

Stock Code: 8089



Comtrend Corporation

Handbook for 2022 Annual Shareholders' Meeting

2022 Annual Shareholders' Meeting held by means of physical shareholders meeting

Meeting Time: June 14, 2022 (Tuesday)

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

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2022 ANNUAL SHAREHOLDERS' MEETING (THE "AGENDA") OF COMTREDN CORPORATION (THE "COMPANY"). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE. THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE HANDBOOK SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

Table of Contents

I. Meeting Agenda	1
1.Report Items	2
2.Proposal Items	3
3.Discussion Items	5
4.Motions	5
II. Attachments	
1.2021 Business Report	6
2.Audit Committee’s Review Report on the 2021Financial Statements	10
3.List of Amendments to the “Articles of Incorporation”	11
4. List of Amendments to the “Procedures for Acquisition or Disposal of Assets”	12
5.Independent Auditors’ Report and 2021 Consolidated Financial Statements	20
6.Independent Auditors’ Report and 2021 Parent Company Only Financial Statements	31
III. Appendices	
1. Articles of Incorporation	39
2. Rules and Procedures of Shareholders’ Meeting	45
3. Shareholdings of Directors	53

I. Meeting Agenda

Comtrend Corporation

2022 Annual Shareholders' Meeting Agenda

(2022 Annual Shareholders' Meeting held by means of physical shareholders meeting)

Time: 9:00 am on Tuesday, June 14, 2022

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

Attendants: All shareholders or their proxy holders

Chairman: Guan-Sheng Renn

1. **Call the Meeting to Order**
2. **Chairman's Address**
3. **Report Items:**
 - (1).2021 Business Report
 - (2).Audit Committee's Review Report
4. **Proposal Items:**
 - (1). Adoption of the 2021 Business Report and Financial Statements
 - (2). Adoption of the Proposal for Distribution of 2021 Profits
5. **Discussion Items:**
 - (1). Amendment to the "Articles of Incorporation"
 - (2). Amendment to the "Procedures for Acquisition or Disposal of Assets"
6. **Motions**
7. **Adjournment**

Report Items

(1) 2021 Business Report

Explanation:

Please refer to Attachment 1.

(2) Audit Committee's Review Report

Explanation:

Please refer to Attachment 2.

Proposal Items

- (1) Adoption of the 2021 Business Report and Financial Statement (Proposed by the Board)

Explanation:

1. The Company's 2021 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. 2021 Business Report, Independent Auditors' Report, and the aforementioned Financial Statements are attached hereto as Attachments 1, 5 and 6.

Resolution:

- (2) Adoption of the Proposal for Distribution of 2021 Profits (Proposed by the Board)

Explanation:

1. The earnings distribution proposal for year 2021 is as follows:

Comtrend Corporation
Earnings Distribution Proposal for the Year 2021

Items	Unit: NTD\$ Total
Unappropriated retained earnings of previous years	281,827,798
Net loss after tax for the current period	(26,108,380)
Disposal of equity instruments measured at fair value through other comprehensive income to adjust retained earnings	(9,044,710)
Remeasurement of defined benefit plans recognized to retained earnings	(233,819)
Items other than net loss for the current period are included in the amount of undistributed surplus for the current year	(35,386,909)
Earnings available for distribution this year	246,440,889
Distribution items:	
Cash dividends to shareholders (NT\$ 1 per share)	57,756,827
Unappropriated retained earnings at the end of the year	188,684,062

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

2. The proposed earnings distribution of amount NT\$ 57,756,827 is allocated from 2021 Earnings Available for Distribution. Each shareholder will be entitled to

receive a cash dividend of NT\$ 1 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.

Resolution:

Discussion Items

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

Explanation:

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”.

Resolution:

- (2) Amendment to the “Procedures for Acquisition or Disposal of Assets”, please proceed to discuss. (Proposed by the Board)

Explanation:

1. In order to comply with law and regulations the company hereby proposes to amend the “Procedures for Acquisition or Disposal of Assets”.
2. Please refer to Attachment 4 for details of the proposed amendments to the “Procedures for Acquisition or Disposal of Assets”.

Resolution:

Motions

Adjournment

Attachments

Attachment 1

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 2021:

1. Annual business report of year 2021:

(1). Implementation Results of the business plan

Affected by the Covid-19 epidemic in 2021 year, most European and American customers worked from home, resulting in delays in the certification schedule of new products; the facts including the imbalance between supply and demand in semiconductor industry, the delay in the deliveries of main chips, memory and power management chips, shipping congestion in ports and other changes in the external environment had impact on the operation of the Company in 2021 year. The company is facing multiple pressures due to the shortage of key components and the effect of price increases caused by shipping congestion in ports, delays in the certification of new products, the sharp depreciation of the euro and the appreciation of the New Taiwan dollar, resulting recession in the company's operating conditions in year 2021 compared to the year 2020. The Company's consolidated revenue in 2021 was NT\$ 1,663 million, and the consolidated gross profit was NT\$ 535 million. Due to the decline in revenue, the net loss attributable to the parent company was NT\$ 26 million.

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

Items		2020 Year	2021 Year
Financial structure	Liabilities to assets ratio (%)	33.39	29.21
	Ratio of long-term funds to property, plant and equipment (%)	1,231.98	1,909.68
Solvency	Current ratio (%)	308.46	322.60
	Quick ratio (%)	250.98	185.43
	Interest coverage ratio	179.08	(28.09)
Profitability	Gross profit margin (%)	32.21	32.17
	Net profit after tax (%)	7.78	(1.57)
	Earnings per share (NTD)	3.96	(0.46)

The company pays attention to the company's operational risks at all times, and adjusts its operation steps in a timely manner in the face of changes in the

economic situation. Therefore, although the company suffered losses in 2021, its financial structure has grown significantly compared to 2020. The current ratio in 2021 was lower than that in 2020. The main reason was that the company purchased raw materials according to the estimated schedule. However, due to the lack of main chips and some memory and power management chips, the production could not be run well, the inventory can be gradually consumed after the main chipsets were put in by degrees.

(3). Research and development status

The company's annual research and development achievements in 2021 are as follows:

- I. With feedback power supply (compliant with European Telecommunications Union ETSI) FTTdp fiber to distribution point single port and multi-port G.fast Wave 2 outdoor solution.
- II. Feedback power supply that complies with the European Telecommunications Union (ETSI) FTTdp Fiber to the Distribution Point single-port and multi-port G.fast Wave 2 outdoor solution.
- III. G.fast Wave 2 Broadband Router with Feedback Power and Phone Function.
- IV. Router that integrates Wi-Fi 6 and power line network transmission.
- V. Integrate DVB-S/DTV/5G/ G.hn Wave2 EOC (Ethernet over Coax) outdoor network solution.

2. Outline of the 2022 year Annual Business Plan

(1). Business policy for the 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 G PON 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 marketing 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.

In terms of product production, through close cooperation with outsourced manufacturers to ensure stable production quality, but due to the impact of the Covid-19 pneumonia epidemic and the China-US trade war, the supply and demand of the semiconductor industry has been unbalanced, resulting in prolonged delivery of some chips. Long-term sales forecast and request for price increase are committed to reduce the impact of this change on operations. However, due to the great changes in the economic situation and the continuous rise of some raw materials, the company's operations this year are still impacted.

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. Influenced by the 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 2022 year, it is expected that when the delivery time of semiconductors cannot be significantly improved, crowding out is likely to occur, which is unfavorable for relatively small-scale niche companies, and will also suppress the operating growth of such companies.

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 2021 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.

2022 shareholder meeting of the company

Chairperson of the Audit Committee: Te-Pu Wang

March 11, 2022

Attachment 3

Comtrend Corporation
Articles of Incorporation

Original Articles	Amended Articles	Remark
<p>Article 11 There will be two kinds of shareholders' meetings including general meeting and extraordinary meeting, the general meeting will be convened by the board of director once a year within six months after the end of each fiscal year. The extraordinary meeting will be held in accordance with the relevant laws and regulations if it is necessary.</p>	<p>Article 11 There will be two kinds of shareholders' meetings including general meeting and extraordinary meeting, the general meeting will be convened by the board of director once a year within six months after the end of each fiscal year. The extraordinary meeting will be held in accordance with the relevant laws and regulations if it is necessary. <u>The company's shareholders meeting may be held by video conference or other methods announced by the competent authority.</u> <u>The requirements, operating procedures, and other matters to be complied with for the adoption of video shareholders meeting shall be governed by the regulations of the competent authority if otherwise stipulated.</u></p>	<p>Modify the article in accordance with the regulations.</p>
<p>Article 32 This Articles of Incorporation was concluded on March 31, 1990. Amended on June 5, 2019 for the twenty-sixth time.</p>	<p>Article 32 This Articles of Incorporation was concluded on March 31, 1990. Amended on June 5, 2019 for the twenty-sixth time. <u>Amended on June 14, 2022 for the twenty-seventh time.</u></p>	<p>Add the date of this amendment.</p>

Attachment 4

Comtrend Corporation Procedures for Acquisition or Disposal of Assets

Original Articles	Amended Articles	Remark
<p>Article 6 Item one omitted. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>comprehensiveness</u>, <u>accuracy</u>, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>reasonable</u> and <u>accurate</u>, and that they have complied with applicable laws and regulations. 	<p>Article 6 Item one omitted. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-regulatory rules of their respective allied associations and</u> the following:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When <u>conducting</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate</u> and <u>reasonable</u>, and that they have complied with applicable laws and regulations. 	<p>Modify the article in accordance with the regulations.</p>
<p>Article 8 Procedures for acquire or disposing of real estate, right-of-use assets or equipment. Item one to four omitted. 5. Valuation report When the Company acquire or disposal real property, right-of-use assets or equipment, if the transaction amount exceeds 20% of the paid-in capital or NT\$ 300million, except to transactions with domestic government authority, of building on owned land, building on rental land, disposal of the equipment used for business or right-of-use assets, the valuation report by the professional appraiser shall be obtained before the date of transaction and shall meet the following requirements: 5-1. For special reasons, where the limited price</p>	<p>Article 8 Procedures for acquire or disposing of real estate, right-of-use assets or equipment. Item one to four omitted. 5. Valuation report When the Company acquire or disposal real property, right-of-use assets or equipment, if the transaction amount exceeds 20% of the paid-in capital or NT\$ 300million, except to transactions with domestic government authority, of building on owned land, building on rental land, disposal of the equipment used for business or right-of-use assets, the valuation report by the professional appraiser shall be obtained before the date of transaction and shall meet the following requirements: 5-1. For special reasons, where the limited price</p>	<p>Modify the article in accordance with the regulations.</p>

Original Articles	Amended Articles	Remark
<p>or special price is referred to decide the transaction price, it shall be approved by the Audit Committee and board of directors. The future transaction condition change shall also be approved in accordance with the same procedure.</p> <p>5-2. The transaction amounted to NT\$1 billion should be valued by two or more professional appraisers</p> <p>5-3. If the valuation result of the professional appraiser is in any of the following circumstances, except the valuation result of the acquired asset is higher than the transaction amount or the valuation result of the disposal of the asset is lower than the transaction amount, the Company shall invite the accountant to opinion the reasons for the difference and the legitimacy of the transaction price <u>in accordance with the provisions Statements of Auditing Standards No.20 issued by the China Accounting Research and Development Foundation of the Republic of China (hereinafter referred to as the Accounting Research and Development Foundation).</u></p> <p>5-3-1. The difference between the valuation result and the transaction amount is more than 20% of the transaction amount.</p> <p>5-3-2. The difference between valuations by two or more professional appraisers is more than 10% of the transaction amount.</p> <p>5-4. The date of the report of the professional appraiser shall not exceed three months from the date on which the contract was established. But if it applies the same period of the public value of not more than six months, it could be fixed by the opinion from the same professional appraiser.</p>	<p>or special price is referred to decide the transaction price, it shall be approved by the Audit Committee and board of directors. The future transaction condition change shall also be approved in accordance with the same procedure.</p> <p>5-2. The transaction amounted to NT\$1 billion should be valued by two or more professional appraisers</p> <p>5-3. If the valuation result of the professional appraiser is in any of the following circumstances, except the valuation result of the acquired asset is higher than the transaction amount or the valuation result of the disposal of the asset is lower than the transaction amount, the Company shall invite the accountant to opinion the reasons for the difference and the legitimacy of the transaction price.</p> <p>5-3-1. The difference between the valuation result and the transaction amount is more than 20% of the transaction amount.</p> <p>5-3-2. The difference between valuations by two or more professional appraisers is more than 10% of the transaction amount.</p> <p>5-4. The date of the report of the professional appraiser shall not exceed three months from the date on which the contract was established. But if it applies the same period of the public value of not more than six months, it could be fixed by the opinion from the same professional appraiser.</p>	
<p>Article 9 Processing procedure for acquiring or disposing of securities Item one to four omitted. 5.Expert opinion When the Company acquires or disposes of securities, it shall obtain the most recent CPA-audited and attested financial report of the company as a reference for assessing the transaction price. If the transaction amounted to 20% of the company's paid-up capital of NT \$ 300 million or more, the Company should consult the accountant's opinion on legitimacy</p>	<p>Article 9 Processing procedure for acquiring or disposing of securities Item one to four omitted. 5.Expert opinion When the Company acquires or disposes of securities, it shall obtain the most recent CPA-audited and attested financial report of the company as a reference for assessing the transaction price. If the transaction amounted to 20% of the company's paid-up capital of NT \$ 300 million or more, the Company should consult the accountant's opinion on legitimacy</p>	<p>Modify the article in accordance with the regulations.</p>

Original Articles	Amended Articles	Remark
<p>of the transaction price. <u>If the accountant needs expert's opinion, it shall be handled in accordance with the Auditing Standards No.20 issued by the Accounting Research and Development Foundation</u>, except that for securities quoted on an active market or regulation provision expressed otherwise issued by the securities regulatory authority.</p>	<p>of the transaction price. Except that for securities quoted on an active market or regulation provision expressed otherwise issued by the securities regulatory authority.</p>	
<p>Article 10 Related party transactions 1.When the Company engages in any acquisition or disposal of assets to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of Article 8. The calculation of the transaction amount referred to in <u>the preceding</u> paragraph shall be made in accordance with paragraph 1 of Article 15. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered. 2.Procedure of evaluation and operation When the Company intends to acquire or dispose of real property or right-of-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and the board of directors: 2-1-1.The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p>	<p>Article 10 Related party transactions 1.When the Company engages in any acquisition or disposal of assets to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of Article 8. The calculation of the transaction amount referred to in <u>this</u> paragraph shall be made in accordance with paragraph 1 of Article 15. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered. 2.Procedure of evaluation and operation When the Company intends to acquire or dispose of real property or right-of-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and the board of directors: 2-1-1.The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p>	<p>Modify the article in accordance with the regulations.</p>

Original Articles	Amended Articles	Remark
<p>2-1-2.The reason for choosing the related party as a trading counterparty.</p> <p>2-1-3.With respect to the acquisition of real property or right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with subparagraphs 1 and subparagraph 4 of paragraph 3 of this Article.</p> <p>2-1-4.The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.</p> <p>2-1-5.Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>2-1-6.An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the provisions of Article 8.</p> <p>2-1-7.Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>The calculation of the transaction amount in the preceding paragraph shall be carried out in accordance with the provisions of Paragraph 1 of Article 15, and the term within one year shall be based on the date of the actual occurrence of the transaction, retroactively calculated one year ahead, and has been submitted for audit in accordance with the provisions of these standards. Parts approved by the committee and the board of directors are exempted from re-counting.</u></p> <p>With respect to the between parent company or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may pursuant to paragraph 3 of Article 8, delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>2-2-1.Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>2-2-2.Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>When a matter is submitted for discussion by</p>	<p>2-1-2.The reason for choosing the related party as a trading counterparty.</p> <p>2-1-3.With respect to the acquisition of real property or right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with subparagraphs 1 and subparagraph 4 of paragraph 3 of this Article.</p> <p>2-1-4.The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.</p> <p>2-1-5.Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>2-1-6.An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the provisions of Article 8.</p> <p>2-1-7.Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the between parent company or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may pursuant to paragraph 3 of Article 8, delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>2-2-1.Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>2-2-2.Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>When a matter is submitted for discussion by</p>	

Original Articles	Amended Articles	Remark
<p>the board of directors pursuant to <u>preceding paragraph</u>, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>	<p>the board of directors pursuant to <u>paragraph 1</u>, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p><u>If the company or a subsidiary of a non-domestic public company has the first transaction and the transaction amount is more than 10% of the company's total assets, the company shall submit the information listed in paragraph 1 to the shareholders' meeting for approval before signing. Transaction contract and payment. However, transactions between the Company and its subsidiaries, or between subsidiaries, are not subject to this limitation.</u></p> <p>The calculation of the transaction amount in <u>Paragraph 1 and the preceding Paragraph</u> shall be carried out in accordance with the provisions of Paragraph 1 of Article 15, and the term within one year shall be based on the date of the actual occurrence of this transaction, and shall be retrospectively calculated for one year in accordance with this the procedures that the parts submitted to the <u>shareholders' meeting</u>, the audit committee and the board of directors for approval will be exempted from re-counting.</p>	
<p>Article 11 Procedures for acquire or disposing intangible assets or right-of-use assets or memberships 4.Valuation Report for intangible assets or right-of-use assets or memberships by experts 4-1.Where the Company acquires or disposes of memberships and the transaction amount reaches 3 percent or more of paid-in capital or NT\$ 10 million or more, the company shall engage an appraiser to provide valuation report. 4-2.Where the Company acquires or disposes of intangible assets or right-of-use assets and the transaction amount reaches 10 percent or more of paid-in capital or NT\$ 30 million or more, the Company shall engage an appraiser to provide valuation report. 4-3.Where the Company acquires or disposes intangible assets or right-of-use assets or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$ 300 million or more, except in transactions with a domestic government</p>	<p>Article 11 Procedures for acquire or disposing intangible assets or right-of-use assets or memberships 4.Valuation Report for intangible assets or right-of-use assets or memberships by experts 4-1.Where the Company acquires or disposes of memberships and the transaction amount reaches 3 percent or more of paid-in capital or NT\$ 10 million or more, the company shall engage an appraiser to provide valuation report. 4-2.Where the Company acquires or disposes of intangible assets or right-of-use assets and the transaction amount reaches 10 percent or more of paid-in capital or NT\$ 30 million or more, the Company shall engage an appraiser to provide valuation report. 4-3.Where the Company acquires or disposes intangible assets or right-of-use assets or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$ 300 million or more, except in transactions with a domestic government</p>	<p>Modify the article in accordance with the regulations.</p>

Original Articles	Amended Articles	Remark
<p>agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDE.</u></p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with paragraph 1 of Article 15, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount.</p>	<p>agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with paragraph 1 of Article 15, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount.</p>	
<p>Article 15 Procedure to disclose information publicly 1.Items to be disclosed and reported and report standard</p> <p>1-1. Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic securities investment trust enterprises.</p> <p>1-2. Merger, demerger, acquisition, or transfer of shares.</p> <p>1-3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>1-4. Acquired or disposed is equipment for business use or right-of-use assets, the trading counterparty is not a related party, and the transaction amount is less than NT\$ 500 million.</p> <p>1-5. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented</p>	<p>Article 15 Procedure to disclose information publicly 1.Items to be disclosed and reported and report standard</p> <p>1-1. Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic securities investment trust enterprises.</p> <p>1-2. Merger, demerger, acquisition, or transfer of shares.</p> <p>1-3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>1-4. Acquired or disposed is equipment for business use or right-of-use assets, the trading counterparty is not a related party, and the transaction amount is less than NT\$ 500 million.</p> <p>1-5. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented</p>	

Original Articles	Amended Articles	Remark
<p>land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$ 500 million.</p> <p>1-6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$ 300 million; provided, this shall not apply to the following circumstances:</p> <p>1-6-1.Trading of domestic government bonds.</p> <p>1-6-2.Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>1-6-3.Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows , the "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these regulations need not</p>	<p>land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$ 500 million.</p> <p>1-6. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$ 300 million; provided, this shall not apply to the following circumstances:</p> <p>1-6-1. Trading of domestic government bonds <u>or the foreign government bonds with a credit rating not lower than our country's sovereign rating.</u></p> <p>1-6-2.Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bond, or</u> ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription or redemption of Exchange-Traded Note</u> or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>1-6-3. Trading of bonds under repurchase/resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows , the "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these regulations need not</p>	

Original Articles	Amended Articles	Remark
<p>be counted toward the transaction amount.</p> <p>1-6-1-1.The amount of any individual transaction.</p> <p>1-6-1-2.The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.</p> <p>1-6-1-3.The cumulative transaction amount of real property or right-of-use assets acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.</p> <p>1-6-1-4.The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>Item two to three omitted.</p>	<p>be counted toward the transaction amount.</p> <p>1-6-1-1.The amount of any individual transaction.</p> <p>1-6-1-2.The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.</p> <p>1-6-1-3.The cumulative transaction amount of real property or right-of-use assets acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.</p> <p>1-6-1-4.The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>Item two to three omitted.</p>	
<p>Article 19</p> <p>Other matters</p> <p>This rule was set up on June 27, 2003.</p> <p>.....</p> <p>The ninth amendment was made on June 11, 2020.</p>	<p>Article 19</p> <p>Other matters</p> <p>This rule was set up on June 27, 2003.</p> <p>.....</p> <p>The ninth amendment was made on June 11, 2020.</p> <p><u>The tenth amendment was made on June 14, 2022.</u></p>	<p>Add the date of this amendment.</p>

Attachment 5

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, 2021 and 2020, 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, 2021 and 2020, 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 auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The 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, 2021. 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, 2021 is stated as follows:

Cut off of the Recognition Time of Sales Revenue

The Group's sales are recognized either FOB shipping point or FOB destination according to contracts with clients. Due to the impact of the COVID-19 pandemic, ports were seriously clogged around the world, supply chains were broken down and shipping schedules were postponed for the year ended December 31, 2021. Although relevant controls are established, there is a risk that shipped goods may be in transit at the end of the reporting period and recorded as sales in the wrong period when control of goods was not transferred. Accordingly, we have concluded that cut-off of revenue recognition is a key audit matter.

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

1. We obtained an understanding of the design of internal controls related to cut-off of revenue recognition and we tested the operating effectiveness of such controls.
2. We selected samples of revenue recognized before and after the balance sheet date, and we checked the records against the sales documents such as purchase orders, invoices, external shipping documents and client receipts to assess the cut-off of revenue recognition.

Other Matter

We have also audited the parent company only financial statements of Comtrend Corporation as of and for the years ended December 31, 2021 and 2020 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of 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, 2021 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 11, 2022

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, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 482,213	27	\$ 1,118,800	53
Financial assets at fair value through other comprehensive income - current (Notes 4 and 7)	59,850	3	56,910	3
Contract assets - current (Note 20)	5,782	-	1,420	-
Note receivable from unrelated parties (Note 9)	-	-	21	-
Trade receivables (Notes 4 and 9)	364,988	21	396,460	19
Other receivables (Notes 4, 9 and 27)	1,374	-	1,397	-
Current tax assets (Notes 4 and 22)	2,111	-	5,949	-
Inventories (Notes 4 and 10)	679,664	38	358,133	17
Other current assets (Note 14)	25,329	2	19,203	1
Total current assets	<u>1,621,311</u>	<u>91</u>	<u>1,958,293</u>	<u>93</u>
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 4, 8 and 28)	810	-	905	-
Property, plant and equipment (Notes 4, 12 and 27)	45,411	3	48,982	3
Right-of-use assets (Notes 4 and 13)	21,712	1	69,982	3
Deferred tax assets (Notes 4 and 22)	33,191	2	17,040	1
Other non-current assets (Note 14)	61,984	3	5,271	-
Total non-current assets	<u>163,108</u>	<u>9</u>	<u>142,180</u>	<u>7</u>
TOTAL	<u>\$ 1,784,419</u>	<u>100</u>	<u>\$ 2,100,473</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Notes 20 and 27)	\$ 1,210	-	\$ 14,795	1
Notes payable and trade payables (Note 15)	288,633	16	283,050	13
Trade payables to related parties (Note 27)	91,549	5	162,095	8
Other payables (Notes 16 and 27)	72,882	4	125,340	6
Current tax liabilities (Notes 4 and 22)	5,752	-	12,400	-
Provisions - current (Notes 4 and 17)	5,382	-	3,441	-
Lease liabilities - current (Notes 4 and 13)	12,446	1	14,947	1
Other current liabilities (Note 16)	24,730	2	18,792	1
Total current liabilities	<u>502,584</u>	<u>28</u>	<u>634,860</u>	<u>30</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Note 22)	-	-	1,493	-
Lease liabilities - non-current (Notes 4 and 13)	9,505	1	55,722	3
Net defined benefit liabilities (Notes 4 and 18)	9,073	-	9,315	-
Total non-current liabilities	<u>18,578</u>	<u>1</u>	<u>66,530</u>	<u>3</u>
Total liabilities	<u>521,162</u>	<u>29</u>	<u>701,390</u>	<u>33</u>
EQUITY (Note 19)				
Share capital				
Common stock	572,963	32	563,846	27
Capital collected in advance	36	-	-	-
Total share capital	<u>572,999</u>	<u>32</u>	<u>563,846</u>	<u>27</u>
Capital surplus	349,418	20	345,520	16
Retained earnings				
Legal reserve	83,922	4	63,642	3
Unappropriated earnings	246,438	14	416,050	20
Total retained earnings	<u>330,360</u>	<u>18</u>	<u>479,692</u>	<u>23</u>
Other equity				
Exchange differences on translation of financial statements of foreign operations	(8,188)	-	3,342	-
Unrealized loss on financial assets at fair value through other comprehensive income	18,668	1	6,683	1
Total other equity	<u>10,480</u>	<u>1</u>	<u>10,025</u>	<u>1</u>
Total equity	<u>1,263,257</u>	<u>71</u>	<u>1,399,083</u>	<u>67</u>
TOTAL	<u>\$ 1,784,419</u>	<u>100</u>	<u>\$ 2,100,473</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 11, 2022)

COMTREND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 20 and 27)	\$ 1,663,318	100	\$ 2,615,994	100
OPERATING COSTS (Notes 4, 10, 21 and 27)	<u>(1,128,277)</u>	<u>(68)</u>	<u>(1,773,375)</u>	<u>(68)</u>
GROSS PROFIT	<u>535,041</u>	<u>32</u>	<u>842,619</u>	<u>32</u>
OPERATING EXPENSES (Notes 9, 18, 21 and 27)				
Selling and marketing expenses	(302,101)	(18)	(292,725)	(11)
General and administrative expenses	(92,014)	(5)	(123,315)	(5)
Research and development expenses	(163,989)	(10)	(153,059)	(6)
Expected credit reversal gains and impairment losses	<u>2,749</u>	<u>-</u>	<u>(3,478)</u>	<u>-</u>
Total operating expenses	<u>(555,355)</u>	<u>(33)</u>	<u>(572,577)</u>	<u>(22)</u>
(LOSS) PROFIT FROM OPERATIONS	<u>(20,314)</u>	<u>(1)</u>	<u>270,042</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 21)	1,217	-	639	-
Other gains and losses (Notes 21 and 27)	(10,200)	(1)	(31,476)	(1)
Finance costs (Note 21)	(1,011)	-	(1,339)	-
Interest income (Note 21)	<u>907</u>	<u>-</u>	<u>652</u>	<u>-</u>
Total non-operating income and expenses	<u>(9,087)</u>	<u>(1)</u>	<u>(31,524)</u>	<u>(1)</u>
(LOSS) PROFIT BEFORE INCOME TAX	(29,401)	(2)	238,518	9
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 22)	<u>3,293</u>	<u>-</u>	<u>(35,041)</u>	<u>(1)</u>
NET (LOSS) PROFIT FOR THE YEAR	<u>(26,108)</u>	<u>(2)</u>	<u>203,477</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 18)	(292)	-	(1,326)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	2,940	-	12,245	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 22)	58	-	265	-

(Continued)

COMTREND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

	2021		2020	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>(11,530)</u>	<u>-</u>	<u>(2,399)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>(8,824)</u>	<u>-</u>	<u>8,785</u>	<u>-</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	<u>\$ (34,932)</u>	<u>(2)</u>	<u>\$ 212,262</u>	<u>8</u>
(LOSS) EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ (0.46)</u>		<u>\$ 3.96</u>	
Diluted	<u>\$ (0.46)</u>		<u>\$ 3.78</u>	

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

(With Deloitte & Touche auditors' report dated March 11, 2022)

(Concluded)

COMTREND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Share Capital (Note 19)			Capital Surplus (Note 19)	Retained Earnings (Note 19)				Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity		Total Equity	
	Common Stock	Collected in Advance	Total		Legal Reserve	Special Reserve	Unappropriated			Total	Unrealized Gain (Loss) on Investments in Equity Instruments at Fair Value through Other Comprehensive Income		Total
							Earnings	Total					
BALANCE AT JANUARY 1, 2020	\$ 486,248	\$ -	\$ 486,248	\$ 70,356	\$ 47,646	\$ 330	\$ 313,015	\$ 360,991	\$ 5,741	\$ (5,181)	\$ 560	\$ 918,155	
Appropriation of 2019 earnings	-	-	-	-	15,996	-	(15,996)	-	-	-	-	-	
Legal reserve	-	-	-	-	15,996	-	(15,996)	-	-	-	-	-	
Special reserve	-	-	-	-	-	(330)	330	-	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	-	-	(84,096)	(84,096)	-	-	-	(84,096)	
Issuance of ordinary shares for cash	65,000	-	65,000	272,163	-	-	-	-	-	-	-	337,163	
Other changes in capital surplus	-	-	-	-	-	-	-	-	-	-	-	-	
Recognition of employee share options by the Company (Note 24)	-	-	-	3,001	-	-	-	-	-	-	-	3,001	
Issuance of ordinary shares under employee share options	12,598	-	12,598	-	-	-	-	-	-	-	-	12,598	
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 7)	-	-	-	-	-	-	381	381	-	(381)	(381)	-	
Net income for the year ended December 31, 2020	-	-	-	-	-	-	203,477	203,477	-	-	-	203,477	
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	-	(1,061)	(1,061)	(2,399)	12,245	9,846	8,785	
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	-	202,416	202,416	(2,399)	12,245	9,846	212,262	
BALANCE AT DECEMBER 31, 2020	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	-	-	-	-	20,280	-	(20,280)	-	-	-	-	-	
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 24)	-	-	-	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 7)	-	-	-	-	-	-	(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	

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

(With Deloitte & Touche auditors' report dated March 11, 2022)

COMTREND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) profit before income tax	\$ (29,401)	\$ 238,518
Adjustments for:		
Depreciation expense	49,279	46,541
Expected credit reversal gains and impairment losses	(2,749)	3,478
Finance costs	1,011	1,339
Interest income	(907)	(652)
Dividend income	(1,217)	(639)
Share-based payments	3,898	3,001
Write-down of inventories	27,201	-
Reversal of write-downs of inventories	-	(13,964)
Gain on changes in lease	(734)	-
Net changes in operating assets and liabilities		
Contract assets	(4,362)	(1,420)
Notes receivable from unrelated parties	21	(21)
Trade receivables	34,384	29,456
Other receivables	23	14,910
Inventories	(349,370)	109,277
Other current assets	(6,126)	8,061
Contract liabilities	(13,585)	11,421
Notes payable and trade payables (including related parties)	(64,963)	(28,142)
Other payables	(52,458)	6,955
Provisions	1,941	3,441
Other current liabilities	5,938	8,519
Net defined benefit liabilities	(534)	(516)
Cash (used in) generated from operations	(402,710)	439,563
Dividends received	1,217	639
Interest received	907	395
Interest paid	(22)	-
Income tax paid	(17,104)	(15,232)
Net cash (used in) generated from operating activities	<u>(417,712)</u>	<u>425,365</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	-	1,131
Purchase of financial assets at amortized cost	-	(37)
Proceeds from financial assets measured at amortized cost	95	-
Prepayments for land and buildings	(56,796)	-
Payments for property, plant and equipment	(26,376)	(36,694)
Decrease in refundable deposits	83	73
Net cash used in investing activities	<u>(82,994)</u>	<u>(35,527)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		

(Continued)

COMTREND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

	2021	2020
Repayment of the principal portion of lease liabilities	(19,949)	(22,730)
Dividends paid to owners of the Company	(113,945)	(84,096)
Proceeds from issuance of ordinary shares	-	337,163
Exercise of employee share options	<u>9,153</u>	<u>12,598</u>
Net cash (used in) generated from financing activities	<u>(124,741)</u>	<u>242,935</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(11,140)</u>	<u>710</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(636,587)	633,483
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,118,800</u>	<u>485,317</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 482,213</u>	<u>\$ 1,118,800</u>

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

(With Deloitte & Touche auditors' report dated March 11, 2022)

(Concluded)

Attachment 6

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, 2021 and 2020, 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, 2021 and 2020, 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 auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The 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, 2021. 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, 2021 is stated as follows:

Cut off of the Recognition Time of Sales Revenue

The Company's sales are recognized either FOB shipping point or FOB destination according to contracts with clients. Due to the impact of the COVID-19 pandemic, ports were seriously clogged around the world, supply chains were broken down and shipping schedules were postponed for the year ended December 31, 2021. Although relevant controls are established, there is a risk that shipped goods may be in transit at the end of the reporting period and recorded as sales in the wrong period when control of goods was not transferred. Accordingly, we have concluded that cut-off of revenue recognition is a key audit matter.

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

1. We obtained an understanding of the design of internal controls related to cut-off of revenue recognition and we tested the operating effectiveness of such controls.
2. We selected samples of revenue recognized before and after the balance sheet date, and we checked the records against the sales documents such as purchase orders, invoices, external shipping documents and client receipts to assess the cut-off of revenue recognition.

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of 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, 2021 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 11, 2022

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, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 333,729	19	\$ 917,254	45
Financial assets at fair value through other comprehensive income - current (Notes 4 and 7)	59,850	4	56,910	3
Note receivable from unrelated parties (Notes 8 and 19)	-	-	21	-
Trade receivables (Notes 4, 8 and 19)	73,733	4	155,233	8
Trade receivables from related parties (Notes 19 and 26)	275,846	16	266,639	13
Other receivables (Notes 4, 8 and 26)	8,129	1	6,278	-
Current tax assets (Notes 4 and 21)	66	-	5,094	-
Inventories (Notes 4 and 9)	578,996	34	308,750	15
Other current assets (Note 13)	<u>20,020</u>	<u>1</u>	<u>14,474</u>	<u>1</u>
Total current assets	<u>1,350,369</u>	<u>79</u>	<u>1,730,653</u>	<u>85</u>
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Notes 4 and 10)	231,674	13	185,189	9
Property, plant and equipment (Notes 4, 11 and 26)	43,320	3	46,618	2
Right-of-use assets (Notes 4 and 12)	173	-	52,395	3
Deferred tax assets (Notes 4 and 21)	33,191	2	17,040	1
Other non-current assets (Note 13)	<u>60,050</u>	<u>3</u>	<u>3,253</u>	<u>-</u>
Total non-current assets	<u>368,408</u>	<u>21</u>	<u>304,495</u>	<u>15</u>
TOTAL	<u>\$ 1,718,777</u>	<u>100</u>	<u>\$ 2,035,148</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Notes 19 and 26)	\$ 842	-	\$ 14,760	1
Notes payable and trade payables (Note 14)	287,920	17	281,369	14
Trade payables to related parties (Note 26)	91,549	5	162,095	8
Other payables (Notes 15 and 26)	60,358	4	101,112	5
Current tax liabilities (Notes 4 and 21)	-	-	9,373	-
Provisions - current (Notes 4 and 16)	5,382	-	3,441	-
Lease liabilities - current (Notes 4 and 12)	177	-	7,207	-
Other current liabilities (Note 15)	<u>219</u>	<u>-</u>	<u>217</u>	<u>-</u>
Total current liabilities	<u>446,447</u>	<u>26</u>	<u>579,574</u>	<u>28</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 21)	-	-	1,493	-
Lease liabilities - non-current (Notes 4 and 12)	-	-	45,683	2
Net defined benefit liabilities (Notes 4 and 17)	<u>9,073</u>	<u>-</u>	<u>9,315</u>	<u>1</u>
Total non-current liabilities	<u>9,073</u>	<u>-</u>	<u>56,491</u>	<u>3</u>
Total liabilities	<u>455,520</u>	<u>26</u>	<u>636,065</u>	<u>31</u>
EQUITY (Note 18)				
Share capital				
Common stock	572,963	34	563,846	28
Capital collected in advance	<u>36</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total share capital	<u>572,999</u>	<u>34</u>	<u>563,846</u>	<u>28</u>
Capital surplus	<u>349,418</u>	<u>20</u>	<u>345,520</u>	<u>17</u>
Retained earnings				
Legal reserve	83,922	5	63,642	3
Unappropriated earnings	<u>246,438</u>	<u>14</u>	<u>416,050</u>	<u>21</u>
Total retained earnings	<u>330,360</u>	<u>19</u>	<u>479,692</u>	<u>24</u>
Other equity				
Exchange differences on translation of financial statements of foreign operations	(8,188)	-	3,342	-
Unrealized gain on financial assets at fair value through other comprehensive income	<u>18,668</u>	<u>1</u>	<u>6,683</u>	<u>-</u>
Total other equity	<u>10,480</u>	<u>1</u>	<u>10,025</u>	<u>-</u>
Total equity	<u>1,263,257</u>	<u>74</u>	<u>1,399,083</u>	<u>69</u>
TOTAL	<u>\$ 1,718,777</u>	<u>100</u>	<u>\$ 2,035,148</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 11, 2022)

COMTREND CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 19 and 26)	\$ 1,418,714	100	\$ 2,292,166	100
OPERATING COSTS (Notes 4, 9, 20 and 26)	<u>(1,154,079)</u>	<u>(81)</u>	<u>(1,705,257)</u>	<u>(74)</u>
GROSS PROFIT	264,635	19	586,909	26
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	(22,937)	(2)	(12,523)	(1)
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	<u>12,523</u>	<u>1</u>	<u>18,002</u>	<u>1</u>
REALIZED GROSS PROFIT	<u>254,221</u>	<u>18</u>	<u>592,388</u>	<u>26</u>
OPERATING EXPENSES (Notes 8, 17, 20 and 26)				
Selling and marketing expenses	(98,942)	(7)	(108,490)	(5)
General and administrative expenses	(91,748)	(7)	(123,313)	(5)
Research and development expenses	(162,019)	(11)	(153,060)	(7)
Expected credit reversal gains and impairments losses	<u>650</u>	<u>-</u>	<u>(577)</u>	<u>-</u>
Total operating expenses	<u>(352,059)</u>	<u>(25)</u>	<u>(385,440)</u>	<u>(17)</u>
(LOSS) PROFIT FROM OPERATIONS	<u>(97,838)</u>	<u>(7)</u>	<u>206,948</u>	<u>9</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 20)	859	-	549	-
Other income (Notes 4, 20 and 26)	1,586	-	999	-
Other gains and losses (Note 20)	(16,527)	(1)	(23,072)	(1)
Finance costs (Note 20)	(691)	-	(1,033)	-
Share of profit or loss of subsidiaries	<u>68,429</u>	<u>5</u>	<u>50,279</u>	<u>2</u>
Total non-operating income and expenses	<u>53,656</u>	<u>4</u>	<u>27,722</u>	<u>1</u>
(LOSS) PROFIT BEFORE INCOME TAX	(44,182)	(3)	234,670	10
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 21)	<u>18,074</u>	<u>1</u>	<u>(31,193)</u>	<u>(1)</u>
NET (LOSS) PROFIT FOR THE YEAR	<u>(26,108)</u>	<u>(2)</u>	<u>203,477</u>	<u>9</u>
OTHER COMPREHENSIVE INCOME				

(Continued)

COMTREND CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

	2021		2020	
	Amount	%	Amount	%
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 17)	(292)	-	(1,326)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	2,940	1	12,245	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 21)	58	-	265	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>(11,530)</u>	<u>(1)</u>	<u>(2,399)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>(8,824)</u>	<u>-</u>	<u>8,785</u>	<u>-</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	<u>\$ (34,932)</u>	<u>(2)</u>	<u>\$ 212,262</u>	<u>9</u>
(LOSS) EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ (0.46)</u>		<u>\$ 3.96</u>	
Diluted	<u>\$ (0.46)</u>		<u>\$ 3.78</u>	

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

(With Deloitte & Touche auditors' report dated March 11, 2022)

(Concluded)

COMTREND CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Share Capital (Note 18)			Capital Surplus (Note 18)	Retained Earnings (Note 18)				Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity		Total Equity
	Common Stock	Collected in Advance	Total		Legal Reserve	Special Reserve	Unappropriated Earnings	Total		Unrealized Gain (Loss) on Investments in Equity Instruments at Fair Value through Other Comprehensive Income	Total	
BALANCE AT JANUARY 1, 2020	\$ 486,248	\$ -	\$ 486,248	\$ 70,356	\$ 47,646	\$ 330	\$ 313,015	\$ 360,991	\$ 5,741	\$ (5,181)	\$ 560	\$ 918,155
Appropriation of 2019 earnings												
Legal reserve	-	-	-	-	15,996	-	(15,996)	-	-	-	-	-
Special reserve	-	-	-	-	-	(330)	330	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(84,096)	(84,096)	-	-	-	(84,096)
Issuance of ordinary shares for cash	65,000	-	65,000	272,163	-	-	-	-	-	-	-	337,163
Other changes in capital surplus												
Recognition of employee share options by the Company (Note 23)	-	-	-	3,001	-	-	-	-	-	-	-	3,001
Issuance of ordinary shares under employee share options	12,598	-	12,598	-	-	-	-	-	-	-	-	12,598
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 7)	-	-	-	-	-	-	381	381	-	(381)	(381)	-
Net income for the year ended December 31, 2020	-	-	-	-	-	-	203,477	203,477	-	-	-	203,477
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	-	(1,061)	(1,061)	(2,399)	12,245	9,846	8,785
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	-	202,416	202,416	(2,399)	12,245	9,846	212,262
BALANCE AT DECEMBER 31, 2020	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 23)	-	-	-	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 7)	-	-	-	-	-	-	(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

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

(With Deloitte & Touche auditors' report dated March 11, 2022)

COMTREND CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) profit before income tax	\$ (44,182)	\$ 234,670
Adjustments for:		
Depreciation expense	36,760	33,587
Expected credit reversal gains and impairment losses	(650)	577
Finance costs	691	1,033
Interest income	(859)	(549)
Dividend income	(1,217)	(639)
Share-based payments	3,898	3,001
Share of profit of subsidiaries	(68,429)	(50,279)
Write-down of inventories	24,775	-
Reversal of write-downs of inventories	-	(4,698)
Unrealized gain on transactions with subsidiaries	22,937	12,523
Realized gain on transactions with subsidiaries	(12,523)	(18,002)
(Gain) Loss on changes in lease	(734)	65
Net changes in operating assets and liabilities		
Notes receivable	21	(21)
Trade receivables (including related parties)	72,943	89,213
Other receivables	(1,851)	8,490
Inventories	(295,021)	55,079
Other current assets	(5,546)	7,971
Contract liabilities	(13,918)	10,581
Notes payable and trade payables (including related parties)	(63,995)	(28,487)
Other payables	(40,754)	20,790
Provisions	1,941	3,441
Other current liabilities	2	(763)
Net defined benefit liabilities	(534)	(516)
Cash (used in) generated from operations	(386,245)	377,067
Interest received	859	291
Dividends received	1,217	639
Interest paid	(22)	-
Income tax paid	(3,858)	(13,034)
Net cash (used in) generated from operating activities	<u>(388,049)</u>	<u>364,963</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	-	1,131
Prepayments for land and buildings	(56,796)	-
Payments for property, plant and equipment	(26,044)	(34,253)
Decrease in refundable deposits	1	-
Net cash used in investing activities	<u>(82,839)</u>	<u>(33,122)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		

(Continued)

COMTREND CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

	2021	2020
Repayment of the principal portion of lease liabilities	(7,845)	(8,224)
Dividends paid to owners of the Company	(113,945)	(84,096)
Proceeds from issuance of ordinary shares	-	337,163
Exercise of employee share options	<u>9,153</u>	<u>12,598</u>
Net cash (used in) generated from financing activities	<u>(112,637)</u>	<u>257,441</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(583,525)	589,282
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>917,254</u>	<u>327,972</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 333,729</u>	<u>\$ 917,254</u>

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

(With Deloitte & Touche auditors' report dated March 11, 2022)

(Concluded)

Appendices

Appendix 1

Comtrend Corporation Articles of Incorporation

Chapter 1 General Provisions

Article 1 : The Company shall be incorporated as a company limited by shares under the Company Act, and its name shall be 康全電訊股份有限公司 in the Chinese language, and Comtrend Corporation in the English language.

Article 2 : The scope of business of the Company shall be as follows:

1. CC01060 Wired communication equipment and apparatus manufacturing.
2. CC01070 Telecommunication equipment and apparatus manufacturing.
3. CC01080 Electronic parts and components manufacturing.
4. CC01110 Computer and peripheral equipment manufacturing
5. E605010 Computing equipment installation construction.
6. E701030 Controlled telecommunications radio-frequency devices installation engineering.
7. F113050 Wholesale of computing and business machinery equipment.
8. F113070 Wholesale of telecommunication apparatus.
9. F118010 Wholesale of computer software.
10. F213060 Retail sale of telecommunication apparatus.
11. F218010 Retail sale of computer software.
12. F401010 International trade.
13. F401021 Telecommunications regulation RF equipment import.
14. I301010 Software design services.
15. I301020 Data processing services.
16. I501010 Product Designing.
17. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 : Due to business needs, the Company may guarantee for third party's obligation.

Article 4 : Due to business needs, the Company may conduct various investments. The amount of investment is not subject to the total amount limitation of the investment under Article 13 of the Company Act not to exceed the 40% of the paid-up capital.

Article 5 : The Company set up headquarters in New Taipei City and will set up and abolish branch or affiliate office by the resolution of the board of directors if necessary.

Article 6 : The Company's announcement method is in accordance with the Company Act and other relevant laws and regulations.

Chapter 2 Shares

Article 7 : The total capital of the Company is NT\$ 1,300,000,000, divided into shares, with a par value of NT\$ 10, of the said capital amount NT\$ 100,000,000 divided into 10,000,000 shares, with a par value of NT\$ 10, shall be reserved for the issuance of employee stock option certificate. The Board of Directors is authorized to

issue the remaining shares according to the business situation.

Article 7-1 : The entitled transferees who receive the shares bought by the Company based of Company Act include the employees of parents or subsidiaries of the company meeting certain specific requirements.

The entitled transferees who receive share subscription warrant the based of Company Act include the employees of parents or subsidiaries of the company meeting certain specific requirements.

The employees who are entitled to subscribe new shares by the Company based of Company Act include the employees of parents or subsidiaries of the company meeting certain specific requirements.

The employees who are entitled restricted stock issued by the Company based of Company Act include the employees of parents or subsidiaries of the company meeting certain specific requirements.

Article 8 : The share certificate of the Company can be all name-bearing share certificates and shall be signed by, and affixed with the seals or by signature of, at least three directors of the Company, and issued after duly authentication pursuant to the law. The share certification of the Company is registered share and issued in accordance with the Company Act and the relevant laws and regulations. The shares issued by the Company shall be exempt from printed stock, but shall be registered with the securities centralized management institution.

Article 9 : The administration of the Company's shares shall be handled according to the "Regulations Governing the Administration of Shareholder Services of Public Companies" announced by the Competent Authority, except there is any applicable regulations or orders.

Article 10 : The change of owner name in the share certificate shall not be made within 60 days prior to the date of the general meeting of the shareholders, within 30 days before the extraordinary shareholders' meeting, or within five days before the date on which the Company decides to distribute dividends or other interests.

Chapter 3 Shareholders' Meeting

Article 11 : There will be two kinds of shareholders' meetings including general meeting and extraordinary meeting, the general meeting will be convened by the board of director once a year within six months after the end of each fiscal year. The extraordinary meeting will be held in accordance with the relevant laws and regulations if it is necessary.

Article 12 : When the shareholder cannot attend the shareholders' meeting in person, he may issue a power of attorney by the form provided from the Company in accordance with the Article 177 of the Company Act, to authorize a proxy to attend and perform his rights. Shareholders shall authorize proxy in accordance with the provisions of the Company Act, and the "Regulations Governing the Use of Proxies for Attendance at Shareholders' meetings of Public Companies" announced by concerning authority.

Article 13 : Shareholders of the Company have a right of voting per share, except in the case of the share with limited right or no right to vote under section 179 of the Company Act.

Article 14 : Resolutions at a shareholders' meeting shall, unless otherwise provided for in other regulations, be adopted by a majority vote of the shareholders present,

who represent more than one-half of the total number of voting shares. In accordance with the provisions of the concerning authority, the shareholders of the Company are also allowed to exercise their voting rights electronically. The shareholders who exercise the voting rights electronically shall be deemed to be present in person and their related matters shall be governed by the applicable laws and regulations.

Article 15 : The resolution of the shareholders' meeting shall be recorded as minutes and signed or sealed by the chairman. The minutes shall be forwarded to each shareholder within twenty days after the meeting. In the distribution of shareholders meeting minutes, a public announcement may be made in place of the minutes. The minutes of the essential points of the proceedings and the results of the meeting and shall be kept by the company together with proxies and the signing list of shareholders present at the meeting.

Article 16 : To transfer shares to employees at less than the average actual share repurchase price or to issue employee stock warrants at a discount to the closing price of the company's ordinary shares on the issue date, a company must have obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares.

Chapter 4 Directors and Audit Committee

Article 17 : The number of directors of the Company is seven to thirteen, the number of independent directors more than two and shall not be less than one-fifth of the total directors. The election of the directors is in accordance with the candidate nomination system and in Article 192-1 of the Company Act. The Independent directors and non-independent directors should be elected together and calculated the elected members separately.

The Company has set up the Audit Committee in accordance with Article 14.4 of the Securities Exchange Law, the Audit Committee is composed of all independent directors. Audit Committee or the members of the Audit Committee are responsible for the execution of the supervisor's rights in accordance with the Company Act, the Securities Exchange Act and other laws and regulations.

Article 18 : The election of the directors is by the shareholders meeting from a candidate list. The term of office of the directors is three years, and they are eligible for re-election. The total shareholding proportion of the directors shall be according to the regulation announced by the securities administrative authority.

Article 19 : When the directors are short over one-third, the board of directors shall convene an extraordinary meeting of shareholders within sixty days for by-election, but the term of office shall be limited to the original term.

When the number of independent directors has been dismissed, an independent director by-election shall be held at the next shareholders meeting. When all independent directors have been dismissed, the company shall convene a special shareholders meeting to hold a by-election within 60 days from the date on which the fact occurred.

Article 20 : The board of directors shall be organized by the directors, and the chairman of the board of directors shall be elected by the consent of more than two-thirds of

the directors in the meeting attended with majority of the directors. Chairman is the representative of the Company.

Article 21 : The board of directors as needed elect a vice chairman of the board directors from among the directors. There may be a vice chairman of the board of directors to assist the chairman. The vice chairman of the board shall be elected in accordance with the same manner set forth in Article 20 of Articles Incorporation.

Article 22 : The board of directors shall determine the remuneration of the directors in accordance with the degree of contribution to the operation, the value of the contribution and the market level of the same industry.

Article 23 : The Company may purchase liability insurance for directors.

Article 24 : Meetings of the board of directors shall be convened by the chairman of the board of directors. In case the chairman of the board of directors is on leave or absent or cannot exercise his power and authority for any cause, the chairman of the board of directors shall designate one of the directors. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the board of directors. The board of directors could convene meeting with notice by e-mail or fax. The notice of the convening of the board of directors of the company shall be informing the subjects and be served to the directors and attendees before seven days. However, in case of an emergency, it could be convened at any time.

Article 25 : Where a board of directors is held by videoconference, a director attending the videoconference shall be deemed as present in person.

Article 26 : Unless otherwise provided for in Company Act, resolutions of the board of directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

Article 27 : If the directors are unable to attend the board of directors in person, they may appoint other directors to attend the meeting, but the appointees shall be appointed by one director.

Chapter 5 Managers

Article 28 : The Company shall have a general manager and several managers, their appointment, dismissal and remuneration shall be handled in accordance with the provisions of Article 29 of the Company Act.

Chapter 6 Accounting

Article 29 : At the close of each fiscal year, the board of directors shall prepare the following statements and records and shall forward the same to the meeting date of a general meeting of shareholders:

1. the business report;
2. the financial statements; and
3. the surplus earning distribution or loss off-setting proposals.

Article 30 : 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.

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.

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.

Each year, the Company may set aside dividends to shareholders for the amount of more than 20 percent of attributable surplus earning, except that the accumulated attributable surplus earning is less than 20% 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.

Chapter 7 Supplementary Provisions

Article 31 : The other matters not stipulated in this Articles of Incorporation are subject to the provisions of the Company Act and the relevant laws and regulations.

Article 32 : This Articles of Incorporation was concluded on March 31, 1990.

Amended on August 30, 1990 for the first time.

Amended on July 30, 1991 for the second time.

Amended on May 10, 1992 for the third time.

Amended on January 29, 1993 for the fourth time.

Amended on May 10, 1993 for the fifth time.

Amended on November 21, 1994 for the sixth time.

Amended on February 12, 1996 for the seventh time.

Amended on April 18, 1997 for the eighth time.

Amended on April 7, 1998 for the ninth time.

Amended on April 27, 1999 for the tenth time.

Amended on May 17, 2000 for the eleventh time.

Amended on March 23, 2001 for the twelfth time.

Amended on June 21, 2002 for the thirteenth time.

Amended on June 27, 2003 for the fourteenth time.

Amended on June 25, 2004 for the fifteenth time.

Amended on June 23, 2006 for the sixteenth time.

Amended on June 20, 2008 for the seventeenth time.

Amended on September 26, 2008 for the eighteenth time.

Amended on May 26, 2009 for the nineteenth time.

Amended on May 31, 2010 for the twentieth time.

Amended on March 18, 2011 for the twenty-first time.

Amended on April 23, 2012 for the twenty-second time.

Amended on June 11, 2014 for the twenty-third time.

Amended on June 14, 2016 for the twenty-fourth time.

Amended on June 14, 2017 for the twenty-fifth time.

Amended on June 5, 2019 for the twenty-sixth time.

Appendix 2

Comtrend Corporation Rules and Procedures of Shareholders' Meetings

Article 1 : To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2 : The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3 : Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

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

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the

completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, the board of directors may include it in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4 : For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment. After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 : The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6 : This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7 : If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the managing directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

When a director serves as chair, as referred to in the preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

This Corporation may appoint its attorneys, certified public accountants, or

related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8 : This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9 : Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and announce relevant information such as the number of non-voting rights and the number of shares present at the same time.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10 : If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs

(including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11 : Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

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

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

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

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

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

Article 12 : Voting at a shareholders meeting shall be calculated based the number of shares.

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

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

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting

rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13 : A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

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

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

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

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any

one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14 : The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected and the list of unelected directors and their obtained voting rights.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15 : Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of this Corporation.

Article 16 : On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or the competent authority regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 : Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order

at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 : When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19 : These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Article 20 : These Rules were approved by the Annual General Shareholders' Meeting and entered into force on June 21, 2002.

Amended on June 14, 2017 for the first time.

Amended on June 11, 2020 for the second time.

Amended on June 10, 2021 for the third time.

Appendix 3

Comtrend Corporation Shareholdings of Directors

1. The company's paid-in capital is NT\$579,745,270, and the number of issued ordinary shares is 57,974,527 shares.
2. According to Article 26 of the Securities and Exchange Act and Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the board of directors should hold 4,637,962 shares. (Due to the Company has three independent directors elected, the board of directors other than independent directors should hold 80% of the stock shares calculated in the preceding paragraph).
3. The Company has established an Audit Committee, therefore the shareholdings of Supervisors is not applicable.
4. As of April 16, 2022 (final day for stock transfer), the shareholdings of the Company's directors on the shareholders' registry was as follows:

Position	Name	Date elected	Term	Shareholdings	
				Shares	Ratio (%)
Chairman	Edimax Technology Co., Ltd. Representative: Guan-Sheng Renn	June 11, 2020	3	19,649,060	33.89
Director	Edimax Technology Co., Ltd. Representative: Yu-Chang Chiu	June 11, 2020	3	19,649,060	33.89
Director	Edimax Technology Co., Ltd. Representative: Liang-Jung Pan	June 11, 2020	3	19,649,060	33.89
Director	Humax Co., Ltd. Representative: Nam Woo Kim	June 11, 2020	3	2,406,241	4.15
Director	Shin-Hua Hung	June 11, 2020	3	-	-
Director	Yu-Jen Hsu	June 11, 2020	3	-	-
Independent Director	Pai-Hsien Wang	June 11, 2020	3	-	-
Independent Director	Te-Pu Wang	June 11, 2020	3	-	-
Independent Director	Shao-Chang Chu	June 11, 2020	3	-	-
Total (Not including independent director)				22,055,301 (Note 1)	38.04

Note:

1. The amount of issued shares held by all directors are in compliance with legal percentage.