D-Link 2332 TT

Management's AGM Presentation to Shareholders

Chairwoman and CEO: Lori HU
Senior Vice-President: Evelyn WANG



May 2020

D-Link

Executive Summary – why we are here

Management needs your support to ensure D-Link's long-term sustainability



R&D Investment is key to future gains

We have started to make gains after focusing on R&D Investment for the long-term viability of D-Link Corporation. The company needs a stable board and professional management to continue to leverage current strategy and execute our long-term plans.

Management-supported board will add value

Management-supported board of director candidates will add valuable expertise, additional independence and diversity in knowledge, age and gender.

Dissident shareholder's objectives are unclear

There are numerous concerns over the quality and composition of the dissident shareholder nominee list as well as unanswered questions surrounding Taiwan Steel Group's interest in D-Link Corporation.

Support us to secure D-Link's future

We are asking for your support in voting for Management-nominated candidates in order to help secure a majority board and ensure that the company is not at risk of falling into the hands of private interests.

D-Link At a Glance



Who We Are

Established in **1986**, one of the world's leading networking companies

Performance

2019 Revenue USD **568** million

Staff

Over **2,000** employees.

Approximately **500** employees in R&D

Business Segments

Consumer / Enterprise / Carrier

Global Presence

And Business Segments



- Consumer
- Enterprise
- Carrier

120 Local Sales Offices

Over 120 local sales offices in 50+ countries.

21 Regional Warehouses

21 Regional warehouses in 15 countries.

50 RMA Repair Centers

Over 50 RMA repair centers around the globe.

Product Portfolio

2019



Business Networking



Integrated Business Solutions



Wireless



Broadband



Mobile Access



Surveillance



Integrated Consumer Solutions



Passive

Global Recognition

Product Design & Innovation

CES Innovation Awards 2019



Good Design Award 2018



iF DESIGN AWARD 2018



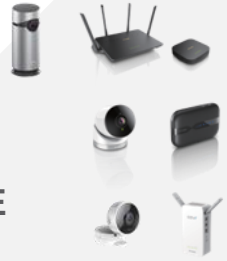
CES Innovation Awards 2018



Computex d&i Award 2018



TAIWAN EXCELLENCE 2018



Our Customers

Global Retail (Consumer)



Our Customers

Global Verticals (Enterprise)

Hospitality















Health Care











Retail













Education







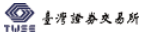




Government











E-tailer











Our Customers

Global Service Providers (Carrier)

North America



EMEA



South America



ASIA



D-Link

Company performance and future strategy

D-Link 2332 TT



Transforming from traditional to future-proof



Transform to Service-centric

2003 – R&D team moved to Alpha Networks (3380 TT)
In 2003, when D-Link separated our OEM/ODM manufacturing operations into Alpha Networks, the R&D team and manufacturing facilities were moved into that company.

A decade of intensifying competition
As a brand company without a strong R&D team, we have faced intensifying competition from China's red supply chain for more than a decade. To rebuild our D-Link brand, we initiated a business transformation plan – D-Link 2.0, since 2015.

Service-centric not hardware-centric
The transformation plan echoes our Founder, Mr. Ken Kao's blueprint dating back to 2008 that D-Link should transform into a **service-centric company** instead of a hardware-centric company.

D-Link

D-Link 2.0 – Business transformation plan

From Consumer-centric to Enterprise/Carrier Centric

Our goal is to offer customers value-added services to transform D-Link from a consumer-centric networking hardware provider to **a more service-centric solutions provider with a more balanced customer portfolio seeking to grow our** enterprise and carrier segments along with our consumer segment.

1

Investing in **R&D in software and ecosystem** to enhance user experience

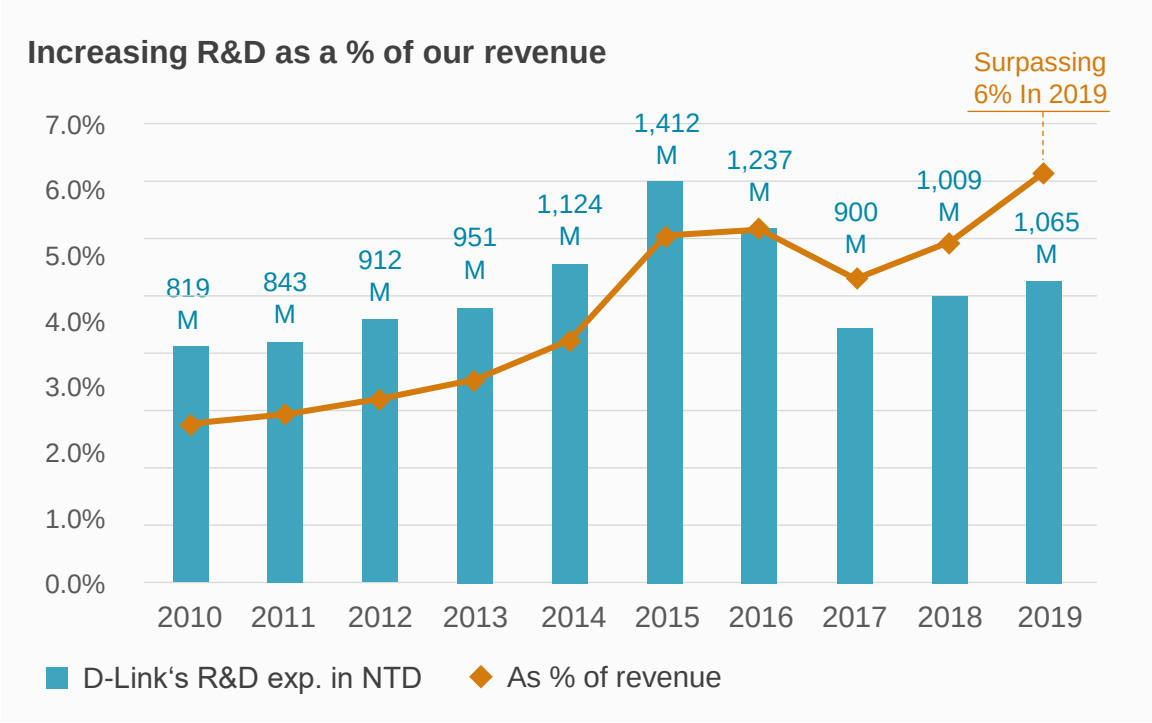
2

Reviewing and reorganizing company resources and shutting down loss-making areas

3

Building effective teams to bring in enterprise and carrier customers

Current management needs time to build up capabilities



We are in the process of…

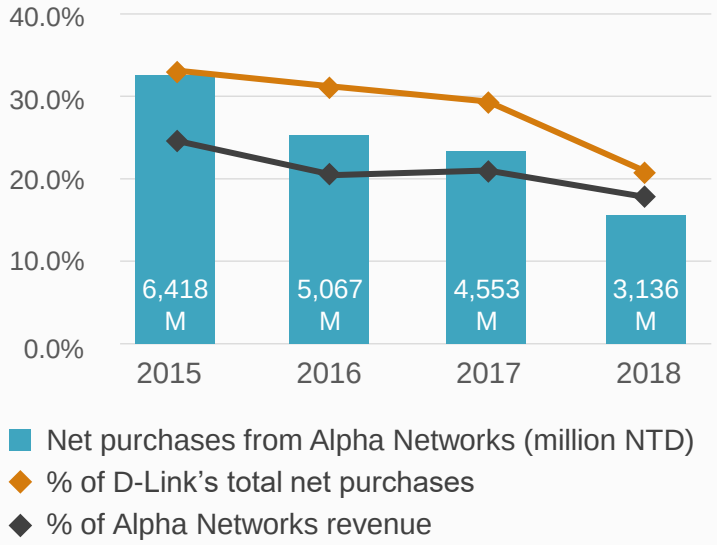
- **Adjusting our business models** to accommodate the needs for different customer segments
- **Building effective teams in different regions** to service enterprise and carrier customers, as the skill sets are very different from servicing retail customers

Source: Company data; Annual reports

We must continuously invest in R&D

As we diversify our source of suppliers and move from lower-end to higher-end offerings

Net purchases from Alpha Networks (3380 TT) have been reduced as we focus on long-term competitiveness



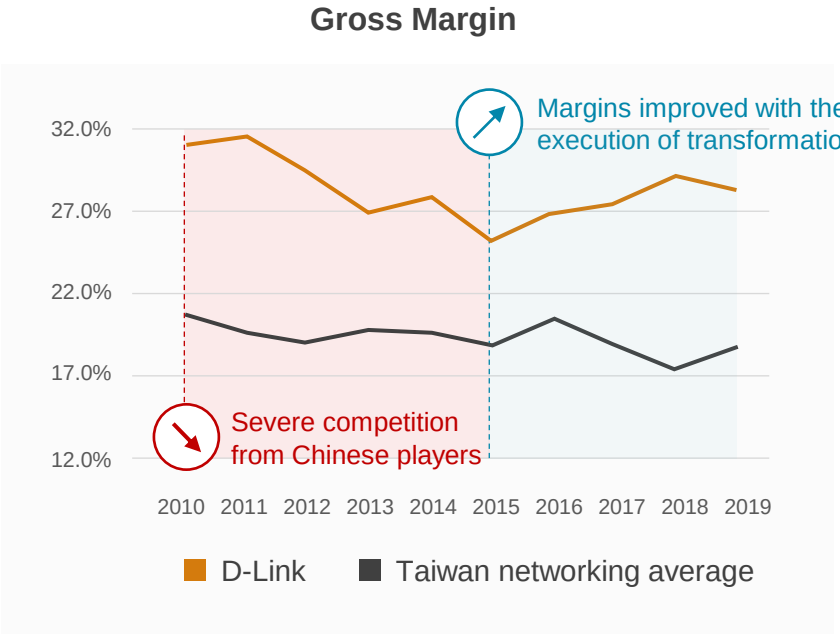
- We must continuously invest in R&D to build up our own software capability and strengthen our long-term competitiveness, although it will not drive material revenue contribution in the near-term.
- We have reduced purchases from Alpha Networks (3380 TT) as we focus on higher-end offerings.

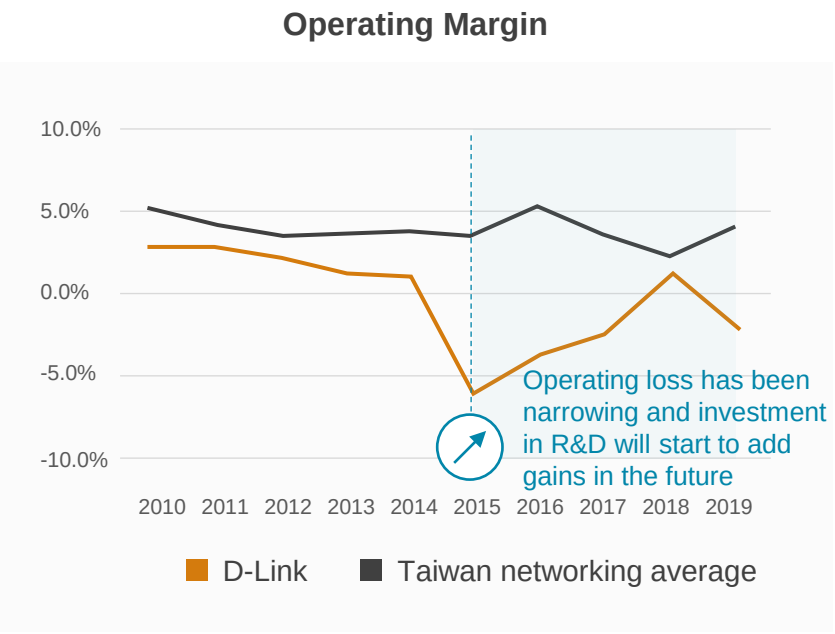
*D-Link Corporation currently holds ~19% of Alpha Networks' shares

Source: Company data; Annual reports

Seeing initial results from investment in R&D

Gross margin has improved significantly from **24.2%** to close to **30% in four years**



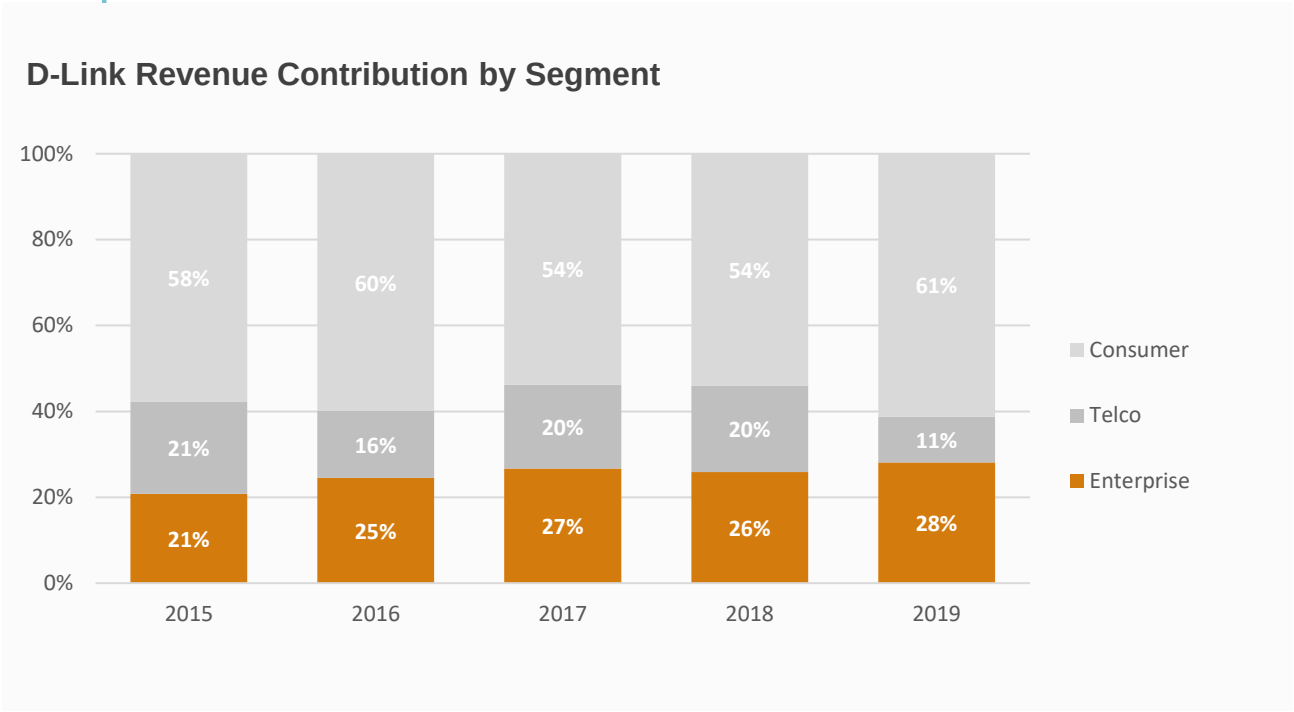


- Taiwan networking average includes Accton (2345 TT), SerComm (5388 TT), Alpha Networks (3380 TT), Arcadyan (3596 TT), Wistron (3231 TT), Senao (2450 TT), GEMTEK (4906 TT), Unizyx (3704 TT)

*Source: Company Annual Reports; Bloomberg; TEJ

Enterprise exposure has been increasing

Although carrier exposure declined in 2019 due to delay in a large UK project, revenue exposure in enterprise has increased over time.



- We had some large successful deployments in enterprise and carrier segments over the last few years.

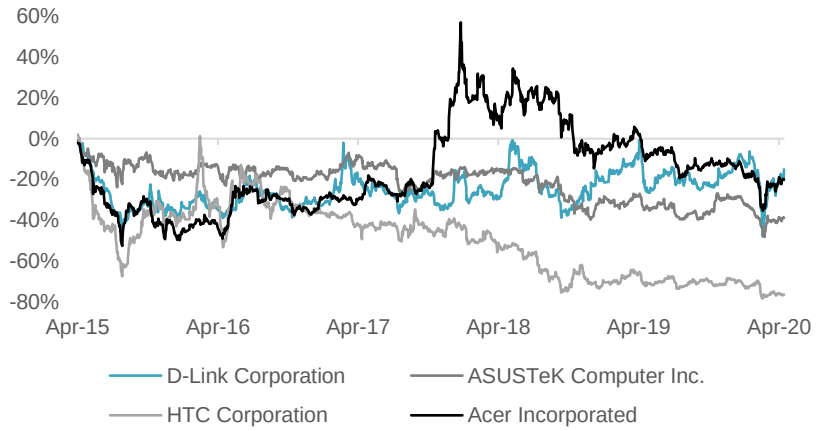
Source: Company data

Taiwan brands face strong competition

Comparison vs. Branded Taiwan Peers

Bloomberg TSR - annualized	YTD	3 Yr	5Yr
D-Link Corporation (2332 TT)	**-2.03%**	**4.72%**	**-1.44%**
ASUS (2357 TT)	-31.48%	-4.90%	-2.15%
HTC Corporation (2498 TT)	-52.96%	-25.15%	-23.57%
Acer Incorporated (2353 TT)	-20.60%	6.68%	0.12%

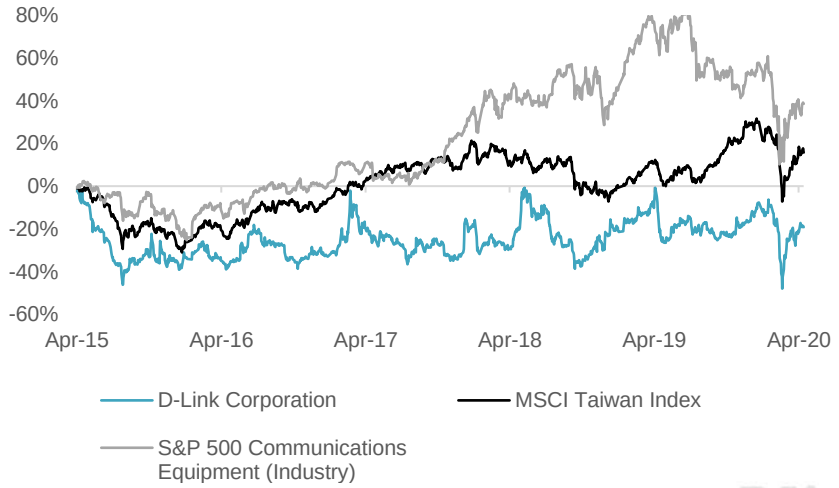
Stock performance



Comparison vs. Index

Bloomberg TSR - annualized	YTD	3 Yr	5Yr
D-Link Corporation (2332 TT)	**-2.03%**	**4.72%**	**-1.44%**
MSCI Taiwan Index	-23.24%	8.22%	7.02%
S&P 500 Communications Equipment (Industry)	-21.11%	10.73%	9.82%

Stock Performance



*Source: Bloomberg TRA function, assumes immediate re-investment of cash dividends into stock; YTD as at 20200428.

ESG a priority in D-Link's future

D-Link has made some solid progress in terms of disclosure, environmental policies and improving our corporate governance structure…

- ✓ Publish annual sustainability report adhering to GRI Standards and AA1000 in both English and Chinese
- ✓ Data Security with Product Security Certification and Information Security Management System
  - IEC 62443-4-1 (2020 Q2-Q3)
  - ISO 27001
- ✓ Electronic Recycling Program implemented
- ✓ ECO-design considerations in product development
- ✓ D-Link Charitable Foundation



The new DGS-1016C switch is **30% smaller in size**, and **5% Lighter** than the previous generation.

…but we still have areas to improve

- ☐ A more diversified board in terms of skillsets and knowledge, gender and age that can better support future strategies with growing competition
- ☐ Board Evaluation policy and process
- ☐ Work to improve disclosure in both languages for internal policies, financial and material information
- ☐ Continue to work with our supply chains on sustainability oversight
- ☐ Taiwan Corporate Governance Evaluation implementing global best practices

Source: D-Link Corporation CSR Report; Company data

AGM – Contested Election

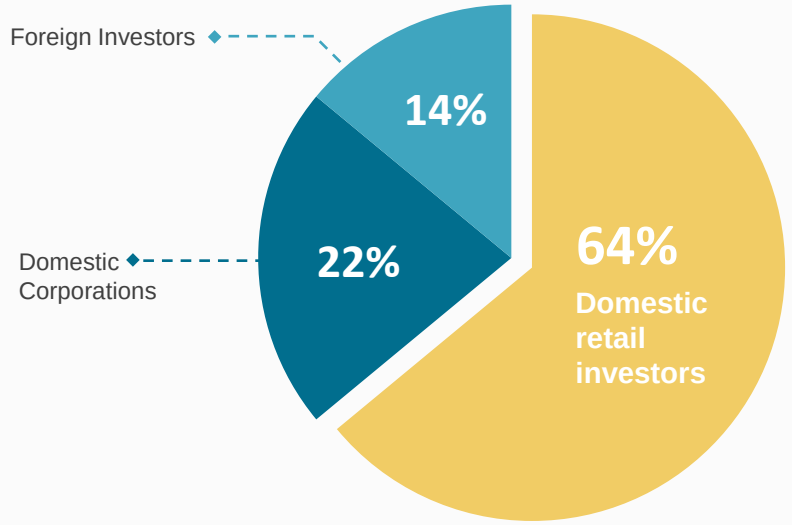
A dissident shareholder, Taiwan Steel Group, has a pattern of seeking control of boards using a small percentage of shareholding and collecting local retail proxy. As a private entity with little transparency there is also evidence of destroying shareholder value for the public companies that they control.



D-Link

Domestic retail investors hold the majority of D-Link's shares

64% retail investors has made D-Link a target for dissident shareholders who are able to secure the domestic proxy voting vendor channels and then allocate the votes to their preferred candidates.



Top 10 Shareholders	Ownership
Sapido Technology Inc.	5.16 %
Gaoju Investment Co., Ltd.	3.38 %
Jerry Investments Limited	2.82 %
Chia-Hwa Investment Co., Ltd.	2.69 %
Pu Chu Investment Co., Ltd.	1.92 %
John Lee	1.73 %
Alpha Networks Inc.	1.62 %
Vanguard Total International Stock Indx Fund	1.56 %
iShares IV Public Limited Company	1.52 %
Li-Chun Tso	1.23 %

Source: D-Link Annual Report 2019

June 1st EGM : Background & Concerns



Former independent Directors (CHUNG and FONG) have initiated a redundant and resource-wasting EGM **only weeks before the regularly scheduled annual shareholder meeting**

Legality of the June 1st EGM is under question:
In the Taiwan market, independent directors are authorized to convene an extraordinary shareholder meeting (EGM) if deemed necessary. Since these two directors have been lawfully discharged the legality of this EGM is still being assessed.

Removing 5 directors would leave only 1 board member:
The EGM called by these two former independent directors only includes agenda items to remove 5 current directors on the board.

EGM proposals are redundant:
The entire board of directors will be re-elected on June 29th and shareholders have the opportunity and the right to vote for their preferred board candidates rendering **this extraordinary shareholder meeting completely redundant** and a **waste of resources**.

Source: Company Act; M.O.P.S.

June 1st EGM : Background & Concerns



EGM may have been convened only **to obtain access to the shareholder list to source proxies**

FONG Chun-Peng's EGM intentions are questionable:
Former independent director (FONG, Chung-Peng馮忠鵬) has also been nominated as a *corporate representative* of the dissident shareholder in the upcoming June 29th board election which could **give cause for some uncertainty regarding his objectivity in calling the EGM**. In Taiwan regulations, dissident shareholders are not provided access to the shareholder registrar, unless the investor is qualified to call an EGM by having held 50% of outstanding shares for a period of three months (Company Act Article 173-1).

The dissident shareholder *D-Link Investment Co, Ltd *only holds 1% of the shares outstanding*. On the other hand*, independent directors are authorized to convene an EGM and are then provided access to the company's shareholder list.*

➔ **There is a legitimate concern that FONG, Chung-Peng will provide the shareholder list to the dissident shareholder group that he has been nominated to represent**.

Source: Company Act; M.O.P.S.

Dissidents backed by Taiwan Steel Group (TSG)



D-Link Investment Co (友訊投資有限公司) was created on Dec 5th, 2019 by an associate of the Taiwan Steel Group. The Chairman of the Taiwan Steel Group has announced publicly that these candidates are supported and backed by TSG.

The Chairman of TSG, Joseph Wang, stated publicly in April that Taiwan Steel Group has been investing in D-Link (2332 TT) for three years.

The Company registrar for the past three years **does not show** any TSG-related investment prior to the April 2020 records. This public statement by Joseph Wang is false, barring evidence to the contrary from TSG.

Taiwan Steel group has not been a long-term shareholder of D-Link Corporation.

Sources: MOPS, Bloomberg; D-Link annual report; Company Data;
Public Company Registration for D-Link Investment Co (友訊投資有限公司)
Articles referenced: Taiwan Steel Group acquires D-Link shares for three years

Dissidents backed by Taiwan Steel Group (TSG)



TSG seeking value for whose shareholders?

According to a media interview TSG-Chairman Joseph Wang stated that the value of D-Link lies in its cash, headquarters building in Neihu, products, brand, and shares of Alpha Networks (3380 TT).

It is uncertain if D-Link Corporation's assets would be used to create additional value for the stakeholders of D-Link (2332 TT) or rather augment the value of the private entity of Taiwan Steel Group and its private shareholders' interests.

Taiwan Steel Group **has a clear history of destroying shareholder value** for publicly-listed companies that it manages (see following slide) either through acquisition or the less expensive method of contesting the board and using proxy votes to gain majority control.

Sources: MOPS, Bloomberg; D-Link annual report; Company Data;
Public Company Registration for D-Link Investment Co (友訊投資有限公司)
Articles referenced: Taiwan Steel Group acquires D-Link shares for three years

Taiwan Steel Group: Clear track record of destroying shareholder value

Ticker	Public Companies*	% of shares held by TSG-related entities or persons	TSG - Controls Board?	Foreign investor ownership %	2019 Corporate Governance Rank (lower is better)	Year that TSC entered the board	5yr - Total Shareholder Return (TSR)
							*TSR
6241	Amigo	60%	Yes	0	66-80%	2006	-59.81%
5011	OFCO	68%	Yes	0	21-35%	2008	-33.35%
6248	TMP	48%	Yes	0.4	81-100%	2009	-24.51%
1310	Taiwan Styrene Monomer Corp	4%	Yes *(contested election January 2019)*	16.78	41-60%	2019	-27.37%*
5009	Gloria Material	26%	Yes *(contested election January 2018)*	9.42	6-20%	2017	-21.02%*
1584	S-Tech	30%	Yes *(as part of 5009 TT)*	0.02	21-35%	2018	-35.12%*
	MSCI Taiwan Total Shareholder Return 5yr-TSR						34.90%
	MSCI ACWI: Metals & Mining 5yr-TSR						8.55%

*TSR for T.S.M.C is from 2019/1/31, Gloria Materials and S-Tech from 2018/1/23 to reflect the time period since TSG took control of the board of directors
This is not a comprehensive list of all of TSG listed companies

Source: Bloomberg; MOPS; Annual reports; based on publicly-available records only

D-Link



Taiwan Steel Group

Hsieh Yu Min is still the recognized leader of TSG. Because of an embezzlement conviction he assigned his lawyer Joseph Wang as the official Chairman of the Group.

Found guilty of embezzlement

Kuei Hung was Hsieh's family business and was listed publicly in 1993 (delisted in 2001). In 1996, Hsieh co-established Kuei Yi with the National Development Fund, Executive Yuan, China Development, and China Steel. In 1998, during the Asian financial crisis, in order to maintain Kuei Hung's stock price, Hsieh tried to use fake accounts and find investors to buy the stock. However, due to shortage of funds, Hsieh began to embezzle funds from Kuei Hung, Kuei Yi, and other related companies. According to media reports, he embezzled NT$3.3 bn from Kuei Hung and NT$5.2 bn from Kuei Yi.

In 2000, he confessed and in 2011, after appeals, Hsieh was given 1-year imprisonment, 5 years' probation and was fined NT$30 million by the Supreme Court. (In 2004, Kuei Yi was renamed Dragon Steel Corp. and became a 100% wholly-owned subsidiary of China Steel Corp. in 2008.)

Source; https://www.wealth.com.tw/home/articles/10550; https://law.judicial.gov.tw/FJUD/default_AD.aspx
Photo credit: https://www.businessweekly.com.tw/focus/blog/3002442

Taiwan Steel Group

Companies invested by TSG*

慶欣欣鋼鐵 (E-TOP Metal Co.) Private Company	台灣鋼鐵 (Taiwan Steel Company) Private Company	友訊_2332 TT (D-LINK)
易昇鋼鐵 (E-SHENG STEEL CO.,) Private Company	加捷生醫_4109 TT (Jia Jie Bio)	台苯_1310 TT (T.S.M. C)
榮剛_5009 TT (GMTC)	精剛_1584 TT (S-Tech)	
春日_ 4544 TT (Chun Zu)	春雨_2012 TT (Chun Yu)	
久陽_5011 TT (OFCO)	沛波_6248 TT (TMP Steel)	
官田鋼_2017 TT (Quintain Steel)	光洋科_1785 TT (Solar Tech)	
易通展_6241 TT (Amigo Technology Inc.)	金智洋科技公司 (Sapido (Jin Zhi Yang) Private Company	

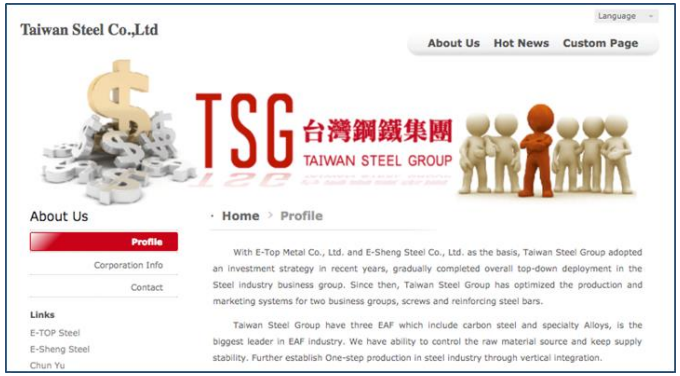
Invested companies affiliated with TSG*

金智富資產 (Jin Zhi Fu Asset)	易通圓投資 (E-TOP invest)
金智宏投資 (Jin Zhi Hong invest co.)	天權投資 (Tian Quan Co.)
禾揚投資 (Ho Yang invest co.)	昇展國際資訊股份有限公司 (Sheng Zhan international Co.)
精剛投資 (S-tech invest co.)	台苯投資 (T.S.M. Invest Co.)
友訊投資 (D-Link Invest Co.)	

*This is not a comprehensive list of all of TSG listed companies as the group has very little transparency regarding their holdings and shareholders.

Taiwan Steel Group - Who are you supporting?

Little to no transparency in terms of source of funding or underlying shareholders of the Taiwan Steel Group





Unknown shareholding structure and source of funds

There is very little transparency regarding the true shareholding structure of Taiwan Steel Group. According to materials and research published by GMTC (5009 TT) in 2017, at that time the uppermost two parent companies of TSG were foreign companies: a) Prominent Sino Holdings Ltd. (registered in Belize); b) First Capital Holding Corporation (which seems to be no longer active). The shareholding structure, shareholders and source of funds of these two companies is unknown.

Source: GMTC- management materials in 2017; http://www.gkr.com.tw/

TSG's Sapido & Amigo not a strategic fit for us

D-Link is 29x larger in terms of market cap than Amigo Technologies (6241 TT)

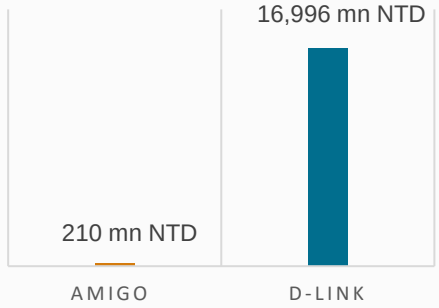
D-link's market cap is 29x bigger than Amigo's

D-Link **US$290mn**

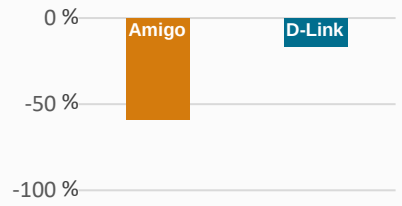
VS.

Amigo **US$10mn**

Amigo's revenue is not even 1% of D-Link's 2019 revenue



5-year Total Shareholding Return



Amigo has significantly underperformed in terms of TSR over the past 5 years

Despite Taiwan Steel Group Chairman's claims that they are building a network highway **we do not believe there will be synergy or value for D-Link** to consolidate with these much smaller and less successful companies:

Sapido Technology (private) is a small consumer-centric branded company with low brand awareness and would not fit into our strategic goal of increasing exposure in enterprise and carrier.

Amigo Technology (6241 TT) is a very small OEM/ODM company. We select suppliers with the best products rather than based on shareholding relationships so this is unlikely to be a preferred supplier to D-Link.

Taiwan Steel Group declares they have 50% of global institutional shareholder votes

On May 6th before any AGM materials had been published!



Chairman of Taiwan Steel Group
Joseph Wang (WANG Chiung-Fen)

Public records on Bloomberg show that ~70% of foreign investment is held by 6 global institutional funds.

It is well-known to all corporate governance professionals that these funds do not comment on how they will vote prior to reviewing the AGM materials.

<u>Which of these funds has Joseph Wang supposedly secured support from?</u>

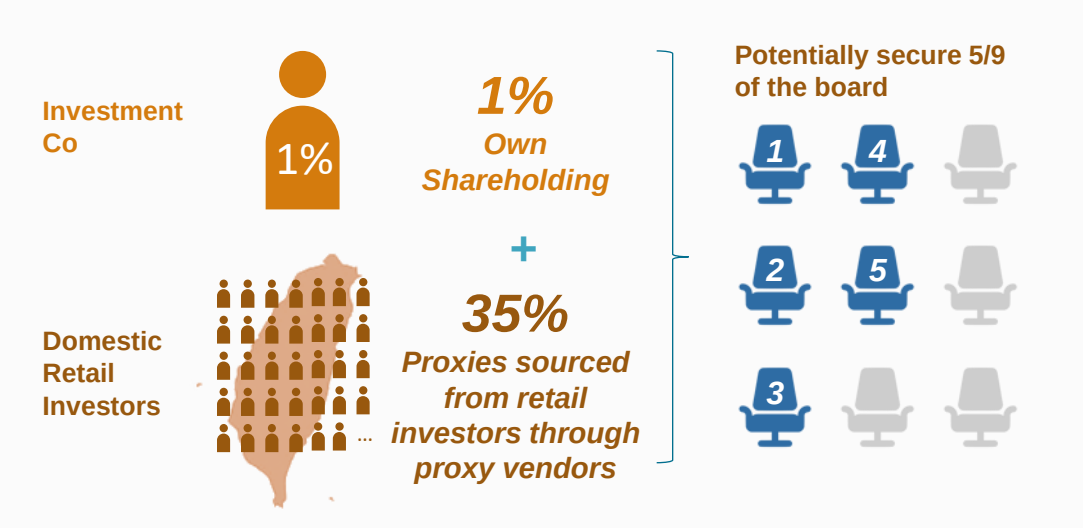
– news article/interview published on May 6th regarding D-Link board of directors election contest

Source: https://ec.ltn.com.tw/article/breakingnews/3156684 | https://ec.ltn.com.tw/article/paper/1371061 | Bloomberg | Photo credit: https://ec.ltn.com.tw/article/paper/1371061

All logos are property of their respective owners

Retail investor vote is key to control

- FSC is investigating proxy vendor concerns
- Individual retail investors in Taiwan often hold the majority of a company's shares



By obtaining local proxies and securing exclusive contracts with local proxy vendors (who collect proxies from retail investors) a shareholder with only 1% shareholding can take control of the board of directors.

- Taiwan's unique cumulative voting system provides the opportunity for an investor with very low shareholding to allocate proxies to his/her preferred candidates.
- With as little as just 36% of shareholding support, *it is possible* to secure management control of a company.
- Concern over a monopoly of the proxy vendor channel was recently brought up during a Legislative Yuan committee meeting. FSC is looking into this and will monitor it closely.

Source: https://www.ctwant.com/article/49603 | Bloomberg | Photo credit: https://ec.ltn.com.tw/article/paper/1371061

TSG-funded “Investment” companies misleading

TSG’s most recent practice involves setting up “Investment” companies using the same Chinese name as the takeover target to mislead retail investors to assign proxies to their candidates



- On Dec 5, 2019 associates of the Taiwan Steel Group established an investment company called D-Link Investment Co. (友訊投資有限公司) . Most retail shareholders are unclear which group they are handing over their proxies to.
- In last year’s proxy contest with Taiwan Styrene Monomer Corp (1310 TT) TSG used an entity called Taiwan Styrene Monomer Investment Co to nominate candidates and solicit proxies.

Dissident nominees unlikely to add value

There are too many concerns and unanswered questions regarding many of the candidates nominated by “D-Link Investment Corp”.

Dissident Nominee	Nominated Role on Board	Concerns or Questions	KEY ISSUE
CHUNG, Shyung-Fong 鍾祥鳳	Independent Director	1. Discharged as Independent Director by D-Link Company with evidence of lack of independence regarding remuneration received. 2. Initiated an extremely unnecessary and legally-questionable EGM overlapping with AGM voting period 3. Taiwan Steel Group recently invested in Jia Jie Biomedical (4109 TT). Shyung-Fong CHUNG was the former Chairman and Founder and currently still sits on the board of directors.	Does not qualify as Independent
LEE, Sheng-Chen (Richard) 李勝琛	Independent Director	1. Corporate representative of Jin Zhi Hong (Taiwan Steel Group) as a Director on Taiwan Styrene Monomer (1310 TT)	Does not qualify as Independent

Sources: M.O.P.S.; Annual Reports

D-Link

Dissident nominees unlikely to add value

There are too many concerns and unanswered questions regarding many of the candidates nominated by “D-Link (You Xun) Investment Co”.

Dissident Nominee	Nominated Role on Board	Concerns or Questions	KEY ISSUE
WU, Yu-Chun 吳裕群	Director - Corporate Representative of D-Link (You Xun) Investment Co	1. WU is an Independent Director for Yuanta Securities which is commissioned by the Taiwan Steel Group to solicit proxies to support dissident candidates. 2. Candidate for Taiwan Steel Group for this year's proxy fight with D-Link yet he sits as an Independent Director of TSG-controlled Chun Zu Machinery (4544 TT) 3. Candidate for Taiwan Steel Group in last year's proxy fight with Taiwan Styrene Monomer (1310 TT)	Conflict of Interest
FONG, Chung-Peng (Fred) 馮忠鵬	Director - Corporate Representative of D-Link (You Xun) Investment Co	1. Discharged as Independent Director by D-Link Company with evidence of lack of independence regarding remuneration. 2. Accepted nomination as a Corporate Representative by TSG-group (strong indication that he no longer considers himself independent). 3. Initiated an extremely unnecessary and legally-questionable EGM overlapping with AGM voting period	Ethical Concerns

Sources: M.O.P.S.; Proxy Solicitation Summary

D-Link

Dissident nominees unlikely to add value

There are too many concerns and unanswered questions regarding many of the candidates nominated by “D-Link Investment Corp”.

Dissident Nominee	Nominated Role on Board	Concerns or Questions	KEY ISSUE
CHEN, Yen-Song (Eddie) 陳彥松	Director - Corporate Representative of D-Link (You Xun) Investment Co	1. Resigned on March 16th this year as Independent director of Chengmei Material Technology (4960 TT) after a shareholder proposal was submitted questioning his independence. Public records showed that he had founded a company with the CFO of the company implying a close relationship which may compromise independence. The shareholder proposal was subsequently withdrawn before the AGM on April 30.	Ethical Concerns
LIN, Shih-Kuo 林仕國	Director - Corporate Representative of D-Link (You Xun) Investment Co	1. Resigned as President of D-Link (Sep 30, 2019) and was paid as a consultant to Taiwan Steel Group – it is unclear whether there was an overlap in these two positions or whether confidentiality agreements were breached.	Ethical Concerns

Sources: Annual Reports; AGM Materials; Articles referenced: Press Conference with Joseph Wang Chairman of TSG

D-Link

Our Nominees

Management-supported Board of Director Candidates



Management-supported candidates will add much-needed diversity and value to the board

Director Nominee

Lori HU 胡雪



Director since: 2017

No other board positions currently

Key Skills and Value to Board

- Incumbent Chairwoman
- Senior Management Leadership
- Industry Experience
- Corporate Social Responsibility and Philanthropy

Lori (Hsueh) HU is the current Chairwoman of D-Link Corporation and is also the chair of D-Link Charitable Foundation. Ms. HU joined the board in 2017 after the board had experienced almost a decade of unstable leadership and challenges after her husband who founded and led the company had passed away. Ms. HU has worked continuously over the past 3 years to help lead D-Link's transformation plan moving the company towards a more service-centric company. D-Link has started to see these efforts materialize and requires the stability of consistent leadership to continue to move forward.

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Director Nominee

Dr. Yi-Chin LEE 李亦秦



Director since: N/A

Bora Pharmaceuticals (6472 TT) *Independent Director*; Allied Industrial Corp., Ltd. (4702 TT) *Independent Director*; Asia Pacific Wire & Cable Corporation Limited (APWC US) *Independent Director*

Key Skills and Value to Board

- Board experience
- Audit & Remuneration Committee
- Senior Management Leadership
- Communication media technology expert
- International Business consulting and operations

Dr. Yi-Chin LEE has nearly 30 years of experience in business consulting and operation management in Greater China and is considered a senior expert in the communication media technology industry. He holds a Ph.D. and M.S., Resource Planning & Management from Stanford University.

Currently, Dr. LEE is the Managing Partner of FCC Partners, Inc. He has previously held roles as CEO of Gigamedia Limited (NASDAQ:GIGM), Vice President, IMS & Global Services of Hong Kong Telecom/PCCW (HKSE:0008), Senior Advisor of Booz and Company (Formerly Booz Allen Hamilton), as well as working at McKinsey & Company.

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Director Nominee

David TAI 戴偉衡



Director since: N/A

Ways Technical Group (3508 TT) Independent Director

Key Skills and Value to Board

- Investment expertise
- Semiconductor and Electronics Industry experience
- Senior Leadership
- Board experience
- Audit & Remuneration Committee

David (Wei-Heng) TAI has a Master of Science in Management of Technology from the Sloan School at Massachusetts Institute of Technology (MIT). He is currently the Founder and Partner of Chinarun Capital Partners which as a group has successfully invested in over 100 innovative companies. TAI will bring to the board his unique skillset of investment and financial expertise combined with experience in the semiconductor and electronics industries from his previous roles at TSMC and Compaq Computers.

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Director Nominee

Howard KAO 高宏毅



Director since: 2017

Director (representative of D-Link) of Alpha Networks (3380 TT)

Key Skills and Value to Board

- Incumbent Director
- Board experience
- Programming and Start-up expertise
- International experience

Mr. Howard (Hung-Yi) Kao currently works as the director of the cloud platform research & development center in D-Link. While studying Computer Engineering at San Jose State University, KAO worked as an engineer for an instant messaging application. He later joined D-Link and worked in both the consumer and business cloud solutions departments as the company worked on transitioning from hardware to solution-based business. Mr. Kao brings to the board an experienced view on the rapidly changing technologies that the company needs to understand in its ongoing transformation.

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Director Nominee

Jerry CHIEN 簡志豪



Director since:
2018-2020

Cameo Communications, Inc. (6142 TT) Chairman

Key Skills and Value to Board

- Senior Management
- Industry expertise
- International Business
- Strategy Development
- Board Experience
- Incumbent Director

Jerry (Chih-Hao) CHIEN has been an important contributor to the board of directors. He has an extensive background in the industry and experience as Chairman of Cameo Communications (6142 TT) which custom manufactures and assembles computer network communication equipment and communication products. CHIEN provides additional value to the board in discussions of strategic development and insight from his international business experience.

D-Link

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Director Nominee

Spencer CHEN 陳壽山



Director since: N/A

No other board positions currently

Key Skills and Value to Board

- Communications Industry expertise
- Senior Leadership
- Strategy Development
- Internet Protocol Pioneer

Spencer (Shou-Shan) CHEN holds a Bachelor of Communications Engineering from National Chiao Tung University and currently is an advisor to the Chairman's office of D-Link. CHEN was a founding shareholder GeoVision Inc. (3356 TT) and has held roles as the Chief Technology Officer of Lanready Technologies Inc. as well as Founder and Chairman of Cellvision Systems, which pioneered the IP Camera. His astute understanding of the communications industry will further enhance a strong and diversified board of directors.

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Independent Director Nominee

Freda CHEN 陳立君



Director since: 2018

No other board positions currently

Key Skills and Value to Board

- Incumbent Director
- Independence
- Board experience
- Audit & Remuneration Committee
- Accounting and Financial Expertise
- Senior Leadership

Freda (Li-Chun) CHEN is currently an independent director and has been a vital contributor to the board of directors as well as in her roles on the Audit and Remuneration committees. CHEN comes to the board with a strong background in finance through a previous role as Vice-President of Finance, Finance Director and Accounting Manager of IBM Taiwan. Ms. CHEN completed a Bachelor of Business Administration majoring in International Trade from National Taiwan University.

D-Link

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Independent Director Nominee

Chien-Min WANG 王健珉



Director since: N/A

No other board positions currently

Key Skills and Value to Board

- Legal Background
- Minority Shareholder rights
- Independence
- Government and Regulatory Knowledge
- NGO Experience

Chien-Min WANG brings over 20 years of legal and regulatory experience to the board. He graduated from Chung Yuan Christian University majoring in Financial and Economic Law. He served as a Commissioner at the Securities and Futures Investors Protection Center and this unique experience will help in ensuring that minority shareholder rights are protected. Mr. Wang will also support the Audit and Remuneration committees as an Independent Director.

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Independent Director Nominee

Dr. Chen-Yi LEE 李鎮宜



Director since: N/A

PADAUK Technology Co., Ltd. (6716 TT) Independent Director and member of the Audit and Remuneration Committees

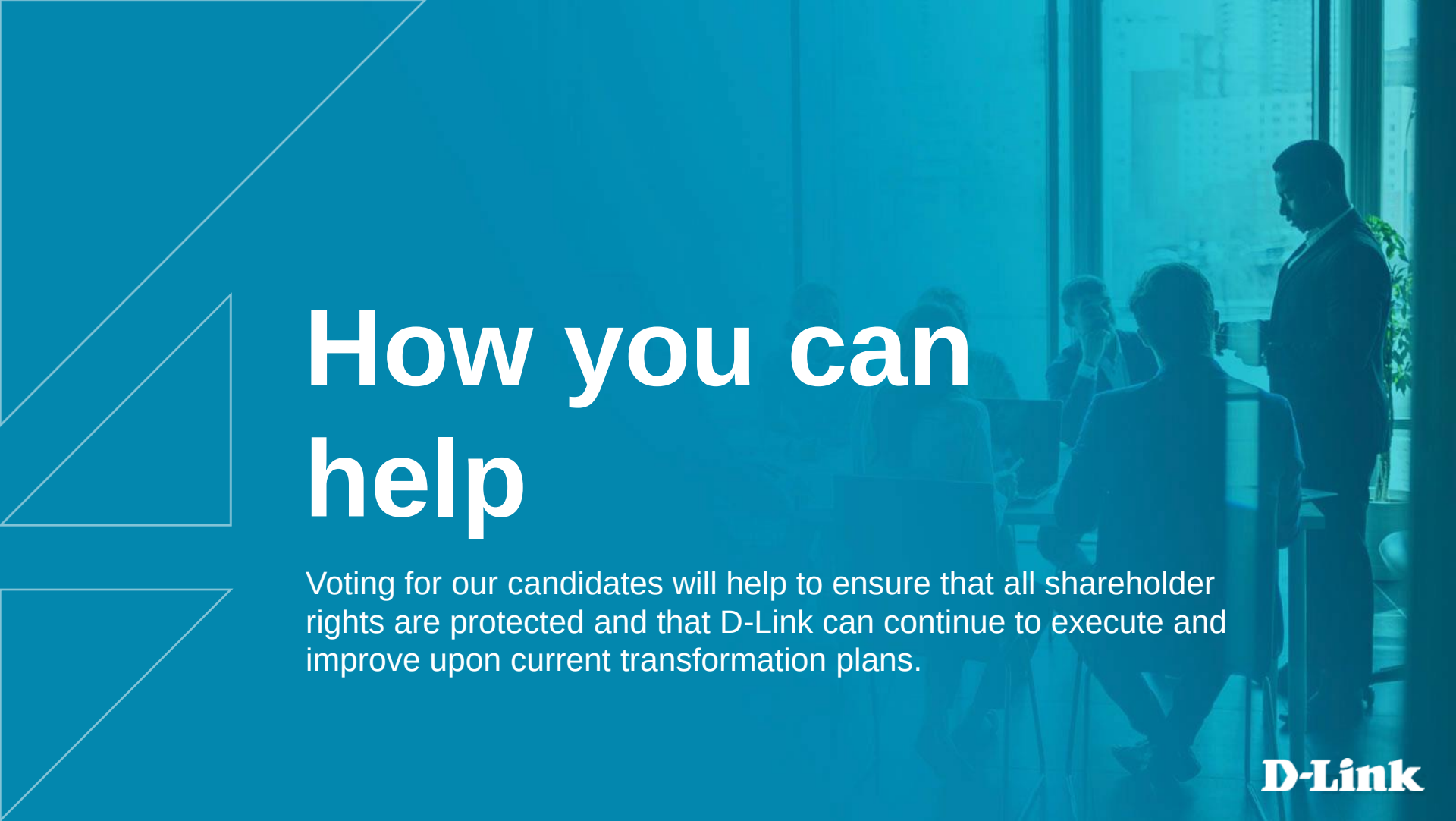
Key Skills and Value to Board

- Independence
- Electronics Engineering
- Industry Expert
- Regulatory Knowledge
- Board Experience
- Audit & Remuneration Committee

Dr. Chen-Yi LEE is a leading expert in the electronics industry and a professor in the Institute of Electronics at National Chiao Tung University. He is currently the Co-Program Director of the National Program of Intelligent Electronic (NPIE), a member of the Policy Coordination Division on the Board of Science and Technology, Executive Yuan as well as an Examiner for the Taiwan Industry Innovation Platform Program, Ministry of Economic Affairs. He has also been a Member of the Technology Rights Committee for the National Science Council and Director of the National Chip Implementation Center (CIC). Dr. LEE completed his PhD in Electrical Engineering at Katholieke University Leuven (KUL) in Belgium.

How you can help

Voting for our candidates will help to ensure that all shareholder rights are protected and that D-Link can continue to execute and improve upon current transformation plans.



Vote FOR mgmt-supported candidates

	Management-supported candidates for the board of directors		Recommendation
3.3	CHIEN, Chih-Hao (Jerry) 簡志豪		**FOR**
3.4	CHEN, Shou-Shan (Spencer) 陳壽山	Representative of Pu Ju Investment Co., Ltd	**FOR**
3.7	HU Hsueh (Lori) 胡雪	Representative of Pu Ju Investment Co., Ltd	**FOR**
3.8	KAO, Hung-Yi (Howard) 高宏毅	Representative of Pu Ju Investment Co., Ltd	**FOR**
3.9	Dr. Yi-Chin LEE 李亦秦		**FOR**
3.10	TAI, Wei-Heng (David) 戴偉衡		**FOR**
3.17	Dr. LEE, Chen-Yi 李鎮宜	Independent Director Nominee	**FOR**
3.18	WANG, Chien-Min 王健珉	Independent Director Nominee	**FOR**
3.20	CHEN, Li-Chun (Freda) 陳立君	Independent Director (Incumbent)	**FOR**

D-Link

Financial Statements

D-Link Financials



D-Link Corporation Income Statement Highlights

NT$ million	2015	2016	2017	2018	2019	1Q20
Sales Revenue	**26,614**	**22,922**	**19,316**	**19,383**	**16,996**	**3,672**
Gross Profit	6,433	6,017	5,199	5,602	4,740	1,081
Operating Expenses	(8,020)	(6,872)	(5,656)	(5,353)	(5,124)	(1,135)
Operating Profit	**(1,587)**	**(855)**	**(458)**	**249**	**(385)**	**(54)**
Non Operating Income/(Loss)	(505)	66	332	48	95	42
Pretax Income	(2,092)	(789)	(125)	297	(290)	(12)
Tax Expenses	266	(120)	(47)	(152)	(152)	(27)
Net Income to Parent	**(1,871)**	**(954)**	**(193)**	**106**	**(508)**	**(48)**
Basic EPS (NT$)	**($2.90)**	**($1.50)**	**($0.30)**	**$0.16**	**($0.78)**	**($0.07)**
Key Financial Ratios (%)						
Gross Margin	24.2	26.2	26.9	28.9	27.9	29.4
Operating Expense Ratio	30.1	30.0	29.3	27.6	30.1	30.9
Operating Margin	(6.0)	(3.7)	(2.4)	1.3	(2.3)	(1.5)
Effective Tax Rate	-	-	-	51.1	-	-
Net Margin	(7.0)	(4.2)	(1.0)	0.5	(3.0)	(1.3)

YoY (%)					
2015	2016	2017	2018	2019	1Q20
(12.2)	**(13.9)**	**(15.7)**	**0.3**	**(12.3)**	**(12.6)**
(22.2)	(6.5)	(13.6)	7.8	(15.4)	(9.5)
-	-	-	-	-	-
-	**-**	**-**	**-**	**-**	**-**
-	-	403.8	(85.4)	96.6	-
-	-	-	-	-	-
-	-	-	-	-	-
-	**-**	**-**	**-**	**-**	**-**
-	**-**	**-**	**-**	**-**	**-**

Source: TEJ

D-Link Corporation Balance Statement Highlights

NT$ million	2015	2016	2017	2018	2019	1Q20
TOTAL ASSETS	**21,263**	**19,391**	**17,204**	**17,607**	**15,711**	**13,939**
Cash	3,917	4,314	3,706	4,425	3,141	2,858
NR & AR	4,975	4,664	4,199	4,279	3,615	3,300
Inventories	4,556	3,097	3,190	3,112	2,837	1,944
Fixed Assets	1,276	1,272	1,212	1,102	1,082	1,035
TOTAL LIABILITIES	**10,217**	**9,460**	**7,797**	**7,990**	**6,785**	**5,560**
NP & AP	4,535	3,867	3,354	3,522	2,913	2,043
TOTAL EQUITY	**11,046**	**9,931**	**9,408**	**9,617**	**8,926**	**8,379**
Key Financial Ratios (%)						
A/R Turnover Days	79.7	76.7	83.7	79.8	84.8	84.8
Inventory Turnover Days	101.5	82.6	81.3	83.5	88.6	83.0
A/P Turnover Days	95.5	90.7	93.4	91.1	95.8	86.1
Cash Conversion Cycle	85.6	68.6	71.7	72.2	77.5	81.7
ROE (%)	(15.9)	(9.5)	(2.1)	1.2	(5.8)	(2.2)
ROA (%)	(8.0)	(4.7)	(1.1)	0.6	(3.1)	(1.2)
Net Cash (Debt) / Equity (%)	11.4	17.9	21.9	32.2	32.6	35.5

% of Total Assets					
2015	2016	2017	2018	2019	1Q20
100.0	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
18.4	22.2	21.5	25.1	20.0	20.5
23.4	24.1	24.4	24.3	23.0	23.7
21.4	16.0	18.5	17.7	18.1	13.9
6.0	6.6	7.0	6.3	6.9	7.4
48.1	**48.8**	**45.3**	**45.4**	**43.2**	**39.9**
21.3	19.9	19.5	20.0	18.5	14.7
51.9	**51.2**	**54.7**	**54.6**	**56.8**	**60.1**

Note: 1Q20 ROE (%) and ROA (%) are annualized numbers.

Source: TEJ

Media References

Links to news articles



Media References

Links to relevant news articles in Taiwan media (Chinese)

April 22nd, 2020
Interview with Joseph Wang - Chairman of TSG and Jin Zhi Fu Asset Management

In this article he states that TSG has held D-Link Shares for 3 years. He states that when TSG took a major stake in Chunyu, GTMC, Taiwan Styrene Monomer and hired professional managers to lead the operation they played the role of supporter and fixed profits. He states in this article that he holds three of the proxy vendors.

May 6th, 2020
Interview with Joseph Wang - Chairman of Taiwan Steel Group (TSG)

Joseph Wang states that he has 50% of foreign institutional votes

May 6th, 2020
Television Talk Show Discussion of Proxy Voting and the D-Link Case

This news talk show has footage of the Legislative Yuan member bringing up the concern of proxy vendor monopolies to the Chairman of the Financial Supervisory Commission (FSC)

May 6th, 2020
Article on discharge of Independent Directors

May 6th, 2020
Response of Independent Directors at Press Conference with Joseph Wang

According to this article, Joseph Wang stated at this press conference that he wants to use D-Link to combine with TSG's smaller companies to create a national Netcom team. Fred Fong showed his salary slip to journalists and stated that if he could he would add proposals to the EGM to remove all of the other directors from the board that were present at the board meeting that followed his discharge.

Media References

Links to relevant news articles in Taiwan media (Chinese)

May 6th, 2020
Article discussing monopoly of proxy vendors and FSC response

May 6th, 2020
FONG Chung-Peng response to discharge as independent director

Fong Chung-Peng stated in this press conference that he did not receive any compensation from the company because of its poor performance the past few years but started to receive compensation this year and showed his January statement of NT$70,000.
Note: Annual Report for 2019 shows very clearly that Fred Fong was still paid as an Independent Director a salary of NT$840,000 a year.

May 7th, 2020
Interview with Joseph Wang - Chairman of TSG

Joseph Wang states that he has 50% of foreign institutional votes (7% of the total 14%)

May 8th, 2020
Whistleblower letter referenced in article and Joseph Wang's response

Joseph Wang also mentions in this article about creating a Netcom expressway and how D-Link could help Taiwan Steel Group's smaller netcom company.

May 9th, 2020
Article on the proxy contest between D-Link and TSG

Article discusses letter that was sent to regulators along with Joseph Wang's responses. It mentions that LIN Shi Guo was paid as a consultant to Jin Zhi Fu Asset Management and also highlights the investment in Jia Jie Biomedical by Taiwan Steel Group.

References

Links to relevant news articles in Taiwan media (Chinese)

May 9th, 2020
D-Link's response to concerns of legality of discharge of independent directors

May 12, 2020
Article citing whistleblower letter from former member of Taiwan Steel Group

May 13th, 2020
Interview with Hsieh Yu-Min - Leader of Taiwan Steel Group

Jan 31, 2019
TSG wins management rights of Taiwan Styrene Monomer

This article references a public statement by Jin Zhi Fu Asset Management (Taiwan Steel Group) that both ISS and Glass Lewis supported the market-faction candidates. *This is false. Glass Lewis did not recommend supporting any market-faction candidates and conversely recommended supporting all management-nominated candidates.*

Dec 25, 2017
Article on Hsieh Yu-Min mentioning his sentencing and role at TSG

May 9th, 2017
Article on Hsieh Yu-Min