

Comtrend Corporation

2023 Annual Shareholders' Meeting Minutes

(Translation)

Time: 9:00 am on Thursday, June 15, 2023

Place: 1F., No.278, Xinhu 1st Rd., Neihu Dist., Taipei City, Taiwan

(Physical shareholders meeting)

Total outstanding Comtrend shares: 58,665,527 shares

Total shares represented by shareholders present in person or by proxy: 39,170,023 shares
(among them, 2,195,412 shares voted via electronic transmission)

Percentage of shares held by shareholders present in person or by proxy: 66.77%

Chairman: Guan-Sheng Renn

Recorder: Shu-Han Yang

Participants:

Director : Edimax Technology Co., Ltd Representative: Yu-Chang Chiu

Edimax Technology Co., Ltd Representative: Liang-Jung Pan

Edimax Technology Co., Ltd Representative: Jung-Lung Hung

Shin-Hua Hung, Yu-Jen Hsu

Independent Director : Te-Pu Wang, Shao-Chang Chu, Shi-Ying Gan

CPA : Ze-Li Gong

Lawyer : Bao-Lu Lee

1. Call the Meeting to Order

2. Chairman's Address (omitted)

3. Report Items

(1) 2022 Business Report (Please refer to Attachment 1).

(2) Audit Committee's Review Report (Please refer to Attachment 2).

(3) Report of 2022 Employees and Directors Compensation

1) According to Article 30 of the "Articles of Incorporation": If the Company has profit for the year, the Company shall set aside not less than 5% as the employee's remuneration and not more than 5% for the directors' remuneration. However, if there is any accumulated loss, the Company shall reserve the amount to offset the loss.

2) The Company proposes to distribute NT\$ 1,331,411 as 2022 employees' compensation and NT\$ 266,282 as 2022 directors' compensation; both be distributed in cash.

3) Payment of employee compensation according to the "employees' compensation management procedures".

4. Proposal Items

(1) Adoption of the 2022 Business Report and Financial Statement (Proposed by the Board)

1) The Company's 2022 Financial Statements, including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity, and Statements of Cash Flows, were audited by independent auditors, Ze-Li Gong and Chih-Yuan Chen, of

Deloitte & Touche.

2) 2022 Business Report, Independent Auditors' Report, and the aforementioned Financial Statements are attached hereto as Attachments 1 and 7.

Voting Results: Shares represented at the time of voting: 39,170,023

(including 2,195,412 shares voted via electronic transmission)

Voting Results*		% of the total represented share present
Votes in favor	37,741,177 Votes (870,566 Votes)	96.35%
Votes against	11,789 Votes (11,789 Votes)	0.03%
Votes invalid	0 Votes (0 Votes)	0.00%
Votes abstained	1,417,057 Votes (1,313,057 Votes)	3.62%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

(2) Adoption of the Proposal for Distribution of 2022 Profits (Proposed by the Board)

1) The earnings distribution proposal for year 2022 is as follows:

Comtrend Corporation

Earnings Distribution Proposal for the Year 2022

Unit: NTD\$

Items	Total
Unappropriated retained earnings of previous years	188,684,062
Net profit after tax for the current period	9,267,908
Disposal of equity instruments measured at fair value through other comprehensive income to adjust retained earnings	702,294
Remeasurement of defined benefit plans recognized to retained earnings	5,155,257
Items other than net profit for the current period are included in the amount of undistributed surplus for the current year	15,125,459
Setting aside 10% legal reserve	(1,512,546)
Earnings available for distribution this year	202,296,975
Distribution items:	41,065,869
Cash dividends to shareholders (NT\$ 0.7 per share)	
Unappropriated retained earnings at the end of the year	161,231,106

Chairman: Guan-Sheng Renn Manger: Yu-Chang Chiu Accountant: Shu-Ching Wang

2) The proposed earnings distribution of amount NT\$ 41,065,869 is allocated from 2022 Earnings Available for Distribution. Each shareholder will be entitled to receive a cash dividend of NT\$ 0.7 per share, calculate rounded down to the nearest one NT dollar, any amount under one NTD will be discarded. The remaining fraction will be incorporated into other non-operating income of the Company.

- 3) Upon the approval of the Annual Shareholders' Meeting, it is proposed that the Chairman of Board of Directors will be authorized to resolve the ex-dividend date, payment date, and other relevant issues.
- 4) If the number of shares outstanding of the company is affected by the change of the share capital, the dividend ratio may need to be adjusted accordingly. It is proposed to fully authorize the chairman of Board of Directors to adjust the dividend to be distributed to each share and to proceed on the relevant matters.

Voting Results: Shares represented at the time of voting: 39,170,023

(including 2,195,412 shares voted via electronic transmission)

Voting Results*		% of the total represented share present
Votes in favor	37,741,119 Votes (870,508 Votes)	96.35%
Votes against	11,847 Votes (11,847 Votes)	0.03%
Votes invalid	0 Votes (0 Votes)	0.00%
Votes abstained	1,417,057 Votes (1,313,057 Votes)	3.62%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

5. Discussion Items

(1) Amendment to the "Articles of Incorporation", please proceed to discuss. (Proposed by the Board)

- 1) In order to comply with law and regulations the company hereby proposes to amend the "Articles of Incorporation".
- 2) Please refer to Attachment 3 for details of the proposed amendments to the "Articles of Incorporation".

Voting Results: Shares represented at the time of voting: 39,170,023

(including 2,195,412 shares voted via electronic transmission)

Voting Results*		% of the total represented share present
Votes in favor	37,739,791 Votes (869,180 Votes)	96.35%
Votes against	13,171 Votes (13,171 Votes)	0.03%
Votes invalid	0 Votes (0 Votes)	0.00%
Votes abstained	1,417,061 Votes (1,313,061 Votes)	3.62%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

(2) Amendment to the "Rules for Election of Directors", please proceed to discuss. (Proposed by the Board)

- 1) In order to comply with law and regulations the company hereby proposes to amend the "Rules for Election of Directors".
- 2) Please refer to Attachment 4 for details of the proposed amendments to the "Rules for Election of Directors".

Voting Results: Shares represented at the time of voting: 39,170,023

(including 2,195,412 shares voted via electronic transmission)

Voting Results*		% of the total represented share present
Votes in favor	37,739,833 Votes (869,222 Votes)	96.35%
Votes against	13,115 Votes (13,115 Votes)	0.03%
Votes invalid	0 Votes (0 Votes)	0.00%
Votes abstained	1,417,075 Votes (1,313,075 Votes)	3.62%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

6. Directors Election

(1) To elect nine Directors (including three independent directors). (Proposed by the Board)

- 1) Directors of the company will end on June 10, 2023. Accordingly, the company proposes to duly elect nine Directors (including three independent directors) at this year's Annual General Meeting of Shareholders according to Company Act and Articles of Incorporation. Shareholders shall elect the directors and the independent directors from the nominees listed in the roster of director candidates.
- 2) The Directors newly elected shall forthwith assume the office upon being elected and serve an office term of three years from the election date, namely from June 15, 2023 through June 14, 2026. And the Directors to elect chairman of company.
- 3) The candidate list of election of Directors (including independent directors) and personal information, please refer to Attachment 5.
- 4) Please refer to the Meeting Handbook to the "Rules for Election of Directors".
- 5) Please vote.

Voting Results: The list of the newly elected directors with votes received follows:

Title	Name	Votes Received
Directors	Edimax Technology Co., Ltd Representative : Guan-Sheng Renn	41,363,071
Directors	Edimax Technology Co., Ltd Representative : Yu-Chang Chiu	39,969,192
Directors	Edimax Technology Co., Ltd Representative : Liang-Jung Pan	37,661,358
Directors	Edimax Technology Co., Ltd Representative : Jung-Lung Hung	37,649,770
Directors	Shin-Hua Hung	36,184,312
Directors	Yu-Jen Hsu	36,157,303
Independent Directors	Te-Pu Wang	37,654,308
Independent Directors	Shao-Chang Chu	36,301,377
Independent Directors	Shi-Ying Gan	36,305,856

7. Other Proposal

(1) To release the newly elected directors from non-competition restrictions, please proceed

to discuss. (Proposed by the Board)

- 1) According to Article 209, Company Act, if directors' activities for personal or others' interests are related to the Company's business scope, directors shall explain the content of their activities and ask the approval from shareholders at the meeting.
- 2) The Company's director has invested, managed or has been a director for companies of which business scope is similar to the Company's. It will be proposed to release such directors from non-competition restrictions.
- 3) The proposed list for release the prohibition on Directors from participation in competitive business please refers to Attachment 6.

Voting Results: Shares represented at the time of voting: 39,170,023

(including 2,195,412 shares voted via electronic transmission)

Voting Results*		% of the total represented share present
Votes in favor	37,708,223 Votes (837,612 Votes)	96.27%
Votes against	44,652 Votes (44,652 Votes)	0.11%
Votes invalid	0 Votes (0 Votes)	0.00%
Votes abstained	1,417,148 Votes (1,313,148 Votes)	3.62%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

8. Motions

Summary of Shareholders' Statements:

Shareholder (NO. 16702) asked question about the company's operating overview for this year, as the company reported a loss in the first quarter.

The Chairman and the designated General Manager responded to the inquiry. They explained that the company experienced a setback to the orders received in this year due to the sudden closure of a major wireless networking unit by a key chip supplier at the end of the third quarter last year. Additionally, there was a severe semiconductor shortage in the previous years, and U.S. customers aggressively stocked up, maintaining inventory levels of 90 to 120 days. However, with a significant increase in U.S. interest rates last year, the cost of capital has become increasingly stringent. As a result, customers have made substantial adjustments to their inventory since the fourth quarter of last year, intending to reduce inventory levels to 30 days. This has impacted the company's revenue. However, it is anticipated that there will be improvement in the second half of the year.

9. Adjournment : Meeting ended at 9:35 am on the same day.

The minutes of this regular shareholder meeting are recorded in accordance with Article 183, Section 4 of the Company Law, outlining the proceedings and outcomes of the discussions. The content, procedures, and shareholder statements during the meeting are primarily based on the audiovisual recording of the meeting.

Business Report

Dear shareholders, ladies and gentlemen:

First of all, I would like to thank all shareholders, ladies and gentlemen for their long-term support and encouragement to the company. Here is the report of company's business performance in the year 2022:

1. Annual business report of year 2022:

(1).Implementation Results of the business plan

Our company's consolidated revenue for the year 2022 amounted to NT\$1,921,542 thousand, with a consolidated gross profit of NT\$594,542 thousand. The increase in revenue and gross profit was due to the growth in shipments of GPON products and optical communication relay equipment. Additionally, the appreciation of the US dollar, driven by the interest rate hike in the US, resulted in exchange gains and contributed to a net income attributable to the parent company of NT\$9,271 thousand, which was higher than the previous year.

Although our company's revenue and profits for the year 2022 grew compared to the previous year, the demand for communication and consumer products slowed down due to factors such as inflation and the Ukraine-Russia conflict. Customers began to reduce their orders in the second half of 2022, and we expect this market inventory adjustment to continue into the year 2023.

(2).Analysis of financial revenue and expenditure and profitability (consolidated statement)

Items		2021 Year	2022Year
Financial structure	Liabilities to assets ratio (%)	29.21	29.59
	Ratio of long-term funds to property, plant and equipment (%)	1,909.68	471.94
Solvency	Current ratio (%)	322.60	443.89
	Quick ratio (%)	185.43	320.99
	Interest coverage ratio	(28.09)	4.94
Profitability	Gross profit margin (%)	32.17	30.94
	Net profit after tax (%)	(1.57)	0.48
	Earnings per share (NTD)	(0.46)	0.16

In light of the rising cost of renting office space and for the sake of sustainable development, we purchased the property where our current office is located in 2022 for our business operations. As a result of this purchase, the ratio of long-term funds to property, plant and equipment decreased compared to the year 2021. Other indicators improved in the year 2022, including an increase in various ratios due to the growth in profits and inventory clearance.

(3).Research and development status

The company's annual research and development achievements in 2022 are as follows:

- I. FTTdp XGS-PON Multi-ports G.fast Wave 2 Solution
- II. VDSL2+ 35b Broadband WiFi 6 Routers Complied to Plume
- III. WiFi 6E Mesh Roaming Repeaters
- IV. 10G XGS-PON Broadband Gateway with Tri-bands WiFi 6E Feature
- V. MoCA 2.5 Broadband Bridge

2. Outline of the 2023 year Annual Business Plan

(1). Business strategy for this year

The global economic environment is still affected by inflation, and both businesses and consumers are cutting back on spending. Although the network communication industry is less affected, because the completion of some customer projects and a lack of clear signs of demand recovery , considering the increased operating costs, to turnover inventory becomes the priority. This market situation will affect our company's operations this year. As most of the customers that the company cooperates with are large-scale telecom operators in various regions, they are of indicative significance. Once they become their suppliers, they can often bring many business opportunities on their own initiative. Comtrend has established brand reputation in the telecommunications market. In addition to expanding cooperative relations with existing telecommunications companies, it also seeks more telecommunications customers and broadband service providers to expand the market and diversify the risk of customer concentration.

In the direction of product development, the company is a leader in niche products. On the basis of existing broadband communication equipment and the advantages of existing products, it actively develops a new generation of Broadband CPE, DPU, MDU, 10 GPON and other products, providing professional, customized, differentiated and market-competitive products to meet the deployment needs of various telecom customers and broadband service providers, so that users can enjoy higher-quality network connection, video and voice services.

(2). Important production and sales policies

The company adheres to the spirit of steady and steady development, and continues to develop and provide products in line with market trends to strengthen the cooperative relationship with customers, and provide good services to strengthen the trust of the Comtrend brand in the industry. Based on the existing customers, the company takes it as sales reference, which will help to win more telecom customers and broadband service providers in the future.

Regarding product manufacturing, we will work closely with outsourcing manufacturers to ensure stable product quality. However, variables such as the Ukraine-Russia conflict, inflation, interest rate hikes, and the US-China trade war have created uncertainties in the international situation and affected the fluctuation of raw material prices. We have asked our major customers to provide medium- to long-term sales forecasts and closely monitor market changes to mitigate the impact of these changes on our operations.

3. Future development strategy of the company

In order to maintain the stability and growth of both profit and revenue, the company still maintains the consistent development strategy as follows :

(1).Focus on the industry and grow steadily

Do not make high-risk investments, and continue to strengthen business development, giving priority to stable profits; and actively explore new markets, develop new product lines and diversify customers to reduce the impact of changes in the market environment on the company.

(2).Continue to strengthen research and development

Continue to invest deeply in R&D and strengthen software and hardware R&D capabilities, continuously develop high-end and integrated products, and maintain a leading position in technology.

(3).Adhere to quality and reduce costs

Stricter control of product quality and cost to reduce quality problems and improve the company's profitability.

(4). Strengthening operation management

The company adheres to the core values of integrity, service, pragmatism and innovation, establishes long-term partnerships with customers, suppliers and employees, and continues to improve the management system, streamline processes and efficiency, and enhance the company's overall competitiveness.

4. Affected by external competitive environment, regulatory environment, and overall business environment.

Driven by the needs of telecom operators and enterprises for network upgrades and cloud applications, the demand for communication products is increasing, causing domestic and foreign manufacturers to scramble to enter this market, resulting in increasingly fierce market competition. The company has a strong research and development, marketing and management team, in addition to maintaining long-term cooperative relations with existing customers, and actively expand the market, and is committed to the development of various niche products, the pursuit of stable growth of the company. In 2023, we expect to face uncertainties caused by global economic conditions, including rising inflation and capital costs, economic recession, and volatile international situations. Furthermore, the market is facing pressure from slow demand and inventory clearance. These factors will likely suppress our company's operating performance.

Finally, I would like to thank all shareholders, ladies and gentlemen for their support to the company, and also thank all employees and colleagues for their contributions and efforts, so that the company can continue to prosper and grow. Here, I wish you all good health, all the best.

Chairman
Guan-Sheng Renn
Manager
Yu-Chang Chiu
Accountant
Shu-Ching Wang

Comtrend Corporation
Audit Committee's Review Report

The Board of Directors has prepared and submitted to us the Company's 2022 Business report, Financial Statements, and Proposal for Earnings Distribution. CPA Ze-Li Gong and Chih-Yuan Chen of Deloitte & Touche were retained to audit Financial Statements and have issued an audited report accordingly. We, as the Audit Committee of the Company, have reviewed the Business Report, Financial Statements, and Proposal for Earnings Distribution and do not find any discrepancies. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

2023 shareholder meeting of the company

Chairperson of the Audit Committee: Te-Pu Wang

March 3, 2023

Attachment 3

Comtrend Corporation
Articles of Incorporation

Original Articles	Amended Articles	Remark
<p>Article 30</p> <p>If the Company has profit for the year, the Company shall set aside not less than 5% as the employee's remuneration and not more than 5% for the directors' remuneration. However, if there is any accumulated loss, the Company shall reserve the amount to offset the loss. The employee entitled for the employee's remuneration may include the employee of the parents or subsidiary company who meets certain conditions, it shall be distributed by stock or cash according to the resolution of the board of directors. The distribution proposal of remunerations for employee and directors shall be submitted to the shareholders' meeting.</p> <p>If the Company's annual accounts are surplus, the Company shall retain 10% of the statutory surplus reserve after the tax is paid in accordance with the law and the accumulated loss have been covered, except that the legal reserve has reached the paid-up capital of the Company. The surplus shall be booked as special surplus reserve in accordance with the law, if there is still a balance, the board of directors shall, to add with the accumulated undistributed surplus, propose a surplus earning distribution to the shareholders' meeting in order to distribute dividend to the shareholders.</p> <p>The dividend policy of the Company is based on the future development plan, investment environment, capital demand, financial structure, surplus and domestic and international competition, shareholders and other factors.</p> <p>Each year, the Company may set aside dividends to shareholders for the amount of more than <u>20%</u> of attributable surplus earning, except that the accumulated attributable surplus earning is less than <u>20%</u> of the paid capital; the Company may use cash or stock to distribute the dividend, but the cash dividend shall not be less than 10% of the total dividend.</p>	<p>Article 30</p> <p>If the Company has profit for the year, the Company shall set aside not less than 5% as the employee's remuneration and not more than 5% for the directors' remuneration. However, if there is any accumulated loss, the Company shall reserve the amount to offset the loss. The employee entitled for the employee's remuneration may include the employee of the parents or subsidiary company who meets certain conditions, it shall be distributed by stock or cash according to the resolution of the board of directors. The distribution proposal of remunerations for employee and directors shall be submitted to the shareholders' meeting.</p> <p>If the Company's annual accounts are surplus, the Company shall retain 10% of the statutory surplus reserve after the tax is paid in accordance with the law and the accumulated loss have been covered, except that the legal reserve has reached the paid-up capital of the Company. The surplus shall be booked as special surplus reserve in accordance with the law, if there is still a balance, the board of directors shall, to add with the accumulated undistributed surplus, propose a surplus earning distribution to the shareholders' meeting in order to distribute dividend to the shareholders.</p> <p>The dividend policy of the Company is based on the future development plan, investment environment, capital demand, financial structure, surplus and domestic and international competition, shareholders and other factors.</p> <p>Each year, the Company may set aside dividends to shareholders for the amount of more than <u>10%</u> of attributable surplus earning, except that the accumulated attributable surplus earning is less than <u>40%</u> of the paid capital; the Company may use cash or stock to distribute the dividend, but the cash dividend shall not be less than 10% of the total dividend.</p>	<p>Amended per practice of the Company</p>

Original Articles	Amended Articles	Remark
<p>Article 32 This Articles of Incorporation was concluded on March 31, 1990. Amended on June 14, 2022 for the twenty-seventh time.</p>	<p>Article 32 This Articles of Incorporation was concluded on March 31, 1990. Amended on June 14, 2022 for the twenty-seventh time. <u>Amended on June 15, 2023 for the twenty-eighth time.</u></p>	<p>Add the date of this amendment.</p>

Attachment 4

Comtrend Corporation
Rules for Election of Directors

Original Articles	Amended Articles	Remark
<p>Article 5 Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. <u>This Corporation shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors will be elected.</u></p>	<p>Article 5 Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.</p> <p><u>When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies. When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</u></p>	<p>Modify the article in accordance with the regulations.</p>
<p>Article 6 The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or <u>separated</u> among multiple candidates.</p>	<p>Article 6 The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or <u>split</u> among multiple candidates.</p>	<p>Modify the article in accordance with the regulations.</p>
<p>Article 10 If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and</p>	<p>Deleted</p>	<p>Modify the article in accordance with the regulations.</p>

Original Articles	Amended Articles	Remark
<p>identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.</p>		
<p>Article 11 A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The ballot was not prepared by <u>the board of directors.</u> 2. <u>The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.</u> 3. <u>Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.</u> 4. <u>The writing is unclear and indecipherable or has been altered.</u> 5. <u>A blank ballot is placed in the ballot box.</u> 6. <u>The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.</u> 	<p>Article 10 A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The ballot was not prepared by <u>a person with the right to convene.</u> 2. <u>A blank ballot is placed in the ballot box.</u> 3. <u>The writing is unclear and indecipherable or has been altered.</u> 4. <u>The candidate whose name is entered in the ballot does not conform to the director candidate list.</u> 5. <u>Other words or marks are entered in addition to the number of voting rights allotted.</u> 	<p>Change the number of article and modify the article in accordance with the regulations.</p>
<p>Article 12 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site. 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,</p>	<p>Article 11 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site. 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,</p>	<p>Change the number of article</p>

Original Articles	Amended Articles	Remark
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.	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 <u>13</u> The board of directors of this Corporation shall issue notifications to the persons elected as directors.	Article <u>12</u> The board of directors of this Corporation shall issue notifications to the persons elected as directors.	Change the number of article
Article <u>14</u> These rule, and any amendments hereto, shall be implemented after approval by a shareholders meeting.	Article <u>13</u> These rule, and any amendments hereto, shall be implemented after approval by a shareholders meeting.	Change the number of article
Article <u>15</u> Other matters This rule was set up on June 20, 2008. Amended on June 11, 2014 for the first time. Amended on June 14, 2017 for the second time.	Article <u>14</u> Other matters This rule was set up on June 20, 2008. Amended on June 11, 2014 for the first time. Amended on June 14, 2017 for the second time. <u>Amended on June 15, 2023 for the third time.</u>	Change the number of article and add the date of this amendment.

Attachment 5

Comtrend Corporation
List of Directors Candidates

Name	Education	Major Past Positions	Current Positions	Shareholdings
Edimax Technology Co., Ltd Representative: Guan-Sheng Renn	Master Degree in University of California, Berkeley	Chairman, Comtrend Corporation Chairman & General Manager, Edimax Technology Co., Ltd.	Chairman, Comtrend Corporation Chairman & General Manager, Edimax Technology Co., Ltd.	19,649,060
Edimax Technology Co., Ltd Representative: Yu-Chang Chiu	EMBA, National Taiwan University Master Degree in Department of Electronic, National Taiwan University of Science and Technology	General Manager, Comtrend Corporation	General Manager, Comtrend Corporation	19,649,060
Edimax Technology Co., Ltd Representative: Liang-Jung Pan	Master Degree in Industrial Engineering, National Tsing Hua University	Senior Vice President, Edimax Technology Co., Ltd.	Senior Vice President, Edimax Technology Co., Ltd.	19,649,060
Edimax Technology Co., Ltd Representative: Jung-Lung Hung	Department of Electronic Engineering, National Taiwan University of Science and Technology Master Degree in Department of Business Management, National Chengchi University	ODM BU General Manager, Edimax Technology Co., Ltd.	ODM BU General Manager, Edimax Technology Co., Ltd.	19,649,060
Shin-Hua Hung	Department of Diplomacy, National Chengchi University	Chi Li Co., Ltd. the responsible person for the corporation retired	-	0
Yu-Jen Hsu	Department of International Business, Minor Department of Accounting, Tamkang University	CFO, Innovation Precision Inc Administration Department. Manager & Director, Topgreen Technology Co., Ltd Finance Department. Manager, Advanced-connectek Inc Finance Department.	-	0

Comtrend Corporation
List of Independent Directors Candidates

Name	Education	Major Past Positions	Current Positions	Shareholdings
Te-Pu Wang	Department of Electronic, National Taiwan University of Science and Technology	General Manager, D-Link Corporation General Manager, Alpha Networks Inc. retired	Director, Lanner Cultural and Educational Foundation	0
Shao-Chang Chu	Department of Chemical Engineering, National Cheng Kung University EMBA, National Chengchi University	Vice President, Citibank Finance Department & Supervisor, Citi Securities Vice President, Citibank Finance Service Department & Supervisor, Citi Securities Service Department Supervisor, Citibank Finance Service Departmen	-	0
Shi-Ying Gan	Master Degree in Department of Civil Engineering, National Cheng Kung University	Consultant, Evergreen Consulting Co., Ltd. Chief Engineer, Evergreen Consulting Co., Ltd. Associate Professor, Department of Civil Engineering, National Cheng Kung University Chairman, YOHO Beach Resort	Consultant, Evergreen Consulting Co., Ltd.	0

Attachment 6

Comtrend Corporation
Details of the duties subject to releasing the Candidate for Directors from
non-competition

Name	Other Company Name	Position
Edimax Technology Co., Ltd Representative: Guan-Sheng Renn	Edimax Technology Co., Ltd Uniform Industrial Corp. Abs Telecom, Inc. Edimax Technology Europe B.V. Smax Japan Co., Ltd. Edimax Electronic (Dongguan) Co., Ltd. Samx Technology Co., Ltd. EcoBear Technology Corporation	Chairman & General Manager Director Chairman (Representative in juridical persons) Chairman Director General Manager Chairman (Representative in juridical persons) Director (Representative in juridical persons)
Edimax Technology Co., Ltd Representative: Yu-Chang Chiu	Edimax Technology Co., Ltd	Director (Representative in juridical persons)
Edimax Technology Co., Ltd Representative: Liang-Jung Pan	Edimax Technology Co., Ltd Edimax Electronic (Dongguan) Co., Ltd. Abs Telecom, Inc. Edimax Technology (BVI) Co., Ltd. Edimax Computer Company Datamax (HK) Co., Ltd. Samx Technology Co., Ltd.	Director & Senior Vice President Chairman Director (Representative in juridical persons) Chairman Director Chairman Director (Representative in juridical persons)
Edimax Technology Co., Ltd Representative: Jung-Lung Hung	Edimax Technology Co., Ltd Samx Technology Co., Ltd. Abs Telecom, Inc. Smax Japan Co., Ltd.	Director (Representative in juridical persons) & ODM BU General Manager Director (Representative in juridical persons) & General Manager Director(Representative in juridical persons) Director

Attachment 7

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Comtrend Corporation

Opinion

We have audited the accompanying consolidated financial statements of Comtrend Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (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 Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. 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 matter of the Group's consolidated financial statements for the year ended December 31, 2022 is stated as follows:

Allowance for Loss on Inventory Valuation in the United States Region

For the year ended December 31, 2022, the Group's inventory amounted to \$384,366 thousand, of which \$121,045 thousand, representing 31.49% of the combined inventory, was generated from its subsidiary, Comtrend Corporation, USA ("CUSA"). As the amount of the assessment of net realizable value and obsolescence loss of the inventory valuation of CUSA is significant to the consolidated financial statements, the assessment of net realizable value and obsolescence loss of the inventory valuation of CUSA was deemed as a key audit matter. Refer to Note 4 "summary of significant accounting policies" and Note 11 "inventories" to the consolidated financial statements.

The main audit procedures we performed to address the aforementioned key audit matter were as follows:

1. Based on our understanding of the business and industry and nature of products of CUSA, we assessed the adequacy of the management's methodology for determining the inventory provision.
2. We obtained the policy of provision for inventory obsolescence losses and the inventory aging report and performed recalculations to determine if the assessment of the net realizable value was reasonable, as well as the accuracy of inventory aging classification and the allowance calculation via audit sampling.
3. We verified whether the inventories were measured at the lower of cost and net realizable value based on the most recent purchase orders or sales data.
4. We observed the year end physical inventory count and assessed whether any inventory was obsolete and damaged simultaneously.

Other Matter

We have also audited the parent company only financial statements of Comtrend Corporation as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of 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 for the year ended December 31, 2022 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 audits resulting in this independent auditors' report are Tza-Li Gung and Chih-Yuan Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 3, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

COMTREND CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 523,357	29	\$ 482,213	27
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	62,212	4	59,850	3
Contract assets - current (Note 22)	8,355	-	5,782	-
Trade receivables (Notes 4 and 10)	409,378	23	364,988	21
Other receivables (Notes 4, 10 and 30)	5,314	-	1,374	-
Current tax assets (Notes 4 and 24)	11,914	1	2,111	-
Inventories (Notes 4 and 11)	384,366	22	679,664	38
Other current assets (Note 15)	18,531	1	25,329	2
Total current assets	<u>1,423,427</u>	<u>80</u>	<u>1,621,311</u>	<u>91</u>
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 4, 9 and 31)	20,197	1	810	-
Property, plant and equipment (Notes 4, 13 and 31)	292,070	16	45,411	3
Right-of-use assets (Notes 4 and 14)	18,963	1	21,712	1
Intangible assets	1,601	-	-	-
Deferred tax assets (Notes 4 and 24)	25,286	2	33,191	2
Net defined benefit assets - non-current (Note 20)	3,295	-	-	-
Other non-current assets (Note 15)	3,711	-	61,984	3
Total non-current assets	<u>365,123</u>	<u>20</u>	<u>163,108</u>	<u>9</u>
TOTAL	<u>\$ 1,788,550</u>	<u>100</u>	<u>\$ 1,784,419</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	\$ 783	-	\$ -	-
Contract liabilities - current (Notes 22 and 30)	3,801	-	1,210	-
Notes payable and trade payables (Note 17)	152,225	9	288,633	16
Trade payables to related parties (Note 30)	61,984	4	91,549	5
Other payables (Notes 18 and 30)	57,180	3	72,882	4
Current tax liabilities (Notes 4 and 24)	494	-	5,752	-
Provisions - current (Notes 4 and 19)	7,914	-	5,382	-
Lease liabilities - current (Notes 4 and 14)	10,852	1	12,446	1
Other current liabilities (Note 18)	25,441	1	24,730	2
Total current liabilities	<u>320,674</u>	<u>18</u>	<u>502,584</u>	<u>28</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 16)	200,000	11	-	-
Deferred tax liabilities (Note 24)	270	-	-	-
Lease liabilities - non-current (Notes 4 and 14)	8,339	1	9,505	1
Net defined benefit liabilities (Notes 4 and 20)	-	-	9,073	-
Total non-current liabilities	<u>208,609</u>	<u>12</u>	<u>18,578</u>	<u>1</u>
Total liabilities	<u>529,283</u>	<u>30</u>	<u>521,162</u>	<u>29</u>
EQUITY (Note 21)				
Share capital				
Common stock	582,587	33	572,963	32
Capital collected in advance	2,052	-	36	-
Total share capital	<u>584,639</u>	<u>33</u>	<u>572,999</u>	<u>32</u>
Capital surplus	350,157	19	349,418	20
Retained earnings				
Legal reserve	83,922	5	83,922	4
Unappropriated earnings	203,810	11	246,438	14
Total retained earnings	<u>287,732</u>	<u>16</u>	<u>330,360</u>	<u>18</u>
Other equity				
Exchange differences on translation of financial statements of foreign operations	14,959	1	(8,188)	-
Unrealized loss on financial assets at fair value through other comprehensive income	21,780	1	18,668	1
Total other equity	<u>36,739</u>	<u>2</u>	<u>10,480</u>	<u>1</u>
Total equity	<u>1,259,267</u>	<u>70</u>	<u>1,263,257</u>	<u>71</u>
TOTAL	<u>\$ 1,788,550</u>	<u>100</u>	<u>\$ 1,784,419</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 3, 2023)

COMTREND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 30)	\$ 1,921,542	100	\$ 1,663,318	100
OPERATING COSTS (Notes 4, 11, 23 and 30)	<u>(1,327,000)</u>	<u>(69)</u>	<u>(1,128,277)</u>	<u>(68)</u>
GROSS PROFIT	<u>594,542</u>	<u>31</u>	<u>535,041</u>	<u>32</u>
OPERATING EXPENSES (Notes 10, 20, 23 and 30)				
Selling and marketing expenses	(349,074)	(18)	(302,101)	(18)
General and administrative expenses	(101,751)	(6)	(92,014)	(5)
Research and development expenses	(154,319)	(8)	(163,989)	(10)
Expected credit reversal gains and impairment losses	<u>(2,195)</u>	<u>-</u>	<u>2,749</u>	<u>-</u>
Total operating expenses	<u>(607,339)</u>	<u>(32)</u>	<u>(555,355)</u>	<u>(33)</u>
LOSS FROM OPERATIONS	<u>(12,797)</u>	<u>(1)</u>	<u>(20,314)</u>	<u>(1)</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 23)	-	-	1,217	-
Other gains and losses (Notes 23 and 30)	28,810	1	(10,200)	(1)
Finance costs (Note 23)	(3,572)	-	(1,011)	-
Interest income (Note 23)	<u>1,620</u>	<u>-</u>	<u>907</u>	<u>-</u>
Total non-operating income and expenses	<u>26,858</u>	<u>1</u>	<u>(9,087)</u>	<u>(1)</u>
PROFIT (LOSS) BEFORE INCOME TAX	14,061	-	(29,401)	(2)
INCOME TAX (EXPENSE) BENEFIT (Notes 4 and 24)	<u>(4,790)</u>	<u>-</u>	<u>3,293</u>	<u>-</u>
NET PROFIT (LOSS) FOR THE YEAR	<u>9,271</u>	<u>-</u>	<u>(26,108)</u>	<u>(2)</u>

(Continued)

COMTREND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	\$ 6,444	1	\$ (292)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	3,814	-	2,940	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 24)	(1,288)	-	58	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>23,147</u>	<u>1</u>	<u>(11,530)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>32,117</u>	<u>2</u>	<u>(8,824)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ 41,388</u>	<u>2</u>	<u>\$ (34,932)</u>	<u>(2)</u>
EARNINGS (LOSS) PER SHARE (Note 23)				
Basic	<u>\$ 0.16</u>		<u>\$ (0.46)</u>	
Diluted	<u>\$ 0.16</u>		<u>\$ (0.46)</u>	

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

(With Deloitte & Touche auditors' report dated March 3, 2023)

(Concluded)

COMTREND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Share Capital (Note 21)			Capital Surplus (Note 19)	Retained Earnings (Note 21)			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity	Total	Total Equity
	Common Stock	Collected in Advance	Total		Legal Reserve	Unappropriated Earnings	Total		Unrealized Gain (Loss) on Investments in Equity Instruments at Fair Value through Other Comprehensive Income		
									Total		
BALANCE AT JANUARY 1, 2021	\$ 563,846	\$ -	\$ 563,846	\$ 345,520	\$ 63,642	\$ 416,050	\$ 479,692	\$ 3,342	\$ 6,683	\$ 10,025	\$ 1,399,083
Appropriation of 2020 earnings											
Legal reserve	-	-	-	-	20,280	(20,280)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(113,945)	(113,945)	-	-	-	(113,945)
Other changes in capital surplus											
Recognition of employee share options by the Company (Note 27)	-	-	-	3,898	-	-	-	-	-	-	3,898
Issuance of ordinary shares under employee share options	9,117	36	9,153	-	-	-	-	-	-	-	9,153
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 8)	-	-	-	-	-	(9,045)	(9,045)	-	9,045	9,045	-
Net loss for the year ended December 31, 2021	-	-	-	-	-	(26,108)	(26,108)	-	-	-	(26,108)
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(234)	(234)	(11,530)	2,940	(8,590)	(8,824)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	(26,342)	(26,342)	(11,530)	2,940	(8,590)	(34,932)
BALANCE AT DECEMBER 31, 2021	572,963	36	572,999	349,418	83,922	246,438	330,360	(8,188)	18,668	10,480	1,263,257
Appropriation of 2021 earnings											
Cash dividends distributed by the Company	-	-	-	-	-	(57,757)	(57,757)	-	-	-	(57,757)
Other changes in capital surplus											
Recognition of employee share options by the Company (Note 27)	-	-	-	739	-	-	-	-	-	-	739
Issuance of ordinary shares under employee share options	9,624	2,016	11,640	-	-	-	-	-	-	-	11,640
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 8)	-	-	-	-	-	702	702	-	(702)	(702)	-
Net income for the year ended December 31, 2022	-	-	-	-	-	9,271	9,271	-	-	-	9,271
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	5,156	5,156	23,147	3,814	26,961	32,117
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	14,427	14,427	23,147	3,814	26,961	41,388
BALANCE AT DECEMBER 31, 2022	\$ 582,587	\$ 2,052	\$ 584,639	\$ 350,157	\$ 83,922	\$ 203,810	\$ 287,732	\$ 14,959	\$ 21,780	\$ 36,739	\$ 1,259,267

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

(With Deloitte & Touche auditors' report dated March 3, 2023)

COMTREND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	\$ 14,061	\$ (29,401)
Adjustments for:		
Depreciation expense	46,166	49,279
Amortization expenses	46	-
Expected credit reversal gains and impairment losses	2,195	(2,749)
Net gain on fair value changes of financial assets at fair value through profit or loss	(186)	-
Finance costs	3,572	1,011
Interest income	(1,620)	(907)
Dividend income	-	(1,217)
Share-based payments	739	3,898
Write-down of inventories	6,108	27,201
Gain on changes in lease	(2)	(734)
Net changes in operating assets and liabilities		
Contract assets	(2,573)	(4,362)
Notes receivable	-	21
Trade receivables	(46,949)	34,384
Other receivables	(3,940)	23
Inventories	286,066	(349,370)
Other current assets	6,798	(6,126)
Contract liabilities	2,591	(13,585)
Notes payable and trade payables (including related parties)	(165,973)	(64,963)
Other payables	(15,702)	(52,458)
Provisions	2,532	1,941
Other current liabilities	711	5,938
Net defined benefit liabilities	(5,924)	(534)
Cash generated from (used in) operations	128,716	(402,710)
Dividends received	-	1,217
Interest received	1,620	907
Interest paid	(3,276)	(22)
Income tax paid	(12,965)	(17,104)
Net cash generated from (used in) operating activities	<u>114,095</u>	<u>(417,712)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	1,452	-
Acquisition from financial assets measured at amortized cost	(19,387)	-
Proceeds from sale of financial assets measured at amortized cost	-	95
Proceeds from sale of financial assets at fair value through profit or loss	969	-
Prepayments for land and buildings	-	(56,796)
Payments for property, plant and equipment	(222,045)	(26,376)

(Continued)

COMTREND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
Decrease in refundable deposits	\$ 1,477	\$ 83
Payments for intangible assets	<u>(1,647)</u>	<u>-</u>
Net cash used in investing activities	<u>(239,181)</u>	<u>(82,994)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	200,000	-
Repayment of the principal portion of lease liabilities	(14,105)	(19,949)
Dividends paid to owners of the Company	(57,757)	(113,945)
Exercise of employee share options	<u>11,640</u>	<u>9,153</u>
Net cash generated from (used in) financing activities	<u>139,778</u>	<u>(124,741)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>26,452</u>	<u>(11,140)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	41,144	(636,587)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>482,213</u>	<u>1,118,800</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 523,357</u>	<u>\$ 482,213</u>

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

(With Deloitte & Touche auditors' report dated March 3, 2023)

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Comtrend Corporation

Opinion

We have audited the accompanying financial statements of Comtrend Corporation (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. 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 matter of the Company's financial statements for the year ended December 31, 2022 is stated as follows:

The Measurement of Investments Accounted for Using Equity Method

As disclosed in Note 11 to the financial statements, the balance of the equity investments in Comtrend Corporation, USA ("CUSA") held by the Company was \$73,511 thousand, representing 4.23% of total assets as of December 31, 2022, and the share of loss of CUSA was \$(20,133) thousand, representing (124.6%) of total profit before income tax for the year ended December 31, 2022. As the operating results of CUSA is significant to the Company, the measurement of investments accounted for using the equity method of CUSA is deemed to be a key audit matter.

The main audit procedures we performed to address the above key audit matter were as follows:

1. Based on our understanding of the business and industry of CUSA, we determined whether it is a significant component in order to plan an appropriate audit strategy.
2. We obtained audit evidence that is sufficient and appropriate regarding the subsidiary, and assessed the impact of any potential misstatements for our audit opinion.
3. We recalculated the share of profit and loss as well as related balance of the equity investment to verify the accuracy of the balance of CUSA.

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 the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company 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 for the year ended December 31, 2022 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 audits resulting in this independent auditors' report are Tza-Li Gung and Chih-Yuan Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 3, 2023

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

COMTREND CORPORATION

BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 381,114	22	\$ 333,729	19
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	62,212	4	59,850	4
Trade receivables (Notes 4, 9 and 22)	144,179	8	73,733	4
Trade receivables from related parties (Notes 22 and 29)	361,949	21	275,846	16
Other receivables (Notes 4, 9 and 29)	4,791	-	8,129	1
Current tax assets (Notes 4 and 23)	186	-	66	-
Inventories (Notes 4 and 10)	261,409	15	578,996	34
Other current assets (Note 14)	14,121	1	20,020	1
Total current assets	<u>1,229,961</u>	<u>71</u>	<u>1,350,369</u>	<u>79</u>
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Notes 4 and 11)	179,479	10	231,674	13
Property, plant and equipment (Notes 4, 12 and 30)	290,199	17	43,320	3
Right-of-use assets (Notes 4 and 13)	6,879	-	173	-
Intangible assets	1,601	-	-	-
Deferred tax assets (Notes 4 and 23)	25,286	2	33,191	2
Net defined benefit assets - non-current (Note 19)	3,295	-	-	-
Other non-current assets (Note 14)	1,446	-	60,050	3
Total non-current assets	<u>508,185</u>	<u>29</u>	<u>368,408</u>	<u>21</u>
TOTAL	<u>\$ 1,738,146</u>	<u>100</u>	<u>\$ 1,718,777</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Notes 21 and 29)	\$ 3,250	-	\$ 842	-
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	783	-	-	-
Notes payable and trade payables (Note 16)	151,247	9	287,920	17
Trade payables to related parties (Note 29)	61,984	4	91,549	5
Other payables (Notes 17 and 29)	46,329	3	60,358	4
Provisions - current (Notes 4 and 18)	7,914	-	5,382	-
Lease liabilities - current (Notes 4 and 13)	2,703	-	177	-
Other current liabilities (Note 17)	202	-	219	-
Total current liabilities	<u>274,412</u>	<u>16</u>	<u>446,447</u>	<u>26</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 15 and 30)	200,000	12	-	-
Deferred tax liabilities (Notes 4 and 23)	270	-	-	-
Lease liabilities - non-current (Notes 4 and 13)	4,197	-	-	-
Net defined benefit liabilities (Notes 4 and 19)	-	-	9,073	-
Total non-current liabilities	<u>204,467</u>	<u>12</u>	<u>9,073</u>	<u>-</u>
Total liabilities	<u>478,879</u>	<u>28</u>	<u>455,520</u>	<u>26</u>
EQUITY (Note 20)				
Share capital				
Common stock	582,587	34	572,963	34
Capital collected in advance	2,052	-	36	-
Total share capital	<u>584,639</u>	<u>34</u>	<u>572,999</u>	<u>34</u>
Capital surplus	<u>350,157</u>	<u>20</u>	<u>349,418</u>	<u>20</u>
Retained earnings				
Legal reserve	83,922	5	83,922	5
Unappropriated earnings	203,810	11	246,438	14
Total retained earnings	<u>287,732</u>	<u>16</u>	<u>330,360</u>	<u>19</u>
Other equity				
Exchange differences on translation of financial statements of foreign operations	14,959	1	(8,188)	-
Unrealized gain on financial assets at fair value through other comprehensive income	21,780	1	18,668	1
Total other equity	<u>36,739</u>	<u>2</u>	<u>10,480</u>	<u>1</u>
Total equity	<u>1,259,267</u>	<u>72</u>	<u>1,263,257</u>	<u>74</u>
TOTAL	<u>\$ 1,738,146</u>	<u>100</u>	<u>\$ 1,718,777</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 3, 2023)

COMTREND CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 21 and 29)	\$ 1,725,024	100	\$ 1,418,714	100
OPERATING COSTS (Notes 4, 10, 22 and 29)	<u>(1,310,216)</u>	<u>(76)</u>	<u>(1,154,079)</u>	<u>(81)</u>
GROSS PROFIT	414,808	24	264,635	19
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	(50,815)	(3)	(22,937)	(2)
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	<u>22,937</u>	<u>2</u>	<u>12,523</u>	<u>1</u>
REALIZED GROSS PROFIT	<u>386,930</u>	<u>23</u>	<u>254,221</u>	<u>18</u>
OPERATING EXPENSES (Notes 8, 19, 22 and 29)				
Selling and marketing expenses	(121,641)	(7)	(98,942)	(7)
General and administrative expenses	(101,749)	(6)	(91,748)	(7)
Research and development expenses	(154,318)	(9)	(162,019)	(11)
Expected credit gain	<u>-</u>	<u>-</u>	<u>650</u>	<u>-</u>
Total operating expenses	<u>(377,708)</u>	<u>(22)</u>	<u>(352,059)</u>	<u>(25)</u>
PROFIT (LOSS) FROM OPERATIONS	<u>9,222</u>	<u>1</u>	<u>(97,838)</u>	<u>(7)</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 4, 22 and 30)	124	-	1,586	-
Other gains and losses (Note 22)	25,070	1	(16,527)	(1)
Finance costs (Note 22)	(3,324)	-	(691)	-
Share of profit or loss of subsidiaries	(16,433)	(1)	68,429	5
Interest income (Note 22)	<u>1,499</u>	<u>-</u>	<u>859</u>	<u>-</u>
Total non-operating income and expenses	<u>6,936</u>	<u>-</u>	<u>53,656</u>	<u>4</u>
PROFIT (LOSS) BEFORE INCOME TAX	16,158	1	(44,182)	(3)
INCOME TAX (EXPENSE) BENEFIT (Notes 4 and 23)	<u>(6,887)</u>	<u>(1)</u>	<u>18,074</u>	<u>1</u>
NET PROFIT (LOSS) FOR THE YEAR	<u>9,271</u>	<u>-</u>	<u>(26,108)</u>	<u>(2)</u>

(Continued)

COMTREND CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 19)	\$ 6,444	1	\$ (292)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	3,814	-	2,940	1
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 23)	(1,288)	-	58	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>23,147</u>	<u>1</u>	<u>(11,530)</u>	<u>(1)</u>
Other comprehensive income for the year, net of income tax	<u>32,117</u>	<u>2</u>	<u>(8,824)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR				
	<u>\$ 41,388</u>	<u>2</u>	<u>\$ (34,932)</u>	<u>(2)</u>
EARNINGS (LOSS) PER SHARE (Note 24)				
Basic	<u>\$ 0.16</u>		<u>\$ (0.46)</u>	
Diluted	<u>\$ 0.16</u>		<u>\$ (0.46)</u>	

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 3, 2023)

(Concluded)

COMTREND CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Share Capital (Note 20)			Capital Surplus (Note 20)	Retained Earnings (Note 20)			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity		Total Equity
	Common Stock	Collected in Advance	Total		Legal Reserve	Unappropriated Earnings	Total		Unrealized Gain (Loss) on Investments in Equity Instruments at Fair Value through Other Comprehensive Income	Total	
BALANCE AT JANUARY 1, 2021	\$ 563,846	\$ -	\$ 563,846	\$ 345,520	\$ 63,642	\$ 416,050	\$ 479,692	\$ 3,342	\$ 6,683	\$ 10,025	\$ 1,399,083
Appropriation of 2020 earnings											
Legal reserve	-	-	-	-	20,280	(20,280)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(113,945)	(113,945)	-	-	-	(113,945)
Other changes in capital surplus											
Recognition of employee share options by the Company (Note 25)	-	-	-	3,898	-	-	-	-	-	-	3,898
Issuance of ordinary shares under employee share options	9,117	36	9,153	-	-	-	-	-	-	-	9,153
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 8)	-	-	-	-	-	(9,045)	(9,045)	-	9,045	9,045	-
Net loss for the year ended December 31, 2021	-	-	-	-	-	(26,108)	(26,108)	-	-	-	(26,108)
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(234)	(234)	(11,530)	2,940	(8,590)	(8,824)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	(26,342)	(26,342)	(11,530)	2,940	(8,590)	(34,932)
BALANCE AT DECEMBER 31, 2021	572,963	36	572,999	349,418	83,922	246,438	330,360	(8,188)	18,668	10,480	1,263,257
Appropriation of 2021 earnings											
Cash dividends distributed by the Company	-	-	-	-	-	(57,757)	(57,757)	-	-	-	(57,757)
Other changes in capital surplus											
Recognition of employee share options by the Company (Note 25)	-	-	-	739	-	-	-	-	-	-	739
Issuance of ordinary shares under employee share options	9,624	2,016	11,640	-	-	-	-	-	-	-	11,640
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 8)	-	-	-	-	-	702	702	-	(702)	(702)	-
Net income for the year ended December 31, 2022	-	-	-	-	-	9,271	9,271	-	-	-	9,271
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	5,156	5,156	23,147	3,814	26,961	32,117
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	14,427	14,427	23,147	3,814	26,961	41,388
BALANCE AT DECEMBER 31, 2022	\$ 582,587	\$ 2,052	\$ 584,639	\$ 350,157	\$ 83,922	\$ 203,810	\$ 287,732	\$ 14,959	\$ 21,780	\$ 36,739	\$ 1,259,267

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 3, 2023)

COMTREND CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) profit before income tax	\$ 16,158	\$ (44,182)
Adjustments for:		
Depreciation expense	33,195	36,760
Amortization expenses	46	-
Expected credit recognized reversal on trade receivables	-	(650)
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(186)	-
Finance costs	3,324	691
Interest income	(1,499)	(859)
Dividend income	-	(1,217)
Share-based payments	739	3,898
Share of profit of subsidiaries	16,433	(68,429)
Gain on disposal of subsidiary	(1,110)	-
Write-down of inventories	-	24,775
Reversal of write-down of inventories	(12,698)	-
Unrealized gain on transactions with subsidiaries	50,815	22,937
Realized gain on transactions with subsidiaries	(22,937)	(12,523)
Gain on changes in lease	-	(734)
Net changes in operating assets and liabilities		
Notes receivable	-	21
Trade receivables (including related parties)	(156,549)	72,943
Other receivables	3,338	(1,851)
Inventories	330,285	(295,021)
Other current assets	5,899	(5,546)
Contract liabilities	2,408	(13,918)
Notes payable and trade payables (including related parties)	(166,238)	(63,995)
Other payables	(14,029)	(40,754)
Provisions	2,532	1,941
Other current liabilities	(17)	2
Net defined benefit liabilities	<u>(5,924)</u>	<u>(534)</u>
Cash generated from (used in) operations	83,985	(386,245)
Interest received	1,499	859
Dividends received	-	1,217
Interest paid	(3,278)	(22)
Income tax paid	<u>(120)</u>	<u>(3,858)</u>
Net cash generated from (used in) operating activities	<u>82,086</u>	<u>(388,049)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	1,452	-
Proceeds from sale of financial assets at fair value through profit or loss	969	-
Prepayments for land and buildings	-	(56,796)

(Continued)

COMTREND CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	2022	2021
Net cash inflow on disposal of subsidiary	\$ 32,145	\$ -
Payments for property, plant and equipment	(221,815)	(26,044)
Payments for intangible assets	(1,647)	-
Decrease in refundable deposits	<u>1,808</u>	<u>1</u>
Net cash used in investing activities	<u>(187,088)</u>	<u>(82,839)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	200,000	-
Repayment of the principal portion of lease liabilities	(1,496)	(7,845)
Dividends paid to owners of the Company	(57,757)	(113,945)
Exercise of employee share options	<u>11,640</u>	<u>9,153</u>
Net cash generated from (used in) financing activities	<u>152,387</u>	<u>(112,637)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	47,385	(583,525)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>333,729</u>	<u>917,254</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 381,114</u>	<u>\$ 333,729</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 3, 2023)

(Concluded)