

Consolidated comprehensive income statement

December 31, 2024 and 2023



Unit: NT\$ thousand

	2024		2023	
	Amount	%	Amount	%
4000 Operating revenue (note (6)(q))	\$ 941,934	100	1,164,054	100
5000 Operating costs (notes (6)(e), (7) and (12))	<u>775,118</u>	<u>82</u>	<u>1,081,197</u>	<u>93</u>
Gross profit from operations	<u>166,816</u>	<u>18</u>	<u>82,857</u>	<u>7</u>
Operating expenses: (notes (6)(k), (6)(l), (6)(r), (7) and (12))				
6100 Selling expenses	77,201	8	68,030	6
6200 Administrative expenses	62,354	7	74,594	6
6300 Research and development expenses	170,211	18	235,030	20
7055 Expected credit loss (notes (6)(c) and (6)(d))	(608)	-	23,532	2
Total operating expenses	<u>309,158</u>	<u>33</u>	<u>401,186</u>	<u>34</u>
Net operating loss	<u>(142,342)</u>	<u>(15)</u>	<u>(318,329)</u>	<u>(27)</u>
Non-operating income and expenses:				
7010 Other income	5,605	-	4,552	-
7020 Other gains and losses (note (6)(s))	(13,445)	(1)	2,074	-
7100 Interest income	6,160	-	10,452	1
7510 Interest expense (note (6)(k))	(583)	-	(675)	-
7770 Share of loss of associates accounted for using equity method (note (6)(f))	(3,333)	-	(3,638)	-
	<u>(5,596)</u>	<u>(1)</u>	<u>12,765</u>	<u>1</u>
7900 Loss from continuing operations before tax	<u>(147,938)</u>	<u>(16)</u>	<u>(305,564)</u>	<u>(26)</u>
7950 Less: Income tax expense (benefit) (note (6)(m))	<u>18,000</u>	<u>2</u>	<u>20,545</u>	<u>2</u>
Loss	<u>(165,938)</u>	<u>(18)</u>	<u>(326,109)</u>	<u>(28)</u>
8300 Other comprehensive income :				
8360 Components of other comprehensive income that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	2	-	487	-
8399 Less: income tax related to items that will be reclassified to profit or loss (note (6)(m))	-	-	97	-
Components of other comprehensive income that will be reclassified to profit or loss	2	-	390	-
	<u>2</u>	<u>-</u>	<u>390</u>	<u>-</u>
8300 Other comprehensive income	<u>2</u>	<u>-</u>	<u>390</u>	<u>-</u>
Total comprehensive loss	<u>\$ (165,936)</u>	<u>(18)</u>	<u>(325,719)</u>	<u>(28)</u>
Loss per share (note (6)(p))				
9750 Basic loss per share	\$ (2.46)		(4.84)	
9850 Diluted loss per share	\$ (2.46)		(4.84)	

Chairman:
Wong, Chung-Ping



Managerial Officer:
Wang, Yu-Ho



Accounting Officer:
Li, Shu-Cheng



Compal Broadband Networks, Inc. and subsidiaries

Consolidated change in equity statement

December 31, 2024 and 2023



Unit: NT\$ thousand

Balance at January 1, 2023

Loss for the year ended December 31, 2023

Other comprehensive income for the year ended December 31, 2023

Total comprehensive loss for the year ended December 31, 2023

Appropriation and distribution of retained earnings:

Legal reserve appropriated

Special reserve appropriated

Cash dividends of ordinary share

Share-based payment transactions

Balance at December 31, 2023

Loss for the year ended December 31, 2024

Other comprehensive income for the year ended December 31, 2024

Total comprehensive loss for the year ended December 31, 2024

Appropriation and distribution of retained earnings:

Special reserve reversed

Cash dividends of ordinary share

Share-based payment transactions

Balance at December 31, 2024

	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Retained earnings		Total	(588)	(11,213)	(11,801)	Other equity item	Total	Total equity
					Unappropriated retained earnings (accumulated losses)	Total							
Balance at January 1, 2023	\$ 680,021	379,939	147,010	984	317,024	465,018							1,513,177
Loss for the year ended December 31, 2023	-	-	-	-	(326,109)	(326,109)	-	-	-	-	-		(326,109)
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	390	-	-	390	390		390
Total comprehensive loss for the year ended December 31, 2023	-	-	-	-	(326,109)	(326,109)	390	-	-	390	390		(325,719)
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	-	-	-	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	(396)	396	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(33,827)	(33,827)	-	-	-	-	-		(33,827)
Share-based payment transactions	(3,640)	(7,535)	-	-	-	-	-	-	8,203	8,203	8,203		2,972
Balance at December 31, 2023	676,381	372,404	147,010	588	(42,516)	105,082	(198)	(3,010)	(3,208)	1,150,659			
Loss for the year ended December 31, 2024	-	-	-	-	(165,938)	(165,938)	-	-	-	-	-		(165,938)
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	2	-	-	2	2		2
Total comprehensive loss for the year ended December 31, 2024	-	-	-	-	(165,938)	(165,938)	2	-	-	2	2		(165,936)
Appropriation and distribution of retained earnings:													
Special reserve reversed	-	-	(42,516)	-	42,516	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	315	-	-	-	-	-	-	-	-	-	-	315
Share-based payment transactions	(3,024)	(6,260)	-	-	-	-	-	-	3,010	3,010	3,010		(6,274)
Balance at December 31, 2024	\$ 673,357	366,459	104,494	588	(165,938)	60,856	(196)	-	(196)	-	-		978,764

Chairman: Wong, Chung-Ping



Managerial Officer: Wang, Yu-Ho



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Accounting Officer: Li, Shu-Cheng



Compal Broadband Networks, Inc. and subsidiaries
Consolidated cash flow statement
December 31, 2024 and 2023

	Unit: NT\$ thousand	
	2024	2023
Cash flows used in operating activities:		
Loss before tax	\$ (147,938)	(305,564)
Adjustments:		
Adjustments to reconcile profit :		
Depreciation and amortization expense	62,699	63,368
Expected credit loss	(608)	23,532
Interest expense	583	675
Interest income	(6,160)	(10,452)
Compensation cost of employee share-based payment	(6,274)	(2,972)
Share of loss of associates accounted for using equity method	3,333	3,638
Gain on disposal of property, plant and equipment	8,378	-
Gain on lease modification	(108)	(3)
Total adjustments to reconcile profit	61,843	77,786
Changes in operating assets and liabilities:		
Change in financial assets mandatorily measured at fair value through profit or loss	4,373	(4,373)
Decrease in accounts receivable	205,394	64,181
Decrease (increase) in other receivables	(16,758)	379,495
Decrease (increase) in inventories	85,124	126,603
(Increase) decrease in prepayments	(16,914)	(2,937)
Decrease (increase) in other current assets	57	2,912
(Decrease) increase in financial liabilities held for trading	-	(8,006)
(Decrease) increase in contract liabilities	24,493	(80)
Decrease in accounts payable	148,009	(619,887)
Increase (decrease) in other payables	(111,193)	65,527
Decrease in provisions	3,488	(36,806)
Increase in other current liabilities	(1,844)	2,500
Total changes in operating assets and liabilities	324,229	(30,871)
Total adjustments	386,072	46,915
Cash outflow generated from operations	238,134	(258,649)
Interest received	5,917	10,344
Interest paid	(583)	(675)
Income taxes (paid) refund	3,291	(539)
Net cash flows used in operating activities	246,759	(249,519)
Cash flows used in investing activities:		
Acquisition of property, plant and equipment	(20,143)	(45,096)
Proceeds from disposal of property, plant and equipment	-	-
Increase in refundable deposits	(112)	(28)
Acquisition of intangible assets	(2,786)	(1,296)
Net cash flows used in investing activities	(29,341)	(46,420)
Cash flows used in financing activities:		
Payment of lease liabilities	(14,257)	(14,745)
Cash dividends paid	-	(33,827)
Net cash flows used in financing activities	(14,257)	(48,572)
Effect of exchange rate changes on cash and cash equivalents	2	487
Net decrease in cash and cash equivalents	203,163	(344,024)
Cash and cash equivalents at beginning of period	316,940	660,964
Cash and cash equivalents at end of period	\$ 520,103	316,940

Chairman:
Wong, Chung-Ping



Managerial Officer:
Wang, Yu-Ho



Accounting Officer:
Li, Shu-Cheng



Compal Broadband Networks, Inc.

Balance sheet

December 31, 2024 and 2023

Unit: NT\$ thousand

	December 31, 2024				December 31, 2023				Liabilities and Equity				December 31, 2024				December 31, 2023				
	Assets		Amount	%	Assets		Amount	%	Liabilities and Equity		Current liabilities:		Liabilities		Amount	%	Assets		Amount	%	
Assets																					
Current assets:																					
1100 Cash and cash equivalents (note (6)(a))	\$	508,571	33	\$	305,429	18	\$	2120	Current financial liabilities at fair value through profit or loss (note (6)(b))		\$	-	-	-	-	\$	26,339	2	\$	1,846	-
1110 Current financial assets at fair value through profit or loss (note (6)(b))		-	-		4,373	-		2130	Current contract liabilities (note (6)(q))								26,339	2		1,846	-
1170 Accounts receivable, net (notes (6)(c) and (6)(q))		196,185	13		400,967	24		2170	Accounts payable								115,108	7		59,773	4
1200 Other receivables, net (notes (6)(d) and (7))		19,528	1		2,529	-		2180	Accounts payable to related parties (note (7))								223,168	15		130,494	8
1310 Inventories (note (6)(e))		527,178	34		612,302	37		2200	Other payables (note (7))								75,431	5		186,946	11
1410 Prepayments		65,282	4		48,368	3		2250	Current provisions (note (6)(j))								84,086	5		80,598	5
1470 Other current assets		2,133	-		5,481	-		2280	Current lease liabilities (note (6)(k))								13,928	1		14,620	1
		1,318,877	85		1,379,449	82		2300	Other current liabilities								2,276	-		4,120	-
Non-current assets:																					
1550 Investments accounted for using equity method (note (6)(f))		18,014	1		15,035	1		2570	Deferred tax liabilities (note (6)(m))								-	-		874	-
1600 Property, plant and equipment (note (6)(g))		124,520	8		159,578	10		2580	Non-current lease liabilities (note (6)(k))								26,683	2		41,192	2
1755 Right-of-use assets (note (6)(h))		39,915	3		55,155	3											26,683	2		42,066	2
1780 Intangible assets (note (6)(i))		1,972	-		658	-											567,019	37		520,463	31
1840 Deferred tax assets (note (6)(m))		38,144	3		57,018	4											673,357	43		676,381	41
1900 Other non-current assets (note (8))		4,341	-		4,229	-											366,459	24		372,404	22
		226,906	15		291,673	18											(60,856)	(4)		105,082	6
Total assets		<u>\$ 1,545,783</u>	<u>100</u>		<u>1,671,122</u>	<u>100</u>											(196)	-		(198)	-
																	-	-		(3,010)	-
																	978,764	63		1,150,659	69
																	<u>\$ 1,545,783</u>	<u>100</u>		<u>1,671,122</u>	<u>100</u>

Chairman: Wong, Chung-Ping



Managerial Officer: Wang, Yu-Ho



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Accounting Officer: Li, Shu-Cheng



Compal Broadband Networks, Inc.
Comprehensive income statement
December 31, 2024 and 2023



		Unit: NT\$ thousand			
		2024	2023	2024	2023
		Amount	%	Amount	%
4000	Operating revenue (note (6)(q))	\$ 941,934	100	\$ 1,164,054	100
5000	Operating costs (notes (6)(e), (7) and (12))	775,118	82	1,081,197	93
	Gross profit from operations	166,816	18	82,857	7
	Operating expenses: (notes (6)(i), (6)(k), (6)(l), (7) and (12))				
6100	Selling expenses	77,187	8	68,030	6
6200	Administrative expenses	61,980	7	74,086	6
6300	Research and development expenses	170,211	18	235,030	20
6450	Expected credit loss (notes (6)(c) and (6)(d))	(608)	-	23,532	2
	Total operating expenses	308,770	33	400,678	34
	Net operating loss	(141,954)	(15)	(317,821)	(27)
	Non-operating income and expenses:				
7010	Other income (note (7))	5,522	-	4,552	-
7020	Other gains and losses (note (6)(s))	(13,445)	(1)	2,074	-
7100	Interest income	6,160	1	10,452	1
7510	Interest expense (note (6)(k))	(583)	-	(675)	-
7775	Share of loss of associates accounted for using equity method (note (6)(f))	(3,638)	-	(4,146)	-
		(5,984)	(1)	12,257	1
7900	Loss from continuing operations before tax	(147,938)	(16)	(305,564)	(26)
7950	Less: Income tax expenses (benefit) (note (6)(m))	18,000	2	20,545	2
	Loss	(165,938)	(18)	(326,109)	(28)
8300	Other comprehensive income:				
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	2	-	487	-
8399	Less: income tax related to items that will be reclassified to profit or loss (note (6)(m))	-	-	97	-
	Components of other comprehensive income that will be reclassified to profit or loss	2	-	390	-
		2	-	390	-
8300	Other comprehensive income	<u>\$ (165,936)</u>	<u>(18)</u>	<u>(325,719)</u>	<u>(28)</u>
	Total comprehensive loss				
9750	Loss per share (note (6)(p))	\$ (2.46)		(4.84)	
9850	Basic loss per share	\$ (2.46)		(4.84)	
	Diluted loss per share				

Chairman:
Wong, Chung-Ping



Managerial Officer:
Wang, Yu-Ho



Accounting Officer:
Li, Shu-Cheng



Compal Broadband Networks, Inc.

Change in equity statement

December 31, 2024 and 2023

Unit: NT\$ thousand

Balance at January 1, 2023
 Loss for the year ended December 31, 2023
 Other comprehensive income for the year ended December 31, 2023
 Total comprehensive loss for the year ended December 31, 2023
 Appropriation and distribution of retained earnings:
 Legal reserve appropriated
 Special reserve appropriated
 Cash dividends of ordinary share
 Share-based payment transactions
Balance at December 31, 2023
 Loss for the year ended December 31, 2024
 Other comprehensive income for the year ended December 31, 2024
 Total comprehensive loss for the year ended December 31, 2024
 Appropriation and distribution of retained earnings:
 Special reserve reversed
 Cash dividends of ordinary share
 Share-based payment transactions
Balance at December 31, 2024

	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Retained earnings (accumulated losses)	Total	Unappropriated retained earnings (accumulated losses)	Exchange differences on translation of foreign financial statements	Other equity	Unearned employee benefit	Total	Total equity
Balance at January 1, 2023	\$ 680,021	379,939	147,010	984	317,024	465,018		(588)		(11,213)	(11,801)	1,513,177
Loss for the year ended December 31, 2023	-	-	-	-	(326,109)	(326,109)	-	-	-	-	-	(326,109)
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	390	-	-	390	390	390
Total comprehensive loss for the year ended December 31, 2023	-	-	-	-	(326,109)	(326,109)	390	-	-	390	390	(325,719)
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	-	-	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	(396)	396	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(33,827)	(33,827)	-	-	-	-	-	(33,827)
Share-based payment transactions	(3,640)	(7,535)	-	-	-	-	-	-	8,203	8,203	8,203	(2,972)
Balance at December 31, 2023	676,381	372,404	147,010	588	(42,516)	105,082	(165,938)	(198)	(3,010)	(3,208)	(3,208)	1,150,659
Loss for the year ended December 31, 2024	-	-	-	-	(165,938)	(165,938)	-	-	-	-	-	(165,938)
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	2	-	-	2	2	2
Total comprehensive loss for the year ended December 31, 2024	-	-	-	-	(165,938)	(165,938)	2	-	-	2	2	(165,936)
Appropriation and distribution of retained earnings:												
Special reserve reversed	-	-	42,516	-	42,516	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	315	-	-	-	-	-	-	-	-	-	315
Share-based payment transactions	(3,024)	(6,260)	-	-	-	-	-	-	3,010	3,010	3,010	(6,274)
Balance at December 31, 2024	\$ 673,357	366,459	104,494	588	(165,938)	60,856	(196)	-	(196)	-	-	978,764

Chairman: Wong, Chung-Ping



Managerial Officer: Wang, Yu-Ho



Accounting Officer: Li, Shu-Cheng



Compal Broadband Networks, Inc.
 Cash flow statement
 December 31, 2024 and 2023



Unit: NT\$ thousand

2024

2023

Cash flows used in operating activities:			
Loss before tax	\$ (147,938)		(305,564)
Adjustments:			
Adjustments to reconcile profit:			
Depreciation and amortization expense	62,699		63,368
Expected credit loss	(608)		23,532
Interest expense	583		675
Interest income	(6,160)		(10,452)
Compensation cost of employee share-based payment	(6,274)		(2,972)
Share of loss of associates accounted for using equity method	3,638		4,146
Gain on disposal of property, plant and equipment	8,378		
Gain on lease modification	(108)		(3)
Total adjustments to reconcile profit	62,148		78,294
Changes in operating assets and liabilities:			
Change in financial assets mandatorily measured at fair value through profit or loss	4,373		(4,373)
Decrease in accounts receivable	205,394		64,181
Decrease (increase) in other receivables	(16,760)		379,497
Decrease (increase) in inventories	85,124		126,603
(Increase) decrease in prepayments	(16,914)		(2,937)
Decrease (increase) in other current assets	57		2,912
(Decrease) increase in financial liabilities held for trading	-		(8,006)
(Decrease) increase in contract liabilities	24,493		(80)
Decrease in accounts payable	148,009		(619,887)
Increase (decrease) in other payable	(111,515)		65,527
Decrease in provisions	3,488		(36,806)
Increase in other current liabilities	(1,844)		2,500
Total changes in operating assets and liabilities	323,905		(30,869)
Total adjustments	386,053		47,425
Cash outflow generated from operations	238,115		(258,139)
Interest received	5,917		10,344
Interest paid	(583)		(675)
Income taxes (paid) refund	3,291		(539)
Net cash flows used in operating activities	246,740		(249,009)
Cash flows used in investing activities:			
Acquisition of property, plant and equipment	(20,143)		(45,096)
Proceeds from disposal of property, plant and equipment	-		-
Increase in refundable deposits	(112)		(28)
Acquisition of intangible assets	(2,786)		(1,296)
Net cash flows used in investing activities	(29,341)		(46,420)
Cash flows used in financing activities:			
Payment of lease liabilities	(14,257)		(14,745)
Cash dividends paid	-		(33,827)
Net cash flows used in financing activities	(14,257)		(48,572)
Net decrease in cash and cash equivalents	203,142		(344,001)
Cash and cash equivalents at beginning of period	305,429		649,430
Cash and cash equivalents at end of period	\$ 508,571		305,429

Chairman:
 Wong, Chung-Ping



Managerial Officer:
 Wang, Yu-Ho



Accounting Officer:
 Li, Shu-Cheng



Proposal 2

Proposed by the Board of Director

Cause: please ratify the Company's deficit compensation proposal for 2024

Description:

1. Undistributed earnings at the beginning of the period amounted to NT\$ 0. After taking account of post-tax losses of NT\$ 165,937,880 in 2024, accumulated losses pending compensation totaled NT\$ 165,937,880. It is planned to offset these accumulated losses with a special reserve of NT\$ 588,477, a legal reserve of NT\$ 104,493,418 and capital surplus of NT\$ 60,855,985. Upon appropriation of the special reserve, legal reserve, and capital surplus, accumulated losses at the end of the period will amount to NT\$ 0.
2. Attached please find the 2024 Deficit Compensation Table (please refer to page 28), and please ratify

Resolution:

Compal Broadband Networks, Inc.

Deficit Compensation Table



	Unit: NT\$
	Amount
Beginning undistributed earnings	0
Net loss after tax in 2024	(165,937,880)
Accumulated losses pending compensation	(165,937,880)
Special reserve set aside to offset losses	588,477
Legal reserve set aside to offset losses	104,493,418
Capital surplus set aside to offset losses	60,855,985
Ending accumulated undistributed earnings	0

Chairman:
Wong, Chung-Pin



Managerial Officer:
Wang, Yu-Ho



Accounting Officer:
Li, Shu-Cheng



Discussion Items

Proposal 1

Proposed by the Board of Director

Cause: please vote for the amendment to the “Articles of Incorporation”.

Description:

1. The amendment to the Articles of Incorporation is proposed to accommodate the requirements of applicable laws and regulations.
2. Attached please find the Comparison Table Before and After Amendment to the Articles of Incorporation (page 30). Please vote.

Resolution:

Compal Broadband Networks, Inc.

The Comparison Table Before and After Amendment to the Articles of Incorporation

Before the Amendment	After the Amendment	Amendment Rationale
<p>Article 24</p> <p>The Company shall distribute no lower than 5% of the profit of the year as the employees' remunerations, and no more than 2% of the same as the directors' remunerations; however, the accumulated losses shall be offset first. The "profit of the year" in the preceding paragraph refers to the income after the pre-tax income of the year deducting the distribution of the employees' and directors' remunerations. The distribution of the employees' and directors' remunerations shall be resolved by the majority of the attending directors in a board meeting attended by two-third or more of the all directors, and reported to the shareholders' meeting. The employee's remuneration may be paid in shares or cash, and the employees entitled to receive the remuneration include the employees of parents or subsidiaries of the company meeting certain specific requirements.</p>	<p>Article 24</p> <p>The Company shall distribute no lower than 5% of the profit of the year as the employees' remunerations (<u>with no lower than 5% of this amount designated for non-executive employees</u>), and no more than 2% of the same as the directors' remunerations; however, the accumulated losses shall be offset first. The "profit of the year" in the preceding paragraph refers to the income after the pre-tax income of the year deducting the distribution of the employees' and directors' remunerations. The distribution of the employees' and directors' remunerations shall be resolved by the majority of the attending directors in a board meeting attended by two-third or more of the all directors, and reported to the shareholders' meeting. The employee's remuneration may be paid in shares or cash, and the employees entitled to receive the remuneration include the employees of parents or subsidiaries of the company meeting certain specific requirements.</p>	In compliance with laws and regulations
<p>Article 26</p> <p>The Articles of Incorporation were established on August 12, 2009 upon the agreement of all initiators. The 1st to the 7th amendment (omitted).</p>	<p>Article 26</p> <p>The Articles of Incorporation were established on August 12, 2009 upon the agreement of all initiators. The 1st to the 7th amendment (omitted). <u>The 8th amendment was made on June 23, 2025.</u></p>	To add the amendment date

Proposal 2

Proposed by the Board of Director

Cause: please vote for the proposal to release directors from the non-compete restrictions.

Description:

1. As the directors of the Company may invest or engage in other companies with identical or similar business as the Company; with the premise that no harm to the Company's interests, it is intended to release the directors from the non-compete restrictions pursuant to Article 209 of the Company Act.
2. Attached please find the table detailing the new concurrent positions held by the directors in other companies (pages 32~33). Please vote.

Resolution:

Compal Broadband Networks, Inc.

Positions held concurrently in the company and/or in any other company

Title	Name	Positions held concurrently in the company and/or in any other company
Chairman	Wong, Chung-Pin	<p>Chairman: Compal Broadband Networks; HippoScreen Neurotech Corp.; Shennona Co., Ltd.; Rayonnant Technology Co., Ltd.; Henghao Technology Co., Ltd.; UNICOM GLOBAL, INC.; Starmems Semiconductor Corp.; POINDUS SYSTEMS CORP.; Compal USA (Indiana), Inc.; Wah Yuen Technology Holding Ltd. Compal Healthcare and Technology Ltd.</p> <p>Executive Director: Compower Global Service Co., Ltd.</p> <p>Director: Taiwan Sanga Co., Ltd., Taiwania Capital Biotechnology VIII Corporation, Compal System Trading (Kunshan) Co., Ltd., Compal Information Technology (Kunshan) Co., Ltd., Compal Information (Kunshan) Co., Ltd., Compal Electronics Technology (Kunshan) Co., Ltd., Compal Electronics (Chengdu) Co., Ltd., Compal Electronics (ChongQing) Co., Ltd., Compal Digital Technology (Kunshan) Co., Ltd., Compal Investment (Sichuan) Co., Ltd., Compal Management (Chengdu) Co., Ltd., Allied Power Holding Corp., Auscom Engineering Inc., Compal Connector Manufacture Ltd., HengHao Holdings A Co., Ltd., HengHao Holdings B Co., Ltd., Primetek Enterprises Ltd., Sirql Inc., Varlink Limited</p> <p>Supervisor: Hong Ya Technology Corporation</p>
Director	Chen, Rui-Tsun	<p>Chairman: Compal Electronics, Inc.; Arcadyan Technology Corporation, Ripal Optotronics Co., Ltd., Palcom International Corporation, General Life Biotechnology Co., Ltd., ARCE Therapeutics, Inc., UniCore Biomedical Co., Ltd., Aco Healthcare Co., Ltd., Raypal Biomedical Co., Ltd., River Regeneration and Rejuvenation Biotechnology Co. Ltd., Gempal Technology Corp., Panpal Technology Corp., Hong Ji Capital Co., Ltd., Hong Jin Investment Co., Ltd., Kinpo&Compal Group Assets Development Corporation, Ray-Kwong Medical Management Consulting Co., Ltd., Compal System Trading (Kunshan) Co., Ltd., Compal Smart Device (Chongqing) Co., Ltd., Compal Smart Device India Private Limited.</p> <p>Director: Compal Broadband Networks, Inc., Mactech Co., Ltd., HengHao Technology Co. Ltd., UNICOM GLOBAL, INC., Kinpo&Compal Group Assets Development Corporation, Compal Ruifang Health Assets Development Corporation, Phoenix Innovation Venture Capital Co., Ltd., Compal Electronics Technology (Kunshan) Co., Ltd., Compal Information (Kunshan) Co., Ltd., Compal Information Technology (Kunshan) Co., Ltd., Compal Digital Technology (Kunshan) Co., Ltd., Compal Electronics (Chengdu) Co., Ltd., Compal Electronics (ChongQing) Co., Ltd., Compal Electronics, (China) Co., Ltd., Compal Optoelectronics (Kunshan) Co., Ltd., Compal Display Electronics (Kunshan) Co., Ltd., Compal Networking (Kunshan) Co., Ltd., Kunshan Botai Electronics Co., Ltd., Compal Investment (Sichuan) Co., Ltd., Compal Investment (Jiangsu) Co., Ltd., Compal Management (Chengdu) Co., Ltd., Compal (Vietnam) Co., Ltd., Compal Development & Management (Vietnam) Co., Ltd., Ascendant Private Equity Investment Ltd., Arcadyan Holding (BVI) Corp., Arch Holding (BVI) Corp., Billion Sea Holdings Ltd., Big Chance International Co., Ltd., Bizcom Electronics, Inc., Center Mind International Co., Ltd., Compal Americas (US) Inc., Compal Display Holding (HK) Limited, Compal Electronics International Ltd., Compal Electronics N.A. Inc., Compal Electronics (Holding) Ltd., Compal International Ltd., Compal International Holding Co., Ltd., Compal International Holding (HK) Limited, Compal Rayonnant Holdings Ltd., Compal USA (Indiana), Inc., Compalead Electronics B.V., Compal Wise Electronic (Vietnam) Co., Ltd., Core Profit Holdings Ltd., Etrade Management Co., Ltd., Flight Global Holding Inc., Forever Young Technology Inc., Fortune Way Technology Corp., Giant Rank Trading Ltd., Goal Reach Enterprises Ltd., HengHao Holdings A Co., Ltd., HengHao Holdings B Co., Ltd., High Shine Industrial Corp., Intelligent Universal Enterprise Ltd., Jenpal International Ltd., Just International Ltd., Prospect Fortune Group Ltd., Prisco International Co., Ltd., Smart International Trading Ltd., Sinoprime Global Inc., Wah Yuen Technology Holding Ltd., Webtek Technology Co., Ltd., Director of Chengdian Culture and Education Foundation</p> <p>Independent Director: Powertech Technology Inc.</p>

Title	Name	Positions held concurrently in the company and/or in any other company
Director	Wang, Yu-Ho	Director: Compal Broadband Networks; Compal Broadband Networks Belgium BVBA; Compal Broadband Networks Netherlands B.V. Vice Chairman: Starmems Semiconductor Corp. President: Compal Broadband Networks
Director	Tsai, Rong-Jin	Chairman: RayMX Microelectronics Corp.; Cheng-Chi Technology Ltd. Director: Compal Broadband Networks VP of Marketing: Realtek Semiconductor Corp.
Independent Director	Weng, Chien-Ren	Director: FLH Co., Ltd. Independent Director: Compal Broadband Networks
Independent Director	Mao, Ying-Wen	Chairman: Sitronix Technology Corp.; Sitronix Investment Corp.; Forcelead Technology Corp.; and Sitronix Holding International Limited. Director: Sensortek Technology Corp.; MCORE TECHNOLOGY CORP.; SYNC-TECH SYSTEM CORP.; INFOSITRONIX TECHNOLOGY CORP.; Silicon Power Computer & Communications Inc.; EZGLOBAL NETWORK SERVICE INC.; Director, Fong Huang Innovation Investment Co., Ltd., Director, Fong Huang II Innovation Investment Co., Ltd, Director, Fong Huang III Innovation Investment Co., Ltd., Director, Fong Huang IV Innovation Investment Co., Ltd. CEO: Sitronix Technology Corp. and Forcelead Technology Corp. Independent Director: Compal Broadband Networks
Independent Director	Chen, Miao-Ling	Independent Director: Compal Broadband Networks and Taiwan Financial Holding Co., Ltd.

Extempore Motions

Extempore Motions

Appendices

Appendix I

Compal Broadband Networks, Inc. Rules of Procedure for Shareholders Meetings

Article 1	The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
Article 2	The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
Article 3	Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors. The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall also prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
Article 4	Election or dismissal of directors, amendments to the articles of incorporation, dissolution, merger, split, or any matter under Article 185, paragraph 1 of the Company Act, shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. Any matter under Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.
Article 5	A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda. The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention.
Article 6	The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. Shareholders or proxies appointed by the shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7	<p>For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.</p>
	<p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</p>
	<p>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p>
Article 8	<p>If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.</p>
	<p>When a director or a director serves as chair, as referred to in the preceding paragraph, the director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.</p>
	<p>It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.</p>
	<p>The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.</p>
Article 9	<p>Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p>
	<p>The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p>
	<p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act.</p>
	<p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</p>
Article 10	<p>If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.</p>
	<p>The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.</p>
	<p>The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.</p>
	<p>The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote.</p>
Article 11	<p>Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name.</p>

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

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

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

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

Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When being public listed, the Company specifies the electronic means is one approach for the shareholders to exercise the voting rights. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders.

Article 14

The proposal is deemed approved if no dissent is expressed when all attending shareholders are consulted by the chair; in case of any dissent, the poll shall be taken as specified in the preceding paragraph. Other than the proposals in the agenda, any other proposal, or amendment or alternative to an original proposal proposed by any shareholder, shall be seconded by other shareholders.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 15
Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders.
Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
The resolution approach in the Article, is to consult the shareholders by the chair; if there is no dissent, it shall be recorded as "approved without dissent from any attending shareholder consulted by the chair;" provided, if any shareholder express dissent, it shall specify the poll is taken and the proportion of voting rights in favor to the total voting right.

Article 16
The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.
The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 17
Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.
When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18
When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.
A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19
The Company beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.
The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 20
Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. Production and distribution of meeting minutes may be conducted electronically.
The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results. The minutes shall be retained for the duration of the existence of the Company.

Article 21
On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 22 These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Article 23 The Operational Procedures were established on May 7, 2013, resolved by the board of directors, and implemented on June 21, 2013 upon the resolution of the shareholders' meeting.

The 1st amendment was made on May 24, 2017, resolved by the board of directors, and implemented on June 27, 2017 upon the resolution of the shareholders' meeting.

The 2nd amendment was made on March 13, 2018, resolved by the board of directors, and implemented on June 8, 2018 upon the resolution of the shareholders' meeting.

Appendix II

Compal Broadband Networks, Inc.

Articles of Incorporation

Chapter I General Principles

Article 1 The Company is incorporated pursuant to the Company Act, and named as 鐵寶科技股份有限公司, or Compal Broadband Networks, Inc. in English.

Article 2 The Company engages in the following business:

1. CC01060 Wired Communication Mechanical Equipment Manufacturing.
2. CC01070 Wireless Communication Mechanical Equipment Manufacturing.
3. CC01080 Electronics Components Manufacturing.
4. CC01101 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing.
5. CC01110 Computer and Peripheral Equipment Manufacturing.
6. E701030 Controlled Telecommunications Radio-Frequency Devices Installation Engineering.
7. F113070 Wholesale of Telecommunication Apparatus.
8. F213060 Retail Sale of Telecommunication Apparatus.
9. F401010 International Trade.
10. I501010 Product Designing.
11. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 The Company may make guarantee externally if the business requires.

Article 4 The Company locates the headquarter in Hsinchu County, and may establish branches, plants, or office domestically or internationally upon the board of directors' resolution when required.

Article 5 The Company may reinvest more than 40% of the paid-in capital in aggregation, and may reinvest in other companies as a shareholder with limited liability.

Chapter II Shares

Article 6 The total capital of the Company is One Billion New Taiwan Dollars, divided into One Hundred Million shares with par value NT\$10 per share; shares may be issued in batches. One Hundred Million New Taiwan Dollars in the registered total capital, or Ten Million shares are reserved for employees to exercise their warrants, or conversion of convertible corporate bonds with share subscription rights. The unissued shares may be issued in batches upon the board of directors' resolution.

Article 6-1 For the treasury shares bought by the Company pursuant to the Company Act, share subscription warrants, restricted stock for employees, and employee's subscription in a new share issuance, the employees of parents or subsidiaries of the company meeting certain specific requirements are entitled to receive such as well.

Article 7 The Company's shares are registered, and signed/sealed by three or more directors, numbered, and certified by the competent authority or the institution authorized by the competent authority for issuance and registration before issuance.

The Company may be exempted from printing the certificate(s) of shares for issuance, but shall register the issued shares with a centralized securities depository enterprise and follow the regulations of that enterprise. Unless otherwise specified, for the shareholders' service, or the exercise of any right by a shareholder, the Regulations Governing the Administration of Shareholder Services of Public Companies shall be complied with.

Article 8 The entries in its shareholders' roster shall not be altered within 60 days prior to the convening date of a regular shareholders' meeting, within 30 days prior to the convening date of a special shareholders' meeting, or five days prior to the base date of dividends, bonus, or other interest distribution.

Chapter III Shareholders' meeting

Article 9 Shareholders' meeting shall be two kinds, regular and special. The regular one is held at least once every year, within six months from the end of each fiscal year. The special one is convened pursuant to laws when necessary.

A notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. A meeting notice shall be given to each shareholders no later than 15 days prior to the scheduled meeting date.

The reasons for convening a shareholders meeting shall be specified in the meeting notice. With the consent of the addressee, the meeting notice may be given in electronic form.

Article 9-1 When the shareholders' meeting of the company is held, it may be held by videoconference or other methods announced by the Ministry of Economic Affairs.

Article 10 If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair. If a

shareholders meeting is convened by a party other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves. designation, the directors shall select from among themselves one person to serve as chair.

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company, sealed or signed, and stating the scope of the proxy's authorization, pursuant to Article 177 of the Company Act.

Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies shall be complied with if proxy forms are used by the attending shareholders.

Article 11 Other than under restrictions or in the circumstances specified in Article 179 of the Company Act, each share is entitled for one voting right. When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When being public listed, the Company specifies the electronic means is one approach for the shareholders to exercise the voting rights.

Article 12 Other than the Company Act stipulates otherwise, the resolutions of the shareholders' meetings shall be adopted by the majority of the attending voting rights in a shareholders' meeting attended by the majority of the issued shares.

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. Production and distribution of meeting minutes may be conducted electronically. Production and distribution of meeting minutes may be conducted in the way of public announcement.

Chapter IV The Board of Directors and Functional Committees

Article 13 The Company establishes five to eleven directors; they shall be elected from among the shareholders with disposing capacity.

The Company may obtain directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship. The Company may establish the independent directors within the aforesaid directors. The independent directors shall be two and one-fifth of all directors at minimum. The candidate nomination system is adopted for the shareholders to elect from the independent director candidate list. The professional qualifications, shareholding, concurrent position restriction, nomination and election methods, and other matters to be complied with, the related laws and regulations shall be observed.

The election of directors shall comply with the related laws and regulations and the Company's Procedures for Election of Directors. When being public listed, the candidate nomination system shall be adopted, for the shareholders to elect from the director candidate list.

The Company may establish the Audit Committee pursuant to the securities and exchange laws and regulations; the committee consists of all independent directors, and one of them is the convener, with at least one member shall have the expertise in accounting or finance. The Audit Committee establish by the Company pursuant to laws, is responsible to exercise the supervisors' power granted by the Company Act, the Securities and Exchange Act, other laws and regulations, and the Company's Articles of Incorporation and other regulations.

When required by the business, the board of directors may establish the Remuneration Committee or other functional committee pursuant to laws and regulations.

Article 14 The term of director's office is three years, and the re-election is permitted.

When the vacancies of the board reaches one third of all directors, the special meeting of shareholders for electing succeeding directors shall be convened by the board of directors within 60 days.

After establishing the independent directors, and the dismissal of independent director results in the number of independent director is short from the requirement of the Articles of Incorporation, such vacancies shall be filled in the soonest shareholders' meeting; if all independent directors are dismissed, the special meeting of shareholders for electing directors shall be convened directors within 60 days fro the date of occurrence.

The term of office for the directors and independent directors by-elected, shall only be the remaining term of the precedent directors.

Article 15 The board of directors are formed by directors, and the chairman is elected from directors with the majority of the attending directors in the meeting attended by two-third or more directors, to execute all affairs pursuant to the laws and regulations, the Articles of Incorporation, and resolutions of shareholders' meetings and boards meetings. The chairman of the board of directors shall internally preside the shareholders' meeting, and the meeting of the board of directors; and shall externally represent the company.

Article 16 The Company's operating guidelines and other key matters are conducted upon the resolution of the board of directors. Other than the first meeting of each term of the board, which is convened by the director won the most voting rights, the board meetings are convened by the chairman.

The powers of the board of directors are the follows:

1. Appointment and discharge of managerial officers.
2. Review of budget and settlement.
3. Formulation and proposal of earning distributions or deficit offset.
4. Approved key regulations and contracts.

	<p>5. Review of real property transactions and investments in other business.</p> <p>6. Other power granted pursuant to the Company Act and resolutions of the shareholders' meeting.</p>
Article 17	<p>The convention of a board meeting shall be noticed to each director seven days prior to the meeting, and the causes shall be specified. However, the board meeting may be convened whenever in emergency. With the consent of the addressee, the board meeting notice may be given in electronic form, such as correspondence, fax, or e-mail.</p>
Article 18	<p>The resolutions of the board shall be adopted by a majority vote of the directors at a meeting of the board of directors attended by at least two-third of the entire directors, unless the Company Act specifies otherwise. In case a director appoints another director to attend a meeting of the board of directors in his/her behalf when he/she is unable to attend in person, he/she shall issue a written proxy and state therein the scope of authority, and one proxy for each director only.</p>
Article 19	<p>When the chairman is on leave or unable to exercise the power, Article 208 of the Company Act shall be complied with for his/her deputy.</p>
Article 19-1:	<p>The Company may convene a shareholders' meeting by video conference or in other methods as announced by the Ministry of Economic Affairs.</p>
Article 20	<p>(Deleted)</p>
Article 21	<p>The directors shall be paid with salaries for conducting business for the Company regardless the profit of loss. The remunerations of all directors shall be proposed by the Remuneration Committee to the board of directors for resolutions by referring their participations to the operation and value of the contributions, as well as the peer's level.</p>
	Chapter V Managerial Officer
Article 22	<p>The Company may establish managerial officers; Article 29 of the Company Act shall be complied with for their appointments, discharges, and remunerations.</p> <p>After the Company establishes the Remuneration Committee pursuant to the securities and exchange laws and regulations, the Remuneration Committee proposes the managerial officers' remunerations to the board of directors for resolutions.</p>
	Chapter VI Accounting
Article 23	<p>The Company's fiscal years are from January 1 to December 31.</p> <p>At the end of each fiscal year, the Company shall have the board of directors to prepare the following books and statement, and submit such to the shareholders' meetings for ratifications pursuant to the statutory procedures.</p> <p>I. Business plans</p> <p>II. Financial statements</p> <p>III. Proposal of earning distributions or deficit offsets.</p> <p>For the proposal of earning distributions in the preceding paragraph, the board of directors is authorized to resolve the cash distribution for the shareholders' dividends and bonuses pursuant to the Articles of Incorporation, and needs not to be ratified by the shareholders' meeting.</p>
Article 24	<p>The Company shall distribute no lower than 5% of the profit of the year as the employees' remunerations, and no more than 2% of the same as the directors' remunerations; however, the accumulated losses shall be offset first. The "profit of the year" in the preceding paragraph refers to the income after the pre-tax income of the year deducting the distribution of the employees' and directors' remunerations.</p> <p>The distribution of the employees' and directors' remunerations shall be resolved by the majority of the attending directors in a board meeting attended by two-third or more of the all directors, and reported to the shareholders' meeting.</p> <p>The employee's remuneration may be paid in shares or cash, and the employees entitled to receive the remuneration include the employees of parents or subsidiaries of the company meeting certain specific requirements.</p>
Article 24-1	<p>If there is any surplus in the Company's earnings as concluded by the annual accounting book close, after paying tax and making up for accumulated losses, 10% shall be set aside as legal reserve, except when the legal reserve has reached the Company's paid-in capital, and the remainder shall be set aside or reversed as special reserve in accordance with the law; if there is any remaining earnings, the balance plus the accumulated undistributed earnings may be proposed by the board of directors for distribution upon the resolution of the shareholders' meeting; provided, the distribution may be exempted if the EPS is less than NT\$1.</p> <p>The Company authorizes the board meeting attended by two-third or more directors, and the resolution by the majority of the attended directors, to distribute all or part of the shareholders' dividends and bonus, capital reserve, or surplus reserve in cash, and report to the shareholders' meeting.</p> <p>The Company is in the stage of operation growth; the dividend distribution policy shall consider the operating environment, operating performance, and financial structures, among other things, for the distribution. No less than 10% of the distributable earnings shall be provided for shareholder's bonus; provided, the board of directors may adjust the percentage based on the overall operating conditions at that time, and submit the proposal for the</p>

resolution of shareholders' meeting. However, the cash dividends distributed to the shareholders must not less than 10% of the sum of the cash and share dividends.

Chapter VII. Supplementary Principles

Article 25
Article 26

For anything no mentioned in the Articles of Incorporation, the Company Act and related laws and regulations. The Articles of Incorporation were established on August 12, 2009 upon the agreement of all initiators.
The 1st amendment was made on June 27, 2011.
The 2nd amendment was made on June 22, 2016.
The 3rd amendment was made on June 27, 2017.
The 4th amendment was made on June 8, 2018.
The 5th amendment was made on June 28, 2019.
The 6th amendment was made on August 30, 2021.
The 7th amendment was made on June 27, 2022.

Appendix III.

Compal Broadband Networks, Inc.

Shareholdings of All Directors

Book closure date: Apr 25, 2025

Title	Name	Number of shares (shares)	%
Chairman	Compal Electronics, Inc. Representative: Wong, Chung-Pin		
Director	Compal Electronics, Inc. Representative: Chen, Jui-Tsung	29,060,176	43.16%
Director	Compal Electronics, Inc. Representative: Wang, Yu-Ho		
Director	Rui Xin Investment Co., Ltd. Representative: Tsai, Rong-Jin	3,575,000	5.31%
Independent Director	Weng, Chien-Ren	0	0.0%
Independent Director	Mao, Ying-Wen	0	0.0%
Independent Director	Chen, Miao-Ling	0	0.0%
Total		32,635,176	48.47%

Note 1: Pursuant to the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies,” where the paid-in capital of the company is more than NT\$300 million but NT\$1 billion or less, the total registered shares owned by all directors shall not be less than ten percent of the total issued shares; the total registered shares owned by all supervisors shall not be less than one percent of the total issued shares.

The statutory shareholding is calculated as follows:

- No fewer than 5,386,852 shares for all directors.
- The Company has the Audit Committee in place, and thus the statutory shareholding for the supervisors is not applicable.

Appendix IV.

Other Matters to Be Explained

Acceptance of shareholders' proposals for this regular shareholders' meeting:

- I. Pursuant to Article 172-1 of the Company Act, a shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.
- II. For the 2025 regular shareholders' meeting, the Company accepted shareholders' proposals from April 11, 2025 to April 21, 2025, and publicly announced on MOPS pursuant to laws.
- III. The Company received no proposal from any shareholders during the period above.