



**COMPAL ELECTRONICS, INC.**

# Meeting Handbook

## 2024 Annual General Shareholders' Meeting

No. 581, Ruiguang Rd., Neihu District, Taipei City, Taiwan

Convening Methods: Physical shareholders' meeting

May 31, 2024

FROM VISION TO REALITY

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In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.

# Table of Contents

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I . Meeting Procedures .....	1
II . Meeting Agenda .....	3
1. Report Items .....	5
2. Ratification Items .....	11
3. Election and Discussion Items .....	15
4. Special Motion .....	25
III . Attachments	
1. Business Report for the year 2023	
2. Independent Auditors' Report	
3. Audit Committee's Review Report	
4. Financial Statements for the year 2023	
IV . Appendices	
1. Rules and Procedures of Shareholders Meeting	
2. Articles of Incorporation	
3. Regulations for Election of Directors	
4. Shareholding of Directors	
5. The Impact of Non-compensated Distribution of Shares on the Company's Business Performance, Earnings Per Share, and Shareholder Return Rate	
6. Others	

# Meeting Procedures

# Compal Electronics, Inc.

## 2024 Annual General Shareholders' Meeting Procedures

1. Call Meeting to Order
2. Chairman's Address
3. Report Items
4. Ratification Items
5. Election and Discussion Items
6. Special Motion(s)
7. Meeting Adjourned

# Meeting Agenda

# Compal Electronics, Inc.

## 2024 Annual General Shareholders' Meeting Agenda

Time : 9:00 am, May 31, 2024 (Friday)

Place : No. 581, Ruiguang Rd., Neihu District, Taipei City 11492, Taiwan

### I. Report Items

1. Report on Business for the year 2023
2. Audit Committee's Review Report for the year 2023
3. Report of the Distribution of Compensation to Employees and Directors for the year 2023
4. Report of Distribution of the Cash Dividends from Earnings for the year 2023
5. Report of Status of the Cash Distribution from Capital Surplus

### II. Ratification Items

1. To ratify the Business Report and Financial Statements for the year 2023
2. To ratify the Distribution of Earnings for the year 2023

### III. Election and Discussion Items

1. Election of the 15<sup>th</sup> Term of Directors
2. To approve the Release of Non-competition Restrictions for Directors

### IV. Special Motion(s)

### V. Meeting Adjourned

# Report Items

# Item 1

Proposed by the Board of Directors

**Proposal:**

Report on Business for the year 2023

**Explanatory Note:**

The Business Report for the year 2023 is attached hereto as Attachment 1.

## Item 2

Proposed by the Board of Directors

### **Proposal:**

Audit Committee's Review Report for the year 2023

### **Explanatory Notes:**

1. The Financial Statements and its related reports for the year 2023 have been reviewed and examined by the Audit Committee and the review report was issued. The Financial Statements for the year 2023 have been audited by the Independent Auditors and the Independent Auditors' Report was issued, accordingly.
2. Independent Auditors' Report is attached hereto as Attachment 2.
3. Audit Committee's Review Report is attached hereto as Attachment 3.

## Item 3

Proposed by the Board of Directors

### **Proposal:**

Report of the Distribution of Compensation to Employees and Directors for the year 2023

### **Explanatory Note:**

1. In accordance with the Articles of Incorporation of the Company, if there is any profit in a fiscal year, the Company's pre-tax profits in such fiscal year, prior to deduction of compensation to employees and Directors, shall be distributed to employees as compensation in an amount of not less than two percent (2%) thereof and to Directors as compensation in an amount of not more than two percent (2%) of such profits. Notwithstanding the foregoing, in the event that the Company has accumulated losses, the Company shall first reserve an amount to offset such accumulated losses.
2. The distribution of compensation to employees and Directors for the year 2023, as approved by the Remuneration Committee and the Board of Directors, are NT\$814,142,600 and NT\$43,051,019, respectively. The compensations shall be distributed in the form of cash.

## Item 4

Proposed by the Board of Directors

### **Proposal:**

Report of Distribution of the Cash Dividends from Earnings for the year 2023

### **Explanatory Note:**

1. Pursuant to the Articles of Incorporation of the Company, the Board of Directors is authorized to approve the amount of earnings for the year 2023 available for distribution to shareholders as dividend and bonus. The approved amount is NT\$4,407,146,625 and such amount is distributed in the form of cash dividend. Each shareholder will be entitled to receive a cash dividend of NT\$1.0 per share. Cash dividend shall be distributed and paid to each shareholder, rounded to the nearest NT dollar (truncate the numbers after decimal place). Fractional amounts will be aggregately recognized as other revenue in the accounting book of the Company.
2. The Board of Directors has approved to set an ex-dividend record date for distribution on April 6, 2024, and cash distribution has been paid out on April 26, 2024.

## Item 5

Proposed by the Board of Directors

### **Proposal:**

Report of Status of the Cash Distribution from Capital Surplus

### **Explanatory Note:**

1. Pursuant to the Articles of Incorporation of the Company, the Board of Directors is authorized to approve a cash distribution of NT\$881,429,325 from capital surplus derived from the amount of the subscription price in excess of par value of common shares issued by the Company and the cash distribution per share will be NT\$0.2. Cash distribution from capital surplus shall be paid to each shareholder, rounded to the nearest NT dollar (truncate the numbers after decimal place). Fractional amounts will be aggregately recognized as other revenue in the accounting book of the Company.
2. The Board of Directors has approved to set record date of cash distribution from capital surplus on April 6, 2024, and cash distribution has been paid out on April 26, 2024.

# Ratification Items

## Item 1

Proposed by the Board of Directors

### **Proposal:**

To ratify the Business Report and Financial Statements for the year 2023

### **Explanatory Notes:**

1. The Business Report and Financial Statements for the year 2023 have been approved by the Audit Committee and by the Board of Directors. Kuan-Ying Kuo and Szu-Chuan Chien, certified public accountants of KPMG, have completed the audit of the 2023 financial statements and issued an audit report relating thereto.
2. The “Business Report for the year 2023” and “Financial Statements for the year 2023” are attached hereto as Attachments 1 and 4.

### **Resolved That:**

## Item 2

Proposed by the Board of Directors

### **Proposal:**

To ratify the Distribution of Earnings for the year 2023

### **Explanatory Notes:**

1. The Distribution of Earnings for the year 2023 has been approved by the Audit Committee and by the Board of Directors.
2. The “Earnings Distribution Table for the year 2023” is attached. Please see page 14.

### **Resolved That:**

# Compal Electronics, Inc.

## Earnings Distribution Table for the year 2023

Unit: NT\$

Item	Amount
Unappropriated retained earnings in the beginning of the year	40,305,106,515
<b>Add:</b>	
Net income of 2023	7,667,626,553
Reversal of special reserve resulting from other equity interest	1,555,809,846
<b>Subtract:</b>	
Remeasurement of defined benefit plans	(2,238,104)
Legal reserve	(698,624,275)
Changes in ownership interests in subsidiaries	(16,652,109)
Changes in equity of associates and joint ventures accounted for using equity method	
Disposal of investments in equity instruments measured at fair value through other comprehensive income	(645,502,839)
Retained earnings available for distribution as of December 31, 2023	48,148,534,832
Distribution item:	
<b>Subtract:</b>	
Dividends to common shares holders(Note)	(4,407,146,625)
Unappropriated retained earnings as of December 31, 2023	43,741,388,207

Note: Cash dividends of NT\$1.0 per common share

# Election and Discussion Items

# Item 1

Proposed by the Board of Directors

## **Proposal:**

Election of the 15<sup>th</sup> Term of Directors

## **Explanatory Notes:**

1. The 14<sup>th</sup> term of office for Directors of the Company will expire on August 26, 2024.
2. According to the requirement of the Articles of Incorporation and the resolution of the Board of Directors, fifteen (15) Directors (including 5 Independent Directors) will be elected as the 15th term of Directors in this Annual General Shareholders' Meeting. The tenure of each Director shall be three (3) years, commencing from May 31, 2024 and ending on May 30, 2027. The term of present Directors will end until this shareholders' meeting is completed.
3. According to applicable laws and the Articles of Incorporation of the Company, a candidate nomination system has been adopted by the Company for the Director election. The list of candidates for Director (including Independent Director) has been approved by the Board of Directors of the Company, and the shareholders shall elect Directors (including Independent Director) from among those listed on the slate of director candidate. The resume of the director (including Independent Director) candidates is attached hereto as attachment (see page 17~ page 18).

## **Result of Election:**

## The nominees list of Directors (including Independent Directors)

Category of Candidate	Name	Gender	Academic Background	Work Experience & Current Positions	Shares
Director	Jui-Tsung Chen	Male	Honorary Doctorate of National Cheng Kung University Bachelor's degree in National Cheng-Kung University (Electrical Engineering Dept.)	Chairman of Arcadyan Technology Corporation Vice Chairman of Compal Electronics, Inc. Chief Strategy Officer of Compal Electronics, Inc.	35,352,587
Director	Representative of Kinpo Electronics, Inc.: Wei-Chang Chen	Male	Bachelor's degree in National Taiwan Ocean University (Electrical Engineering Dept.)	Director of Kinpo Electronics, Inc. Director of AcBel Polytech Inc. President of Kinpo Electronics, Inc.	151,628,692
Director	Representative of Taiwan Venture Capital Co., Ltd.: Charng-Chyi Ko	Male	Bachelor's degree in National Taiwan University (Division of Business) Doctor of the University of Lincoln, USA	Co-Founder of Compal Electronics, Inc. Director of Compal Electronics, Inc. Director of Kinpo Electronics, Inc.	1,380,000
Director	Sheng-Chieh Hsu	Male	Bachelor's degree in Tam- Kang University (Architectural Dept.)	Director of Compal Electronics, Inc. Director of Cal-Comp Electronics (Thailand) Public Company Limited	9,204,201
Director	Chieh-Li Hsu	Male	M.S., International Business, Waseda University, Japan	Chairman of AcBel Polytech Inc. Vice Chairman of Cal-Comp Electronics (Thailand) Public Company Limited President of AcBel Polytech Inc.	4,117,569
Director	Representative of Binpal Investment Co., Ltd.: Wu-Chun Hsu	Male	Bachelor's degree in University of Phoenix (Business Administration Dept.)	Director of IBASE Technology Inc. Director of IBASE Solution Co., Ltd. Senior General Manager of Network Communications Product Business Division.	5,000,000
Director	Chung-Pin Wong	Male	Master's degree in Management Science of National Chiao-Tung University	Chairman of Compal Broadband Networks, Inc. Director of Compal Electronics, Inc. President of Compal Electronics, Inc.	6,618,618

Category of Candidate	Name	Gender	Academic Background	Work Experience & Current Positions	Shares
Director	Chiung-Chi Hsu	Male	Master's degree in San Francisco Golden Gate University.	Director of Compal Electronics, Inc.	2,117,731
Director	Anthony Peter Bonadero	Male	Texas A&M University	Director of Compal Electronics, Inc. Executive Vice President of Auscom Engineering Inc.	0
Director	Sheng-Hua Peng	Male	Graduate Institute of Electronics Engineering of National Taiwan University	Director of Compal Electronics, Inc. Director of Arcadyan Technology Corporation Executive Vice President of Compal Electronics, Inc.	835,000
Independent Director	Duh Kung Tsai	Male	Bachelor's degree in Taipei Institute of Technology (Industrial Engineering Dept.)	Chairman of Powertech Technology Inc. Director of Greatek Electronics Inc. Independent Director of Chicony Power Technology Co. Ltd.	0
Independent Director	Wen-Chung Shen	Male	Bachelor's degree in National Taiwan University (Electrical Engineering Dept.)	Chairman of Hetuo Investment Co., Ltd. Independent Director of Compal Electronics, Inc.	2,836,000
Independent Director	Lee-Chiou Chang	Male	Bachelor's degree in NCCU (Public Finance Dept.) Master's degree in NCCU (Insurance Dept.)	Chairman of Yuanta Securities Co., Ltd. Convener of supervisors of Taiwan Securities Association Team leader of Securities and Futures Bureau, FSC CEO of Sun Ten Group. Chairman of Panion & BF Biotech Inc. Chairman of Ho Tung Chemical Corp.	0
Independent Director	Shui-Shu Hung	Male	MD in National Taiwan University (Medicine Dept.)	Chairman of Catcher Technology Co., Ltd.	0
Independent Director	Tzu-Ting Huang	Female	Bachelor's degree in National Chung Hsing University ( Law Dept.)	Chief Operating Officer of Acer Incorporated Property Rights and Marketing Department Services of Acer Incorporated Consultant of Acer Incorporated	0

## Item 2

Proposed by the Board of Directors

### **Proposal:**

To approve the release of non-competition restrictions for Directors

### **Explanatory Notes:**

1. As certain Directors of the Company may invest in or operate a business which is identical or similar to the business scope of the Company, without prejudice to any interest of Compal, it is proposed to approve the release of non-competition restrictions for these Directors in accordance with Article 209 of the Company Act.
2. Information of the Director candidates who concurrently serve in a position of other companies is attached hereto as attachment (see page 20~ page 24). To approve the release of non-competition restrictions for Directors.

### **Resolved That :**

## Other Current Positions of Director and Independent Director Candidates

Title	Name	Selected Current Positions
Director	Jui-Tsung Chen	<p>■Compal’s Related companies Chairman: Arcadyan Technology Corporation, Aco Healthcare Co., Ltd., ARCE Therapeutics, Inc., General Life Biotechnology Co., Ltd., River Regeneration and Rejuvenation Biotechnology Co. Ltd., Raypal Biomedical Co., Ltd., Kinpo&amp;Compal Group Assets Development Corporation, Ray-Kwong Medical Management Consulting Co., Ltd.</p> <p>Director: Compal Broadband Networks, Inc., Mactech Co., Ltd., Kinpo Group Management Consultant Company, Phoenix Innovation Venture Capital Co., Ltd., Compal Networking (Kunshan) Co., Ltd., Ascendant Private Equity Investment Ltd., Arcadyan Holding (BVI) Corp., Arch Holding (BVI) Corp., Sinoprime Global Inc., Wah Yuen Technology Holding Ltd.</p> <p>■Other Independent Director: Powertech Technology Inc.</p>
Director	Kinpo Electronics, Inc.	Director: AcBel Polytech Inc., CastleNet Technology Inc., Crownpo Technology Inc., XYZprinting, Inc., Norm Pacific Automation Corp., iHELPER Inc., Teleport Access Services, Inc., Kinpo Group Management Consultant Company, Cal-Comp Asset Management, Inc., Prudence Venture Investment Corp., NTNU Innovation Investment Holding Company
	Representative of Kinpo Electronics Inc.: Wei-Chang Chen	<p>■Compal’s Related companies Director: HippoScreen Neurotech Corp., Shennona Corporation</p> <p>■Kinpo’s Related companies Chairman: XYZprinting, Inc., iHELPER Inc., Cal-Comp Asset Management, Inc., CastleNet Technology Inc. (Kunshan)., Cal-Comp Technology (Philippines), Inc., Kinpo Electronics (Philippines), Inc., XYZLife (Philippines) Inc., XYZprinting Japan, Inc.</p> <p>Director: Kinpo Electronics, Inc., AcBel Polytech Inc., Kinpo Group Management Consultant Company, Kinpo Electronics (China) Co., Ltd., XYZprinting (suzhou) Co., Ltd., Ascendant Private Equity Investment Ltd., Castlenet Technology (BVI) Inc., Kinpo International (Singapore) Pte. Ltd., Kinpo International Ltd., XYZprinting (Thailand) Co., Ltd., XYZprinting Netherlands, B.V., XYZprinting, Inc. (USA)</p> <p>President: Kinpo Electronics, Inc., Kinpo Electronics (China) Co., Ltd., XYZprinting, Inc. (USA)</p> <p>■CCET’s Related companies Chairman: Cal-Comp Optical Electronics (Yueyang) Co., Ltd. , Cal-Comp Optical Electronics (Suzhou) Co., Ltd., Cal-Comp Precision (Yueyang) Co., Ltd., Cal-Comp Precision (Dongguan) Co., Ltd., ICKP (Beijing)</p>

Title	Name	Selected Current Positions
		<p>Technology Development Co., Ltd., Cal Comp (Malaysia) SDN. BHD., Cal-Comp Electronics de Mexico Co., S.A. de C.V., Cal-Comp Precision (Philippines), Inc.</p> <p>Vice Chairman: PChome (Thailand) Co., Ltd</p> <p>Director: Cal-Comp Electronics(Thailand) Public Company Limited, Cal-Comp Electronics And Communications Co., Ltd., NKG Advanced Intelligence and Technology Development (Yue Yang) Co., Ltd., Cal-Comp Precision Holding Co., Ltd., Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd., Cal-Comp Electronics (USA) Co., Ltd., Cal-comp Industria De Semicondutores S.A., Cal-Comp Precision (Malaysia) SDN. BHD., Cal-Comp Precision (Singapore) Limited, Cal-Comp Precision (Thailand) Limited, Cal-Comp Semiconductor, Ltd., Cal-Comp USA (San Diego), Co., Inc., Logistar International Holding Company Limited</p> <p>President: Cal-Comp Optical Electronics (Yueyang) Co., Ltd. , Cal-Comp Optical Electronics (Suzhou) Co., Ltd., Cal-Comp Electronics (USA) Co., Ltd., Cal-Comp Semiconductor, Ltd., Cal-Comp USA (San Diego), Co., Inc.</p>
Director	Taiwan Venture Capital Co., Ltd.	<p>Director: All For Health Biotech Co., Ltd, Evergene Biotech Industrial Co., Ltd., Chang Yao Technology Inc., Weck Tech Biotech Co., Ltd., Global BioParma Ltd., Aseptic Innovative Medicine Co., Ltd., Taiwan Veterans, Pharmaceutical Co., Ltd., Young &amp; Health Care Resorts Inc., T.B.C. Development and Construction Co., Ltd., Long Yee Investment Co. Ltd., Taiwan Chariston AMC Corp., Ltd.</p>
	Representative of Taiwan Venture Capital Co., Ltd.: Charng-Chyi Ko	<p>Chairman: Taiwan Biotech Co., Ltd., All For Health Biotech Co., Ltd., Evergene Biotech Industrial Co., Ltd., Weck Tech Biotech Co., Ltd., Global BioParma Ltd., Young &amp; Health Care Resorts Inc., Aseptic Innovative Medicine Co., Ltd., Taiwan Veterans Pharmaceutical Co., Ltd., T.B.C. Development and Construction Co., Ltd., Yinfeng International, Inc., Taiwan Chariston AMC Corp., Ltd., Long Yee Investment Co. Ltd., Taiwan Venture Capital Co., Ltd., Twin Luck Global Company Ltd.</p> <p>Vice Chairman: OmniHealth Group, Inc.</p> <p>Director: Kinpo Electronics, Inc., Taiwan Carefor Home Pharmacy Co., Ltd., Chang Yao Technology Inc., Genhealth Pharma Co., Ltd., All Information Inc., Gold Precision Ltd., KKXC Integrated Management Holding (CYPRUS) Ltd., Optics Lab Inc., Synpharm, Inc.</p> <p>Supervisor: Teleport Access Services, Inc., Sunny Special Dyeing &amp; Finishing Co., Ltd.</p>
Director	Sheng-Chieh Hsu	<p>Chairman: Integrate Investment Corp.</p> <p>Director: Cal-Comp Electronics(Thailand) Public Company Limited, Cal-Comp Electronics And Communications Co., Ltd., Kinpo&amp;Compal Group Assets Development Corporation, Kinpo Electronics (China) Co., Ltd., Kinpo International Ltd.</p>

Title	Name	Selected Current Positions
Director	Chieh-Li Hsu	<p>■Compal’s Related companies  Director: ARCE Therapeutics, Inc., Raypal Biomedical Co., Ltd., Ray-Kwong Medical Management Consulting Co., Ltd.</p> <p>■Kinpo’s Related companies  Director: CastleNet Technology Inc., LIZ Electronics (Nantong) Co., Ltd.  Supervisor: Teleport Access Services, Inc.</p> <p>■CCET’s Related companies  Vice Chairman: Cal-Comp Electronics(Thailand) Public Company Limited  Director: XYZprinting, Inc., NKG Advanced Intelligence and Technology Development (Yue Yang) Co., Ltd., Cal-Comp Precision Holding Co., Ltd., Cal-Comp Electronics (USA) Co., Ltd., Cal-Comp Electronics de Mexico Co., S.A. de C.V., Cal-comp Industria De Semicondutores S.A., Cal-Comp Precision (Malaysia) SDN. BHD., Cal-Comp Precision (Thailand) Limited, Cal-Comp Semiconductor, Ltd., Cal-Comp USA (San Diego), Co., Inc.</p> <p>Chief Strategy Officer: Cal-Comp Electronics And Communications Co., Ltd.</p> <p>■AcBel’s Related companies  Chairman: AcBel Polytech Inc., AcSacca Solar Energy Co., Ltd., AcTel Power Co., Ltd., AcGile EV Power Inc., KangYang New Energy Co., Ltd., AcSun Energy Inc., AcRay Energy Co., Ltd., AcTek Energy Co., Ltd., AcRise Power Inc., AcLeap Power Inc., Sumray Power Company, AcBel Electronic (Xiantao) Co., Ltd., AcBel Electronic(Dong Guan) Co., Ltd., AcBel Electronic (Wuhan) Co., Ltd., Shanghai Sino Hardware Electronics (Wujiang) Co., Ltd., AcAmple Power Pte. Ltd., Acbel Polytech Philippines, Inc., OmniOn Power (China) Co., Ltd., OmniOn Power Holdings Inc., OmniOn Power Overseas LLC, OmniOn Power Shanghai Co., Ltd.</p> <p>Executive Director : Chongqing Tongliang District Shanghai Sino Hardware Electronics Co., Ltd., Chongqing Kanghua Metal Product Co.,Ltd.</p> <p>Director: Kinpo&amp;Compal Group Assets Development Corporation, ABB Lineage Power Mexico, S. de R.L. de C.V., Acbel (USA) Polytech Inc., Acbel Polytech (Ireland) Limited, AcBel Polytech (SAMOA) Investment Inc., Acbel Polytech (Singapore) Pte. Ltd., Acbel Polytech (UK) Limited, Acbel Polytech Holdings Inc., AcBel Polytech International Inc., AcBel Polytech Japan Inc., CK Holdings Inc., CSA Holdings Inc., Lineage Power Matamoros, S.A. de C.V., OmniOn Power (Singapore) Pte. Ltd., OmniOn Power Inc., Power Station Holdings Ltd., Target Gain Corporation</p> <p>Supervisor: Kinpo Group Management Consultant Company  President: AcBel Polytech Inc., AcGile EV Power Inc., Kinpo&amp;Compal Group Assets Development Corporation, AcBel</p>

Title	Name	Selected Current Positions
		<p>Electronic (Xiantao) Co., Ltd., AcBel Electronic(Dong Guan) Co., Ltd., AcBel Electronic (Wuhan) Co., Ltd., Acbel (USA) Polytech Inc., Acbel Polytech Philippines, Inc.</p> <p>Branch Manager: AcSacca Solar Energy Co., Ltd. Changhua Branch</p> <p>■Other</p> <p>Director: VesCir Ltd., Melvita Taiwan Ltd., Shangbao Enterprise Inc.</p> <p>Supervisor: Full Power Investment Co.,Ltd</p>
Director	<p>Representative of Binpal Investment Co., Ltd.: Wu-Chun Hsu</p>	<p>Director: IBASE Technology Inc., IBASE Solution Co., Ltd., IBASE Japan, IBASE Singapore PTE. Ltd. IBASE Technology (USA), Inc., Binpal Investment Co., Ltd.</p> <p>Senior General Manager: Senior General Manager of Network Communications Product Business Division of IBASE Technology Inc.</p>
Director	Chung-Pin Wong	<p>■Compal's Related companies</p> <p>Chairman: Compal Broadband Networks, Inc., Poindus Systems Corp., Starmems Semiconductor Corp., HippoScreen Neurotech Corp., Wah Yuen Technology Holding Ltd.</p> <p>Director: Arcadyan Technology Corporation, Mactech Co., Ltd., Infinno Technology Corp., Aco Healthcare Co., Ltd., ARCE Therapeutics, Inc., General Life Biotechnology Co., Ltd., Raypal Biomedical Co., Ltd., Taiwan Sanga Co., Ltd., Kinpo Group Management Consultant Company, Kinpo&amp;Compal Group Assets Development Corporation, Compal Connector Manufacture Ltd., Sirqul Inc.</p> <p>Supervisor: Hong Ya Technology Corporation</p>
Director	Chiung-Chi Hsu	<p>Chairman: E-Bow Bearing Co., Ltd., Full Power Investment Co.,Ltd</p> <p>Director: Jin Yongxiang Co., Ltd., Juan Hsin Bao Hardware co., Ltd.</p>
Director	Sheng-Hua Peng	<p>■Compal's Related companies</p> <p>Director: Arcadyan Technology Corporation</p> <p>Supervisor: General Life Biotechnology Co., Ltd.</p>
Independent Director	Duh Kung Tsai	<p>■PTI's Related companies</p> <p>Chairman: Powertech Technology Inc.</p> <p>Director: Greatek Electronics Inc., Powertech Holding (B.V.I.) Inc. PTI Technology (Singapore) Pte. Ltd., Powertech Technology (Singapore) Pte. Ltd., Tera Probe, Inc., Powertech Technology Akita Inc.</p> <p>Executive Director: Powertech Technology Japan Ltd.</p> <p>Chief Strategy Officer: Powertech Technology Inc.</p> <p>■Other</p> <p>Independent Director: Chicony Power Technology Co. Ltd.</p>

Title	Name	Selected Current Positions
Independent Director	Wen-Chung Shen	Chairman: Her Tuo Co., Ltd.
Independent Director	Lee-Chiou Chang	Chairman: Panion & BF Biotech Inc., Foci Fiber Optic Communications, Herbiotek Co., Ltd., YH Bio Co., Ltd., Viarich Biotechnology Co., Ltd., Ho Tung Chemical Corp., Cheng Fong Chemical Co., Ltd. Director: Formosan Union Chemical Corporation, Foci Fiber Optic Communications, TriKnight Capital Corporation Independent Director: T3EX Global Holdings Corp., Acme Electronics Corporation, Taiwan Hopac Chemicals Mfg. Co., Ltd.
Independent Director	Shui-Shu Hung	Chairman: Catcher Technology Co., Ltd. Director: Lyra International Co., Ltd., Norma International Co., Ltd., Uranus International Co., Ltd.
Independent Director	Tzu-Ting Huang	Consultant: Acer Incorporated

# Special Motion(s)

## Special Motion(s)

# Attachments

## Attachment 1

# Business Report for the year 2023

We sincerely thank all shareholders for your long-term support of Compal. 2023 was still a year full of changes and there are many new risks and challenges in the industry, technology and even economy and politics. In terms of industry, as the pandemic receded, the pandemic dividend enjoyed by electronic products gradually disappeared and the industry experienced a drastic downward adjustment in demand in the past year. However, in terms of technology, we also see the rise of AI, which has brought many application opportunities in work, products and manufacturing, and has become an important trend for future development. In terms of economy, the world is still affected by inflation, which poses a great challenge to terminal consumer demand. In terms of politics, the competition between the United States and China is ongoing and even develops into a conflict between countries which brings many uncertainties to the future. In the face of rapid changes in the overall environment, Compal has adopted many strategies and countermeasures in recent years and gradually established our long-term competitiveness. We hereby present our financial and business results for 2023, as well as the business outlook for 2024 as follows:

### **Financial and Business Results**

Compal's 2023 consolidated revenue was NT\$946,715 million, a decline of 12% from last year. The total shipment of 5C products also decreased by 17% to 79 million units. Although the annual revenue declined due to a lower demand, under the Company's strategy of improving profitability and operational capabilities, product portfolio enhancement and automation efficiency improved, driving the annual gross profit margin to increase from 3.8% in the previous year to 4.5%, and the operating profit margin also increased from 0.9% in the previous year to 1.3%. The consolidated net operating profit for the year increased by 31% to NT\$12,048 million from that of the previous year. Although interest rate hikes, exchange rate fluctuations and declining investment incomes from affiliates led to a decrease in non-operating income in 2023, the net profit before tax for the year was still NT\$11,890 million, an increase of 11% from that of the previous year. The net profit after tax for the whole year which belongs to the parent company is NT\$7,668 million, and the earnings per share are NT\$1.76.

### **Business Development and Layout**

Under the economic momentum slowdown and geopolitical development, the entire industry and even Compal are going through an important transformation period. It is necessary to differentiate through emerging applications and specific products, and promote regional development to sustain our growth momentum. Therefore, AI, Cloud

Server, Auto Electronics, Communication and MedTech are the big Five important emerging industries that we define. Compal has invested resources, actively made deployments, and gradually seen results. In the future, we will make it our important development goal to gain a leading position in new business fields.

In terms of regional development, Taiwan, Mainland China and Vietnam have become the important operating bases of Compal in Asia. Over the past two years, we have been continuously expanding our operational capacity in North America in the United States and Mexico; to further meet customer needs and growth, we are currently evaluating the establishment of factories in Europe and hope to provide more complete operational support in various regions. In addition, in terms of regional development, we also leverage the resources of the Kinpo-Compal Group and work closely with our sister companies to make the investment and utilization of resources more efficient.

In terms of MedTech, Compal is gradually showing achievements in the field of advanced medical equipment, including: the investment in Aco Healthcare on its portable ultrasound solutions has obtained FDA certification in the United States and TFDA certification in Taiwan, the AI brainwave detection equipment of HippoScreen is helpful in the treatment and diagnosis of depression and is currently undergoing clinical trials, General Life Biotechnology which is a blood glucose cholesterol and uric acid reagent factory has achieved stable profitability and plans to establish a new factory in Indonesia, and Compal internal medical team has developed a radiofrequency ablation system to collaborate with National Taiwan University Hospital to jointly establish a treatment training center. In addition, Rueifang Hospital, a collaboration between Compal and New Taipei City, will begin construction this year. It combines daycare and long-term care services, and will become a practical application field for Compal's smart medical products in the future.

### **Progress of Corporate Sustainability**

On the corporate sustainability, Compal continues to improve its various ESG work. In terms of the environment, we have introduced digital tools with upgraded the air conditioning and power systems in the factories, and introduced smart meter settings and energy intelligence monitoring platforms to further help achieving the carbon reduction goals. In the green supply chain project, we assist suppliers in establishing carbon management information platforms in a "big-leading-small" manner to help the quantification and integration of supply chain carbon information. In terms of the society, Compal has launched the DEI project, committed to establishing the workplace awareness of Diversity, Equity and Inclusion, and creating a diverse and happy workplace. As for social feedback, Compal has long collaborated with Hsu Chauing Social Welfare Charity Foundation to invest in cultural education and public welfare, which has been highly recognized by the outside world. In 2023, we were honored to receive the "Social

Education Contribution Award" from the Ministry of Education and the "Social Service Award" from the Library Association of the Republic of China. In terms of corporate governance enhancement, Compal amended its Corporate Governance Best Practice Principles in 2023, added a diversity policy for the composition of the board of directors, and appointed external professional independent institutions to conduct external evaluations of board performance. We have comprehensively promoted the issue of corporate sustainability, allowing Compal to significantly improve its sustainability performance in the evaluations of external ESG organizations (such as S&P CSA, MSCI ESG, ISS ESG and Sustainalytics ESG Risk). In 2023, Compal was once again selected by the Taiwan Institute for Sustainable Energy as one of the "Top 100 Model Sustainable Enterprises in Taiwan", which is a recognition of Compal's continued investment in sustainability work.

### **Future Outlook and Plans**

Looking ahead, although market research institutions are looking forward to a recovery of the industry in 2024, their estimates are relatively conservative. The expectation of an economic soft landing indicates that there are still significant challenges and uncertainties in the market development this year. In such an environment, Compal's business priority, in addition to continuing our profit-focused strategy, is to implement the following three plans.

On the operations side, we will continue to invest in digital projects on the basis of automation, carry out comprehensive intelligent transformation, and further strengthen Compal's operational resilience. On the technology side, especially the application of AI technology will have a revolutionary impact on the industry. Compal's deployment in AI is not only widespread in servers, laptops, mobile phones, wearable devices, medical products, etc., but also the application of AI capabilities into smart production and manufacturing. Our investment and layout in AI will definitely not fall behind. On the growth side, a solid foundation has been established for Compal's five emerging businesses in recent years. Looking ahead, in addition to organic growth, we will actively take external M&A opportunities to accelerate the growth momentum further. At the same time, we will effectively utilize external resources to combine with our core capabilities to create a synergistic effect and long-term value for the company.

Finally, we would like to once again thank all shareholders for your long-term support to Compal, and we wish you all

Peace and good health, and prosperity in everything!

Chairman of the Board: Sheng-Hsiung Hsu

President and Chief Executive Officer: Chung-Pin Wong

Accounting Officer: Cheng- Chiang Wang

## Attachment 2

# Independent Auditor's Report

To Compal Electronics, Inc.:

### Opinion

We have audited the financial statements of COMPAL ELECTRONICS, INC.( “the Company” ), which comprise the balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended December 31, 2023 and 2022, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Inventory valuation

Please refer to Note (4)(g) and Note (5) for the accounting policy of inventory valuation, as well as the estimation and assumption uncertainty of the valuation of inventory, respectively. Information of estimation of the valuation of inventory are disclosed in Note (6)(f) of the financial statements.

#### Description of key audit matters:

The inventory is measured at the lower of cost or net realizable value. The short life cycle of electronic products may cause significant changes in customers' demand and sales of related products. Consequently, the book value of inventory may be lower than the net realizable value of inventory. Therefore, the valuation of inventory is one of the key audit matters.

Our key audit procedures performed in respect of the above area included the following:

In order to verify the rationality of assessment of inventory valuation estimated by the Company, our key audit procedures included reviewing the consistency of prior year and accounting policy, inspecting the Company's inventory aging reports, analyzing the change of inventory aging, judgement of specific items, as well as verifying the inventory aging reports and the calculation of lower of cost or net realizable value.

### **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 the Audit Committee) are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the 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 auditor's 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 auditor's 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 appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kuan-Ying Kuo and Szu-Chuan Chien.

KPMG

Taipei, Taiwan (Republic of China)  
February 29, 2024

#### **Notes to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the 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 accepted and applied in the Republic of China.

# Independent Auditor's Report

To Compal Electronics, Inc.:

## Opinion

We have audited the consolidated financial statements of COMPAL ELECTRONICS, INC. and its subsidiaries ( "the Group" ), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended December 31, 2023 and 2022, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ( "IFRSs" ), International Accounting Standards ( "IASs" ), Interpretations developed by the International Financial Reporting Interpretations Committee ( "IFRIC" ) or the former Standing Interpretations Committee ( "SIC" ) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

## Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### 1. Inventory valuation

Please refer to Note (4)(h) and Note (5) for the accounting policy of inventory valuation, as well as the estimation and assumption uncertainty of the valuation of inventory, respectively. Information of estimation of the valuation of inventory are disclosed in Note (6)(f) of the consolidated financial statements.

Description of key audit matters:

The inventory is measured at the lower of cost or net realizable value. The short life cycle of electronic products may cause significant changes in customers' demand and sales of related products. Consequently, the book value of inventory may be lower than the net realizable value of inventory. Therefore, the valuation of inventory is one of the key audit matters.

Our key audit procedures performed in respect of the above area included the following:

In order to verify the rationality of assessment of inventory valuation estimated by the Group, our key audit procedures included reviewing the consistency of prior year and accounting policy, inspecting the Group's

inventory aging reports, analyzing the change of inventory aging, judgement of specific identification, as well as verifying the inventory aging reports and the calculation of lower of cost or net realizable value.

### **Other Matter**

Compal Electronics, Inc., has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unqualified 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 with the IFRSs, IASs, IFRC, 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.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor' s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kuan-Ying Kuo and Szu-Chuan Chien.

KPMG

Taipei, Taiwan (Republic of China)  
February 29, 2024

#### **Notes to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the 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 accepted and applied in the Republic of China.

## Attachment 3

# **Audit Committee's Review Report**

The Company's 2023 financial statements, business report and proposal for distribution of earnings have been approved by the Audit Committee and by the Board of Directors. Kuan-Ying Kuo and Szu-Chuan Chien, certified public accountants of KPMG, have completed the audit of the 2023 financial statements and issued an audit report relating thereto. According to Article 14-4 of the Securities and Exchange Act and Article 219 of Company Law, we hereby submit this report.

To Compal Electronics, Inc. 2024 Annual General Shareholders' Meeting

Chairman of the Audit Committee: Min Chih Hsuan

March 20, 2024



(English Translation of Financial Statements and Report Originally Issued in Chinese)

**COMPAL ELECTRONICS, INC.**

**Statements of Comprehensive Income**

**For the years ended December 31, 2023 and 2022**

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

	2023		2022	
	Amount	%	Amount	%
4000 <b>Net sales revenue</b>	\$ 874,914,215	100.0	1,003,642,791	100.0
5000 <b>Cost of sales</b>	846,864,149	96.8	975,074,956	97.2
<b>Gross profit</b>	28,050,066	3.2	28,567,835	2.8
<b>Operating expenses:</b>				
6100 Selling expenses	4,668,460	0.5	6,211,342	0.6
6200 Administrative expenses	2,966,700	0.4	2,831,405	0.3
6300 Research and development expenses	13,086,935	1.5	12,263,065	1.2
	20,722,095	2.4	21,305,812	2.1
<b>Net operating income</b>	7,327,971	0.8	7,262,023	0.7
<b>Non-operating income and expenses:</b>				
7100 Interest income	1,001,520	0.1	367,313	-
7020 Other gains and losses, net	46,734	-	790,769	0.1
7050 Finance costs	(4,059,174)	(0.5)	(2,546,827)	(0.3)
7190 Other income	304,391	0.1	334,311	-
7370 Share of profit of associates and joint ventures accounted for using equity method	4,088,258	0.5	1,826,023	0.2
<b>Total non-operating income and expenses</b>	1,381,729	0.2	771,589	-
7900 <b>Profit from continuing operations before tax</b>	8,709,700	1.0	8,033,612	0.7
7950 <b>Less: Income tax expenses</b>	1,042,073	0.1	745,320	0.1
<b>Profit</b>	7,667,627	0.9	7,288,292	0.6
8300 <b>Other comprehensive income:</b>				
8310 <b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>				
8311 Gains (losses) on remeasurements of defined benefit plans	(12,857)	-	134,331	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	828,717	0.1	(610,977)	(0.1)
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	463,228	-	(434,424)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	119,156	-	3,589	-
Components of other comprehensive income that will not be reclassified to profit or loss	1,159,932	0.1	(914,659)	(0.1)
8360 <b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361 Exchange differences on translation of foreign financial statements	(376,004)	-	7,183,714	0.7
8380 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	107,239	-	78,865	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	(268,765)	-	7,262,579	0.7
8300 <b>Other comprehensive income</b>	891,167	0.1	6,347,920	0.6
8500 <b>Total comprehensive income</b>	<u>\$ 8,558,794</u>	<u>1.0</u>	<u>13,636,212</u>	<u>1.2</u>
<b>Earnings per share</b>				
9750 <b>Basic earnings per share</b>	<u>\$ 1.76</u>		<u>1.67</u>	
9850 <b>Diluted earnings per share</b>	<u>\$ 1.75</u>		<u>1.66</u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

**COMPAL ELECTRONICS, INC.**  
**Statements of Changes in Equity**  
**For the years ended December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Retained earnings					Total other equity interest						
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Others	Total other equity interest	Treasury shares	Total equity
<b>Balance at January 1, 2022</b>	\$ 44,071,466	6,724,856	21,339,412	7,266,708	41,045,820	69,651,940	(8,744,705)	537,830	125	(8,206,750)	(881,247)	111,360,265
Profit for the year ended December 31, 2022	-	-	-	-	7,288,292	7,288,292	-	-	-	-	-	7,288,292
Other comprehensive income	-	-	-	-	118,035	118,035	7,274,994	(1,032,694)	(12,415)	6,229,885	-	6,347,920
Total comprehensive income	-	-	-	-	7,406,327	7,406,327	7,274,994	(1,032,694)	(12,415)	6,229,885	-	13,636,212
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	1,237,434	-	(1,237,434)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	940,042	(940,042)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(7,051,435)	(7,051,435)	-	-	-	-	-	(7,051,435)
Cash dividends from capital surplus	-	(1,762,859)	-	-	-	-	-	-	-	-	-	(1,762,859)
Changes in ownership interests in subsidiaries	-	33,397	-	-	(2,260)	(2,260)	-	-	-	-	-	31,137
Changes in equity of associates and joint ventures accounted for using equity method	-	(18,066)	-	-	(38,351)	(38,351)	-	36,599	-	36,599	-	(19,818)
Adjustments of capital surplus for cash dividends received by subsidiaries	-	100,035	-	-	-	-	-	-	-	-	-	100,035
Others	-	1,217	-	-	-	-	-	-	-	-	-	1,217
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	2,838	2,838	-	(2,838)	-	(2,838)	-	-
<b>Balance at December 31, 2022</b>	<b>44,071,466</b>	<b>5,078,580</b>	<b>22,576,846</b>	<b>8,206,750</b>	<b>39,185,463</b>	<b>69,969,059</b>	<b>(1,469,711)</b>	<b>(461,103)</b>	<b>(12,290)</b>	<b>(1,943,104)</b>	<b>(881,247)</b>	<b>116,294,754</b>
Profit for the year ended December 31, 2023	-	-	-	-	7,667,627	7,667,627	-	-	-	-	-	7,667,627
Other comprehensive income	-	-	-	-	(2,238)	(2,238)	(277,619)	1,162,170	8,854	893,405	-	891,167
Total comprehensive income	-	-	-	-	7,665,389	7,665,389	(277,619)	1,162,170	8,854	893,405	-	8,558,794
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	736,855	-	(736,855)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(6,263,646)	6,263,646	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(4,407,147)	(4,407,147)	-	-	-	-	-	(4,407,147)
Cash dividends from capital surplus	-	(881,429)	-	-	-	-	-	-	-	-	-	(881,429)
Changes in ownership interests in subsidiaries	-	2,213	-	-	(16,652)	(16,652)	-	3,469	-	3,469	-	(10,970)
Changes in equity of associates and joint ventures accounted for using equity method	-	10,490	-	-	(16,991)	(16,991)	-	13,433	-	13,433	-	6,932
Adjustments of capital surplus for cash dividends received by subsidiaries	-	60,021	-	-	-	-	-	-	-	-	-	60,021
Others	-	1,040	-	-	-	-	-	-	-	-	-	1,040
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	(645,503)	(645,503)	-	645,503	-	645,503	-	-
<b>Balance at December 31, 2023</b>	<b>\$ 44,071,466</b>	<b>4,270,915</b>	<b>23,313,701</b>	<b>1,943,104</b>	<b>47,291,350</b>	<b>72,548,155</b>	<b>(1,747,330)</b>	<b>1,363,472</b>	<b>(3,436)</b>	<b>(387,294)</b>	<b>(881,247)</b>	<b>119,621,995</b>

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

**COMPAL ELECTRONICS, INC.**  
**Statements of Cash Flows**  
**For the years ended December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2023</u>	<u>2022</u>
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before tax</b>	\$ 8,709,700	8,033,612
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation and amortization	1,343,643	1,292,481
Expected credit loss	49,027	10,092
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(47,871)	17,430
Finance cost	4,059,174	2,546,827
Interest income	(1,001,520)	(367,313)
Dividend income	(90,278)	(60,493)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(4,088,258)	(1,826,023)
Others	340	7,903
<b>Total adjustments to reconcile profit (loss)</b>	<u>224,257</u>	<u>1,620,904</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
(Increase) decrease in notes and accounts receivable	(76,980)	92,993,745
Decrease in other receivables	255,955	861,286
Decrease in inventories	2,020,665	7,894,260
Increase in other current assets	(432,044)	(440,998)
<b>Total changes in operating assets</b>	<u>1,767,596</u>	<u>101,308,293</u>
<b>Changes in operating liabilities:</b>		
Increase (decrease) in notes and accounts payable	9,129,059	(56,853,309)
(Decrease) increase in other payables	(600,839)	2,252,516
Increase in refund liabilities	751,240	456,262
Decrease in contract liabilities	(2,520)	(332,145)
(Decrease) increase in other current liabilities	(630,456)	936,481
Others	(10,915)	(14,859)
<b>Total changes in operating liabilities</b>	<u>8,635,569</u>	<u>(53,555,054)</u>
<b>Total changes in operating assets and liabilities</b>	<u>10,403,165</u>	<u>47,753,239</u>
<b>Total adjustments</b>	<u>10,627,422</u>	<u>49,374,143</u>
Cash inflow generated from operations	19,337,122	57,407,755
Interest received	945,368	363,622
Dividends received	832,126	762,393
Interest paid	(4,246,023)	(2,149,093)
Income taxes paid	(1,468,963)	(1,345,557)
<b>Net cash flows from operating activities</b>	<u>15,399,630</u>	<u>55,039,120</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through profit or loss and through other comprehensive income	(2,326,911)	(293,452)
Proceeds from disposal of financial assets at fair value through other comprehensive income	47,921	10,028
Acquisition of investments accounted for using equity method	(3,979,240)	(723,290)
Proceeds from capital reduction and liquidation of investments	3,420	2,010
Acquisition of property, plant and equipment	(256,391)	(332,902)
Proceeds from disposal of property, plant and equipment	65,706	-
Increase in other receivables due from related parties	(101,447)	(1,417,334)
Acquisition of intangible assets	(337,007)	(558,111)
Others	168,895	(116,556)
<b>Net cash flows used in investing activities</b>	<u>(6,715,054)</u>	<u>(3,429,607)</u>
<b>Cash flows from (used in) financing activities:</b>		
Decrease in short-term borrowings	(6,150,779)	(25,899,341)
Proceeds from long-term borrowings	44,267,025	79,109,500
Repayments of long-term borrowings	(51,524,725)	(72,884,500)
Payment of lease liabilities	(438,966)	(439,591)
Cash dividends paid	(5,288,576)	(8,814,294)
Others	(2,559)	4,428
<b>Net cash flows used in financing activities</b>	<u>(19,138,580)</u>	<u>(28,923,798)</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<u>(10,454,004)</u>	<u>22,685,715</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>30,965,694</u>	<u>8,279,979</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 20,511,690</u>	<u>30,965,694</u>

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022			December 31, 2023		December 31, 2022	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>Assets</b>					<b>Liabilities and Equity</b>				
<b>Current assets:</b>					<b>Current liabilities:</b>				
1100 Cash and cash equivalents	\$ 72,479,480	16.6	79,665,302	17.6	2100 Short-term borrowings	\$ 58,974,271	13.5	74,832,426	16.5
1110 Current financial assets at fair value through profit or loss	52,062	-	187	-	2120 Current financial liabilities at fair value through profit or loss	164,535	-	62,527	-
1170 Notes and accounts receivable, net	187,280,320	42.9	186,804,648	41.2	2125 Current financial liabilities for hedging	14,246	-	47,809	-
1180 Notes and accounts receivable due from related parties, net	6,434,296	1.5	4,416,073	1.0	2130 Current contract liabilities	767,327	0.2	784,238	0.2
1200 Other receivables, net	2,372,980	0.5	2,369,411	0.5	2170 Notes and accounts payable	148,398,334	34.0	152,137,066	33.6
1310 Inventories	95,102,692	21.8	111,593,984	24.6	2180 Notes and accounts payable to related parties	10,597,650	2.4	9,701,032	2.1
1470 Other current assets	5,202,467	1.1	5,856,898	1.3	2200 Other payables	30,464,866	7.0	29,622,760	6.5
	<u>368,924,297</u>	<u>84.4</u>	<u>390,706,503</u>	<u>86.2</u>	2230 Current tax liabilities	7,594,694	1.7	7,202,033	1.6
<b>Non-current assets:</b>					2250 Current provisions	787,396	0.2	734,061	0.2
1550 Investments accounted for using equity method	7,448,351	1.7	8,047,569	1.7	2280 Current lease liabilities	2,001,766	0.5	1,813,555	0.4
1510 Non-current financial assets at fair value through profit or loss	1,217,512	0.3	558,909	0.1	2300 Other current liabilities	2,528,809	0.6	3,352,565	0.7
1517 Non-current financial assets at fair value through other comprehensive income	9,116,008	2.1	5,425,908	1.2	2365 Current refund liabilities	3,573,141	0.8	2,632,039	0.6
1600 Property, plant and equipment	29,040,525	6.7	28,808,211	6.4	2322 Long-term borrowings, current portion	11,385,027	2.6	19,462,800	4.3
1755 Right-of-use assets	13,793,968	3.2	13,705,316	3.0		<u>277,252,062</u>	<u>63.5</u>	<u>302,384,911</u>	<u>66.7</u>
1780 Intangible assets	1,462,162	0.3	1,722,165	0.4	<b>Non-Current liabilities:</b>				
1840 Deferred tax assets	3,615,912	0.8	2,393,778	0.5	2540 Long-term borrowings	15,285,590	3.5	11,674,322	2.6
1990 Other non-current assets	2,152,239	0.5	2,116,074	0.5	2570 Deferred tax liabilities	1,985,324	0.5	1,247,342	0.3
	<u>67,846,677</u>	<u>15.6</u>	<u>62,777,930</u>	<u>13.8</u>	2580 Non-current lease liabilities	8,329,451	1.9	9,533,209	2.1
					2640 Non-current net defined benefit liability	651,272	0.1	660,019	0.1
					2670 Non-current liabilities, others	494,422	0.1	574,787	0.1
						<u>26,746,059</u>	<u>6.1</u>	<u>23,689,679</u>	<u>5.2</u>
					<b>Total liabilities</b>	<u>303,998,121</u>	<u>69.6</u>	<u>326,074,590</u>	<u>71.9</u>
					<b>Equity:</b>				
					<b>Equity attributable to owners of parent:</b>				
					3110 Ordinary share	44,071,466	10.1	44,071,466	9.7
					3200 Capital surplus	4,270,915	1.0	5,078,580	1.1
					3300 Retained earnings	72,548,155	16.6	69,969,059	15.4
					3400 Other equity interest	(387,294)	(0.1)	(1,943,104)	(0.4)
					3500 Treasury shares	(881,247)	(0.2)	(881,247)	(0.2)
						<u>119,621,995</u>	<u>27.4</u>	<u>116,294,754</u>	<u>25.6</u>
					36XX Non-controlling interests	13,150,858	3.0	11,115,089	2.5
					<b>Total equity</b>	<u>132,772,853</u>	<u>30.4</u>	<u>127,409,843</u>	<u>28.1</u>
<b>Total assets</b>	<u>\$ 436,770,974</u>	<u>100.0</u>	<u>453,484,433</u>	<u>100.0</u>	<b>Total liabilities and equity</b>	<u>\$ 436,770,974</u>	<u>100.0</u>	<u>453,484,433</u>	<u>100.0</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

	2023		2022	
	Amount	%	Amount	%
4000 Net sales revenue	\$ 946,714,800	100.0	1,073,245,915	100.0
5000 Cost of sales	904,317,906	95.5	1,032,881,736	96.2
<b>Gross profit</b>	<b>42,396,894</b>	<b>4.5</b>	<b>40,364,179</b>	<b>3.8</b>
<b>Operating expenses:</b>				
6100 Selling expenses	6,372,101	0.7	8,232,253	0.8
6200 Administrative expenses	4,896,947	0.5	4,983,404	0.4
6300 Research and development expenses	19,080,135	2.0	17,929,525	1.7
	<u>30,349,183</u>	<u>3.2</u>	<u>31,145,182</u>	<u>2.9</u>
<b>Net operating income</b>	<b>12,047,711</b>	<b>1.3</b>	<b>9,218,997</b>	<b>0.9</b>
<b>Non-operating income and expenses:</b>				
7100 Interest income	4,706,927	0.5	3,089,926	0.3
7210 Other gains and losses, net	260,934	-	1,363,841	0.1
7050 Finance costs	(5,052,372)	(0.5)	(3,245,701)	(0.3)
7190 Other income	456,861	-	652,426	-
7590 Miscellaneous disbursements	(62,559)	-	(73,104)	-
7670 Impairment loss	-	-	(9,431)	-
7770 Share of profit (loss) of associates and joint ventures accounted for using equity method	(467,077)	-	(272,824)	-
<b>Total non-operating income and expenses</b>	<b>(157,286)</b>	<b>-</b>	<b>1,505,133</b>	<b>0.1</b>
7900 <b>Profit from continuing operations before tax</b>	<b>11,890,425</b>	<b>1.3</b>	<b>10,724,130</b>	<b>1.0</b>
7950 <b>Less: Income tax expenses</b>	<b>2,759,747</b>	<b>0.3</b>	<b>2,182,603</b>	<b>0.2</b>
<b>Profit</b>	<b>9,130,678</b>	<b>1.0</b>	<b>8,541,527</b>	<b>0.8</b>
8300 <b>Other comprehensive income:</b>				
8310 <b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8311 Gains (losses) on remeasurements of defined benefit plans	2,602	-	161,558	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	1,221,169	0.1	(1,074,884)	(0.1)
8320 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	105,613	-	(21,325)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	170,975	-	(49,117)	-
Components of other comprehensive income that will not be reclassified to profit or loss	<u>1,158,409</u>	<u>0.1</u>	<u>(885,534)</u>	<u>(0.1)</u>
8360 <b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361 Exchange differences on translation of foreign financial statements	(184,799)	-	7,375,388	0.7
8368 Gains (losses) on hedging instrument	33,563	-	(47,809)	-
8370 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(103,664)	-	81,580	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	4,544	-	(12,026)	-
Components of other comprehensive income that will be reclassified to profit or loss	<u>(259,444)</u>	<u>-</u>	<u>7,421,185</u>	<u>0.7</u>
8300 <b>Other comprehensive income (after tax)</b>	<b>898,965</b>	<b>0.1</b>	<b>6,535,651</b>	<b>0.6</b>
8500 <b>Total comprehensive income</b>	<b>\$ 10,029,643</b>	<b>1.1</b>	<b>15,077,178</b>	<b>1.4</b>
<b>Profit, attributable to:</b>				
8610 Profit, attributable to owners of parent	\$ 7,667,627	0.8	7,288,292	0.7
8620 Profit, attributable to non-controlling interests	1,463,051	0.2	1,253,235	0.1
	<u>\$ 9,130,678</u>	<u>1.0</u>	<u>8,541,527</u>	<u>0.8</u>
<b>Comprehensive income attributable to:</b>				
8710 Comprehensive income (loss), attributable to owners of parent	\$ 8,558,794	0.9	13,636,212	1.3
8720 Comprehensive income (loss), attributable to non-controlling interests	1,470,849	0.2	1,440,966	0.1
	<u>\$ 10,029,643</u>	<u>1.1</u>	<u>15,077,178</u>	<u>1.4</u>
<b>Earnings per share</b>				
9750 <b>Basic earnings per share</b>	<b>\$ 1.76</b>		<b>1.67</b>	
9850 <b>Diluted earnings per share</b>	<b>\$ 1.75</b>		<b>1.66</b>	

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent													
	Retained earnings						Total other equity interest							
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Others	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
<b>Balance at January 1, 2022</b>	\$ 44,071,466	6,724,856	21,339,412	7,266,708	41,045,820	69,651,940	(8,744,705)	537,830	125	(8,206,750)	(881,247)	111,360,265	10,179,538	121,539,803
Profit for the year ended December 31, 2022	-	-	-	-	7,288,292	7,288,292	-	-	-	-	-	7,288,292	1,253,235	8,541,527
Other comprehensive income	-	-	-	-	118,035	118,035	7,274,994	(1,032,694)	(12,415)	6,229,885	-	6,347,920	187,731	6,535,651
Total comprehensive income	-	-	-	-	7,406,327	7,406,327	7,274,994	(1,032,694)	(12,415)	6,229,885	-	13,636,212	1,440,966	15,077,178
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	1,237,434	-	(1,237,434)	-	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	940,042	(940,042)	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(7,051,435)	(7,051,435)	-	-	-	-	-	(7,051,435)	-	(7,051,435)
Cash dividends from capital surplus	-	(1,762,859)	-	-	-	-	-	-	-	-	-	(1,762,859)	-	(1,762,859)
Changes in ownership interests in subsidiaries	-	33,397	-	-	(2,260)	(2,260)	-	-	-	-	-	31,137	-	31,137
Changes in equity of associates and joint ventures accounted for using equity method	-	(18,066)	-	-	(38,351)	(38,351)	-	36,599	-	36,599	-	(19,818)	-	(19,818)
Adjustments of capital surplus for cash dividends received by subsidiaries	-	100,035	-	-	-	-	-	-	-	-	-	100,035	-	100,035
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	1,217	-	-	-	-	-	-	-	-	-	1,217	-	1,217
Others	-	-	-	-	2,838	2,838	-	(2,838)	-	(2,838)	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(505,415)	(505,415)
<b>Balance at December 31, 2022</b>	<u>44,071,466</u>	<u>5,078,580</u>	<u>22,576,846</u>	<u>8,206,750</u>	<u>39,185,463</u>	<u>69,969,059</u>	<u>(1,469,711)</u>	<u>(461,103)</u>	<u>(12,290)</u>	<u>(1,943,104)</u>	<u>(881,247)</u>	<u>116,294,754</u>	<u>11,115,089</u>	<u>127,409,843</u>
Profit for the year ended December 31, 2023	-	-	-	-	7,667,627	7,667,627	-	-	-	-	-	7,667,627	1,463,051	9,130,678
Other comprehensive income	-	-	-	-	(2,238)	(2,238)	(277,619)	1,162,170	8,854	893,405	-	891,167	7,798	898,965
Total comprehensive income	-	-	-	-	7,665,389	7,665,389	(277,619)	1,162,170	8,854	893,405	-	8,558,794	1,470,849	10,029,643
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	736,855	-	(736,855)	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(6,263,646)	6,263,646	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(4,407,147)	(4,407,147)	-	-	-	-	-	(4,407,147)	-	(4,407,147)
Cash dividends from capital surplus	-	(881,429)	-	-	-	-	-	-	-	-	-	(881,429)	-	(881,429)
Changes in ownership interests in subsidiaries	-	2,213	-	-	(16,652)	(16,652)	-	3,469	-	3,469	-	(10,970)	-	(10,970)
Changes in equity of associates and joint ventures accounted for using equity method	-	10,490	-	-	(16,991)	(16,991)	-	13,433	-	13,433	-	6,932	-	6,932
Adjustments of capital surplus for cash dividends received by subsidiaries	-	60,021	-	-	-	-	-	-	-	-	-	60,021	-	60,021
Others	-	1,040	-	-	-	-	-	-	-	-	-	1,040	-	1,040
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	(645,503)	(645,503)	-	645,503	-	645,503	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	564,920	564,920
<b>Balance at December 31, 2023</b>	<u>\$ 44,071,466</u>	<u>4,270,915</u>	<u>23,313,701</u>	<u>1,943,104</u>	<u>47,291,350</u>	<u>72,548,155</u>	<u>(1,747,330)</u>	<u>1,363,472</u>	<u>(3,436)</u>	<u>(387,294)</u>	<u>(881,247)</u>	<u>119,621,995</u>	<u>13,150,858</u>	<u>132,772,853</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 11,890,425	10,724,130
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation and amortization	7,873,526	7,544,408
Expected credit loss	70,161	30,177
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(44,367)	23,672
Finance cost	5,052,372	3,245,701
Interest income	(4,706,927)	(3,089,926)
Dividend income	(148,092)	(128,597)
Compensation cost of share-based payments	(2,972)	22,025
Share of loss of associates and joint ventures accounted for using equity method	467,077	272,824
Gain on disposal of property, plant and equipment, and intangible assets	(43,977)	(7,086)
Impairment loss on financial assets	-	9,431
Others	(790)	(158)
<b>Total adjustments to reconcile profit (loss)</b>	<u>8,516,011</u>	<u>7,922,471</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
(Increase) decrease in financial assets at fair value through profit or loss	(51,875)	400,567
(Increase) decrease in notes and accounts receivable	(2,547,159)	99,026,904
Decrease in other receivable	55,383	357,505
Decrease in inventories	16,491,292	3,761,054
Increase in other current assets	(614,508)	(1,523,444)
(Increase) decrease in other non-current assets	(431,265)	438,312
<b>Total changes in operating assets</b>	<u>12,901,868</u>	<u>102,460,898</u>
<b>Changes in operating liabilities:</b>		
Increase in financial liabilities at fair value through profit or loss	102,008	60,938
Decrease in notes and accounts payable	(2,842,114)	(62,369,969)
Increase in other payables	2,190,306	976,433
Increase in refund liabilities	941,102	596,602
Increase (decrease) in provisions	53,335	(472,840)
Decrease in contract liabilities	(16,911)	(281,716)
(Decrease) increase in other current liabilities	(823,756)	1,309,581
Others	(6,193)	(18,337)
<b>Total changes in operating liabilities</b>	<u>(402,223)</u>	<u>(60,199,308)</u>
<b>Total changes in operating assets and liabilities</b>	<u>12,499,645</u>	<u>42,261,590</u>
<b>Total adjustments</b>	<u>21,015,656</u>	<u>50,184,061</u>
Cash inflow generated from operations	32,906,081	60,908,191
Interest received	4,636,183	2,813,791
Dividends received	347,078	270,042
Interest paid	(5,183,213)	(2,697,025)
Income taxes paid	(3,028,925)	(2,656,389)
<b>Net cash flows from operating activities</b>	<u>29,677,204</u>	<u>58,638,610</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through profit or loss and through other comprehensive income	(3,148,973)	(587,240)
Proceeds from disposal of financial assets at fair value through other comprehensive income	47,921	10,028
Acquisition of investments accounted for using equity method	(98,160)	(54,000)
Net cash flow from acquisition of subsidiaries	-	(135,971)
Proceeds from capital reduction and liquidation of investments	3,992	2,010
Acquisition of property, plant and equipment	(7,169,728)	(7,727,184)
Proceeds from disposal of property, plant and equipment	326,557	185,814
Acquisition of intangible assets	(373,363)	(659,132)
Decrease (increase) in restricted assets	697,049	(795,029)
Others	194,245	(154,230)
<b>Net cash flows used in investing activities</b>	<u>(9,520,460)</u>	<u>(9,914,934)</u>
<b>Cash flows from (used in) financing activities:</b>		
Decrease in short-term borrowings	(15,858,155)	(43,590,249)
Repayments of bonds payable	-	(7,400)
Proceeds from long-term borrowings	47,192,669	79,108,377
Repayments of long-term borrowings	(51,659,174)	(72,931,768)
Payment of lease liabilities	(2,114,467)	(2,422,290)
Cash dividends paid	(5,228,555)	(8,714,259)
Change in non-controlling interests	553,966	(1,062,788)
Others	(35,568)	207,983
<b>Net cash flows used in financing activities</b>	<u>(27,149,284)</u>	<u>(49,412,394)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(193,282)</u>	<u>5,191,917</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<u>(7,185,822)</u>	<u>4,503,199</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>79,665,302</u>	<u>75,162,103</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 72,479,480</u>	<u>79,665,302</u>

See accompanying notes to consolidated financial statements.

# Appendices

## Appendix 1

### **Rules and Procedures of Shareholders Meeting of Compal Electronics, Inc.**

1. The shareholders meeting of Compal Electronics, Inc. (the "Company") shall be conducted in accordance with these Rules and Procedures unless the law provides otherwise.  
Unless otherwise stipulated by the securities regulatory authority, the convening of the shareholders meetings via video conference shall be handled in accordance with these Rules.
2. Shareholders, solicitors and proxies (hereinafter referred to as "shareholders") attending the shareholders meeting shall submit an attendance card for registration.  
If the shareholders meeting is held by video conference, the shareholders intending to attend such meeting via video conference shall register with the Company 2 days prior to the meeting. For the video conferencing of the shareholders meeting, registration should be accepted on the video conference platform 30 minutes before the start of the meeting. Shareholders who have completed the registration shall be deemed to have attended the shareholders meeting in person.
3. The presence of shareholders in a shareholders meeting shall be calculated in accordance with the number of shares. The number of shares attended is calculated based on the attendance card and the number of shares registered on the video conference platform, plus the number of shares for which voting rights are exercised in writing or electronically.
4. The place for convening a shareholders meeting for the Company shall be held inside the premises of the Company, or any other place convenient for presence of shareholders, and suitable for holding of the said meeting. The time for commencing the said meeting shall not be earlier than 9am or later than 3pm.  
When the Company convenes a video conferencing shareholders meeting, it is not subject to the restriction on the meeting place of the preceding paragraph.  
When the Company convenes a video conferencing shareholders meeting, it shall provide appropriate alternatives for shareholders who have difficulty in attending the shareholders meeting by video.  
Change of the method of convening the shareholders meeting shall be subject to a resolution by the board of directors, and shall be made before the shareholders meeting notice is released.
5. If a shareholders meeting is called by the Board of Directors, the Chairman of the Board shall preside at the said shareholders meeting. In case the Chairman is on leave of absence, or cannot exercise his/her powers and authority, the Vice Chairman shall act in lieu of him/her. If there is no Vice Chairman, or the Vice

Chairman is also on leave of absence, or cannot exercise his/her powers and authority, the Chairman shall designate a Managing Director to act in lieu of him/her; if there is no Managing Director, the Chairman shall designate a Director to act in lieu of him/her. If the Chairman does not designate a Director, the Managing Directors or Directors shall elect one from among themselves to act in lieu of the Chairman.

If a shareholders meeting is called by a person other than the Board of Directors, who has the right to call the meeting, said person shall preside at that meeting.

6. The Company may designate its lawyer, certified public accountant or other relevant persons to attend the shareholders meeting.

Persons handling affairs of meeting shall wear identification cards or arm badges.

7. The proceeding of the meeting shall be audio recorded or videotaped in its entirety and these tapes shall be kept for at least one year.

If the shareholders meeting is held by video conferencing, the Company shall record and preserve the materials of shareholders registration, booking, attendance, questions, voting and the Company's vote counting results; as well as record and videotape the entire meeting process continuously and uninterruptedly.

The above-mentioned materials and audio and video recordings shall be properly preserved by the Company during the Company's existence, and the audio and video recordings shall be provided to those handling video conference affairs for preservation.

8. The chairman of the meeting shall call the meeting to order at the time scheduled for the meeting, provided, however, that if the shareholders present do not represent a majority of the total amount of issued shares, the chairman of the meeting may postpone the meeting, provided, however, that the postponement of the said meeting shall be limited to two times, and the total time postponed shall not exceed one hour. If the meeting has been postponed for two times, but the shareholders present are still less than one-third of the total amount of issued shares, the chairman shall announce the meeting adjourned. If the shareholders meeting is held by video conferencing, the Company shall also announce the meeting adjourned on the video conferencing platform.

If shareholders who represent no less than one-third of the total amount of issued shares are present after two-times postponement mentioned in the preceding paragraph, the tentative resolution may be adopted in accordance with the Paragraph 1 of Article 175 of the Company Act. Shareholders will be notified of the tentative resolutions and the Company shall convene a shareholders meeting again within one month. If the shareholders meeting is held by video conferencing, shareholders who wish to attend the shareholders meeting by video conferencing shall re-register with the Company two days before the shareholders meeting.

Before the close of the said meeting, if the shareholders present represent a majority of the total amount of issued shares, the chairman of the meeting may

present the tentative resolution so adopted to the meeting for resolution in accordance with the provisions of Article 174 of the Company Act.

9. If a shareholders meeting is called by the Board of Directors, the meeting agenda shall be set by the Board of Directors, and the meeting shall be conducted in accordance with the said agenda. The agenda shall not be changed without a resolution made by the shareholders meeting.

If a shareholders meeting shall be called by a person, other than the Board of Directors, entitled to convene such meeting, the preceding provisions shall apply *mutatis mutandis* to the said meeting.

The chairman of the meeting shall not adjourn a meeting without resolution adopted by shareholders if the items (including extraordinary motions) listed in the agenda so arranged in the above two Paragraphs are not completed.

After close of the said meeting, shareholders shall not elect another person to serve as chairman and continue the meeting at the same place or at any other place.

10. When a shareholder present at the meeting wishes to speak, he/she shall first fill out a slip, specifying therein the major points of his/her speech, his/her serial number as a shareholder (or number of attendance) and his/her name, and the chairman of the meeting shall determine his/her order of giving a speech.

A shareholder who submits his/her slip for a speech but does not actually speak shall be considered as not having given a speech. If the contents of his/her speech shall be different from those specified on the slip, the contents of his/her speech shall prevail.

When a shareholder is giving a speech, the other shareholders shall not interrupt unless they have obtained the prior consent from the chairman of the meeting as well as the said shareholder, and the chairman of the meeting may stop such interruption.

11. Unless otherwise permitted by the chairman of the meeting, any shareholder shall not, for each discussion item, speak more than two times and each time shall not exceed 3 minutes. However, after obtaining consent of the chairman, the length of such speech may be extended for an additional 3 minutes.

If the speech of any shareholder violates the above provisions or his/her speech exceeds the scope of the discussion item, the chairman of the meeting may stop the speech of such shareholder.

When the shareholders meeting is held by video conferencing, the shareholders who participate by video conferencing may ask questions in text on the video conferencing platform of the shareholders' meeting after the meeting commencement and before the meeting adjournment announced by the chairman. The questions are subject to limitation of two times and 200 words for each discuss items, and in such case, the preceding article and the first two paragraphs of this article are not applicable.

12. Any legal entity designated as proxy by a shareholder(s) to be present at the shareholders meeting may appoint only one representative to attend such

meeting.

If a corporate shareholder who designates two or more representatives to represent it at the shareholders meeting, only one of the representatives so designated may speak on any one discussion item.

13. After the speech of a shareholder, the chairman of the meeting may respond himself/herself or appoint an appropriate person to respond.
14. The chairman of the meeting may announce to end the discussion of any discussion item and go into voting if the chairman considers that the discussion for a motion has reached the extent for making a resolution.
15. The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the chairman of the meeting, provided, however, that the person supervising the casting of votes shall be a shareholder. The results of resolution(s) shall be announced in the meeting, and recorded in the meeting minutes.
16. During the meeting, the chairman of the meeting may, at his/her discretion, set time for intermission.
17. Voting at a shareholders meeting shall be calculated based on the number of shares. A shareholder shall be entitled to one vote for each share held. If the shares are restricted shares or are deemed non-voting shares, the shareholders' voting rights shall be handled in accordance with the relevant provisions of the applicable law and the articles of incorporation of the Company.
18. Unless otherwise specifically provided for in the Company Act or the Articles of Incorporation of the Company, resolutions shall be adopted by a majority of votes represented by the shareholders present at a meeting.  
The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is raised after solicitation by the chairman of the meeting.  
When the shareholders' meeting is held by video conferencing, the Company shall immediately disclose the voting results and election results of various resolutions on the video conferencing platform of the shareholders meeting in accordance with regulations, and shall continue to disclose for at least 15 minutes after the chairman's announcement of meeting adjournment.
19. If there is amendment to or substitute for one discussion item, the chairman of the meeting may combine such amendment or substitute into the original discussion item, and determine their orders for resolution. If any one of the above has been adopted, the others shall be considered as rejected, upon which no further resolution shall be required.
20. For the number of shares obtained by the solicitor, the number of shares represented by the proxies, and the number of shares represented by attending shareholders in writing or electronically, the Company shall, on the day of the shareholders meeting, prepare a statistical statement in the prescribed format and disclose it clearly at the shareholders meeting place. When the shareholders meeting is held by video conferencing, the Company shall upload the

above-mentioned information to the video conferencing platform of the shareholders meeting at least 30 minutes before the start of the meeting, and continue to disclose it until the end of the meeting.

When the Company holds a video conferencing shareholder meeting, the total number of shares represented by shareholders present shall be disclosed on the video conferencing platform as meeting starting announced. The same process shall be carried out if the total number of shares and voting rights of the shareholders attending the meeting are otherwise counted during the meeting.

21. When the shareholders meeting is held by video conferencing, the chairman shall, when announcing the meeting starts, separately announce that unless there is no need for postponement or continuation of the meeting as stipulated in Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if before the meeting is adjourned, due to natural disasters, incidents or other force majeure events, it is difficult to participate in the meeting on the video conferencing platform or via video, and such difficulty lasts for 30 minutes or more, the date of the meeting should be postponed or resumed within five days. In such case, Article 182 of Company law is not applicable.
22. The chairman of the meeting may direct disciplinary personnel (or security personnel) to keep the order of the meeting. Such disciplinary personnel (or security personnel) shall wear badges bearing the words of "disciplinary personnel".  
In order to keep the order of the meeting, shareholders shall obey directions made by the chairman of the meeting, disciplinary personnel (or security personnel). In case any person interrupts the meeting and, after being stopped by the chairman of the meeting three times, refuses to desist his/her interruption, the chairman of the meeting may ask the disciplinary personnel (or security personnel) to escort such shareholder to leave the meeting place.
23. These Rules and Procedures shall be effective from the date they are approved by the shareholders meeting. The same applies in case of amendments.
24. These Regulations were approved by the Annual General Shareholders Meeting and entered into force on May 4, 1990.

The 1<sup>st</sup> amendment was implemented after it was adopted by the resolution of the General Shareholders Meeting on March 27, 1996.

The 2<sup>nd</sup> amendment was implemented after it was adopted by the resolution of the General Shareholders Meeting on July 8, 1998.

The 3<sup>rd</sup> amendment was implemented after it was adopted by the resolution of the General Shareholders Meeting on June 24, 2022.

## **Appendix 2**

### **Articles of Incorporation of Compal Electronics, Inc.**

#### **CHAPTER I GENERAL PROVISIONS**

##### **Article 1**

The Company is organized under the Company Law and shall be named “仁寶電腦工業股份有限公司” and the English name shall be “Compal Electronics, Inc.”.

##### **Article 2**

The business scope of the Company shall be as follows:

1. To engage in CC01110 manufacturing business of computers and their peripheral equipments;
2. To engage in CC01080 manufacturing business of electronic parts and components;
3. To engage in CC01060 manufacturing business of wired communication machinery implements;
4. To engage in CC01070 manufacturing business of radio communication machinery implements;
5. To engage in CC01101 manufacturing business of telecom controlled radio frequency instruments;
6. To engage in F401021 import business of telecom controlled radio frequency instruments;
7. To engage in CB01010 manufacturing business of machinery equipments;
8. To engage in CB01020 manufacturing business of office machinery;
9. To engage in CE01990 manufacturing business of other optical & precision apparatus;
10. To engage in G801010 terminal business;
11. To engage in I501010 products design business;
12. To engage in I301010 information software services business;
13. To engage in F401010 international trade business;
14. To engage in F108031 Wholesale of Drugs, Medical Goods
15. To engage in F208031 Retail sale of Medical Equipments
16. To engage in CF01011 Medical Materials and Equipment Manufacturing
17. ZZ99999 All businesses that are not prohibited or restricted by laws, except those that are subject to special approval.

##### **Article 3**

The Company may provide guarantee to other companies to meet its business needs.

##### **Article 4**

The head office of the Company shall be in Taipei. When deemed necessary, the Company may set up branch offices or factories within or outside the Republic of China by resolutions of the Board of Directors.

#### **Article 5 (Deleted)**

#### **Article 6**

The re-investment amount of the Company may exceed 40% of its paid-in capital.

## **CHAPTER 2 SHARES**

#### **Article 7**

The total capital of the Company shall be NT\$60,000,000,000 consisting of 6,000,000,000 shares with a par value of NT\$10 each (including 100,000,000 shares for employees' subscription to shares according to certificates of subscription or company bonds attaching the right of subscription to shares) which may be issued in several issues, and the shares that are not issued may be issued by the Board of Directors according to business requirement.

#### **Article 7-1**

When the Company issues employee share subscription warrants, employee share subscription rights and restricted stock for new shares or buy-back shares in accordance with the laws, the employees so granted or transferred may include the employees of the Company's subordinate companies who meet certain requirements.

#### **Article 8**

The share certificates of the Company shall be in registered form and shall be affixed with the signatures or seals of the director representing the Company, and shall be duly authenticated by the bank which is qualified to authenticate shares under the laws.

The Company may be exempted from printing any share certificate for the shares issued and shall appoint a centralized securities custody enterprise/ institution to make recordation of the issue of such shares.

#### **Article 9**

The shareholders shall fill out seal impression cards when opening accounts. The style of signature or seal impression card shall be kept by the Company or the Company's stock agency for recordation, and the same shall apply to alteration.

#### **Article 10**

Unless otherwise provided in laws and regulations and securities rules, the shareholders shall deal with stock affairs or exercise other relevant rights in accordance with the "Guidelines Governing the Processing of Stock Affairs by Public

Company”.

#### **Article 11**

No entry for transfer of shares shall be permitted within sixty (60) days prior to a regular shareholders' meeting; thirty (30) days prior to a special shareholders' meeting; and five (5) days prior to a record date set for distributing dividends and bonuses or other benefits.

### **CHAPTER 3 SHAREHOLDERS' MEETING**

#### **Article 12**

Shareholders' meeting shall be of two types, regular shareholders' meeting and special shareholders' meeting. The regular shareholders' meeting shall be called by the board of directors once a year within six (6) months of the close of each fiscal year. The special shareholders' meeting may be called pursuant to law when deemed necessary. When the Company shareholders' meeting is held, it may be held by video conference or other methods announced by the central competent authority.

The requirements, operating procedures, and other matters to be complied with for a video conference meeting shall be handled in accordance with the relevant regulations of the securities regulatory authority.

#### **Article 13**

A shareholder who is unable to attend a shareholders' meeting may authorize a proxy to attend the meeting by a power of attorney printed by the Company duly signed or sealed and setting forth the vested power in accordance with the [Regulations Governing the Use of Proxy for Attending Shareholders' Meetings of Public Companies] prescribed by the competent authority.

#### **Article 14**

The Chairman of the Board of Directors shall preside at the shareholders' meetings. If the Chairman is unable to attend the meeting or to exercise his power and authority, the Vice Chairman of the Board of Directors shall act on his behalf. In case there is no Vice Chairman or the Vice Chairman is also absent or unable to exercise his power and authority, the Chairman shall designate a Managing Director to act on his behalf, or where there is no Managing Director, one of the Directors to act on his behalf. In the absence of such a designation, the Managing Directors or the Directors shall elect one from among themselves an acting chairman of the Board of Directors.

#### **Article 15**

Each shareholder of the Company shall have one (1) vote for each share held, unless otherwise provided in Article 179 of Company Act.

#### **Article 16**

Except as otherwise provided in the Company Act, a resolution shall be adopted at a shareholders' meeting attended by shareholders holding and representing a majority of the total issued and outstanding shares and at which meeting a majority of the votes held by the shareholders present shall be cast in favor of such resolution.

#### **Article 17**

Minutes of proceedings shall be prepared for all resolutions adopted at a shareholders' meeting, stating the date and place of the meeting, the abstract and results of proceedings, name of the chairman and the means by which a resolution is adopted, number of shareholders present and number of shares represented. A copy of the minutes of proceedings duly signed and sealed by the chairman shall be forwarded to each shareholder within twenty (20) days after the meeting.

The distribution process of meeting minutes is made in accordance with applicable laws and regulations.

### **CHAPTER 4 DIRECTORS AND COMMITTEES**

#### **Article 18**

The Company shall have seven (7) to fifteen (15) Directors. Directors shall be elected by adopting candidate nomination system and being elected. There shall be at least three (3) Independent Directors among the Company's Directors.

The Directors' liability insurance may be bought by the Company for the liability of compensation they may bear according to law in their business scope during their term of office.

The number of seats, professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be in compliance with applicable laws and regulations.

#### **Article 19**

The Directors shall hold office for a term of three years and shall be eligible for re-election.

Re-election of Independent Directors shall be governed by applicable laws and regulations.

#### **Article 20**

When one-third (1/3) of the Directors have vacated their offices or all of the Independent Directors are discharged, the special shareholders' meeting shall be called by the Board of Directors within sixty (60) days for election of Directors and Independent Directors to fill the vacancies until the original term expires.

#### **Article 21**

The Directors shall form a Board of Directors. The Chairman and Vice Chairman of the Board of Directors shall be elected by and from among the Directors with the

concurrence of a majority of the Directors present at a Board of Directors' meeting attended by more than two-thirds (2/3) of the Directors. The Board chairman shall conduct all the business of the Company pursuant to the laws and regulations, Article of incorporation, and resolutions adopted at shareholders' meetings and Board of Directors' meetings.

#### **Article 22**

The business policies and other important matters of the Company shall be performed in accordance with the resolutions of the Board of Directors' meetings. Except as otherwise provided in the provisions of the relevant laws, the Board of Directors meeting shall be called and presided by the chairman of the Company. In the event the Board Chairman is absent or unable to perform his right or authority, he may designate Vice Chairman to act on his behalf. In case there is no Vice Chairman or the Vice Chairman is absent or unable to perform his power or authority, the Chairman may designate one Managing Director to act on his behalf, or where there is no Managing Director, one of the Directors to act on his behalf. In the absence of the designation, the Managing Directors or Directors shall elect one from among themselves.

#### **Article 23**

Except as otherwise provided in the Company Act, a Board of Directors' meeting at which a resolution is adopted shall be attended by a majority of the Directors and at which meeting a majority of those present shall vote in favor of such a resolution. If any Director is unable to attend a Board of Directors' meeting, he/she may appoint another Director to attend the meeting by proxy by executing a power of attorney in favor of the proxy specifying any limits on authority or powers in respect to the business to be transacted at the meeting; provided that the proxy shall accept the appointment of one Director only. Minutes of proceedings shall be prepared for the resolutions adopted at a Board of Directors' meeting and the provisions of Article 17 herein shall apply mutatis mutandis.

#### **Article 24**

Enhancing supervision functions and strengthening management mechanisms, the Board of Directors of the Company may set up committees. The organizational rules for each committee shall be promulgated respectively in accordance with relevant laws and regulations as well as the regulations and rules of the Company.

An Audit Committee is established according to Article 14-4 of the Securities and Exchange Act which consists of all Independent Directors. The Audit Committee shall have such powers and duties as the supervisors under the Company Act, the Securities and Exchange Act and other laws and regulations.

#### **Article 25**

In conducting the business of the Company, the Directors shall be paid remuneration,

regardless of whether the Company makes a profit or sustains a loss. The remuneration of Directors shall be submitted by the remuneration committee to the Board of Directors and decided by the Board of Directors in accordance with personal partake-in and contribution to the Company's operation and benchmarks in the same industry.

### **Article 26**

Functions of the Board of Directors shall be as follows:

1. Appoint and remove managerial personnel;
2. Decide and amend business policies;
3. Examine budget and final account;
4. Propose for distribution of profits and covering of losses;
5. Approve for re-investment, extending loan to other companies, and pledge of assets;
6. Approve for endorsement, guarantee, acceptance to affiliates in excess of the total specified amounts (to be decided by the Board of Directors);
7. Approve for borrowing and financing in excess of total specified amounts (to be decided by the Board of Directors);
8. Establish and/or withdraw any main divisions of the Company and/or its domestic or overseas branches, and to prescribe and amend Articles of Incorporation and important rules by laws;
9. Approve for important contracts;
10. Approve for other important business; and
11. Appoint, discharge, and make payment to CPA.
12. To exercise other duties and powers granted in accordance with the laws and regulations, Articles of Incorporation, and by the shareholders' meetings.

### **Article 27**

A Board of Directors' meeting shall be called with a seven days prior written notice setting forth the cause(s) of such meeting to all Directors, except there is an urgent need. In case of emergency, a Board of Directors' meeting may be called at any time. The meeting notice as referred to in the foregoing Paragraph shall set forth the cause(s) and be given via mail, e-mail or facsimile.

## **CHAPTER 5 OFFICERS**

### **Article 28**

The Company shall employ managers, their appointment and discharge shall be handled in accordance with Article 29 of the Company Act.

## **CHAPTER 6 FINANCIAL ACCOUNTS AND DISTRIBUTION OF PROFITS**

### **Article 29**

At the close of each fiscal year of the Company, the Board of Directors shall prepare the following statements/documents and present to the shareholders' meeting for ratification in accordance with the legal procedure:

1. business report;
2. financial statement;
3. proposal for distribution of profits or covering of losses.

The aforementioned proposal for distribution of profits, the distribution of dividends and bonuses to shareholders in cash which are under the resolution and have been adopted by the meeting of the Board of Directors which are authorized in accordance with the Company's Articles of Incorporation, will not need to be ratified by the shareholders' meeting when reported during the shareholders' meeting.

### **Article 30**

If there is any profit in a fiscal year, the Company's pre-tax profits in such fiscal year, prior to deduction of compensation to employees and directors, shall be distributed to employees as compensation in an amount of not less than two percent (2%) thereof and to directors as compensation in an amount of not more than two percent (2%) of such profits. In the event that the Company has accumulated losses, the Company shall reserve an amount to offset accumulated losses.

The compensation to employees as mentioned above may be distributed in the form of stock or cash. Employees entitled to receive the said stock or cash may include the employees of the Company's subordinate companies who meet certain requirements.

### **Article 30-1**

If there is any profit after closing of books in a given year, the Company shall first defray tax due, cover accumulated losses and set aside ten percent (10%) of it as legal reserve and then set aside or reverse a special reserve in accordance with laws and regulations. The balance of earnings available for distribution is composed of the remainder of the said profit and the unappropriated retained earnings of previous years. The Board of Directors may set aside a certain amount to cope with the business operation conditions, and shall prepare the proposal for distribution of the balance amount thereof after a resolution has been adopted and then allocated in accordance with Second Paragraph of this Article or Article 29.

The Company authorizes the Board of Directors to distribute all or part of the dividends and bonuses, capital surplus or legal reserve in cash to shareholders after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by at least two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The lifecycle of the industry of the Company is in the growing stage. To meet the future capital needs and in consideration of capital budget, long-term financial

planning and onshore and offshore competition condition, as well as the need of shareholders for cash flow, if there is any profit after close of books, the dividend and bonds to be distributed to shareholders should not be less than thirty percent (30%) of the after-tax profit of such year and the cash dividend allocated by the Company each year shall not be lower than ten percent (10%) of the total dividend (including cash and share dividend) for such year.

#### **Article 31**

Once the total legal reserve equals the total capital, the Company may stop setting aside the legal reserve by shareholders' resolution.

### **CHAPTER 7 SUPPLEMENTAL PROVISIONS**

#### **Article 32**

Matters not provided herein shall be governed by the Company Act.

#### **Article 33**

The organizational rules and handling procedures of the Company shall be separately prescribed by resolution of the Board of Directors.

#### **Article 34 (Deleted)**

#### **Article 35**

These Articles of Incorporation were prescribed by the promoters on April 16, 1984.

The 1<sup>st</sup> amendment was made on May 16, 1984;

The 2<sup>nd</sup> amendment was made on December 27, 1984;

The 3<sup>rd</sup> amendment was made on April 6, 1986;

The 4<sup>th</sup> amendment was made on July 18, 1986;

The 5<sup>th</sup> amendment was made on May 10, 1987;

The 6<sup>th</sup> amendment was made on June 13, 1987;

The 7<sup>th</sup> amendment was made on June 18, 1988;

The 8<sup>th</sup> amendment was made on May 27, 1989;

The 9<sup>th</sup> amendment was made on May 4, 1990;

The 10<sup>th</sup> amendment was made on June 23, 1990;

The 11<sup>th</sup> amendment was made on March 20, 1991;

The 12<sup>th</sup> amendment was made on April 30, 1992;

The 13<sup>th</sup> amendment was made on April 13, 1993;

The 14<sup>th</sup> amendment was made on April 23, 1994;

The 15<sup>th</sup> amendment was made on March 31, 1995;

The 16<sup>th</sup> amendment was made on March 27, 1996;

The 17<sup>th</sup> amendment was made on May 29, 1997;

The 18<sup>th</sup> amendment was made on April 8, 1998;

The 19<sup>th</sup> amendment was made on April 8, 1999;

The 20<sup>th</sup> amendment was made on March 30, 2000;  
The 21<sup>st</sup> amendment was made on April 3, 2001;  
The 22<sup>nd</sup> amendment was made on May 24, 2002;  
The 23<sup>rd</sup> amendment was made on June 10, 2003;  
The 24<sup>th</sup> amendment was made on June 10, 2005;  
The 25<sup>th</sup> amendment was made on June 9, 2006;  
The 26<sup>th</sup> amendment was made on June 15, 2007;  
The 27<sup>th</sup> amendment was made on June 13, 2008;  
The 28<sup>th</sup> amendment was made on June 19, 2009;  
The 29<sup>th</sup> amendment was made on June 18, 2010;  
The 30<sup>th</sup> amendment was made on June 24, 2011;  
The 31<sup>st</sup> amendment was made on June 22, 2012.  
The 32<sup>nd</sup> amendment was made on June 21, 2013.  
The 33<sup>rd</sup> amendment was made on June 20, 2014.  
The 34<sup>th</sup> amendment was made on June 26, 2015.  
The 35<sup>th</sup> amendment was made on June 24, 2016.  
The 36<sup>th</sup> amendment was made on June 21, 2019.  
The 37<sup>th</sup> amendment was made on June 24, 2022.

## Appendix 3

### **Regulations for Election of Directors of Compal Electronics, Inc.**

1. Unless otherwise prescribed by applicable laws and regulations and the Company's Articles of Incorporation, these Regulations shall govern the election of the Company's Directors (including independent directors).
2. Election of Directors shall be held at the shareholders' meeting. When selecting and electing the Company's Directors, the overall composition of the Board of Directors shall be taken into consideration. The composition of the Board of Directors shall be diversified, and shall give weight to the principle of gender equality, the professional background or areas of the members, and whether they have necessary knowledge, skill, and experience for performance of their duties.
3. The professional qualifications and election, and other matters for compliance with respect to Independent Directors shall be in compliance with applicable laws and regulations.
4. Directors of the Company are elected by adapting the single-mark ballot accumulation voting system. Each voting share is entitled to have votes equivalent to the number of Directors to be elected. The total number of votes may be used to elect a single candidate or be allocated among several candidates. The Board of Directors shall prepare ballots equal to the number of Directors to be elected and distribute these ballots to the attending shareholders. The names of voters may be represented by shareholders' numbers.
5. The Company's Directors shall be elected by a candidate nomination system whereby the shareholders elect directors from nominees listed in the roster of Directors candidates. The election of independent directors and non-independent directors shall proceed as one election and number of the elected shall be calculated separately. According to the seats regulated in the Articles of Incorporation, the candidates who receive more votes shall be respectively elected in order of number of votes received. If two or more persons have received the same number of votes, and the number of persons would exceed the number to be elected, the persons with the same number of votes shall draw lots to decide election; the chairman shall draw lots on behalf of any elected person who are not present.

6. The Board of Directors shall, upon preparing the ballots, have the ballots serial numbered and note the voting rights on each ballot.
7. Before the beginning of the election, the chairman shall appoint several persons to check and record the ballots.
8. The ballot boxes used for voting shall be prepared by the Board of Directors and checked in public by the person to check the ballots before voting.
9. Ballots shall be deemed void under any of the following conditions:
  - (1)The ballots were not prepared in accordance with a person with the right to convene;
  - (2)The blank ballots were not completed by the voters;
  - (3)The writing is unclear and illegible or has been altered;
  - (4)The candidate whose name is entered in the ballot does not conform to the director candidate list.
  - (5)Other words or marks are entered in addition to the number of voting rights allotted.
10. The ballot box will be opened by the persons checking and recording the ballots after the vote casting for the election of the Directors.
11. The ballots should be calculated during the meeting right after the vote casting and the results of the election should be announced by the chairman.
12. The Board of Directors shall issue letters of elected notification to the elected Directors.
13. These Regulations shall be effective after approval at the shareholders' meeting. The same applies to amendments.
14. These Regulations were approved by the Annual General Shareholders Meeting and entered into force on May 4, 1990.

The 1<sup>st</sup> amendment was adopted by the Annual General Shareholders Meeting on April 23, 1994.

The 2<sup>nd</sup> amendment was adopted by the Annual General Shareholders Meeting on March 27, 1996.

The 3<sup>rd</sup> amendment was adopted by the Annual General Shareholders Meeting on March 24, 2002.

The 4<sup>th</sup> amendment was adopted by the Annual General Shareholders Meeting on June 24, 2011.

The 5<sup>th</sup> amendment was adopted by the Annual General Shareholders Meeting

on June 20, 2014.

The 6<sup>th</sup> amendment was adopted by the Annual General Shareholders Meeting on June 26, 2015.

The 7<sup>th</sup> amendment was adopted by the Annual General Shareholders Meeting on August 27, 2021.

## Appendix 4

### Compal Electronics, Inc. Shareholding of Directors

Book closure date: April 2, 2024

Position	Name	Shares
Chairman	Sheng-Hsiun Hsu	8,975,401
Vice Chairman	Jui-Tsung Chen	35,352,587
Director	Representative of Binpal Investment Co., Ltd.: Wen-Being Hsu	5,000,000
Director	Representative of Kinpo Electronics, Inc.: Chieh-Li Hsu	151,628,692
Director	Charng-Chyi Ko	7,896,867
Director	Sheng-Chieh Hsu	9,204,201
Director	Yen-Chia Chou	8,022,874
Director	Chung-Pin Wong	6,618,618
Director	Chiung-Chi Hsu	2,117,731
Director	Ming-Chih Chang	1,919,489
Director	Anthony Peter Bonadero	0
Director	Sheng-Hua Peng	835,000
Independent Director	Min Chih Hsuan	0
Independent Director	Duei Tsai	0
Independent Director	Wen-Chung Shen	2,836,000
Total		240,407,460

Note :

- The above-mentioned shares include the shares under trust with discretion reserved.
- In accordance with the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, where the paid-in capital of the company is more than NT\$10 billion but NT\$50 billion or less, the aggregate number of registered shares owned by all Directors shall not be less than three percent of the total issued shares; the aggregate number of registered shares owned by all Supervisors shall not be less than 0.3 percent of the total issued shares. The aggregate numbers of registered shares held by all Directors and Supervisors of Compal are listed below:
  - The aggregate number of the registered shares held by all Directors shall not less than 105,771,519 shares;
  - The Company has established an Audit Committee; therefore, the Supervisors’ shareholdings requirement is not applicable.

## **Appendix 5**

### **The Impact of Non-compensated Distribution of Shares on the Company's Business Performance, Earnings Per Share, and Shareholder Return Rate:**

This is not applicable as the Company did not publicly announce its financial forecast for 2024 in accordance with the regulations and Non-compensated Distribution of Shares is not proposed.

## Appendix 6

### Other

#### **Acceptance of proposals submitted by shareholders and to the nominations of the Director candidates at this Annual General Shareholders Meeting**

1. In accordance with Article 172-1 of the Company Act, shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a general shareholders' meeting, provided that only one matter shall be allowed in each single proposal. The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words (including proposal, explanatory notes and punctuation marks), and any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the general shareholders' meeting where at his proposal is to be discussed and shall take part in the discussion of such proposal.
2. According to the Articles of Incorporation of the Company and Article 192-1 of the Company Act, the candidate nomination system has been adopted by the Company for the Director election. Any shareholder holding 1% or more of the total number of outstanding shares issued by the Company may submit to the Company in writing list of director candidates, provided that the total number of director candidates so nominated shall not exceed the quota to be elected.
3. The shareholder proposal and candidate nomination of the Director accepting period for 2024 Annual General Shareholders Meeting is from March 15, 2024 to March 25, 2024.
4. Except the director candidates for the 15<sup>th</sup> term nominated by the board of directors, no proposals are raised and candidate is proposed by the shareholders.