Stock Code:2324

COMPAL ELECTRONICS, INC.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Six Months Ended June 30, 2025 and 2024

Address: No.581 & 581-1, Ruiguang Rd., Neihu District, Taipei, Taiwan
Telephone: (02)8797-8588

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安侯建業聯合會計師事務所
KPMG
台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
電 話 Tel + 886 2 8101 6666
傳 真 Fax + 886 2 8101 6667
網 址 Web kpmg.com/tw

Independent Auditors' Review Report

To COMPAL ELECTRONICS, INC.:

Introduction

We have reviewed the accompanying consolidated balance sheets of COMPAL ELECTRONICS, INC. and its subsidiaries (the "Group") as of June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2025 and 2024, as well as the changes in equity and cash flows for the six months ended June 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to $38,714,227 thousand and $40,736,219 thousand, constituting 10.1% and 8.7% of consolidated total assets as of June 30, 2025 and 2024, respectively, total liabilities amounting to $16,311,313 thousand and $20,245,227 thousand, constituting 6.6% and 6.2% of consolidated total liabilities as of June 30, 2025 and 2024, respectively, and the absolute value of total comprehensive income (loss) amounting to $382,931 thousand$(556,404) thousand$327,890 thousand and $(542,134) thousand, constituting 3.1%, 8.2% , 2.3% and 4.1% of consolidated total comprehensive income (loss) for the three months and six months ended June 30, 2025 and 2024, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of COMPAL ELECTRONICS, INC. and its subsidiaries as of June 30, 2025 and 2024, and of its consolidated financial performance for the three months and six months ended June 30, 2025 and 2024, as well as its consolidated cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Kuan-Ying Kuo and Yiu-Kwan Au.

KPMG

KPMG

Taipei, Taiwan (Republic of China)
August 12, 2025

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and 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 review such consolidated financial statements are those generally accepted and applied in the Republic of China.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2025, December 31, 2024, and June 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2025		December 31, 2024		June 30, 2024	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (Note (6)(a))	$ 65,563,130	17.2	78,947,882	17.1	86,570,227	18.5
1110	Current financial assets at fair value through profit or loss (Note (6)(b))	15,752	-	145,132	-	43,762	-
1136	Current financial assets at amortized cost (Note (6)(e))	4,913,582	1.3	5,103,852	1.1	-	-
1170	Notes and accounts receivable, net (Note (6)(f))	151,659,856	39.7	193,396,543	41.7	205,869,894	44.0
1180	Notes and accounts receivable due from related parties, net (Notes (6)(f) and (7))	4,418,613	1.1	7,404,318	1.6	5,393,138	1.2
1200	Other receivables, net (Notes (6)(f) and (7))	2,354,497	0.6	3,412,241	0.7	4,602,442	1.0
1310	Inventories (Notes (6)(g) and (8))	75,823,323	19.9	84,831,955	18.3	85,574,064	18.3
1470	Other current assets (Note (8))	6,183,298	1.6	6,279,718	1.4	6,353,833	1.4
		310,932,051	81.4	379,521,641	81.9	394,407,360	84.4
	Non-current assets:						
1550	Investments accounted for using equity method (Notes (6)(h) and (7))	6,536,649	1.7	7,344,492	1.6	7,651,433	1.6
1510	Non-current financial assets at fair value through profit or loss (Note (6)(b))	2,054,236	0.5	1,359,358	0.3	1,333,189	0.3
1517	Non-current financial assets at fair value through other comprehensive income (Note (6)(c))	14,579,230	3.8	23,755,567	5.1	12,304,826	2.6
1600	Property, plant and equipment (Notes (6)(l), (6)(m) and (8))	28,143,594	7.4	31,103,899	6.7	30,852,732	6.6
1755	Right-of-use assets (Notes (6)(m) and (8))	12,836,204	3.4	13,350,548	2.9	13,566,352	2.9
1780	Intangible assets	1,660,530	0.4	1,718,456	0.4	1,932,019	0.4
1840	Deferred tax assets	2,932,528	0.8	2,839,073	0.6	3,582,287	0.8
1990	Other non-current assets (Note (8))	2,107,087	0.6	2,548,673	0.5	2,057,910	0.4
		70,850,058	18.6	84,020,066	18.1	73,280,748	15.6
	Total assets	$ 381,782,109	100.0	463,541,707	100.0	467,688,108	100.0

		June 30, 2025		December 31, 2024		June 30, 2024	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (Notes (6)(f) and (6)(n))	$ 44,628,315	11.7	57,900,401	12.5	73,333,786	15.7
2120	Current financial liabilities at fair value through profit or loss (Note (6)(b))	362,806	0.1	-	-	187	-
2125	Current financial liabilities for hedging (Note (6)(d))	131,581	-	-	-	-	-
2130	Current contract liabilities (Note (6)(v))	3,379,638	0.9	3,263,230	0.7	3,802,013	0.8
2170	Notes and accounts payable	124,242,566	32.5	148,979,182	32.1	156,691,655	33.5
2180	Notes and accounts payable to related parties (Note (7))	5,502,597	1.5	9,753,530	2.1	5,954,578	1.3
2200	Other payables (Note (7))	24,886,994	6.5	30,179,496	6.5	30,232,100	6.5
2216	Dividends payable	40,894	-	34	-	1,041,433	0.2
2230	Current tax liabilities	7,051,227	1.9	7,214,833	1.6	6,696,469	1.4
2280	Current lease liabilities (Note (6)(p))	1,937,642	0.5	1,955,763	0.4	1,926,652	0.4
2300	Other current liabilities	6,391,606	1.7	5,829,977	1.3	4,555,956	1.0
2365	Current refund liabilities	2,696,052	0.7	3,672,551	0.8	3,618,393	0.8
2322	Long-term borrowings, current portion (Note (6)(o))	7,200,000	1.9	14,303,150	3.1	15,412,050	3.3
		228,451,918	59.9	283,052,147	61.1	303,265,272	64.9
	Non-Current liabilities:						
2540	Long-term borrowings (Note (6)(o))	9,915,412	2.6	12,235,001	2.6	14,435,763	3.1
2570	Deferred tax liabilities	2,509,453	0.7	3,998,864	0.9	2,470,716	0.5
2580	Non-current lease liabilities (Note (6)(p))	5,111,805	1.3	6,777,080	1.4	6,871,253	1.5
2640	Non-current net defined benefit liability	521,332	0.1	534,651	0.1	642,282	0.1
2670	Non-current liabilities, others	377,813	0.1	478,182	0.1	331,246	0.1
		18,435,815	4.8	24,023,778	5.1	24,751,260	5.3
	Total liabilities	246,887,733	64.7	307,075,925	66.2	328,016,532	70.2
	Equity:						
	Equity attributable to owners of parent (Note (6)(s)):						
3110	Ordinary share	44,071,466	11.5	44,071,466	9.5	44,071,466	9.4
3200	Capital surplus	3,614,575	1.0	3,472,941	0.8	3,485,148	0.7
3300	Retained earnings	74,868,149	19.6	78,213,219	16.9	72,906,039	15.6
3400	Other equity interest	(213,508)	(0.1)	17,588,331	3.8	7,049,432	1.5
3500	Treasury shares	(881,247)	(0.2)	(881,247)	(0.2)	(881,247)	(0.2)
		121,459,435	31.8	142,464,710	30.8	126,630,838	27.0
36XX	**Non-controlling interests**	13,434,941	3.5	14,001,072	3.0	13,040,738	2.8
	Total equity	134,894,376	35.3	156,465,782	33.8	139,671,576	29.8
	Total liabilities and equity	$ 381,782,109	100.0	463,541,707	100.0	467,688,108	100.0

See accompanying notes to consolidated financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2025 and 2024

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

		For the three months ended June 30				For the six months ended June 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Net sales revenue** (Notes (6)(v) and (7))	$ 180,443,179	100.0	237,209,113	100.0	379,541,136	100.0	436,780,227	100.0
5000	**Cost of sales** (Notes (6)(g), (6)(q), (7) and (12))	169,858,060	94.1	225,418,813	95.0	358,512,524	94.5	415,200,772	95.0
	Gross profit	10,585,119	5.9	11,790,300	5.0	21,028,612	5.5	21,579,455	5.0
	Operating expenses: (Notes (6)(q) and (12))								
6100	Selling expenses	1,600,958	0.9	1,692,446	0.7	3,101,325	0.8	3,059,326	0.7
6200	Administrative expenses	1,341,615	0.7	1,311,966	0.6	2,650,567	0.7	2,615,345	0.6
6300	Research and development expenses	5,018,972	2.8	4,724,769	2.0	9,946,951	2.6	9,005,836	2.1
		7,961,545	4.4	7,729,181	3.3	15,698,843	4.1	14,680,507	3.4
	Net operating income	2,623,574	1.5	4,061,119	1.7	5,329,769	1.4	6,898,948	1.6
	Non-operating income and expenses:								
7100	Interest income (Note (6)(x))	667,245	0.4	1,101,968	0.5	1,413,140	0.4	2,140,373	0.5
7210	Other gains and losses, net (Notes (6)(x) and (6)(z))	(1,700,414)	(1.0)	(58,779)	-	(875,775)	(0.2)	208,463	-
7050	Finance costs (Note (6)(p))	(650,248)	(0.4)	(1,044,568)	(0.4)	(1,391,031)	(0.4)	(2,059,388)	(0.5)
7190	Other income (Note (6)(x))	510,168	0.3	309,674	0.1	601,488	0.1	397,003	0.1
7590	Miscellaneous disbursements	(7,928)	-	(1,294)	-	(23,957)	-	(3,840)	-
7770	Share of profit (loss) of associates and joint ventures accounted for using equity method (Note (6)(h))	(152,658)	(0.1)	(121,281)	(0.1)	(336,972)	(0.1)	(362,808)	-
	Total non-operating income and expenses	(1,333,835)	(0.8)	185,720	0.1	(613,107)	(0.2)	319,803	0.1
7900	**Profit from continuing operations before tax**	1,289,739	0.7	4,246,839	1.8	4,716,662	1.2	7,218,751	1.7
7950	**Less: Income tax expenses** (Note (6)(r))	360,545	0.2	960,638	0.4	1,148,877	0.3	1,634,737	0.4
	Profit	929,194	0.5	3,286,201	1.4	3,567,785	0.9	5,584,014	1.3
8300	**Other comprehensive income:**								
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**								
8311	Gains (losses) on remeasurements of defined benefit plans	2,390	-	1,874	-	3,964	-	1,118	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(1,602,986)	(0.9)	2,594,567	1.1	(8,820,478)	(2.3)	3,075,869	0.7
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	(15,312)	-	1,100	-	(35,170)	-	(9,261)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note (6)(r))	(266,225)	(0.1)	425,850	0.2	(1,566,203)	(0.4)	515,993	0.1
	Components of other comprehensive income that will not be reclassified to profit or loss	(1,349,683)	(0.8)	2,171,691	0.9	(7,285,481)	(1.9)	2,551,733	0.6
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**								
8361	Exchange differences on translation of foreign financial statements	(11,095,612)	(6.2)	1,313,512	0.6	(10,022,042)	(2.7)	4,704,036	1.1
8368	Gains (losses) on hedging instrument (Note (6)(y))	(88,820)	-	(7,234)	-	(131,581)	-	14,246	-
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	(601,813)	(0.3)	53,216	-	(527,794)	(0.1)	270,662	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note (6)(r))	(18,443)	-	(1,358)	-	(26,322)	-	3,158	-
	Components of other comprehensive income that will be reclassified to profit or loss	(11,767,802)	(6.5)	1,360,852	0.6	(10,655,095)	(2.8)	4,985,786	1.1
8300	**Other comprehensive income (after tax)**	(13,117,485)	(7.3)	3,532,543	1.5	(17,940,576)	(4.7)	7,537,519	1.7
8500	**Total comprehensive income**	**$ (12,188,291)**	**(6.8)**	**6,818,744**	**2.9**	**(14,372,791)**	**(3.8)**	**13,121,533**	**3.0**
	Profit, attributable to:								
8610	Profit, attributable to owners of parent	$ 482,460	0.3	2,881,382	1.2	2,673,689	0.7	4,772,215	1.1
8620	Profit, attributable to non-controlling interests	446,734	0.2	404,819	0.2	894,096	0.2	811,799	0.2
		$ 929,194	**0.5**	**3,286,201**	**1.4**	**3,567,785**	**0.9**	**5,584,014**	**1.3**
	Comprehensive income attributable to:								
8710	Comprehensive income (loss), attributable to owners of parent	$ (12,346,646)	(6.9)	6,387,604	2.7	(14,976,904)	(3.9)	12,209,395	2.8
8720	Comprehensive income (loss), attributable to non-controlling interests	158,355	0.1	431,140	0.2	604,113	0.1	912,138	0.2
		$ (12,188,291)	**(6.8)**	**6,818,744**	**2.9**	**(14,372,791)**	**(3.8)**	**13,121,533**	**3.0**
	Earnings per share (Note (6)(u))								
9750	**Basic earnings per share**	**$**	**0.11**		**0.66**		**0.61**		**1.10**
9850	**Diluted earnings per share**	**$**	**0.11**		**0.66**		**0.61**		**1.09**

See accompanying notes to consolidated financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the six months ended June 30, 2025 and 2024
(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
Balance at January 1, 2024	$ 44,071,466	4,270,915	23,313,701	1,943,104	47,291,350	72,548,155	(1,747,330)	1,363,472	(3,436)	(387,294)	(881,247)	119,621,995	13,150,858	132,772,853
Profit for the six months ended June 30, 2024	-	-	-	-	4,772,215	4,772,215	-	-	-	-	-	4,772,215	811,799	5,584,014
Other comprehensive income	-	-	-	-	454	454	4,876,286	2,556,682	3,758	7,436,726	-	7,437,180	100,339	7,537,519
Total comprehensive income	-	-	-	-	4,772,669	4,772,669	4,876,286	2,556,682	3,758	7,436,726	-	12,209,395	912,138	13,121,533
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	698,625	-	(698,625)	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(1,555,810)	1,555,810	-	-	-	-	-	-	-	-	-
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	-	(175)	-	-	(6,869)	(6,869)	-	-	-	-	-	(7,044)	-	(7,044)
Changes in equity of associates and joint ventures accounted for using equity method	-	34,756	-	-	(769)	(769)	-	-	-	-	-	33,987	-	33,987
Adjustments of capital surplus for cash dividends received by subsidiaries	-	60,021	-	-	-	-	-	-	-	-	-	60,021	-	60,021
Others	-	1,060	-	-	-	-	-	-	-	-	-	1,060	-	1,060
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(1,022,258)	(1,022,258)
Balance at June 30, 2024	**$ 44,071,466**	**3,485,148**	**24,012,326**	**387,294**	**48,506,419**	**72,906,039**	**3,128,956**	**3,920,154**	**322**	**7,049,432**	**(881,247)**	**126,630,838**	**13,040,738**	**139,671,576**
Balance at January 1,2025	$ 44,071,466	3,472,941	24,012,325	387,294	53,813,600	78,213,219	4,203,807	13,384,524	-	17,588,331	(881,247)	142,464,710	14,001,072	156,465,782
Profit for the six months ended June 30, 2025	-	-	-	-	2,673,689	2,673,689	-	-	-	-	-	2,673,689	894,096	3,567,785
Other comprehensive income	-	-	-	-	2,426	2,426	(10,334,085)	(7,284,223)	(34,711)	(17,653,019)	-	(17,650,593)	(289,983)	(17,940,576)
Total comprehensive income	-	-	-	-	2,676,115	2,676,115	(10,334,085)	(7,284,223)	(34,711)	(17,653,019)	-	(14,976,904)	604,113	(14,372,791)
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	1,007,221	-	(1,007,221)	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(387,294)	387,294	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(6,170,005)	(6,170,005)	-	-	-	-	-	(6,170,005)	-	(6,170,005)
Changes in ownership interests in subsidiaries	-	(1,249)	-	-	-	-	-	-	-	-	-	(1,249)	-	(1,249)
Changes in equity of associates and joint ventures accounted for using equity method	-	71,858	-	-	2,636	2,636	-	(2,636)	-	(2,636)	-	71,858	-	71,858
Adjustments of capital surplus for cash dividends received by subsidiaries	-	70,024	-	-	-	-	-	-	-	-	-	70,024	-	70,024
Others	-	1,001	-	-	-	-	-	-	-	-	-	1,001	-	1,001
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	146,184	146,184	-	(146,184)	-	(146,184)	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(1,170,244)	(1,170,244)
Balance at June 30, 2025	**$ 44,071,466**	**3,614,575**	**25,019,546**	**-**	**49,848,603**	**74,868,149**	**(6,130,278)**	**5,951,481**	**(34,711)**	**(213,508)**	**(881,247)**	**121,459,435**	**13,434,941**	**134,894,376**

See accompanying notes to consolidated financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2025	**2024**
Cash flows from (used in) operating activities:		
Profit before tax	$ 4,716,662	7,218,751
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization	3,580,022	3,863,848
Expected credit loss (reversal of gain) losses	(143)	72,006
Net gain (losses) on financial assets or liabilities at fair value through profit or loss	64,102	(23,717)
Finance cost	1,391,031	2,059,388
Interest income	(1,413,140)	(2,140,373)
Dividend income	(450,060)	(218,587)
Compensation cost of share-based payments	1,592	(6,274)
Share of loss of associates and joint ventures accounted for using equity method	336,972	362,808
Gain on disposal of property, plant and equipment	(16,671)	(16,480)
Gain on lease modification	(520)	(18,212)
Total adjustments to reconcile profit	3,493,185	3,934,407
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in financial assets at fair value through profit or loss	129,380	8,300
Decrease (increase) in notes and accounts receivable	44,730,739	(17,567,860)
Decrease (increase) in other receivable	920,277	(1,494,306)
Decrease in inventories	9,008,632	9,586,188
Increase in other current assets	(204,426)	(998,617)
Decrease in other non-current assets	299,115	220,047
Total changes in operating assets	54,883,717	(10,246,248)
Changes in operating liabilities:		
Increase (decrease) in financial liabilities at fair value through profit or loss	362,806	(164,348)
Increase in contract liabilities	116,408	3,034,686
(Decrease) Increase in notes and accounts payable	(28,987,549)	3,589,332
Decrease in other payables	(5,044,161)	(412,190)
(Decrease) Increase in refund liabilities	(976,499)	45,252
Increase in other current liabilities	561,629	1,238,310
Others	(9,355)	(7,872)
Total changes in operating liabilities	(33,976,721)	7,323,170
Total changes in operating assets and liabilities	20,906,996	(2,923,078)
Total adjustments	24,400,181	1,011,329
Cash inflow generated from operations	29,116,843	8,230,080
Interest received	1,944,703	1,665,102
Dividends received	206,558	230,829
Interest paid	(1,717,168)	(1,954,275)
Income taxes paid	(1,302,830)	(2,535,695)
Net cash flows from operating activities	28,248,106	5,636,041
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortised cost	(7,913,582)	-
Proceeds from disposal of financial assets at amortised cost	8,103,852	-
Acquisition of financial assets at fair value through profit or loss and through other comprehensive income	(605,211)	(162,500)
Proceeds from disposal of financial assets at fair value through other comprehensive income	328,308	-
Acquisition of investments accounted for using equity method	(159,855)	(534,843)
Net cash flow from acquisition of subsidiaries	-	(60,937)
Acquisition of property, plant and equipment	(3,063,230)	(3,791,866)
Proceeds from disposal of property, plant and equipment	253,100	232,315
Acquisition of intangible assets	(268,972)	(729,539)
Decrease (increase) in restricted assets	300,360	(218,810)
Others	(72,621)	54,352
Net cash flows used in investing activities	(3,097,851)	(5,211,828)
Cash flows from (used in) financing activities:		
(Decrease) increase in short-term borrowings	(13,272,086)	14,349,722
Proceeds from long-term borrowings	21,189,014	27,528,227
Repayments of long-term borrowings	(30,611,753)	(24,351,031)
Payment of lease liabilities	(1,824,314)	(1,732,051)
Cash dividends paid	(6,099,981)	(5,228,555)
Change in non-controlling interests	(1,119,652)	16,049
Others	(99,368)	(162,116)
Net cash flows (used in) from financing activities	(31,838,140)	10,420,245
Effect of exchange rate changes on cash and cash equivalents	(6,696,867)	3,246,289
Net (decrease) increase in cash and cash equivalents	(13,384,752)	14,090,747
Cash and cash equivalents at beginning of period	78,947,882	72,479,480
Cash and cash equivalents at end of period	$ **65,563,130**	**86,570,227**

See accompanying notes to consolidated financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Compal Electronics, Inc. (“the Company”) was incorporated in June 1984 as a company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company’s registered office is No.581 and No.581-1 Ruiguang Rd., Neihu Dist., Taipei City, Taiwan. In accordance with Article 19 of the Business Mergers and Acquisitions Act, the Company merged its subsidiary, Compal Communications, Inc. (“CCI”) (the “Merger”), pursuant to the resolutions of the Board of Directors in November 2013. The Company was the surviving company and CCI was the dissolved company. The effective date of the Merger was February 27, 2014. The Company and its subsidiaries (together referred to as the “Group” and individually as the “Group entities”) primarily are involved in the manufacture and sale of notebook personal computers (“notebook PCs”), monitors, LCD TVs, mobile phones and various components and peripherals.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issuance by the Board of Directors and issued on August 12, 2025.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

(b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(Continued)

(c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"

(4) Summary of material accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the Regulations) and the guidelines of IAS 34 Interim Financial Reporting which are endorsed by the FSC. These consolidated interim financial statements do not include all of the information required by the Regulations and by the International Financial Reporting Standards, the International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed by the FSC (hereinafter referred to as the IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual financial statements.

Except as described in the following paragraph, the significant accounting policies used in the interim financial statement are consistent with the consolidated financial statement for the year ended December 31, 2024. For related information, please refer to note (4) of the consolidated financial statement for the year ended December 31, 2024.

(b) Basis of consolidation

Principles of preparation of the consolidated financial statements are consistent with the consolidated financial statement for the year ended December 31, 2024. For related information, please refer to note (4)(c) of the consolidated financial statement for the year ended December 31, 2024.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

The list of subsidiaries in the consolidated financial statements as follows:

			Percentage of ownership			
Name of investor	**Name of Subsidiary**	**Nature of Operation**	**June 30, 2025**	**December 31, 2024**	**June 30, 2024**	**Description**
The Company	Panpal Technology Corp. (“Panpal”)	Investment	100%	100%	100%	Panpal held 31,648 thousand shares of the Company as of June 30, 2025, which represented 0.7% of the Company’s outstanding shares. (Note 2 and 3)
〃	Gempal Technology Corp. (“Gempal”)	〃	100%	100%	100%	Gempal held 18,369 thousand shares of the Company as of June 30, 2025, which represented 0.4% of the Company’s outstanding shares. (Note 2 and 3)
〃	Hong Ji Capital Co., Ltd. (“Hong Ji”)	〃	100%	100%	100%	
〃	Hong Jin Investment Co., Ltd. (“Hong Jin”)	〃	100%	100%	100%	
The Company, Panpal, et al.	Arcadyan Technology Corp. (“Arcadyan”)	R&D, manufacturing and sales of wireless network, integrated household electronics, and mobile office products	33%	33%	33%	The Group had the ability to control Arcadyan. (Note 1)
The Company and Panpal	Compal Mexico Electromex S.A de C.V. (“CMX”)	Production of automotive electronic products	100%	100%	100%	
The Company	Rayonnant Technology Co., Ltd. (“Rayonnant Technology”)	Manufacturing and sales of PCs, computer periphery devices, and electronic components	100%	100%	100%	
〃	HengHao Technology Co., Ltd. (“HengHao”)	Manufacturing of PCs, computer periphery devices, and electronic components	100%	100%	100%	
〃	Ripal Optoelectronics Co., Ltd. (“Ripal”)	Manufacturing of electric appliance and audiovisual electric products	100%	100%	100%	
〃	Mactech Co., Ltd (“Mactech”)	Manufacturing of equipment and lighting, retailing of equipment and international trading	53%	53%	53%	
〃	General Life Biotechnology Co., Ltd. (“GLB”)	Manufacturing and sales of medical equipment	50%	50%	50%	
〃	Unicore BioMedical Co., Ltd. (“Unicore”)	Management consulting services, rental and leasing business, wholesale and retail sale of medical equipment	100%	100%	100%	
〃	Hippo Screen Neurotech Co., Ltd. (“Hippo Screen”)	Management consulting services, rental and leasing business, wholesale and retail sale of precision instruments and international trading	96%	96%	91%	

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership June 30, 2025	Percentage of ownership December 31, 2024	Percentage of ownership June 30, 2024	Description
The Company	Shennona Taiwan Co., Ltd. (“Shennona TW”)	Management consulting services, rental and leasing business, wholesale and retail sale of precision instruments and international trading	100%	100%	100%	
〃	Aco Smartcare Co., Ltd. (“Aco Smartcare”)	Wholesale and retail sale of computer software, software design services, data processing services, wholesale and retail sale of electronic materials, wholesale and retail sale of precision instruments, and biotechnology services	71%	71%	71%	
〃	Kinpo&Compal Group Assets Development Corporation (“Kinpo& Compal Assets Development)	Real estate development, leasing and related management business	70%	70%	70%	
〃	Compal Ruifang Health Assets Development Corporation (“Compal Ruifang ”)	Investing and developing businesses, such as public construction and specific zones	100%	100%	100%	
〃	Compal Healthcare & Technology Ltd. (“Compal Healthcare”)	Information software service, data processing services, and electronic information supply service	100%	100%	100%	
〃	Shennona Corporation (“Shennona”)	Medical care IOT business	100%	100%	100%	
〃	Auscom Engineering Inc. (“Auscom”)	R&D of notebook PC related products and components	100%	100%	100%	
〃	Just International Ltd. (“Just”)	Investment	100%	100%	100%	
〃	Compal International Holding Co., Ltd. (“CIH”)	〃	100%	100%	100%	
〃	Compal Electronics (Holding) Ltd. (“CEH”)	〃	100%	100%	100%	
〃	Bizcom Electronics, Inc. (“Bizcom”)	Warranty services and marketing of monitors and notebook PCs	100%	100%	100%	(Note 2 and 3)
〃	Flight Global Holding Inc. (“FGH”)	Investment	100%	100%	100%	(Note 2 and 3)
The Company and BSH	High Shine Industrial Corp. (“HSI”)	〃	100%	100%	100%	
The Company	Compal Europe (Poland) Sp. z o.o. (“CEP”)	Maintenance and warranty services of notebook PCs	100%	100%	100%	
〃	Big Chance International Co., Ltd. (“BCI”)	Investment	100%	100%	100%	
〃	Compal Rayonnant Holdings Limited (“CRH”)	〃	100%	100%	100%	

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership June 30, 2025	December 31, 2024	June 30, 2024	Description
The Company	Core Profit Holdings Limited ("CORE")	Investment	100%	100%	100%	
〃	Compalead Electronics B.V. ("CPE")	〃	100%	100%	100%	
〃	Compal Poland Sp. z o. o ("CPL")	Production of automotive electronic products	100%	100%	100%	CGS Technology Sp. z o.o. was the former name before being renamed in March 2025.
Panpal	Compal Technologia Do Brasil Ltda. ("CTB")	Manufacturing of notebook PCs	100%	-	-	CTB was established in March 2024 and was funded in March 2025. (Note 2 and 3)
Panpal and Gempal	Compalead Eletronica do Brasil Industria e Comercio Ltda. ("CEM")	Manufacturing of notebook PCs	100%	100%	100%	(Note 2 and 3)
〃	Compal Electronics India Private Limited ("CEIN")	Manufacturing and warranty service of mobile phones	100%	100%	100%	
〃	Compal Smart Device India Private Limited ("CSIN")	Sales (trade) of mobile phones	100%	100%	100%	CSIN was established in January 2024.
Panpal and CEM (original CEB)	Compal Electronica DA Amazonia Ltda. ("CEA")	Manufacturing of notebook PCs	-	-	-	CEA was absorbed and merged by CEM(former CEB) in 2024.
Just	Compal Display Holding (HK) Limited ("CDH (HK)")	Investment	100%	100%	100%	
〃	Compal Electronics International Ltd. ("CII")	〃	100%	100%	100%	
〃	Compal International Ltd. ("CPI")	〃	100%	100%	100%	
CDH (HK)	Compal Electronics (China) Co., Ltd. ("CPC")	Manufacturing and sales of monitors	100%	100%	100%	
〃	Compal Optoelectronics (Kunshan) Co., Ltd. ("CPO")	Manufacturing and sales of LCD TVs	100%	100%	100%	
〃	Compal System Trading (Kunshan) Co., Ltd. ("CST")	International trade and distribution of computers and electronic components	100%	100%	100%	
CPC	Compal Smart Device (Chongqing) Co., Ltd. ("CSD")	Research, manufacturing and sales of communication devices, mobile phones, electronic computer, smart watch, and providing related technical service	100%	100%	100%	
CSD	FIPOLL Electronics (Chongqing) Co., Ltd. ("FIP")	Manufacturing of auto parts and accessories	60%	60%	60%	
CII	Smart International Trading Ltd. ("Smart")	Investment	100%	100%	100%	
〃	Mexcom Electronics, LLC ("MEL")	〃	100%	100%	100%	

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership June 30, 2025	December 31, 2024	June 30, 2024	Description
CII	Mexcom Technologies, LLC (“MTL”)	〃	100%	100%	100%	
〃	Compal Americas (US) Inc. (“CUS”)	Manufacturing and sales of servers, notebook PCs, and automotive electronic products	100%	100%	100%	
〃	Compal Electronics N.A. Inc. (“CNA”)	Sales of servers, notebook PCs, and automotive electronic products	100%	100%	100%	
CIH	Compal International Holding (HK) Limited (“CIH (HK)”)	Investment	100%	100%	100%	
〃	Jenpal International Ltd. (“Jenpal”)	〃	100%	100%	100%	
〃	Prospect Fortune Group Ltd. (“PFG”)	〃	100%	100%	100%	
〃	Fortune Way Technology Corp. (“FWT”)	〃	100%	100%	100%	
CIH (HK)	Compal Electronics Technology (Kunshan) Co., Ltd. (“CET”)	Manufacturing of notebook PCs	100%	100%	100%	
〃	Compal Information (Kunshan) Co., Ltd. (“CIC”)	〃	100%	100%	100%	
〃	Compal Information Technology (Kunshan) Co., Ltd. (“CIT”)	〃	100%	100%	100%	
〃	Kunshan Botai Electronics Co., Ltd. (“BT”)	〃	100%	100%	100%	
〃	Compal Digital Technology (Kunshan) Co., Ltd. (“CDT”)	Manufacturing and sales of notebook PCs, mobile phones, and digital products	100%	100%	100%	
BT	Compower Global Service Co., Ltd. (“CGS”)	Maintenance and warranty service of notebook PCs	100%	100%	100%	
CDH (HK) and CIH (HK)	Compal Investment (Jiangsu) Co., Ltd. (“CIJ”)	Investment	100%	100%	100%	
CIJ	Compal Display Electronics (Kunshan) Co., Ltd. (“CDE”)	Manufacturing and sales of LCD TVs	100%	100%	100%	
The Company and Webtek	Etrade Management Co., Ltd. (“Etrade”)	Investment	100%	100%	100%	
The Company	Webtek Technology Co., Ltd. (“Webtek”)	〃	100%	100%	100%	
〃	Forever Young Technology Inc. (“Forever”)	〃	100%	100%	100%	
〃	UniCom Global, Inc. (“UCGI”)	Manufacturing and sales of computers and electronic components	100%	100%	100%	
〃	Palcom International Corporation (“Palcom”)	Sales of mobile phones	100%	100%	100%	
The Company	Poindus Systems Corp, Ltd. (“Poindus Systems”)	Sales of PCs and computer periphery devices	56%	56%	56%	

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership June 30, 2025	Percentage of ownership December 31, 2024	Percentage of ownership June 30, 2024	Description
Poindus Systems	Poindus Investment Co., Ltd. (“Poindus Investment”)	Investment	100%	100%	100%	Poindus investment had resolved its dissolution and liquidation on December 22, 2022.
〃	QiJie Electronics (ShenZhen) Co., Ltd. (“QiJie”)	Sales of PCs and computer periphery devices	100%	100%	100%	
〃	Poindus Systems UK Limited (“Poindus UK”)	〃	100%	100%	100%	
〃	Adasys GmbH Elektronische Komponenten (“Adasys”)	〃	100%	100%	100%	
〃	Varlink Limited (“Varlink”)	〃	100%	100%	-	Poindus Systems acquired 100% of Varlink’s shares on May 1, 2024.
Poindus Investment	Poindus Systems GmbH GroBhandel mit EDV. Oberursel (“Poindus GmbH”)	〃	-	-	100%	Poindus GmbH had completed the liquidation on September 17, 2024.
Varlink	EPOS Distributor Limited (“EPOS”)	〃	100%	100%	-	Poindus System acquired 100% of EPOS’s shares on May 1, 2024.
GLB and Panpal	PT GLB Biotechnology Indonesia	Wholesale of medical devices	100%	100%	100%	
CDH (HK) and Etrade	Compal Communication (Nanjing) Co., Ltd. (“CCI Nanjing”)	Manufacturing and processing of mobile phones and tablet PCs	100%	100%	100%	
Etrade	Compal Digital Communication (Nanjing) Co., Ltd. (“CDCN”)	〃	100%	100%	100%	
〃	Compal Wireless Communication (Nanjing) Co., Ltd. (“CWCN”)	〃	100%	100%	100%	
Forever	Hanhelt Communication (Nanjing) Co., Ltd. (“Hanhelt”)	R&D and manufacturing of electronic communication equipment	100%	100%	100%	
〃	Giant Rank Trading Ltd. (“GIA”)	Sales of mobile phones	100%	100%	100%	
〃	Compal Wise Electronic (Vietnam) Co., Ltd. (“CWV”)	Manufacturing and sales of mobile phones, tablet PCs, smart watches, communication devices, other electronic devices and providing related technical service.	100%	100%	100%	
Arcadyan	Arcadyan Technology N.A. Corp. (“Arcadyan USA”)	Technical support and sales of wireless network products	100%	100%	100%	
〃	Arcadyan Germany Technology GmbH (“Arcadyan Germany”)	〃	100%	100%	100%	(Note 2 and 3)

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership June 30, 2025	December 31, 2024	June 30, 2024	Description
Arcadyan	Arcadyan Technology Corporation Korea (“Arcadyan Korea”)	Sales of wireless network products	100%	100%	100%	(Note 2 and 3)
〃	Arcadyan Holding (BVI) Corp. (“Arcadyan Holding”)	Investment	100%	100%	100%	
〃	Arcadyan Technology Limited (“Arcadyan UK”)	Technical support of wireless network products	100%	100%	100%	(Note 2 and 3)
〃	Arcadyan Technology Australia Pty Ltd. (“Arcadyan AU”)	Sales of wireless network products	100%	100%	100%	(Note 2 and 3)
〃	Arcadyan Technology Corporation (Russia), LLC. (“Arcadyan RU”)	〃	100%	100%	100%	(Note 2 and 3)
〃	Zhi-Bao Technology Inc. (“Zhi-Bao”)	Investment	100%	100%	100%	
〃	Tatung Technology Inc. (“TTI”)	R&D and sales of household digital electronic products	61%	61%	61%	(Note 2)
〃	Arcadyan Turkey Technology and Trade Joint Stock Company (“Arcadyan Turkey”)	Sales of wireless network product	100%	100%	100%	Arcadyan Turkey was established on May 2, 2024. (Note 2)
Arcadyan and Zhi-Bao	Arcadyan do Brasil Ltda. (“Arcadyan Brasil”)	〃	100%	100%	100%	(Note 2 and 3)
〃	Arcadyan India Private Limited (“Arcadyan India”)	〃	100%	100%	100%	(Note 3)
The Company, Arcadyan and its subsidiaries	Compal Broadband Network Inc. (“CBN”)	R&D and sales of cable modem, digital set-up box, and other communication products	63%	63%	63%	
CBN	Compal Broadband Networks Belgium BVBA (“CBNB”)	Import and export business, technical support and consulting service of broadband networks	100%	100%	100%	
〃	Compal Broadband Networks Netherlands B.V. (“CBNN”)	〃	100%	100%	100%	
The Company and CBN	Starmems Semiconductor Corp. (“Starmems”)	R&D of MEMS technology of manufacturing process of semiconductor and manufacturing of electronic components	48%	48%	48%	The Group had the ability to control Starmems. (Note 1)
Arcadyan Holding	Sinoprime Global Inc. (“Sinoprime”)	Investment	100%	100%	100%	
〃	Arcadyan Technology (Shanghai) Corp. (“SVA Arcadyan”)	R&D and sales of wireless network products	100%	100%	100%	(Note 2)
〃	Arch Holding (BVI) Corp. (“Arch Holding”)	Investment	100%	100%	100%	(Note 2)

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership June 30, 2025	Percentage of ownership December 31, 2024	Percentage of ownership June 30, 2024	Description
Arch Holding	Compal Networking (Kunshan) Co., Ltd. (“CNC”)	Manufacturing of wireless network products	100%	100%	100%	(Note 2)
Sinoprime	Arcadyan Technology (Vietnam) Co., Ltd. (“Arcadyan Vietnam”)	〃	100%	100%	100%	
TTI	Quest International Group Co., Ltd. (“Quest”)	Investment	100%	100%	100%	(Note 2)
〃	Tatung Technology of Japan Co., Ltd. (“TTJC”)	Sales of household digital electronic products	-	-	100%	TTJC had completed the liquidation on November 27, 2024.
Quest	Exquisite Electronic Co., Ltd. (“Exquisite”)	Investment	100%	100%	100%	(Note 2)
TTI and Exquisite	Tatung Home Appliances (Wujiang) Co., Ltd. (“THAC”)	Manufacturing of household digital electronic products	100%	100%	100%	(Note 2)
HSI	Intelligent Universal Enterprise Ltd. (“IUE”)	Investment	100%	100%	100%	
〃	Goal Reach Enterprises Ltd. (“Goal”)	〃	100%	100%	100%	
IUE	Compal (Vietnam) Co., Ltd. (“CVC”)	R&D, manufacturing, sales, and maintenance of notebook PCs, computer monitors, LCD TVs and electronic components	100%	100%	100%	(Note 2 and 3)
Goal	Compal Development & Management (Vietnam) Co., Ltd. (“CDM”)	Construction of and investment in infrastructure in Ba-Thien industrial district of Vietnam	100%	100%	100%	
Rayonnant Technology and CRH	Allied Power Holding Corp. (“APH”)	Investment	100%	100%	100%	
APH	Primetek Enterprises Limited (“PEL”)	〃	100%	100%	100%	
〃	Rayonnant Technology (HK) Co., Ltd. (“Rayonnant Technology (HK)”)	〃	100%	100%	100%	
Rayonnant Technology (HK)	Rayonnant Technology (Taicang) Co., Ltd. (“Rayonnant Technology (Taicang)”)	Manufacturing and sales of aluminum alloy and magnesium alloy products	100%	100%	100%	
HengHao	HengHao Holdings A Co., Ltd. (“HHA”)	Investment	100%	100%	100%	
HHA and BSH	HengHao Holdings B Co., Ltd. (“HHB”)	〃	100%	100%	100%	
HHB	HengHao Optoelectronics Technology (Kunshan) Co., Ltd. (“HengHao Kunshan”)	Production of touch panels and related components	-	-	100%	(Note 4)
〃	Lucom Display Technology (Kunshan) Limited (“Lucom”)	Manufacturing of touch panels and LCD TVs	-	-	100%	Lucom completed its liquidation registration in May 2024.

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

			Percentage of ownership			
Name of investor	Name of Subsidiary	Nature of Operation	June 30, 2025	December 31, 2024	June 30, 2024	Description
HHB	HengHao Optoelectronics Technology (Zhejiang) Co., Ltd. ("HengHao Zhejiang")	Production of touch panels and related components	100%	100%	100%	
BCI	Center Mind International Co., Ltd. ("CMI")	Investment	100%	100%	100%	
〃	Prisco International Co., Ltd. ("PRI")	〃	100%	100%	100%	
CMI	Compal Investment (Sichuan) Co., Ltd. ("CIS")	Outward investment and consulting services	100%	100%	100%	
PRI	Compal Electronics (Chongqing) Co., Ltd. ("CEQ")	R&D, manufacturing and sales of notebook PCs, related components, related maintenance and warranty services	100%	100%	100%	
CIS	Compal Electronics (Chengdu) Co., Ltd. ("CEC")	R&D and manufacturing of notebook PCs, tablet PCs, digital products, network switches, wireless AP, and automobile electronic products	100%	100%	100%	
〃	Compal Management (Chengdu) Co., Ltd. ("CMC")	Corporate management consulting, training and education, business information consulting, financial and tax consulting, investment consulting, and investment management services	100%	100%	100%	
CORE	Billion Sea Holdings Limited ("BSH")	Investment	100%	100%	100%	
BSH	Mithera Capital Io LP ("Mithera")	〃	99%	99%	99%	
〃	Compal USA (Indiana), Inc. ("CIN")	Foundry of automotive electronic products	100%	100%	100%	
〃	Compal Electronics (Vietnam) Co., Ltd. ("CEV")	R&D, manufacturing, sales and maintenance of notebook PCs, computer monitors, LCD TVs, mobile phones, tablet PCs, smart watches, communication devices and other electronic devices	100%	100%	100%	

Note 1: The Group holds less than half of the voting rights of the company, but the Group considers that the rest of the company's shareholding is extremely dispersed. The previous procedures for the participation of other shareholders in the shareholders' meeting show that the Group has the actual ability to unilaterally dominate the relevant activities, and there is no indications that there is an agreement among the other shareholders to make collective decisions, so the Group treats the company as a subsidiary.

Note 2: The financial statements of the subsidiary as of June 30, 2025 had not been reviewed by CPA.

Note 3: The financial statements of the subsidiary as of June 30, 2024 had not been reviewed by CPA.

Note 4: HengHao Kunshan was absorbed and merged with HengHao Zhejiang on November 30, 2024, with HengHao Zhejiang being the sole surviving company.

(Continued)

(c) Income taxes

Tax expense in the interim financial statements is measured and disclosed according to paragraph B12 of IAS 34 “Interim Financial Reporting”.

Income tax expense for the year is best estimated by multiplying pretax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the effective tax rate at the time of realization or liquidation and recognized directly in equity or other comprehensive income as tax expense.

(d) Employee benefits

Under defined benefit plans, pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “ Interim Financial Reporting” endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In the preparation of the consolidated interim financial statements, the major sources of significant accounting assumptions, judgments and estimation uncertainty are consistent with note (5) of the annual consolidated financial statements for the year ended December 31, 2024.

(6) Explanation of significant accounts:

Except for the following disclosures, there is no significant difference compared with the consolidated financial statements for the year ended December 31, 2024. Please refer to the note (6) of the consolidated financial statements for the year ended December 31, 2024 and for other related information.

(a) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	$ 16,660	17,678	17,683
Checking accounts and demand deposits	19,941,423	25,563,576	29,944,412
Time deposits	43,757,503	49,981,958	54,014,632
Cash equivalents	1,847,544	3,384,670	2,593,500
	$ 65,563,130	**78,947,882**	**86,570,227**

(Continued)

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As of June 30, 2025 and 2024, the time deposits with original maturities of more than 3 months, amounting to $4,913,582 and $5,103,852, respectively, were recognized as current financial assets at amortized cost. Please refer to note (6)(e).

Please refer to note (6)(z) for the disclosure of the exchange rate risk, the interest rate risk and the fair value sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets and liabilities at fair value through profit or loss

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Stock listed in domestic markets	$ 141,865	158,420	189,380
Fund in domestic or foreign markets	1,733,397	1,200,938	1,143,809
Derivative instruments not used for hedging			
Foreign exchange contracts	1,662	145,132	43,762
Swap contracts	14,090	-	-
Foreign Warrants	178,974	-	-
Total	**$ 2,069,988**	**1,504,490**	**1,376,951**
Current	$ 15,752	145,132	43,762
Non-current	2,054,236	1,359,358	1,333,189
	$ 2,069,988	**1,504,490**	**1,376,951**

	June 30, 2025	December 31, 2024	June 30, 2024
Financial liabilities held-for-trading:			
Derivative instruments not used for hedging			
Foreign exchange contracts	$ 355,964	-	-
Swap contracts	6,842	-	187
Total	**$ 362,806**	**-**	**187**

The Group uses derivative instruments to hedge foreign currency risk the Group is exposed to arising from its operating activities. The following derivative instruments not applied hedge accounting were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

	June 30, 2025			
	Contract amount (in thousands)		Currency	Maturity date
Derivative financial assets:				
Foreign exchange contracts:				
Forward exchange purchased	USD	3,510	USD to INR	July 15, 2025
Forward exchange sold	USD	509	USD to TWD	July 31, 2025
Swap contracts:				
Currency swap	USD	35,000	USD to TWD	July 30 ~ October 30, 2025
Derivative financial liabilities:				
Foreign exchange contracts:				
Forward exchange purchased	USD	4,670	USD to INR	July 31, 2025
Forward exchange purchased	USD	142,800	USD to BRL	July 3 ~ December 26, 2025
Forward exchange purchased	USD	40,000	USD to TWD	July 30 ~ October 30, 2025
Forward exchange sold	EUR	31,000	EUR to USD	July 14, 2025 ~ January 14, 2026
Forward exchange sold	AUD	3,000	AUD to USD	October 14, 2025
Swap contracts:				
Currency swap	USD	15,000	USD to TWD	July 30, 2025

	December 31, 2024			
	Contract amount (in thousands)		Currency	Maturity date
Derivative financial assets:				
Foreign exchange contracts:				
Forward exchange purchased	USD	58,000	USD to BRL	January 23 ~ Febuary 17, 2025

	June 30, 2024			
	Contract amount (in thousands)		Currency	Maturity date
Derivative financial assets:				
Foreign exchange contracts:				
Forward exchange sold	EUR	19,000	EUR to USD	July 12 ~ September 13, 2024
Forward exchange purchased	USD	6,004	USD to INR	July 12 ~ July 30, 2024
Forward exchange purchased	USD	20,000	USD to BRL	July 15, 2024
Derivative financial liabilities:				
Swap contracts:				
Currency swap	USD	950	USD to TWD	July 11, 2024

The market risk related to the financial instruments please refer to note (6)(z).

As of June 30, 2025, December 31 and June 30, 2024, the Group did not provide any aforementioned financial assets as collaterals for its loans.

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(c) Financial assets at fair value through other comprehensive income

	June 30, 2025	December 31, 2024	June 30, 2024
Equity investments at fair value through other comprehensive income:			
Stock listed in domestic markets	$ 5,016,714	6,605,682	4,691,673
Stock listed in foreign markets	7,623,218	15,166,260	5,377,323
Stock unlisted in domestic markets	1,738,760	1,760,034	1,580,309
Stock unlisted in foreign markets	200,538	223,591	655,521
Total	**$ 14,579,230**	**23,755,567**	**12,304,826**

The purpose that the Group invests in the above-mentioned equity securities is for long-term strategies, but rather for trading purpose. Therefore, these equity securities are designated as at FVOCI.

For the six months ended June 30, 2025, the Group has sold parts of its shareholdings, measured at fair value through other comprehensive income, in ITH Corporation. The fair value of the shares upon disposal amounted to $328,308, resulting in a cumulative gain of $147,702, which was reclassified from other comprehensive income to retained earnings.

There were no disposals of investments and transfers of any cumulative gain or loss within equity relating to these investments for the six months ended June 30, 2024.

For the three months and six months ended June 30, 2025 and 2024, the Group had recognized the loss of $1,602,986, the gain of $2,594,567, the loss of $8,820,478 and the gain of $3,075,869, respectively, as unrealized gain or loss on financial assets measured at fair value through other comprehensive income.

If there is an increase (decrease) in the market price by 5% on the reporting date of the equity securities hold by the Group, the increase (decrease) in other comprehensive income (pre-tax) for the six months ended June 30, 2025 and 2024, will be $728,962 and $615,241, respectively. These analyses are performed on the same basis for the period and assume that all other variables remain the same.

The Group's information of market risk please refer to note (6)(z).

As of June 30, 2025, December 31 and June 30, 2024, the Group did not provide any financial assets at fair value through other comprehensive income as collaterals for its loans.

(d) Financial instruments used for hedging

(i) Financial instruments used for hedging were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Cash flow hedge:			
Financial liabilities used for hedging:			
Forward exchange contracts	$ 131,581	-	-

(ii) Cash flow hedge-Foreign currency risk

The Group's strategy is to use forward exchange contracts to hedge its foreign currency exposure in respect of forecasted future sales.

The Group did not engage in cash flow hedging derivative instruments as of December 31 and June 30, 2024.

As of June 30, 2025, the details related to the items designated as hedge instruments were as follows:

	June 30, 2025			
	Contract amount (in thousands)	Currency	Maturity period	Average strike price
Derivative financial liabilities used for hedging				
Foreign exchange contracts:				
Forward exchange sold	EUR 48,000	EUR to USD	July 30 ~ December 30, 2025	1.0926
Forward exchange sold	AUD 20,000	AUD to USD	July 30 ~ December 30, 2025	0.6416

(iii) For the three months and six months ended June 30, 2025 and 2024, there were no ineffective portions of cash flow hedge recognized in profits (losses).

(iv) For the three months and six months ended June 30, 2025 and 2024, the profits (losses) of changes in fair value of derivative financial instruments used for hedging reclassified from other equity to profit or loss are recognized as revenue in the statement of comprehensive income. Please refer to note (6)(y).

(e) Financial assets at amortized costs

	June 30, 2025	December 31, 2024
Time deposits with original maturities of more than 3 months	$ 4,913,582	5,103,852

(Continued)

The Group has assessed that these financial assets are held to maturity to collect contractual cash flows, which consist solely of payments of principal and interest on the principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

For the six months ended June 30, 2025 and the year ended December 31, 2024, the interest rate range for the aforementioned financial assets was between 0.67%~3.85% and 1.635%~1.80%, respectively.

As of June 30, 2025 and December 31, 2024, the Group did not provide any aforementioned financial assets as collaterals for its loans.

(f) Notes and accounts receivable

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivables from operating activities	$ 6,548	6,880	6,372
Accounts receivables – measured at amortized cost	142,963,882	182,988,520	175,716,864
Accounts receivables – fair value through other comprehensive income	17,111,256	21,841,211	39,594,957
	160,081,686	204,836,611	215,318,193
Less: allowance for uncollectible accounts	(4,003,217)	(4,035,750)	(4,055,161)
	$ 156,078,469	**200,800,861**	**211,263,032**
Notes and accounts receivable, net	**$ 151,659,856**	**193,396,543**	**205,869,894**
Notes and accounts receivable – related parties, net	**$ 4,418,613**	**7,404,318**	**5,393,138**

The Group has assessed a portion of its trade receivables that was held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; therefore, such trade receivables were measured at fair value through other comprehensive income.

(i) Expected credit losses

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information.

1) The loss allowance provision of IT product segment of the Group was determined as follows:

June 30, 2025				
Credit rating	**Carrying amount of notes and accounts receivable**	**Weighted-average ECL rate**	**Lifetime ECLs**	**Credit-impaired**
Level A	$ 132,666,604	0%	-	No
Level B	15,901,583	1.256%	199,725	No
Level C	3,773,048	100%	3,773,048	Yes
	$ 152,341,235		3,972,773	

December 31, 2024				
Credit rating	**Carrying amount of notes and accounts receivable**	**Weighted-average ECL rate**	**Lifetime ECLs**	**Credit-impaired**
Level A	$ 182,938,797	0%	-	No
Level B	12,848,133	1.80%	231,199	No
Level C	3,773,048	100%	3,773,048	Yes
	$ 199,559,978		4,004,247	

June 30, 2024				
Credit rating	**Carrying amount of notes and accounts receivable**	**Weighted-average ECL rate**	**Lifetime ECLs**	**Credit-impaired**
Level A	$ 191,421,518	0%	-	No
Level B	13,310,578	1.699%	226,136	No
Level C	3,790,493	100%	3,790,493	Yes
	$ 208,522,589		4,016,629	

2) The loss allowance provision of strategically integrated product segment of the Group was determined as follows:

	June 30, 2025			
Credit rating	**Carrying amount of notes and accounts receivable**	**Weighted-average ECL rate**	**Lifetime ECLs**	**Credit-impaired**
Level A	$ 1,964,692	0%	-	No
Level B	5,126,004	0.10%	5,127	No
Level C	630,747	1.00%	6,309	No
Level D	-	5.00%	-	-
Level E	19,008	100%	19,008	Yes
	$ 7,740,451		**30,444**	

	December 31, 2024			
Credit rating	**Carrying amount of notes and accounts receivable**	**Weighted-average ECL rate**	**Lifetime ECLs**	**Credit-impaired**
Level A	$ 1,736,227	0%	-	No
Level B	2,780,528	0.10%	2,781	No
Level C	738,542	1.00%	7,386	No
Level D	-	5.00%	-	-
Level E	21,336	100%	21,336	Yes
	$ 5,276,633		**31,503**	

	June 30, 2024			
Credit rating	**Carrying amount of notes and accounts receivable**	**Weighted-average ECL rate**	**Lifetime ECLs**	**Credit-impaired**
Level A	$ 2,604,893	0%	-	No
Level B	2,742,604	0.10%	2,802	No
Level C	1,426,950	1.00%	14,573	No
Level D	-	5.00%	-	-
Level E	21,157	100%	21,157	Yes
	$ 6,795,604		**38,532**	

(ii) The aging analysis of notes and accounts receivable were determined as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Overdue 1 to 180 days	$ 1,878,901	1,160,573	1,304,182
Overdue 181 to 365 days	18,564	3,815	71,503
Overdue 365 days	-	-	57,348
	$ 1,897,465	1,164,388	1,433,033

(iii) The movement in the allowance for notes and accounts receivable were as follows:

	For the six months ended June 30,	
	2025	2024
Balance at January 1	$ 4,035,750	3,977,808
Acquisition through business combination	-	984
Impairment losses recognized	2,541	74,138
Amounts written off	(24,186)	-
Effect of changes in exchange rates	(10,888)	2,231
Balance at June 30	$ 4,003,217	4,055,161

Allowance for uncollectible account is the balance of accounts receivable which are uncollectable. Except for evaluating the situation of the customers' payment records and widely analyzing the credit rating of customers, the Group also takes all the necessary procedures for collection. The Group believes that there is no doubt for the recovery of the due but unimpaired accounts receivable, therefore, no allowance recognized.

(iv) Accounts receivable factoring

1) Non-recourse

The Group entered into accounts receivable factoring agreements with banks. As of June 30, 2025, December 31 and June 30, 2024, except for the amount used under the actual sales amount in accordance with certain agreements, the factoring amount granted by the banks was USD 2,100,000 thousand, USD 2,100,000 thousand and USD 2,200,000 thousand, respectively. Based on the agreements, the Group is not responsible for guaranteeing the ability of the accounts receivable obligor to make payment when it is affected by credit risk. Thus, this is a non-recourse accounts receivable factoring. The Group derecognized the above accounts receivable because it has transferred substantially all of the risks and rewards of their ownership and it does not have any continuing in involvement in them. After the transfer of the accounts receivable, the Group can request partial advanced amount, while the interest calculated at an agreed rate is paid to the bank in the period during the time of receiving advance and the accounts receivable is collected. The remaining amounts with no advance are received when the accounts receivable are settled by the customers. There were no factored accounts receivable as of June 30, 2025, December 31 and June 30, 2024.

(Continued)

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The Group, customers and banks signed the three-party contracts in which the banks purchase accounts receivable from the Group. The total amount of the accounts receivable should not exceed the facility limit provided by the banks to the Group's customers. Based on the contracts, the banks have no right to request the Group to repurchase the accounts receivable. Thus, this is a non-recourse accounts receivable transfer. As of June 30, 2025, December 31 and June 30, 2024, accounts receivable factored were recovered and derecognized since the conditions of derecognition were met.

As of June 30, 2025, December 31 and June 30, 2024, the details of the factored accounts receivable but unsettled were as follows:

June 30, 2025							
	Accounts receivable factored	Amount advanced		Amount recognized in other		Amount	
Purchaser	(gross)	Unpaid	Paid	receivable	Collateral	derecognized	Interest rate
Financial Institution	$ 7,963,510	-	7,963,510	-	-	7,963,510	4.76%~4.79%

December 31, 2024							
	Accounts receivable factored	Amount advanced		Amount recognized in other		Amount	
Purchaser	(gross)	Unpaid	Paid	receivable	Collateral	derecognized	Interest rate
Financial Institution	$ 14,628,853	-	14,628,853	-	-	14,628,853	4.99%~5.12%

June 30, 2024							
	Accounts receivable factored	Amount advanced		Amount recognized in other		Amount	
Purchaser	(gross)	Unpaid	Paid	receivable	Collateral	derecognized	Interest rate
Financial Institution	$ 10,968,127	-	10,968,127	-	-	10,968,127	5.80%~5.95%

2) With recourse

The Group entered into factoring agreements with different financial institutions to sell its accounts receivable. Under the agreements, the Group sold the accounts receivable to the financial institutions with recourse; thus the Group retains almost all the risks and rewards of such accounts receivable, and does not qualify for the derecognition of financial assets. As of August 12, 2025, the carrying amounts of transferred accounts receivable and related financial liabilities, which were not yet derecognized, were as follows:

	June 30, 2025				
Purchaser	Accounts receivable transferred	Quota	Amount advanced (recognized as short-term borrowings)	Range of Interest Rate	Collateral
Financial Institution	$ -	60,015	-	6.30 %	Inventories

(Continued)

	December 31, 2024				
Purchaser	**Accounts receivable transferred**	**Quota**	**Amount advanced (recognized as short-term borrowings)**	**Range of Interest Rate**	**Collateral**
Financial Institution	$ -	61,785	27,029	7.15 %	Inventories

	June 30, 2024				
Purchaser	**Accounts receivable transferred**	**Quota**	**Amount advanced (recognized as short-term borrowings)**	**Range of Interest Rate**	**Collateral**
Financial Institution	$ -	94,714	22,436	7.30 %	Inventories

(v) As of June 30, 2025, December 31 and June 30, 2024, the Group did not provide any aforementioned notes and accounts receivable as collaterals.

(g) Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Finished goods	$ 22,917,513	25,611,874	23,972,632
Work in progress	7,685,895	13,028,335	7,722,817
Raw materials	44,900,269	45,692,236	52,783,022
Raw materials in transit	319,646	499,510	1,095,593
	$ 75,823,323	84,831,955	85,574,064

(i) For the three months and six months ended June 30, 2025 and 2024, inventory cost recognized as cost of sales amounted to \$169,858,060, \$225,418,813, \$358,512,524 and \$415,200,772, respectively.

(ii) The loss due to the write-down of inventories to net realizable value amounted to \$6,860 for the three months ended June 30, 2025. Due to the sale and scrap of slow-moving inventories, the net realizable value of inventory recovered, and the reversal of inventory write-downs and slow-moving losses amounted to \$92,079, \$162,259 and \$356,555 for the three months ended June 30, 2024 and six months ended June 30, 2025 and 2024, respectively.

(iii) As of June 30, 2025, December 31 and June 30, 2024, the Group provided part of its inventories as collaterals for its short-term borrowings. Please refer to note (8).

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(h) Investments accounted for using equity method

A summary of the Group's financial information for equity-accounted investees at the reporting date is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Associates	$ 6,647,126	7,467,658	7,772,983
Joint venture	4,966	5,589	5,926
	6,652,092	7,473,247	7,778,909
Less: unrealized profits or losses	(115,443)	(128,755)	(127,476)
	$ 6,536,649	**7,344,492**	**7,651,433**

(i) Associates

1) The fair value of the shares of listed company based on the closing price was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Allied Circuit Co., Ltd. ("Allied Circuit")	$ 2,220,182	2,058,657	2,470,389
Avalue Technology Inc. ("Avalue")	1,499,869	1,334,212	1,731,192
	$ 3,720,051	**3,392,869**	**4,201,581**

2) The Group's share of the net gain (loss) of associates was as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	**2024**	**2025**	**2024**
The Group's share of the loss of associates	**$ (152,754)**	**(121,000)**	**(336,940)**	**(362,251)**

3) The Group's financial information for investments accounted for using the equity method that are individually immaterial was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount of individually immaterial associates	**$ 6,647,126**	**7,467,658**	**7,772,983**

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	For the three months ended June 30,		For the six months ended June 30,	
	2025	**2024**	**2025**	**2024**
The Group's share of the net income (loss) of associates:				
Loss from continuing operations	$ (152,754)	(121,000)	(336,940)	(362,251)
Other comprehensive income	(617,125)	54,316	(562,964)	261,401
Total comprehensive income	**$ (769,879)**	**(66,684)**	**(899,904)**	**(100,850)**

(ii) Joint venture

In April 2010, the Group and another company established a jointly controlled entity, Compal Connector Manufacture Ltd. ("CCM"), and obtained an ownership interest of 51%. CCM's actual paid-in capital amounted to USD10,000 thousands.

The Group's financial information for investment accounted for using the equity method that are individually insignificant was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
The carrying amount of the Group's interests in all individually insignificant joint ventures	**$ 4,966**	**5,589**	**5,926**

	For the three months ended June 30,		For the six months ended June 30,	
	2025	**2024**	**2025**	**2024**
The Group's share of the net income (loss) of joint ventures:				
Net (losses) income from continuing operations (also the total comprehensive income (losses))	**$ 96**	**(281)**	**(32)**	**(557)**

(iii) Although the Group is the single largest shareholder of some associates, after a comprehensive assessment that the remaining shares of these associates are not concentrated in specific shareholders, the Group is still not able to obtain more than half of the board seats, and it has not obtained more than half of the voting rights of shareholders attending the shareholders' meeting. The Group judges that it does not have absolute power and leading ability over the relevant activities and variable remuneration of these associates, so it assesses that the Group has no control over these associates.

(iv) As of June 30, 2025, December 31 and June 30, 2024, the Group did not provide any investments accounted for using equity method as collaterals for its loans.

(i) Acquisition of the subsidiary

In order to expand the market landscape in the United Kingdom and Europe, as well as to increase the market share in the retail and other terminal markets, on April 26, 2024, the Board of Directors of Poindus Systems approved to acquire 100% of Varlink's shares in cash, and Varlink was included in the consolidated entity from the acquisition date (May 1, 2024).

For the main category of transfer consideration, all of the assets acquired, the liabilities assumed and goodwill on the acquisition date, please refer to the note (6)(i) of the 2024 annual consolidated financial statements.

(j) Changes in subsidiaries' equity

There were no significant transactions for the six months ended June 30, 2025 and 2024. Please refer to note (6)(j) of the consolidated financial statement for the year ended December 31, 2024.

(k) Material non-controlling interests of subsidiaries

There were no significant transactions for the six months ended June 30, 2025 and 2024. Please refer to note (6)(k) of the consolidated financial statement for the year ended December 31, 2024.

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(l) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the six months ended June 30, 2025 and 2024, were as follows:

	Land	Buildings and building improvement	Machinery	Other equipment	Under construction and prepayment for purchase of equipment	Total
Cost:						
Balance on January 1, 2025	$ 2,572,173	25,148,276	37,347,242	13,258,717	5,729,251	84,055,659
Additions	-	14,827	335,662	373,026	2,418,982	3,142,497
Disposals and derecognitions	-	(112,120)	(591,674)	(154,682)	-	(858,476)
Reclassifications	-	44,223	797,170	53,183	(894,576)	-
Effect of movements in exchange rates	(19,116)	(2,203,078)	(4,388,708)	(995,614)	(402,396)	(8,008,912)
Balance on June 30, 2025	**$ 2,553,057**	**22,892,128**	**33,499,692**	**12,534,630**	**6,851,261**	**78,330,768**
Balance on January 1, 2024	$ 2,485,703	23,946,957	35,821,879	13,224,939	3,327,703	78,807,181
Acquisition through business combination	-	-	-	2,164	-	2,164
Additions	-	63,848	180,961	593,855	3,028,463	3,867,127
Disposals and derecognitions	-	(60,566)	(1,015,341)	(675,040)	-	(1,750,947)
Reclassifications	-	222,244	1,493,375	56,677	(1,772,296)	-
Effect of movements in exchange rates	5,306	1,063,205	947,791	208,741	274,823	2,499,866
Balance on June 30, 2024	**$ 2,491,009**	**25,235,688**	**37,428,665**	**13,411,336**	**4,858,693**	**83,425,391**
Depreciation and impairments loss:						
Balance on January 1, 2025	$ -	14,612,011	28,483,781	9,855,968	-	52,951,760
Depreciation for the period	-	623,933	1,648,269	618,411	-	2,890,613
Disposals and derecognitions	-	(106,956)	(362,652)	(152,439)	-	(622,047)
Effect of movements in exchange rates	-	(1,657,439)	(2,003,763)	(1,371,950)	-	(5,033,152)
Balance on June 30, 2025	**$ -**	**13,471,549**	**27,765,635**	**8,949,990**	**-**	**50,187,174**
Balance on January 1, 2024	$ -	13,527,596	25,936,581	10,302,479	-	49,766,656
Acquisition through business combination	-	-	-	1,740	-	1,740
Depreciation for the period	-	654,643	1,864,247	657,150	-	3,176,040
Disposals and derecognitions	-	(59,452)	(810,233)	(665,427)	-	(1,535,112)
Effect of movements in exchange rates	-	404,377	733,683	25,275	-	1,163,335
Balance on June 30, 2024	**$ -**	**14,527,164**	**27,724,278**	**10,321,217**	**-**	**52,572,659**
Carrying amounts:						
Balance on January 1, 2025	**$ 2,572,173**	**10,536,265**	**8,863,461**	**3,402,749**	**5,729,251**	**31,103,899**
Balance on June 30, 2025	**$ 2,553,057**	**9,420,579**	**5,734,057**	**3,584,640**	**6,851,261**	**28,143,594**
Balance on January 1, 2024	**$ 2,485,703**	**10,419,361**	**9,885,298**	**2,922,460**	**3,327,703**	**29,040,525**
Balance on June 30, 2024	**$ 2,491,009**	**10,708,524**	**9,704,387**	**3,090,119**	**4,858,693**	**30,852,732**

As of June 30, 2025 and 2024, the Group capitalization borrowing costs related to construction amounted to $44,231 thousand and $23,564 thousand, calculated using capitalization rates of 2.07%~2.4336% and 1.845%~1.97%, respectively.

As of June 30, 2025, December 31 and June 30, 2024, part of the Group's property, plant and equipment were provided as collateral for long-term borrowings. Please refer to note (8).

(m) Right-of-use assets

The Group leases many assets including land and buildings, machinery and vehicles. Information about leases for which the Group as a lessee is presented as below:

	Land	Buildings	Machinery	Vehicles and other	Total
Cost:					
Balance on January 1, 2025	$ 12,291,209	3,611,505	50,378	42,777	15,995,869
Additions	-	174,292	-	9,768	184,060
Deductions	-	(163,934)	-	(10,977)	(174,911)
Effect of movements in exchange rates	(111,944)	(137,350)	-	(99)	(249,393)
Balance on June 30, 2025	**$ 12,179,265**	**3,484,513**	**50,378**	**41,469**	**15,755,625**
Balance on January 1, 2024	$ 12,177,457	4,008,099	51,551	39,730	16,276,837
Acquisition through business combination	-	9,207	-	-	9,207
Additions	50,584	229,549	-	2,471	282,604
Deductions	-	(533,083)	(1,160)	(17,025)	(551,268)
Effect of movements in exchange rates	53,724	33,861	(13)	29	87,601
Balance on June 30, 2024	**$ 12,281,765**	**3,747,633**	**50,378**	**25,205**	**16,104,981**
Depreciation:					
Balance on January 1, 2025	$ 742,883	1,858,515	26,868	17,055	2,645,321
Depreciation for the period	123,530	341,146	2,239	6,117	473,032
Deductions	-	(123,904)	-	(8,385)	(132,289)
Effect of movements in exchange rates	(18,106)	(48,426)	-	(111)	(66,643)
Balance on June 30, 2025	**$ 848,307**	**2,027,331**	**29,107**	**14,676**	**2,919,421**
Balance on January 1, 2024	$ 486,415	1,948,133	23,563	24,758	2,482,869
Depreciation for the period	123,553	379,006	2,239	5,153	509,951
Deductions	-	(459,464)	(1,160)	(15,784)	(476,408)
Effect of movements in exchange rates	7,579	14,630	(13)	21	22,217
Balance on June 30, 2024	**$ 617,547**	**1,882,305**	**24,629**	**14,148**	**2,538,629**
Carrying amount:					
Balance on January 1, 2025	**$ 11,548,326**	**1,752,990**	**23,510**	**25,722**	**13,350,548**
Balance on June 30, 2025	**$ 11,330,958**	**1,457,182**	**21,271**	**26,793**	**12,836,204**
Balance on January 1, 2024	**$ 11,691,042**	**2,059,966**	**27,988**	**14,972**	**13,793,968**
Balance on June 30, 2024	**$ 11,664,218**	**1,865,328**	**25,749**	**11,057**	**13,566,352**

In January 2022, the Group signed a contract with the Taipei City Government to obtain the superficies of No.91, Ruan Qiao Section, Beitou District, Taipei City, which has a term of 50 years and may be extended for additional 20 years.

The related depreciation expenses of right-of-use assets amounting to $56,341, $56,342, $112,683 and $112,683, and the interest expenses of lease liabilities amounting to $10,824, $10,985, $21,717 and $22,037, which met the conditions for capitalization under property, plant and equipment at the rate of 1.5%, had been recognized as the cost of assets for the three months and six months ended June 30, 2025 and 2024, respectively.

As of June 30, 2025, December 31 and June 30, 2024, the Group provided part of its right-of-use assets as collaterals for its long-term borrowings. Please refer to note (8).

(n) Short-term borrowings

The details of short-term borrowings were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured bank loans	$ 44,628,311	57,861,759	73,302,477
Secured bank loans	4	38,642	31,309
Total	**$ 44,628,315**	**57,900,401**	**73,333,786**
Unused credit line for short-term borrowings	**$ 255,264,285**	**263,708,000**	**242,612,000**
Range of interest rates	**1.70%~6.963%**	**1.66%~7.15%**	**1.58%~7.3%**

For information on the Group's interest risk, foreign currency risk and liquidity risk, please refer to note (6)(z).

For the collaterals for part of the Group's borrowings, please refer to note (8).

(o) Long-term borrowings

The details of long-term borrowings were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured bank loans	$ 11,716,790	23,325,000	26,915,000
Secured bank loans	5,398,622	3,213,151	2,932,813
Less: current portion	(7,200,000)	(14,303,150)	(15,412,050)
Total	**$ 9,915,412**	**12,235,001**	**14,435,763**
Unused credit line for long-term borrowings	**$ 36,048,000**	**23,324,000**	**20,823,000**
Range of interest rates	**1.76%~2.428%**	**1.72%~2.43%**	**1.625%~2.43%**

For information on the Group's interest risk, foreign currency risk and liquidity risk, please refer to note (6)(z).

The Group pledges property, plant and equipment as collateral for its partial long-term borrowings. Please refer to note (8).

(p) Lease liabilities

The details of leases liabilities were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Current	$ 1,937,642	1,955,763	1,926,652
Non-current	$ 5,111,805	6,777,080	6,871,253

For the maturity analysis, please refer to note (6)(z).

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Interest on lease liabilities	$ 8,949	11,132	$ 21,192	24,814
Expenses relating to short-term leases	$ 16,180	18,648	$ 39,785	46,715

The amounts recognized in the consolidated statement of cash flows for the Group were as follows:

	For the six months ended June 30,	
	2025	2024
Total cash outflow for leases	$ 1,885,291	1,803,580

(i) Real estate leases

The Group leases land leasehold rights and buildings for its office and plant space. The leases of office space typically run for a period of 1~19 years, and of land leasehold rights for 45~50 years.

(ii) Other leases

The Group leases equipment and vehicles with lease terms of 1~5 years.

The Group also leases some office space, equipment and vehicles with contract terms of 1~5 years. These leases are short-term or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(q) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2024 and 2023.

(Continued)

The expenses recognized in profit or loss for the Group were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	**2024**	**2025**	**2024**
Cost of sales	$ 209	226	423	471
Selling expenses	299	288	598	537
Administrative expenses	757	817	1,523	1,624
Research and development expenses	1,935	2,053	3,858	4,090
Total	**$ 3,200**	**3,384**	**6,402**	**6,722**

(ii) Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group allocates the labor pension at a specific percentage to the Bureau of the Labor Insurance without additional legal or constructive obligations.

The Company and all subsidiaries in domestic recognized the pension costs under the defined contribution method amounting to $138,887, $138,133, $279,568 and $280,821 for the three months and six months ended June 30, 2025 and 2024, respectively. Payment was made to the Bureau of Labor Insurance.

Other subsidiaries recognized the pension expenses, basic endowment insurance expenses, and social welfare expenses amounting to $171,148, $186,306, $358,263 and $365,743 for the three months and six months ended June 30, 2025 and 2024, respectively.

(r) Income taxes

(i) Income tax expense for the year is best estimated by multiplying pretax income for the interim reporting period by the effective annual tax rate as forecasted by the management. The amounts of income tax were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	**2024**	**2025**	**2024**
Current tax expense	**$ 360,545**	**960,638**	**1,148,877**	**1,634,737**

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(ii) The amounts of income tax recognized in other comprehensive income were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	**2024**	**2025**	**2024**
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of the defined benefit liability	$ 478	374	793	223
Unrealized gains (losses) on equity instruments at fair value through other comprehensive income	(266,703)	425,476	(1,566,996)	515,770
	$ (266,225)	**425,850**	**(1,566,203)**	**515,993**
Items that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences of foreign operations	$ (679)	88	(6)	308
Gains (losses) on hedging instrument	(17,764)	(1,446)	(26,316)	2,850
	$ (18,443)	**(1,358)**	**(26,322)**	**3,158**

(iii) Examination and approval

The Company’s tax returns for the year through 2022 were assessed by the tax authorities.

The ROC tax authorities have assessed the income tax return of GLB, Panpal, Gempal, Palcom, Hong Ji, Unicore, Aco Healthcare, Kinpo&Compal Group, Hippo Screen, UCGI, Shennona TW, Hong Jin, Ripal, CBN, Mactech, Zhi-Bao, Compal Ruifang and Heng Hao through 2023.

The ROC tax authorities have assessed the income tax return of Starmems, Arcadyan, TTI, Poindus Systems, Poindus Investment and Rayonnant Technology through 2022.

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(s) Capital and other equities

Except for the following disclosure, there was no significant change for capital and other equity for the periods from January 1 to June 30, 2025 and 2024. Please refer to note (6)(s) of the consolidated financial statement for the year ended December 31, 2024.

(i) Capital surplus

The balances of capital surplus were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Additional paid-in capital	$ 138,690	137,689	137,719
Treasury share transactions	2,912,034	2,842,010	2,842,010
Difference between consideration and carrying amount arising from acquisition or disposal of subsidiaries	36,766	36,766	36,766
Recognition of changes in ownership interests in subsidiaries	157,187	158,436	158,110
Changes in equity of associates and joint ventures accounted for using equity method	369,898	298,040	310,543
	$ 3,614,575	**3,472,941**	**3,485,148**

The Company's Board of Directors meeting held on February 29, 2024, approved to distribute the cash of $881,429 (representing 0.2 New Taiwan Dollars per share), by using the additional paid-in capital. The related information can be accessed through the Market Observation Post System website.

(ii) Retained earnings

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

(Continued)

The lifecycle of the industry of the Company is in the growing stage. To consider the need of the Company for the future capital, capital budget, long-term financial planning, domestic and foreign competition, the need of shareholders for cash flow and other factors, if there is any profit after close of books, the dividend and bonus to be distributed to shareholders shall not be less than thirty percent of profit after tax for such year and the cash dividend allocated by the Company each year shall not be lower than ten percent of the total dividend (including cash and share dividend) for such year.

According to the law, when there is a deduction from stockholders' equity (excluding treasury stock and unearned employee benefit) during the year, an amount equal to the deduction item is set aside as a special reserve before the earnings are appropriated. A special reserve is made available for earning distribution only after the deduction of the related shareholders' equity has been reversed.

Distribution for the earnings of 2024 and 2023 was approved in the Board of Directors meeting held on February 27, 2025 and February 29, 2024, respectively. The relevant information was as follows:

	2024		2023	
	Amount per share	**Total amount**	**Amount per share**	**Total amount**
Cash dividends distributed to common shareholders	$ 1.4	6,170,005	1.0	4,407,147

(iii) Treasury stock

The subsidiaries of the Company did not sell the ordinary shares of the Company in the six months ended June 30, 2025 and 2024. As of June 30, 2025, Panpal and Gempal, subsidiaries of the Company, held 50,017 thousand shares of ordinary shares of the Company, recorded as the Company's treasury stock, with a book value of 17.6 New Taiwan dollars per share. The total cost was $881,247. The fair value of the ordinary shares of the Company was 29.00, 37.65 and 34.70 New Taiwan dollars per share as of June 30, 2025, December 31 and June 30, 2024, respectively.

Pursuant to the Securities and Exchange Act, the number of treasury shares purchased cannot exceed 10% of the number of shares issued. The total purchase cost cannot exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital surplus. The shares purchased for the purpose of transferring to employees shall be transferred within three years from the date of share repurchase. Those not transferred within the said limit shall be deemed as not issued by the Company and it should be cancelled. Furthermore, treasury stock cannot be pledged for debts, and treasury stock does not carry any shareholder rights until it is transferred.

(iv) Other equity interests (net-of-taxes)

	Exchange differences on transaction of foreign operation financial statements	Unrealized gain (loss) from financial assets at fair value through other comprehensive income	Others	Total
Balance on January 1, 2025	$ 4,203,807	13,384,524	-	17,588,331
The Company	(9,692,916)	(6,978,745)	-	(16,671,661)
Subsidiaries	(113,375)	(415,783)	(34,711)	(563,869)
Associates	(527,794)	(38,515)	-	(566,309)
Balance on June 30, 2025	**$ (6,130,278)**	**5,951,481**	**(34,711)**	**(213,508)**
Balance on January 1, 2024	$ (1,747,330)	1,363,472	(3,436)	(387,294)
The Company	4,430,969	2,410,388	-	6,841,357
Subsidiaries	174,655	155,555	3,758	333,968
Associates	270,662	(9,261)	-	261,401
Balance on June 30, 2024	**$ 3,128,956**	**3,920,154**	**322**	**7,049,432**

(t) Share-based payment

There were no significant changes in share-based payment during the six months ended June 30, 2025 and 2024. Please refer to note (6)(t) of the consolidated financial statements for the year ended December 31, 2024 for related information.

(u) Earnings per share

The Group's basic and diluted earnings per share are calculated as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	**2024**	**2025**	**2024**
Basic earnings per share:				
Profit attributable to ordinary shareholders of the Company	**$ 482,460**	**2,881,382**	**2,673,689**	**4,772,215**
Weighted-average number of outstanding ordinary shares (in thousands)	**4,357,130**	**4,357,130**	**4,357,130**	**4,357,130**

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	For the three months ended June 30,		For the six months ended June 30,	
	2025	**2024**	**2025**	**2024**
Diluted earnings per share:				
Profit attributable to ordinary shareholders of the Company (after adjustment of potential diluted ordinary shares)	$ **482,460**	**2,881,382**	**2,673,689**	**4,772,215**
Weighted-average number of outstanding ordinary shares of potential diluted ordinary shares				
Weighted-average number of outstanding ordinary shares (in thousands)	4,357,130	4,357,130	4,357,130	4,357,130
Effect of potential diluted common stock				
Employee compensation (in thousands)	12,163	19,048	23,626	26,483
Weighted-average number of ordinary shares (after adjustment of potential diluted ordinary shares) (in thousands)	**4,369,293**	**4,376,178**	**4,380,756**	**4,383,613**

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended June 30, 2025		
	IT Product Segment	**Strategically Integrated Product Segment**	**Total**
Primary geographical markets:			
United States	$ 67,290,712	5,689,658	72,980,370
China	17,880,046	139,121	18,019,167
Netherlands	12,427,288	128,777	12,556,065
United Kingdom	5,988,142	1,085,624	7,073,766
Germany	5,125,263	550,680	5,675,943
Others	58,269,197	5,868,671	64,137,868
	$ **166,980,648**	**13,462,531**	**180,443,179**
Major products:			
5C related electronics products	$ 166,330,230	13,103,651	179,433,881
Others	650,418	358,880	1,009,298
	$ **166,980,648**	**13,462,531**	**180,443,179**

(Continued)

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	For the three months ended June 30, 2024		
	IT Product Segment	Strategically Integrated Product Segment	Total
Primary geographical markets:			
United States	$ 92,593,814	3,855,938	96,449,752
China	27,050,660	21,913	27,072,573
Netherlands	16,295,475	199,416	16,494,891
Germany	7,522,371	984,773	8,507,144
United Kingdom	7,635,822	746,085	8,381,907
Others	73,943,996	6,358,850	80,302,846
	$ 225,042,138	**12,166,975**	**237,209,113**
Major products:			
5C related electronics products	$ 224,424,019	11,645,561	236,069,580
Others	618,119	521,414	1,139,533
	$ 225,042,138	**12,166,975**	**237,209,113**

	For the six months ended June 30, 2025		
	IT Product Segment	Strategically Integrated Product Segment	Total
Primary geographical markets:			
United States	$ 136,514,629	11,326,882	147,841,511
China	40,222,904	155,653	40,378,557
Netherlands	29,061,614	212,420	29,274,034
United Kingdom	15,055,154	2,295,847	17,351,001
Germany	10,979,155	1,040,655	12,019,810
Others	121,542,467	11,133,756	132,676,223
	$ 353,375,923	**26,165,213**	**379,541,136**
Major products:			
5C related electronics products	$ 352,107,767	25,281,737	377,389,504
Others	1,268,156	883,476	2,151,632
	$ 353,375,923	**26,165,213**	**379,541,136**

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	For the six months ended June 30, 2024		
	IT Product Segment	Strategically Integrated Product Segment	Total
Primary geographical markets:			
United States	$ 159,503,105	9,386,473	168,889,578
China	54,132,615	65,549	54,198,164
Netherlands	33,000,623	373,783	33,374,406
Germany	14,710,686	1,627,871	16,338,557
United Kingdom	15,751,157	2,008,455	17,759,612
Others	134,968,382	11,251,528	146,219,910
	$ 412,066,568	**24,713,659**	**436,780,227**
Major products:			
5C related electronics products	$ 410,949,696	23,957,231	434,906,927
Others	1,116,872	756,428	1,873,300
	$ 412,066,568	**24,713,659**	**436,780,227**

(ii) Contract balances

	June 30, 2025	December 31, 2024	June 30, 2024
Notes and accounts receivable (including related parties)	$ 160,081,686	204,836,611	215,318,193
Less: allowance for impairment	(4,003,217)	(4,035,750)	(4,055,161)
Total	**$ 156,078,469**	**200,800,861**	**211,263,032**
Contract liabilities	**$ 3,379,638**	**3,263,230**	**3,802,013**

For the details on accounts receivable and allowance for impairment, please refer to note (6)(f).

The amount of revenue recognized for the six months ended June 30, 2025 and 2024 that were included in the balance of contract liability at the beginning of the period was $2,323,017 and $697,527, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(w) Employees' and directors' compensations

On May 29, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles of Incorporation, if the Company incurs profit for the year, the profit shall first be used to offset against any accumulated deficits. Thereafter, a maximum of two percent of the remaining pre-tax profit shall be allocated as directors' compensations, and not less than two percent as employee compensations, including a minimum of eight percent to those base-level employees. The distribution shall also include those employees of the Company's subordinate companies who meet certain requirements.

Prior to the amendment, the Articles of Incorporation stipulated that, if there is any profit in a fiscal year, the Company's pre-tax profits in such fiscal year, prior to deduction of compensations to employees and directors, shall be distributed to employees as compensations in an amount of not less than two percent thereof and to directors as compensations in an amount of not more than two percent of such profits. In the event that the Company has accumulated losses, the Company shall reserve an amount to offset accumulated losses. The compensations 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 pursuant to the Company Act.

The Company accrued and recognized its employee compensation of $59,884 (including that of the base-level employees), $403,012, $352,716 (including that of the base-level employees) and $660,972, and directors' compensation of $3,195, $21,494, $18,812 and $35,252 for the three months and six months ended June 30, 2025 and 2024, respectively. The estimated amounts mentioned above are based on the net profit before tax without the compensations to employees and directors of each respective ending period, multiplied by the percentage of the compensation to employees and directors, which was approved by the management. The estimations are recorded under operating expenses and cost. The differences between the amounts estimated and recognized in the financial statements, if any, are accounted for as changes in accounting estimates and recognized as profit or loss in the distribution year. If the Board of Directors approve to distribute employee compensation in the form of stock, the number of the shares of the employee compensation is based on the closing price of the day before the Board of Directors' meeting.

The Company accrued and recognized its employee compensation of $1,363,545 and $814,143, and directors' compensation of $72,722 and $43,051 for the years ended December 31, 2024 and 2023, respectively. There is no differences between the amount approved in the Board of Directors' meeting and those recognized in the financial statements, the related information can be accessed through the Market Observation Post System website.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(x) Non-operating income and expenses

(i) Interest income

The details of interest income for the three months and six months ended June 30, 2025 and 2024, were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2025	**2024**	**2025**	**2024**
Interest income from bank deposits	$ 661,266	1,101,445	1,403,511	2,139,016
Other interest income	5,979	523	9,629	1,357
	$ 667,245	**1,101,968**	**1,413,140**	**2,140,373**

(ii) Other income

The other incomes for the three months and six months ended June 30, 2025 and 2024, were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	**2024**	**2025**	**2024**
Dividend revenue	$ 435,604	214,548	450,060	218,587
Other revenue	74,564	95,126	151,428	178,416
	$ 510,168	**309,674**	**601,488**	**397,003**

(iii) Other gains and losses

The other gains and losses for the three months and six months ended June 30, 2025 and 2024, were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	**2024**	**2025**	**2025**
Gains on disposal of property, plant, and equipment, and intangible assets, net	$ 18,102	1,537	16,671	16,480
Foreign currency exchange losses, net	(1,212,349)	(226,429)	(208,839)	(13,957)
(Losses) gains on financial assets and liabilities at fair value through profit or loss, net	(506,316)	147,901	(684,127)	187,728
Others	149	18,212	520	18,212
	$ (1,700,414)	**(58,779)**	**(875,775)**	**208,463**

(Continued)

(y) Reclassification of the components of other comprehensive income

The details of reclassification of the components of other comprehensive income for the three months and six months ended June 30, 2025 and 2024, were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	**2024**	**2025**	**2024**
Cash flow hedge:				
(Losses) gains from current period	$ (136,977)	2,454	(185,022)	30,315
Less: reclassification of (losses) gains included in profit or loss	(48,157)	9,688	(53,441)	16,069
Profit recognized in other comprehensive income	**$ (88,820)**	**(7,234)**	**(131,581)**	**14,246**

(z) Financial instruments

Except for those described below, there were no significant changes on fair value, credit risk, liquidity risk and market risk of financial instruments. Please refer to note (6)(z) of the consolidated financial statements for the year ended December 31, 2024 for related information.

(i) Credit risk

Information of exposure to credit risk of notes and accounts receivable please refer to note (6)(f).

Other financial assets at amortized cost include other receivables and time deposits. These financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. (Regarding how the financial instruments are considered to have low credit risk, please refer to note (4)(g) of the consolidated financial statements for the year ended December 31, 2024.) Due to the counter parties and the performing parties of the Group's time deposits are financial institutions with investment grade and above, these time deposits are considered to have low credit risk.

The movements in the allowance for the six months ended June 30, 2025 and 2024 were as follows:

	Other receivables
Balance on January 1, 2025	$ 10,354
Impairment losses recognized (reversed)	(2,684)
Balance on June 30, 2025	**$ 7,670**
Balance on January 1, 2024	$ 14,548
Impairment losses recognized (reversed)	(2,132)
Balance on June 30, 2024	**$ 12,416**

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
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(ii) Liquidity risk

The following are the contractual maturities of financial liabilities. Except for lease liabilities, the amounts exclude estimated interest payments.

	Carrying Amount	Contractual cash flows	Within 1 year	1 ~ 2 years	Over 2 years
June 30, 2025					
Non-derivative financial liabilities					
Secured borrowings	$ 5,398,626	(5,398,626)	(4)	(137,017)	(5,261,605)
Unsecured borrowings	56,345,101	(56,345,101)	(51,828,311)	(4,516,790)	-
Lease liabilities－current and non-current	7,049,447	(8,287,334)	(2,011,984)	(1,951,113)	(4,324,237)
Notes and accounts payable	129,745,163	(129,745,163)	(129,745,163)	-	-
Other payables and dividends payable	24,927,888	(24,927,888)	(24,927,888)	-	-
Derivative financial liabilities					
Forward exchange contracts:	355,964				
Outflow		(6,882,876)	(6,882,876)	-	-
Inflow		6,551,724	6,551,724	-	-
Currency swap contracts:	6,842				
Outflow		(437,325)	(437,325)	-	-
Inflow		440,685	440,685	-	-
Forward exchange contracts used for hedging:	131,581				
Outflow		(2,021,480)	(2,021,480)	-	-
Inflow		1,903,194	1,903,194	-	-
	$ 223,960,612	**(225,150,190)**	**(208,959,428)**	**(6,604,920)**	**(9,585,842)**
December 31, 2024					
Non-derivative financial liabilities					
Secured borrowings	$ 3,251,793	(3,251,793)	(41,792)	(114,093)	(3,095,908)
Unsecured borrowings	81,186,759	(81,186,759)	(72,161,759)	(6,725,000)	(2,300,000)
Lease liabilities－current and non-current	8,732,843	(9,992,683)	(2,037,340)	(2,036,635)	(5,918,708)
Notes and accounts payable	158,732,712	(158,732,712)	(158,732,712)	-	-
Other payables	30,179,530	(30,179,530)	(30,179,530)	-	-
	$ 282,083,637	**(283,343,477)**	**(263,153,133)**	**(8,875,728)**	**(11,314,616)**
June 30, 2024					
Non-derivative financial liabilities					
Secured borrowings	$ 2,964,122	(2,964,122)	(53,359)	-	(2,910,763)
Unsecured borrowings	100,217,477	(100,217,477)	(88,692,477)	(5,306,250)	(6,218,750)
Lease liabilities－current and non-current	8,797,905	(10,089,827)	(2,010,822)	(2,000,332)	(6,078,673)
Notes and accounts payable	162,646,233	(162,646,233)	(162,646,233)	-	-
Other payables and dividends payable	31,273,533	(31,273,533)	(31,273,533)	-	-
Derivative financial liabilities					
Currency swap contracts:	187				
Outflow		(30,828)	(30,828)	-	-
Inflow		30,612	30,612	-	-
	$ 305,899,457	**(307,191,408)**	**(284,676,640)**	**(7,306,582)**	**(15,208,186)**

(Continued)

The Group is not expecting that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

Unit: thousands of foreign currency / thousands of New Taiwan Dollars

	June 30, 2025			December 31, 2024			June 30, 2024		
	Foreign currency	Exchange rate	TWD	Foreign Currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets									
Monetary items									
USD to TWD	$ 7,484,290	29.3	219,289,697	10,899,358	32.785	357,335,452	9,200,451	32.45	298,554,635
USD to CNY	6,301	7.168	184,619	33,493	7.3035	1,098,068	12,119	7.2693	393,262
EUR to TWD	38,419	34.35	1,319,693	21,926	34.14	748,554	43,425	34.71	1,507,282
CNY to USD	2,347,828	0.1395	9,596,395	1,984,436	0.1369	8,906,678	2,402,240	0.1376	10,726,290
Non-monetary items									
THB to TWD	8,473,968	0.8950	7,584,201	15,699,356	0.9642	15,137,319	6,100,196	0.8815	5,377,323
Financial liabilities									
Monetary items									
USD to TWD	7,321,030	29.3	214,506,179	10,650,751	32.785	349,184,872	9,568,626	32.45	310,501,914
USD to CNY	1,554	7.168	45,532	3,056	7.3035	100,191	1,117	7.2693	36,247
USD to BRL	230,424	5.4571	6,751,423	253,331	6.1923	8,305,457	232,742	5.5589	7,552,478
EUR to TWD	3,012	34.35	103,462	12,534	34.14	427,911	7,718	34.71	267,892
CNY to USD	2,534,891	0.1395	10,360,987	2,639,480	0.1369	11,846,690	2,803,689	0.1376	12,518,808

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable, and other payables that are denominated in foreign currency. Assuming all other variable factors remain constant, a strengthening (weakening) 5% of appreciation (depreciation) of the each major foreign currency against Group entities' functional currency as of June 30, 2025 and 2024, would have increased (decreased) the net profit before tax as follows for the six months ended June 30, 2025 and 2024. The analysis is performed on the same basis for both periods.

	June 30, 2025	June 30, 2024
USD (against the TWD)		
Strengthening 5%	$ 239,176	(597,364)
Weakening 5%	(239,176)	597,364
USD (against the CNY)		
Strengthening 5%	6,954	17,851
Weakening 5%	(6,954)	(17,851)
USD (against the BRL)		
Strengthening 5%	(337,571)	(377,624)
Weakening 5%	337,571	377,624

(Continued)

	June 30, 2025	June 30, 2024
EUR (against the TWD)		
Strengthening 5%	60,812	61,970
Weakening 5%	(60,812)	(61,970)
CNY (against the USD)		
Strengthening 5%	(38,230)	(89,626)
Weakening 5%	38,230	89,626

3) Exchange gains and losses of monetary items

As the Group deals with diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. For the three months and six months ended June 30, 2025 and 2024, the foreign exchange losses, including both realized and unrealized, amounted to $(1,212,349), $(226,429), $(208,839) and $(13,957), respectively.

(iv) Interest rate analysis

The interest risk exposure from financial assets and liabilities has been disclosed in the note of liquidity risk management.

The following sensitivity analysis is based on the risk exposure to interest rate on the derivative and non-derivative financial instruments on the reporting date. Regarding the assets and liabilities with variable interest rates, the analysis is on the basis of the assumption that the amount of assets and liabilities outstanding at the reporting date were outstanding throughout the year. The rate of change is expressed as the interest rate increase or decrease by 0.25%, when reporting to management internally, which also represents the assessment of the Group's management for the reasonably possible interval of interest rate change.

Assuming all other variable factors remaining constant, if the interest rate had increased or decreased by 0.25%, the impact to the net profit before tax would be as follows for the six months ended June 30, 2025 and 2024, which would be mainly resulted from the bank savings and borrowings with variable interest rates.

	For the six months ended June 30,	
	2025	2024
Interest increased by 0.25%	$ 12,293	22,063
Interest decreased by 0.25%	(12,293)	(22,063)

(v) Fair value information

1) The categories and fair value of financial instruments

The Group's financial assets at fair value through profit or loss, financial instruments used for hedging and financial assets at fair value through other comprehensive income were measured at fair value on a recurring basis. The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It shall not include fair value information of the financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value and investments in equity instruments which do not have any quoted price in an active market in which the fair value cannot be reasonably measured.

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	June 30, 2025				
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss─current and non-current					
Foreign exchange contracts	$ 1,662	-	1,662	-	1,662
Swap contracts	14,090	-	14,090	-	14,090
Foreign Warrants	178,974	-	-	178,974	178,974
Non-derivative financial assets mandatorily measured at fair value through profit or loss	1,875,262	-	-	1,875,262	1,875,262
Subtotal	2,069,988				
Financial assets at fair value through other comprehensive income					
Stocks listed in domestic markets	5,016,714	5,016,714	-	-	5,016,714
Stocks listed in foreign markets	7,623,218	7,623,218	-	-	7,623,218
Stocks unlisted in domestic markets	1,738,760	-	-	1,738,760	1,738,760
Stocks unlisted in foreign markets	200,538	-	-	200,538	200,538
Accounts receivable	17,111,256	-	17,111,256	-	17,111,256
Subtotal	31,690,486				
Financial assets measured at amortized cost					
Cash and cash equivalents	65,563,130	-	-	-	-
Time deposits with original maturities of more than 3 months	4,913,582	-	-	-	-
Notes and accounts receivable, net	134,548,600	-	-	-	-
Notes and accounts receivable due from related parties, net	4,418,613	-	-	-	-
Other receivables	2,354,497	-	-	-	-
Other current assets (restricted assets)	583,675	-	-	-	-
Refundable deposits	542,935	-	-	-	-
Other non-current assets (restricted assets)	17,159	-	-	-	-
Subtotal	212,942,191				
Total	**$ 246,702,665**				
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities for non-hedging	$ 362,806	-	362,806	-	362,806
Financial liabilities used for hedging	131,581	-	131,581	-	131,581
Financial liabilities measured at amortized cost					
Short-term borrowings	44,628,315	-	-	-	-
Notes and accounts payable	124,242,566	-	-	-	-
Notes and accounts payable to related parties	5,502,597	-	-	-	-
Other payables and dividends payable	24,927,888	-	-	-	-
Lease liabilities－current and non-current	7,049,447	-	-	-	-
Long-term borrowings current portion	7,200,000	-	-	-	-
Long-term borrowings	9,915,412	-	-	-	-
Deposits received	216,231	-	-	-	-
Total	**$ 224,176,843**				

(Continued)

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	December 31, 2024				
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss─current and non-current					
Derivative financial assets for non-hedging	$ 145,132	-	145,132	-	145,132
Non-derivative financial assets mandatorily measured at fair value through profit or loss	1,359,358	-	-	1,359,358	1,359,358
Subtotal	1,504,490				
Financial assets at fair value through other comprehensive income					
Stocks listed in domestic markets	6,605,682	6,605,682	-	-	6,605,682
Stocks listed in foreign markets	15,166,260	15,166,260	-	-	15,166,260
Stocks unlisted in domestic markets	1,760,034	-	-	1,760,034	1,760,034
Stocks unlisted in foreign markets	223,591	-	-	223,591	223,591
Accounts receivable	21,841,211	-	21,841,211	-	21,841,211
Subtotal	45,596,778				
Financial assets measured at amortized cost					
Cash and cash equivalents	78,947,882	-	-	-	-
Time deposits with original maturities of more than 3 months	5,103,852	-	-	-	-
Notes and accounts receivable, net	171,555,332	-	-	-	-
Notes and accounts receivable due from related parties, net	7,404,318	-	-	-	-
Other receivables	3,412,241	-	-	-	-
Other current assets (restricted assets)	884,255	-	-	-	-
Refundable deposits	463,366	-	-	-	-
Other non-current assets (restricted assets)	16,939	-	-	-	-
Subtotal	267,788,185				
Total	**$ 314,889,453**				
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 57,900,401	-	-	-	-
Notes and accounts payable	148,979,182	-	-	-	-
Notes and accounts payable to related parties	9,753,530	-	-	-	-
Other payables	30,179,530	-	-	-	-
Lease liabilities－current and non-current	8,732,843	-	-	-	-
Long-term borrowings current portion	14,303,150	-	-	-	-
Long-term borrowings	12,235,001	-	-	-	-
Deposits received	210,844	-	-	-	-
Subtotal	282,294,481				
Total	**$ 282,294,481**				

(Continued)

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	June 30, 2024				
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss─current and non-current					
Derivative financial assets for non-hedging	$ 43,762	-	43,762	-	43,762
Non-derivative financial assets mandatorily measured at fair value through profit or loss	1,333,189	-	-	1,333,189	1,333,189
Subtotal	1,376,951				
Financial assets at fair value through other comprehensive income					
Stocks listed in domestic markets	4,691,673	4,691,673	-	-	4,691,673
Stocks listed in foreign markets	5,377,323	5,377,323	-	-	5,377,323
Stocks unlisted in domestic markets	1,580,309	-	-	1,580,309	1,580,309
Stocks unlisted in foreign markets	655,521	-	-	655,521	655,521
Accounts receivable	39,594,957	-	39,594,957	-	39,594,957
Subtotal	51,899,783				
Financial assets measured at amortized cost					
Cash and cash equivalents	86,570,227	-	-	-	-
Notes and accounts receivable, net	166,274,937	-	-	-	-
Notes and accounts receivable due from related parties, net	5,393,138	-	-	-	-
Other receivables	4,602,442	-	-	-	-
Other current assets (restricted assets)	1,294,077	-	-	-	-
Refundable deposits	580,338	-	-	-	-
Other non-current assets (restricted assets)	800	-	-	-	-
Subtotal	264,715,959				
Total	**$ 317,992,693**				
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities for non-hedging	$ 187	-	187	-	187
Financial liabilities measured at amortized cost					
Short-term borrowings	73,333,786	-	-	-	-
Notes and accounts payable	156,691,655	-	-	-	-
Notes and accounts payable to related parties	5,954,578	-	-	-	-
Other payables and dividends payable	31,273,533	-	-	-	-
Lease liabilities－current and non-current	8,797,905	-	-	-	-
Long-term borrowings current portion	15,412,050	-	-	-	-
Long-term borrowings	14,435,763	-	-	-	-
Deposits received	296,711	-	-	-	-
Subtotal	306,195,981				
Total	**$ 306,196,168**				

(Continued)

2) Fair value valuation technique of financial instruments not measured at fair value

The Group estimates financial instruments that not measured at fair value by methods and assumption as follows:

a) Financial assets and liabilities measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Fair value valuation technique of financial instruments measured at fair value

a) Non-derivative financial instruments

Financial instruments trade in active markets is based on quoted market prices. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a base to determine the fair value of the listed companies' equity instrument and debt instrument of the quoted price in an active market.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. If a financial instrument is not in accord with the definition mentioned above, then it is considered to be without a quoted price in an active market. In general, market with low trading volume or high bid-ask spreads is an indication of a non-active market.

The fair value of the listed company is determined by reference to the market quotation.

The measurements on fair value of the financial instruments without an active market are determined using the valuation technique or the quoted market price of its competitors. Fair value measured using the valuation technique can be extrapolated from similar financial instruments, discounted cash flow method, or other valuation techniques which include the model used in calculating the observable market data at the consolidated balance sheet date.

The measurement of fair value of a non-active market financial instruments held by the Group which do not have quoted market prices are based on the comparable market approach, with the use of key assumptions of price-book ratio multiple or earnings multiple of comparable listed companies as its basic measurement. These assumptions have been adjusted for the effect of discount without the marketability of the equity securities.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques that are generally accepted by the market participants. For instance, discount method or option pricing models. Fair value of forward currency exchange is usually determined by using the forward currency rate.

4) Transfer from one level to another

There was no transfer from one level to another in the six months ended June 30, 2025 and 2024.

5) Changes in Level 3

The change in Level 3 at fair value in the six months ended June 30, 2025 and 2024, were as follows:

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
Balance on January 1, 2025	$ 1,359,358	1,983,625	3,342,983
Total gains and losses recognized:			
In profit or loss	(64,102)	-	(64,102)
In other comprehensive income	-	(16,775)	(16,775)
Purchased	894,368	5,500	899,868
Effect of changes in exchange rates	(135,388)	(33,052)	(168,440)
Balance on June 30, 2025	**$ 2,054,236**	**1,939,298**	**3,993,534**
Balance on January 1, 2024	$ 1,217,512	1,860,338	3,077,850
Total gains and losses recognized:			
In profit or loss	23,717	-	23,717
In other comprehensive income	-	262,543	262,543
Purchased	57,540	104,960	162,500
Effect of changes in exchange rates	34,420	7,989	42,409
Balance on June 30, 2024	**$ 1,333,189**	**2,235,830**	**3,569,019**

For the six months ended June 30, 2025 and 2024, total gains and losses that were included in "other gains and losses, net" and "unrealized gains and losses from equity instruments at fair value through other comprehensive income" were as follows:

	For the six months ended June 30,	
	2025	**2024**
Total gains and losses recognized:		
In profit or loss before tax (as "other gains and losses")	$ (64,102)	23,717
In other comprehensive income (as "unrealized gains and losses from equity instruments at fair value through other comprehensive income")	$ (16,775)	262,543

6) The quantified information for significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 input to measure fair values include financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, financial assets at fair value through profit or loss.

Most of fair value measurements of the Group which are categorized as equity investment into Level 3 have several significant unobservable inputs. Significant unobservable inputs of equity investments without quoted price are independent of each other.

The quantified information for significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationships between significant unobservable inputs and fair value
Financial assets at fair value through other comprehensive income－equity investment without an active market	Comparable market approach (Price-Book ratio method and Earnings multiplier method)	Price-Book ratio multiples (2.02~3.51, 1.94~3.36 and 1.76~2.63, respectively, on June 30, 2025, December 31 and June 30, 2024)	The higher the multiple is, the higher the fair value will be.
		Multiples of earnings (13.05, 17.94 and 15.05, respectively, on June 30, 2025, December 31 and June 30, 2024)	The higher the multiple is, the higher the fair value will be.
		Lack-of-Marketability discount rate (All are 40%~65% on June 30, 2025, December 31 and June 30, 2024)	The higher the Lack-of-Marketability discount rate is, the lower the fair value will be.

Item	Valuation technique	Significant unobservable inputs	Inter-relationships between significant unobservable inputs and fair value
Financial assets at fair value through other comprehensive income	Net asset value method	Net asset value	Inapplicable
Financial assets at fair value through profit or loss	Net asset value method	Net asset value	Inapplicable
Financial assets at fair value through profit or loss－Warrants	Black-Scholes option pricing model	Volatility(30% on June 30, 2025)	The higher the Volatility is, the higher the fair value will be.

7) Sensitivity analysis for fair value of financial instruments using Level 3 inputs

The Group's fair value measurement on financial instruments is reasonable. However, the measurement would be different if different valuation models or valuation parameters are used. For financial instruments using Level 3 inputs, if the valuation parameters changed, the impacts on other comprehensive income or loss are as follows:

	Input	Move up or down	Other comprehensive income Favorable change	Other comprehensive income Unfavorable change
June 30, 2025				
Financial assets at fair value through other comprehensive income	Price-Book ratio multiples	5%	$ 17,182	17,003
	Multiples of earnings	5%	$ 1,213	1,234
	Lack-of-Marketability discount rate	5%	$ 8,192	8,351
December 31, 2024				
Financial assets at fair value through other comprehensive income	Price-Book ratio multiples	5%	$ 20,456	17,081
	Multiples of earnings	5%	$ 1,590	1,571
	Lack-of-Marketability discount rate	5%	$ 7,314	10,708

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	Input	Move up or down	Other comprehensive income Favorable change	Other comprehensive income Unfavorable change
June 30, 2024				
Financial assets at fair value through other comprehensive income	Price-Book ratio multiples	5%	$ 16,071	14,419
	Multiples of earnings	5%	$ 1,560	1,528
	Lack-of-Marketability discount rate	5%	$ 6,716	8,399

The favorable and unfavorable changes reflect the movement of the fair value, in which the fair value is calculated by using the different unobservable inputs in the valuation technique. The table above shows the effects of one unobservable input, without considering the inter-relationships with another unobservable input for financial instrument if there are one or more unobservable inputs.

8) Offsetting financial assets and financial liabilities

The Group has financial instruments transactions applicable to the International Financial Reporting Standards NO. 32 Sections 42 endorsed by the FSC which requested for offsetting. Financial assets and liabilities relating to those transactions are recognized in the net amount of the balance sheets.

The following tables present the aforesaid offsetting financial assets and financial liabilities.

Unit: thousands of New Taiwan Dollars / thousands of US Dollars

June 30, 2025

Financial assets that are offset which have an exercisable master netting arrangement or similar agreement

	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)
Cash/ Short-term borrowings	$ 95,323,477	95,323,477	-
	(USD 3,253,361)	(USD 3,253,361)	

December 31, 2024

Financial assets that are offset which have an exercisable master netting arrangement or similar agreement

	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)
Cash/ Short-term borrowings	$ 208,583,907	208,583,907	-
	(USD 6,362,175)	(USD 6,362,175)	

(Continued)

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June 30, 2024			
Financial assets that are offset which have an exercisable master netting arrangement or similar agreement			
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)
Cash/ Short-term borrowings	$ 385,103,490	385,103,490	-
	(USD 11,867,596)	(USD 11,867,596)	

(aa) Financial risk management

The Group' s objectives and policies for managing the financial risk are consistent with those disclosed in the note (6)(aa) of the consolidated financial statements for the year ended December 31, 2024.

(ab) Capital management

The Group' s objectives, policies and processes of capital management are the same as those disclosed in the consolidated financial statements for the year ended December 31, 2024. There were no significant changes of quantitative data of capital management compared to the consolidated financial statements for the year ended December 31, 2024. Please refer to note (6)(ab) of the consolidated financial statements for the year ended December 31, 2024.

(ac) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the six months ended June 30, 2025 and 2024 were acquisition of right-of-use assets by leasing, please refer to note (6)(m).

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2025	Cash flow	Other non-cash changes	June 30, 2025
Short-term borrowings	$ 57,900,401	(13,272,086)	-	44,628,315
Long-term borrowings	26,538,151	(9,422,739)	-	17,115,412
Lease liabilities	8,732,843	(1,824,314)	140,918	7,049,447
Deposits received and others	478,182	(99,368)	(1,001)	377,813
Total liabilities from financing activities	**$ 93,649,577**	**(24,618,507)**	**139,917**	**69,170,987**

	January 1, 2024	Cash flow	Other non-cash changes	June 30, 2024
Short-term borrowings	$ 58,974,271	14,349,722	9,793	73,333,786
Long-term borrowings	26,670,617	3,177,196	-	29,847,813
Lease liabilities	10,331,217	(1,732,051)	198,739	8,797,905
Deposits received and others	494,422	(162,116)	(1,060)	331,246
Total liabilities from financing activities	**$ 96,470,527**	**15,632,751**	**207,472**	**112,310,750**

(7) Related-party transactions:

(a) Name and relationship with related parties

The followings are the entities that have had transactions with the Group during the periods covered in the financial statement.

Name of related party	Relationship with the Group
Compal Precision Module (Jiangsu) Co., Ltd. ("CPM")	An associate
Changbao Electronic Technology (Chongqing) Co., Ltd. ("Changbao")	An associate
Avalue	An associate
Crownpo Technology Inc. ("Crownpo")	An associate
Allied Circuit	An associate
LIZ Electronics (Kunshan) Co., Ltd.	An associate
LIZ Electronics (Nantong) Co., Ltd. ("LIZ (Nantong")	An associate
ARCE THERAPEUTICS, INC. ("ARCE")	An associate
Raypal Biomedical Co., Ltd. ("Raypal")	An associate
River Regeneration and Rejuvenation Biotechnology Co. Ltd. ("River Regeneration")	An associate
Acbel Polytech Inc. and its subsidiaries ("Acbel")	Substantial related party (Note 1)
Cal-Comp Electronics (Thailand) Public Company Limited and its subsidiaries ("Cal-Comp")	Substantial related party (Note 2)
Kinpo Electronics, Inc. ("Kinpo")	Substantial related party (Note 2)
Teleport Access Services, Inc. ("TAS")	Substantial related party (Note 2)

Note 1: The chairman of the board of Acbel was the first degree of kinship of the former chairman of the board of the Company. Due to the expiration of the term of the chairman of the board of the Company, Acbel turned into the substantial related party of the Group since May 31, 2024.

Note 2: The chairman of the board of Cal-Comp, Kinpo and TAS was the same chairman of the board of the Company. Due to the expiration of the term of the chairman of the board of the Company, Cal-Comp and Kinpo turned into the substantial related parties of the Group since May 31, 2024.

(b) Transactions with key management personnel

Key management personnel remunerations comprised:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Short-term employee benefits	$ 160,668	266,791	366,959	478,673
Post-employment benefits	1,756	1,949	3,497	3,960
Share-based payments	-	(3,033)	-	(2,702)
	$ 162,424	265,707	370,456	479,931

(Continued)

There are no termination benefits and other long-term benefits. Please refer to note (6)(t) for explanations related to share-based payments.

(c) Significant related-party transactions

(i) Sale of goods to related parties

The amounts of significant sales transactions between the Group and related parties were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Associates	$ 173,825	59,186	364,972	89,395
Other related parties	8,649	1,128	8,780	1,150
	$ 182,474	**60,314**	**373,752**	**90,545**

Sales prices for related parties were similar to those of the third-party customers. The collection period was 60~120 days for related parties.

(ii) Purchase of goods from related parties

The amounts of significant purchase transactions between the Group and related parties were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Associates	$ 340,505	451,089	641,905	948,472
Other related parties	8,155,609	8,693,309	19,940,931	16,768,887
	$ 8,496,114	**9,144,398**	**20,582,836**	**17,717,359**

Purchase prices and payment period from related parties were similar to those from third-party suppliers. The payment period was 60~165 days for related parties.

(iii) Receivables due from relate parties

The receivables arising from the transactions mentioned above and others on behalf of related parties were as follows:

Account	Related party categories	June 30, 2025	December 31, 2024	June 30, 2024
Notes and accounts receivable	Associates	$ 145,138	123,365	64,857
Notes and accounts receivable	Other related parties	4,273,475	7,280,953	5,328,281
Other receivables	Associates	2,430	1,342	1,169
Other receivables	Other related parties	3,087	51	72
		$ 4,424,130	**7,405,711**	**5,394,379**

(iv) Payables to related parties

The payables arising from the transactions mentioned above and other on behalf rendering of services of other related parties were as follows:

Account	Related party categories	June 30, 2025	December 31, 2024	June 30, 2024
Notes and accounts payable	Associates	$ 331,182	518,254	463,493
Notes and accounts payable	Other related parties	5,171,415	9,235,276	5,491,085
Other payables	Associates	23,136	1,112	1,109
Other payables	Other related parties	9,922	16,900	16,125
		$ 5,535,655	**9,771,542**	**5,971,812**

(v) Property transactions

The acquisitions of financial assets from related parties are summarized as follows:

		For the six months ended June 30, 2025			For the six months ended June 30, 2024		
Relationship	**Item**	**Number of shares**	**Object**	**Acquisition price**	**Number of shares**	**Object**	**Acquisition price**
Associates–Allied Circuit	Investment accounted for using the equity method	1,346 thousand shares	The Company increased the capital of its associate–Allied Circuit, by cash	134,605			
Associates-Crownpo	Investment accounted for using the equity method	2,545 thousand shares	The Company increased the capital of its associate–Crownpo, by cash	25,250			
Associates–River Regeneration	Investment accounted for using the equity method				6,000 thousand shares	The Company increased the capital of its associate–River Regeneration, by cash	100,020
Associates–LIZ (Nantong)	Investment accounted for using the equity method				Note 1	The Company increased the capital of its associate–LIZ (Nantong), by cash	434,823 (CNY98,000)

Note 1: A limited company, therefore no number of shares.

For the six months ended June 30, 2025, the Group increased the capital of other associates by cash, amounting to $21,915.

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged Assets	Subject	June 30, 2025	December 31, 2024	June 30, 2024
Inventories	Bank loans and accounts receivable factoring	$ 148,850	172,914	139,691
Other current assets	Pledged deposit	583,675	884,255	1,294,077
Property, plant, and equipment	Bank loans	158,544	442,070	453,007
Right-of-use assets	Bank loans	7,692,972	7,774,957	7,856,943
Other non-current assets	Customs deposit	800	800	800
Other non-current assets	Pledged deposit	16,359	16,139	-
		$ 8,601,200	9,291,135	9,744,518

(9) Commitments and contingencies:

The details of commitments and contingencies were as follows:

(a) Inventec Corporation (Inventec) filed a lawsuit against the Group concerning its former employees who joined the Group. This is deemed as an act of violation according to the Trade Secret Law and Copyright Law. On May 21, 2025, the Taipei District Court rendered its first ruling, holding that the Group, through its employees in the course of performing their duties, had violated the Copyright Law. As a result, the Group was fined $200,000 due to its status as the employer. All other criminal charges were dismissed. With respect to the criminal incidental civil action filed by Inventec against the Group, the court found that the Group was not negligent, and therefore, not liable for any compensation to Inventec.

In response, the Group considers that the unfavorable portions of the aforementioned criminal judgment involved errors in both factual findings and legal interpretation. Hence, the Group filed an appeal within the statutory period, with Inventec, in turn, filing its own countermeasure against the Group.

Furthermore, Inventec has also appealed to the ruling concerning the criminal incidental civil action. Since the case is still in progress, the Group cannot make any reasonable estimation regarding the possible impact on its business operation.

(b) The Group entered into various patent license agreements with third parties, and was required to make royalty payments of a predetermined amount periodically.

(c) As of June 30, 2025, December 31 and June 30, 2024, the Group's signed commitments to purchase property, plant and equipment amounted to $7,655,403, $2,326,645 and $2,207,406, respectively.

(10) Losses due to major disasters: None

(11) Subsequent events:

(a) On August 12, 2025, the Group resolved at its board meeting to participate in the cash capital increase of its subsidiary, Compal Americas (US) Inc., in the amount of USD 225,000 thousand, in order to strengthen the operations of its servers, notebook PCs, and automotive electronics, in North America.

(b) On August 12, 2025, the Group resolved at its Board meeting to establish its fully-owned US subsidiary, Compal USA Holding Inc. (a tentative name), at an amount of USD 75,000 thousand; with the same amount, the Group will set up another US subsidiary, Compal USA Technology Inc. (a tentative name), for the purpose of expanding its server product operations in the United States market.

(12) Other:

(a) The employee benefits, depreciation and amortization expenses by categorized function are summarized as follows:

By function	Three months ended June 30, 2025			Three months ended June 30, 2024		
By item	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	2,371,409	4,089,770	6,461,179	2,519,747	4,085,851	6,605,598
Labor and health insurance	170,003	287,110	457,113	207,493	287,926	495,419
Pension	139,587	173,648	313,235	157,478	170,345	327,823
Others	335,900	259,140	595,040	617,214	224,290	841,504
Depreciation	1,376,387	232,755	1,609,142	1,683,873	292,306	1,976,179
Amortization	2,476	209,160	211,636	1,275	131,666	132,941

By function	Six months ended June 30, 2025			Six months ended June 30, 2024		
By item	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	4,643,993	8,293,375	12,937,368	5,072,274	8,231,702	13,303,976
Labor and health insurance	364,647	582,010	946,657	429,687	582,507	1,012,194
Pension	288,555	355,678	644,233	307,420	345,866	653,286
Others	677,090	466,664	1,143,754	1,238,373	407,946	1,646,319
Depreciation	2,731,472	519,490	3,250,962	3,017,250	556,058	3,573,308
Amortization	6,927	322,133	329,060	7,410	283,130	290,540

(b) Seasonality of operations

The Group’s operations were not affected by seasonality or cyclicality factors.

(Continued)

(13) Other disclosures:

(a) Information on significant transactions

The following were the information on significant transactions required by the " Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the six months ended June 30, 2025:

(i) Loans to other parties: Please refer to Table 1

(ii) Guarantees and endorsements for other parties: Please refer to Table 2

(iii) Securities held as of June 30, 2025 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 4

(v) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 5

(vi) Business relationships and significant intercompany transactions: Please refer to Table 6

(b) Information on investees: Please refer to Table 7

(c) Information on investment in mainland China: Please refer to Table 8

(14) Segment information:

	Three months ended June 30, 2025			
	Information technology product segment	**Strategically integrated product segment**	**Adjustment and elimination**	**Total**
Revenue:				
Revenue from external customers	$ 166,980,648	13,462,531	-	180,443,179
Revenue from segments	764,313	-	(764,313)	-
Total revenue	**$ 167,744,961**	**13,462,531**	**(764,313)**	**180,443,179**
Reportable segment profit	**$ 402,831**	**886,908**	**-**	**1,289,739**

	Three months ended June 30, 2024			
	Information technology product segment	**Strategically integrated product segment**	**Adjustment and elimination**	**Total**
Revenue:				
Revenue from external customers	$ 225,042,138	12,166,975	-	237,209,113
Revenue from segments	350,479	-	(350,479)	-
Total revenue	**$ 225,392,617**	**12,166,975**	**(350,479)**	**237,209,113**
Reportable segment profit	**$ 3,466,256**	**780,583**	**-**	**4,246,839**

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	Six months ended June 30, 2025			
	Information technology product segment	Strategically integrated product segment	Adjustment and elimination	Total
Revenue:				
Revenue from external customers	$ 353,375,923	26,165,213	-	379,541,136
Revenue from segments	1,039,976	-	(1,039,976)	-
Total revenue	**$ 354,415,899**	**26,165,213**	**(1,039,976)**	**379,541,136**
Reportable segment profit	**$ 2,924,571**	**1,792,091**	**-**	**4,716,662**

	Six months ended June 30, 2024			
	Information technology product segment	Strategically integrated product segment	Adjustment and elimination	Total
Revenue:				
Revenue from external customers	$ 412,066,568	24,713,659	-	436,780,227
Revenue from segments	1,027,213	-	(1,027,213)	-
Total revenue	**$ 413,093,781**	**24,713,659**	**(1,027,213)**	**436,780,227**
Reportable segment profit	**$ 5,614,503**	**1,604,248**	**-**	**7,218,751**

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Table 1 Loans to other parties:

(June 30, 2025)

(In Thousands of New Taiwan Dollars)

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral Item	Collateral Value	Individual funding loan limits	Maximum limit of fund financing	Note
0	The Company	UCGI	Other receivables	Y	230,000	230,000	230,000	2.38%	Short-term financing	-	Operating demand	-	-	-	24,291,887	48,583,774	(Note 1)
0	The Company	HengHao	Other receivables	Y	200,000	200,000	-	2.38%	Short-term financing	-	Operating demand	-	-	-	24,291,887	48,583,774	(Note 1)
0	The Company	CEM	Other receivables	Y	3,652,550	1,611,500	1,611,500	4.99%	Short-term financing	-	Operating demand	-	-	-	24,291,887	48,583,774	(Note 1)
0	The Company	CTB	Other receivables	Y	2,656,400	1,172,000	1,172,000	4.99%	Short-term financing	-	Operating demand	-	-	-	24,291,887	48,583,774	(Note 1)
0	The Company	CEP	Other receivables	Y	166,025	146,500	-	4.99%	Short-term financing	-	Operating demand	-	-	-	24,291,887	48,583,774	(Note 1)
0	The Company	CSIN	Other receivables	Y	332,050	293,000	293,000	4.99%	Short-term financing	-	Operating demand	-	-	-	24,291,887	48,583,774	(Note 1)
1	CPC	CIC	Other receivables	Y	228,650	204,550	204,550	2.10%	Short-term financing	-	Operating demand	-	-	-	3,014,312	3,014,312	(Note 2)
1	CPC	CCI Nanjing	Other receivables	Y	1,188,980	1,063,660	1,022,750	2.10%	Short-term financing	-	Operating demand	-	-	-	3,014,312	3,014,312	(Note 2)
2	CIT	HengHao Kunshan	Other receivables	Y	1,992,300	879,000	879,000	4.99%~5.42%	Short-term financing	-	Operating demand	-	-	-	31,501,577	31,501,577	(Note 3)
2	CIT	CEM	Other receivables	Y	332,050	293,000	293,000	4.99%	Short-term financing	-	Operating demand	;	-	-	31,501,577	31,501,577	(Note 3)
3	CPO	CIT	Other receivables	Y	685,950	613,650	613,650	2.10%	Short-term financing	-	Operating demand	-	-	-	3,365,624	3,365,624	(Note 4)
3	CPO	CEM	Other receivables	Y	996,150	879,000	879,000	4.99%	Short-term financing	-	Operating demand	-	-	-	3,365,624	3,365,624	(Note 4)
3	CPO	CCI Nanjing	Other receivables	Y	823,140	736,380	736,380	2.10%	Short-term financing	-	Operating demand	-	-	-	3,365,624	3,365,624	(Note 4)
4	CET	BT	Other receivables	Y	503,030	245,460	102,275	1.60%~2.20%	Short-term financing	-	Operating demand	-	-	-	5,405,728	5,405,728	(Note 5)
5	Panpal	HengHao	Other receivables	Y	600,000	300,000	300,000	2.38%	Short-term financing	-	Operating demand	-	-	-	2,345,269	2,345,269	(Note 6)
6	CIC	HengHao Kunshan	Other receivables	Y	1,826,275	1,611,500	1,611,500	4.99%	Short-term financing	-	Operating demand	-	-	-	12,155,669	12,155,669	(Note 7)
6	CIC	CTB	Other receivables	Y	332,050	293,000	293,000	4.99%	Short-term financing	-	Operating demand	-	-	-	12,155,669	12,155,669	(Note 7)
7	BSH	CIN	Other receivables	Y	464,870	410,200	410,200	4.99%	Short-term financing	-	Operating demand	-	-	-	9,048,618	9,048,618	(Note 8)
8	Gempal	Ray-Kwong Medical Management Consulting	Other receivables	Y	5,000	5,000	5,000	2.38%	Short-term financing	-	Operating demand	-	-	-	11,507	958,804	(Note 9)
8	Gempal	CEP	Other receivables	Y	232,435	205,100	205,100	4.99%	Short-term financing	-	Operating demand	-	-	-	958,804	958,804	(Note 9)
8	Gempal	Hippo Screen	Other receivables	Y	70,000	35,000	35,000	2.38%	Short-term financing	-	Operating demand	-	-	-	958,804	958,804	(Note 9)
9	Hong Ji	Aco Smartcare	Other receivables	Y	100,000	100,000	49,000	2.38%	Short-term financing	-	Operating demand	-	-	-	485,634	485,634	(Note 10)
10	Arcadyan	Acradyan Brasil	Other receivables	Y	66,200	58,310	58,310	5.50%	Short-term financing	-	Operating demand	-	-	-	3,037,798	6,075,597	(Note 11)
10	Arcadyan	Arcadyan Turkey	Other receivables	Y	132,400	-	-	6.00%	Short-term financing	-	Operating demand	-	-	-	3,037,798	6,075,597	(Note 11)
10	Arcadyan	Arcadyan UK	Other receivables	Y	149,525	145,775	-	4.80%	Transaction for business between two parties	1,457,750	Transaction for business between two parties	-	-	-	1,166,200	6,075,597	(Note 11)
11	Poindus Systems	Adasys	Other receivables	Y	23,199	-	-	3.724%	Transaction for business between two parties	77,740	-	-	-	-	77,740	221,671	(Note 12)
11	Poindus Systems	Adasys	Other receivables	Y	24,024	22,146	22,146	3.264%	Short-term financing	-	Expand business	-	-	-	110,835	221,671	(Note 12)
11	Poindus Systems	Poindus UK	Long-term receivables	Y	26,774	10,803	10,803	5.433%	Transaction for business between two parties	52,719	-	-	-	-	52,719	221,671	(Note 12)
11	Poindus Systems	Varlink	Other receivables	Y	64,725	40,010	40,010	5.433%	Short-term financing	-	Expand business	-	-	-	110,835	221,671	(Note 12)

(Continued)

Note 1： According to the Company' s "Procedures of Lending Funds to Other Parties", the total amount of loans lent to others shall not exceed 40% of the net worth of the Company. When a short-term financing facility with the Company is necessary, the total amount for lending to any company shall not exceed 80% of the borrower's net worth, nor shall it be more than 50% of the Company's lendable amount limit, and shall be calculated together with the amount of guarantee endorsed by the Company for the company. In addition, the Company shall not limit the total amount of loans to subsidiaries in which the Company directly or indirectly holds 100% of the voting shares to 80% of the aforementioned amount, but the maximum amount shall not exceed 50% of the Company's total funds lending limit, and shall be calculated together with the amount of guarantees endorsed by the Company for such companies.

Note 2： According to CPC's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of CPC. When a short-term financing facility with CPC is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of CPC's total amount of capital lent, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to the ultimate parent company's 100% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two aforesaid restrictions, but the maximum amount shall not exceed the net worth of CPC, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 3： According to CIT's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of CIT. When a short-term financing facility with CIT is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of CIT's total amount of capital lent, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to the ultimate parent company's 100% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two aforesaid restrictions, but the maximum amount shall not exceed the net worth of CIT, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 4： According to CPO's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of CPO. When a short-term financing facility with CPO is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of CPO's total amount of lendable capital, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to the ultimate parent company's 100% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two aforesaid restrictions, but the maximum amount shall not exceed the net worth of CPO, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 5： According to CET's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of CET. When a short-term financing facility with CET is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of CET's total amount of lendable capital, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to the ultimate parent company's 100% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two aforesaid restrictions, but the maximum amount shall not exceed the net worth of CET, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 6： According to Panpal's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of Panpal. When a short-term financing facility with Panpal is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of Panpal's total amount of lendable capital, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to the total amount lendable to 50% directly or indirectly owned subsidiaries by Panpal, or the ultimate parent company's 50% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two aforesaid restrictions of 80%, but the maximum amount shall not exceed Panpal's total amount of lendable capital, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 7： According to CIC's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of CIC. When a short-term financing facility with CIC is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of CIC's total amount of lendable capital, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to the ultimate parent company's 100% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two aforesaid restrictions, but the maximum amount shall not exceed the net worth of CIC, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 8： According to BSH's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of BSH. When a short-term financing facility with BSH is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of BSH's total amount of lendable capital, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to the ultimate parent company's 100% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two aforesaid restrictions, but the maximum amount shall not exceed the net worth of BSH, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 9： According to Gempal's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of Gempal. When a short-term financing facility with Gempal is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of Gempal's total amount of lendable capital, and shall be combined with the Gempal's endorsements/guarantees for calculation. In addition, when lending to indirectly owned overseas subsidiaries or the ultimate parent company's 100% directly, the total amount of loans is not limited by 80% of two aforesaid restrictions, but the maximum amount shall not exceed the total amount of lendable capital of Gempal, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 10： According to Hong Ji's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of Hong Ji. When a short-term financing facility with Hong Ji is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of Hong Ji's total amount of lendable capital, and shall be combined with the Hong Ji's endorsements/guarantees for calculation. In addition, when lending to indirectly owned overseas subsidiaries or the ultimate parent company's 100% directly, the total amount of loans is not limited by 80% of two aforesaid restrictions, but the maximum amount shall not exceed the total amount of lendable capital of Hong Ji, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 11： According to Arcadyan's Procedures for Lending Funds to Other parties, the amount of loans to others shall not exceed 40% of the net worth of the Arcadyan. To borrowers having business relationship with the Arcadyan, the total amount of loans to the borrower shall not exceed 80% of the transaction amount in the latest fiscal year or the expected amount for the current year, which shall not exceed 20% of the net worth of the Arcadyan. Also, the amount shall be combined with the Arcadyan's endorsements/guarantees for the borrower upon calculation. When a short-term financing facility is deemed necessary, only the investees of the Arcadyan are allowed to borrow. The total amount of loans to the borrower shall not exceed 20% of the net worth of the Arcadyan, and it shall be combined with the Arcadyan's endorsements/guarantees for the borrower upon calculation. Inter-company loans of funds between overseas companies in which the Arcadyan holds, directly or indirectly, 100% of the voting shares, or to loans of fund to the Arcadyan by any overseas company in which the Arcadyan holds, directly or indirectly, 100% of the voting shares, shall not apply to the restriction in paragraph 1 and paragraph 3, but the aggregate total amount of loans to borrowing companies shall not exceed the net worth of the lending company.

Note 12： According to Poindus Systems's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of Poindus Systems. To borrowers having business relationship with Poindus Systems, the total amount of loans for individual is the lower of the amount of transaction for business between the two parties during the previous twelve months (where the transaction amount refers to the higher of sales or purchases between the two parties) and 20% of the net worth of the company's latest financial statements. When a short-term financing facility is necessary, the total amount of loans for individual is the lower of 40% of the net worth of the company receiving financial financing and 20% of the net worth of the Poindus Systems. In addition, inter-company loans of funds between overseas companies in which Pudatec System directly or indirectly holds 100% of the voting shares, or loans of funds to Pudatec System by such overseas companies, shall not be subject to the aforementioned short-term financing restrictions. However, the amount of each individual loan shall not exceed the net worth of the overseas subsidiary providing the funds.

Note 13： The transactions had been eliminated in the consolidated financial statements.

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Table 2 Guarantees and endorsements for other parties:

(June 30, 2025)

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 1、2 and 3)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	CEM	(Note 4)	30,364,858	174,947	39,555	39,555	-	0.03%	60,729,717	Y	-	-
0	The Company	CTB	(Note 4)	30,364,858	793,600	350,135	350,135	-	0.29%	60,729,717	Y	-	-
0	The Company	Compal Ruifang	(Note 3)	30,364,858	998,500	998,500	-	-	0.82%	60,729,717	Y	-	-
0	The Company	CPL	(Note 3)	30,364,858	145,600	137,400	137,400	-	0.11%	60,729,717	Y	-	-
0	The Company	Kinpo & Compal Group Assets Development Corporation	(Note 3)	30,364,858	15,400,000	15,400,000	3,420,623	-	12.68%	60,729,717	Y	-	-
1	Arcadyan	Arcadyan AU	(Note 4)	2,025,199	248,250	218,663	-	-	1.44%	6,075,597	Y	-	-

Note 1： According to the Company's Procedures for Endorsement and Guarantee, the total amount of endorsements/ guarantees the Company or the Group is permitted to make shall not exceed 50% of the Company's net worth. Endorsements/ guarantees the Company and the Group are permitted to make for a single company shall not exceed 25% of the Company's net worth. For entities having business relationship with the Company, the amount of endorsements/ guarantees for a single company shall not exceed 80% of the transaction amount in the last fiscal year or the expecting amount of the current year, and shall be combined with the amount lend to others when calculating. The amount of endorsements/ guarantees permitted to make between subsidiaries whose over 90% of its voting shares are owned, directly or indirectly, by the Company shall be no more than 10% of the net worth of the Company. The amount of endorsements/ guarantees permitted to make between directly or indirectly wholly owned subsidiaries is not limited by the aforementioned restriction, only the maximum amount shall be no more than 25% of the net worth of the Company.

Note 2： According to Arcadyan's Procedures for Endorsement and Guarantee, the total amount of endorsements/guarantees Arcadyan and its subsidiaries are permitted to make shall not exceed 40% of the Arcadyan's net worth. Endorsements/guarantees Arcadyan and its subsidiaries are permitted to make for a single company shall not exceed 1/3 of the aforementioned total amount.

Note 3： Subsidiary whose over 50% common stock is directly owned.

Note 4： Subsidiary whose over 50% common stock is indirectly owned.

(Continued)

Table 3 Securities held as of June 30, 2025 (excluding investment in subsidiaries, associates and joint ventures):

(June 30, 2025)

(In Thousands of shares/ units)

Name of holder	Category and name of security	Relationship with security issuer	Account name	Ending balance Shares/Units (thousands)	Carrying value	Holding percentage (%)	Fair value	Note
The Company	Taiwan Mobile	-	Financial assets at fair value through other comprehensive income-non-current	3,197	367,689	-	367,689	
	Kinpo	Substantial related party	Financial assets at fair value through other comprehensive income-non-current	124,044	2,511,886	8%	2,511,886	
	Cal-Comp	Substantial related party	Financial assets at fair value through other comprehensive income-non-current	1,554,139	7,584,201	15%	7,584,201	
	Others		Financial assets at fair value through profit or loss and other comprehensive income		1,377,580		1,377,580	
	Total				**11,841,356**			
Panpal	Compal Electronics, Inc.	The parent company	Financial assets at fair value through other comprehensive income-non-current	31,648	917,794	1%	917,794	(Note 1)
	Kinpo	Substantial related party	Financial assets at fair value through other comprehensive income-non-current	69,370	1,404,735	5%	1,404,735	
	CDIB Partners Investment Holding Corp.	-	Financial assets at fair value through other comprehensive income-non-current	54,000	1,085,940	5%	1,085,940	
	Others		Financial assets at fair value through other comprehensive income-non-current		571,153		571,153	
	Total				**3,979,622**			
Gempal	Compal Electronics, Inc.	The parent company	Financial assets at fair value through other comprehensive income-non-current	18,369	532,711	-	532,711	(Note 1)
	Others		Financial assets at fair value through other comprehensive income-non-current		54,597		54,597	
	Total				**587,308**			
Arcadyan	Others		Financial assets at fair value through profit or loss and other comprehensive income		**46,628**		46,628	
Mactech	Others		Financial assets at fair value through other comprehensive income-non-current		**15,330**		15,330	
Mithera	Others		Financial assets at fair value through other comprehensive income-non-current		**131,850**		131,850	
BT	Others		Financial assets at fair value through other comprehensive income-non-current		**4,088**		4,088	
CIT	Kunqiao Phase II (Suzhou) Emerging Industry Venture Capital Partnership Fund	-	Financial assets at fair value through profit or loss-non-current	-	**864,390**	-	864,390	
BSH	ABG Capital PartnersV, LP (ABG)	-	Financial assets at fair value through profit or loss-non-current	-	375,856	-	375,856	
	Others		Financial assets at fair value through profit or loss and other comprehensive income		237,543		237,543	
	Total				**613,399**			

Note 1：The transaction had been eliminated in the consolidated financial statements.

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Table 4 Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(For the six months ended June 30, 2025)

(In Thousands of New Taiwan Dollars)

			Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		
Company Name	**Counter party**	**Nature of relationship**	**Purchase/ (Sale)**	**Amount**	**Percentage of total purchases/ (sales)**	**Payment terms**	**Unit price**	**Payment Terms**	**Ending Balance**	**Percentage of total notes/accounts receivable (payable)**	**Note**
The Company	Arcadyan and its subsidiaries	The Company's subsidiaries	Sale	(537,872)	(0.2)%	Net 60 days from the end of the month of delivery	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	492,221	0.4%	(Note 2)
	CEM	Subsidiaries wholly owned by the Company	Sale	(2,160,577)	(0.6)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	1,317,406	0.9%	(Note 2)
	CIH and its subsidiaries	Subsidiaries wholly owned by the Company	Purchase	39,246,770	10.8%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(48,685,482)	(33.9)%	(Note 2)
	Just and its subsidiaries	Subsidiaries wholly owned by the Company	Purchase	3,056,528	0.8%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(3,830,874)	(2.7)%	(Note 2)
	HSI and its subsidiaries	Subsidiaries wholly owned by the Company	Purchase	44,605,808	12.3%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(8,133,131)	(5.7)%	(Note 2)
	BCI and its subsidiaries	Subsidiaries wholly owned by the Company	Purchase	7,041,310	1.9%	120 days	Markup based on BCI and its subsidiaries' cost	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(5,532,751)	(3.8)%	(Note 2)
	Arcadyan	The Company's subsidiaries	Purchase	348,225	0.1%	Net 60 days from the end of the month of delivery	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(262,543)	(0.2)%	(Note 2)
	Kinpo	Substantial related party	Purchase	19,590,363	5.4%	Net 35 days from the end of the month	Similar to non-related parties	There is no significant difference.	(4,905,859)	(3.4)%	
Just and its subsidiaries	Compal Electronic, Inc.	Parent company	Sale	(3,056,528)	(80.7)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	3,830,874	92.0%	(Note 2)
	HSI and its subsidiaries	With the same ultimate parent company	Sale	(158,528)	(2.9)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	146,760	1.7%	(Note 2)
	CTB	With the same ultimate parent company	Sale	(258,113)	(4.7)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	217,645	2.5%	(Note 2)
	UCGI	With the same ultimate parent company	Sale	(443,117)	(8.0)%	60 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	185,155	2.2%	(Note 2)
	BCI and its subsidiaries	With the same ultimate parent company	Purchase	234,906	11.6%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(214,537)	(2.2)%	(Note 2)
CIH and its subsidiaries	Compal Electronic, Inc.	Parent company	Sale	(39,246,770)	(95.5)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	48,685,482	93.2%	(Note 2)
	CEM	With the same ultimate parent company	Sale	(188,716)	(0.3)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	91,937	0.1%	(Note 2)
	CTB	With the same ultimate parent company	Sale	(104,953)	(0.2)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	58,077	0.1%	(Note 2)
	HSI and its subsidiaries	With the same ultimate parent company	Sale	(1,545,626)	(2.7)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	6,529,162	5.8%	(Note 2)
	HSI and its subsidiaries	With the same ultimate parent company	Purchase	1,324,355	0.9%	Net 60 days from the delivery	Similar to non-related parties	Adjustments will be made based on demand for funding.	(696,063)	(0.9)%	(Note 2)

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Table 4 Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(For the six months ended June 30, 2025)

(In Thousands of New Taiwan Dollars)

			Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		
Company Name	Counter party	Nature of relationship	Purchase/ (Sale)	Amount	Percentage of total purchases/ (sales)	Payment terms	Unit price	Payment Terms	Ending Balance	Percentage of total notes/accounts receivable (payable)	Note
CIH and its subsidiaries	Rayonnant Technology and its subsidiaries	With the same ultimate parent company	Purchase	137,964	0.1%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(27,219)	- %	(Note 2)
	CPM	An associate	Purchase	499,448	0.3%	120 days	Similar to non-related parties	There is no significant difference.	(245,332)	(0.3)%	
	Acbel and its subsidiaries	Substantial related party	Purchase	229,820	0.2%	120 days	Similar to non-related parties	There is no significant difference.	(170,458)	(0.2)%	
BCI and its subsidiaries	Compal Electronic, Inc.	Parent company	Sale	(7,041,310)	(96.5)%	120 days	Markup based on BCI and its subsidiaries' cost	Adjustments will be made based on demand for funding.	5,532,751	76.9%	(Note 2)
	Just and its subsidiaries	With the same ultimate parent company	Sale	(234,906)	(1.6)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	214,537	2.0%	(Note 2)
	HSI and its subsidiaries	With the same ultimate parent company	Sale	(122,808)	- %	120 days	According to markup pricing	Adjustments will be made based on demand for funding.	1,245,516	11.7%	(Note 2)
CEM	CTB	With the same ultimate parent company	Sale	(772,094)	(15.5)%	45 days	Similar to non-related parties	There is no significant difference.	339,560	15.2%	(Note 2)
	Compal Electronic, Inc.	Parent company	Purchase	2,160,577	66.2%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(1,317,406)	(74.9)%	(Note 2)
	CIH and its subsidiaries	With the same ultimate parent company	Purchase	188,716	5.8%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(91,937)	(5.2)%	(Note 2)
CTB	CEM	With the same ultimate parent company	Purchase	772,094	39.4%	120 days	According to markup pricing	There is no significant difference.	(339,560)	(28.2)%	(Note 2)
	CIH and its subsidiaries	With the same ultimate parent company	Purchase	104,953	5.3%	120 days	Similar to non-related parties	There is no significant difference.	(58,077)	(4.8)%	(Note 2)
	Just and its subsidiaries	With the same ultimate parent company	Purchase	258,113	- %	120 days	Similar to non-related parties	There is no significant difference.	(217,645)	- %	(Note 2)
UCGI	Avalue	An associate	Sale	(257,663)	(37.2)%	75 days	Similar to non-related parties	There is no significant difference.	113,201	29.5%	
	Just and its subsidiaries	With the same ultimate parent company	Purchase	443,117	82.3%	60 days	Similar to non-related parties	There is no significant difference.	(185,155)	(88.0)%	(Note 2)
Rayonnant Technology and its subsidiaries	CIH and its subsidiaries	With the same ultimate parent company	Sale	(137,964)	(56.7)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	27,219	72.3%	(Note 2)
HSI and its subsidiaries	Compal Electronic, Inc.	Parent company	Sale	(44,605,808)	(96.2)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	8,133,131	97.1%	(Note 2)
	CIH and its subsidiaries	With the same ultimate parent company	Sale	(1,324,355)	(2.8)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	696,063	2.1%	(Note 2)
	Arcadyan and its subsidiaries	With the same ultimate parent company	Sale	(502,104)	(1.0)%	Net 60 days from the end of the month of delivery	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	226,922	0.7%	(Note 2)
	Just and its subsidiaries	With the same ultimate parent company	Purchase	158,528	0.3%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(146,760)	(0.2)%	(Note 2)
	CIH and its subsidiaries	With the same ultimate parent company	Purchase	1,545,626	2.5%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(6,529,162)	(13.6)%	(Note 2)
	BCI and its subsidiaries	With the same ultimate parent company	Purchase	122,808	0.2%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(1,245,516)	(2.5)%	(Note 2)
HengHao	Avalue	An associate	Sale	(104,525)	(2.5)%	Net 30 days from the end of the month	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	31,111	1.9%	

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Table 4 Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(For the six months ended June 30, 2025)

(In Thousands of New Taiwan Dollars)

			Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		
Company Name	**Counter party**	**Nature of relationship**	**Purchase/ (Sale)**	**Amount**	**Percentage of total purchases/ (sales)**	**Payment terms**	**Unit price**	**Payment Terms**	**Ending Balance**	**Percentage of total notes/accounts receivable (payable)**	**Note**
Arcadyan	Acradyan USA	Arcadyan's subsidiary	Sale	(10,508,572)	(45.0)%	Net 120 days from delivery	-	-	460,441	(8.0)%	(Note 2)
	Acradyan AU	Arcadyan's subsidiary	Sale	(612,700)	(3.0)%	Net 60 days from the end of the month of delivery	-	-	35,160	1.0%	(Note 2)
	Acradyan Germany	Arcadyan's subsidiary	Sale	(608,571)	(3.0)%	Net 150 days from delivery	-	-	371,469	6.0%	(Note 2)
	Arcadyan Vietnam	Arcadyan's subsidiary	Purchase	3,522,613	9.0%	Net 180 days from the end of the month of delivery	According to markup pricing	-	(Note 3)	- %	(Note 1&2)
Arcadyan Vietnam	Arcadyan	With the same ultimate parent company	Sale	(3,522,613)	(100.0)%	Net 180 days from the end of the month of delivery	According to markup pricing	-	(Note 3)	- %	(Note 1&2)
	Compal Electronic, Inc.	Parent company	Purchase	537,872	3.0%	Net 60 days from the end of the month of delivery	-	-	(492,221)	(2.0)%	(Note 2)
	HSI and its subsidiaries	With the same ultimate parent company	Purchase	502,104	2.0%	Net 60 days from the end of the month of delivery	-	-	(226,922)	(1.0)%	(Note 2)
Acradyan USA	Arcadyan	With the same ultimate parent company	Purchase	10,508,572	100.0%	Net 120 days from delivery	-	-	(460,441)	(100.0)%	(Note 2)
Acradyan AU	Arcadyan	With the same ultimate parent company	Purchase	612,700	100.0%	Net 60 days from the end of the month of delivery	-	-	(35,160)	(100.0)%	(Note 2)
Acradyan Germany	Arcadyan	With the same ultimate parent company	Purchase	608,571	100.0%	Net 150 days from delivery	-	-	(371,469)	(100.0)%	(Note 2)

Note 1: The remaining balance is the net value of commissioned processing and sales of raw material.
Note 2: The transactions had been eliminated in the consolidated financial statements.
Note 3: The amount of other receivables on June 30, 2025 is 115,624 thousand dollars.

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Table 5 Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(June 30, 2025)

(In Thousands of New Taiwan Dollars)

Name of Company	Counter-party	Nature of relationship	Ending Balance	Turnover rate	Overdue		Amounts received in subsequent period		Allowance for bad debts
					Amount	Action taken			
The Company	Arcadyan and its subsidiaries	The Company's subsidiary	492,221	4.06	-	-	11,867	(Note 1)	-
The Company	Just and its subsidiaries	The Company's subsidiary	3,144,569 (Note 3)	(Note 3)	-	-	-	(Note 1)	-
The Company	HSI and its subsidiaries	The Company's subsidiary	3,073,018 (Note 3)	(Note 3)	-	-	1,787,642	(Note 1)	-
The Company	CEM	The Company's subsidiary	1,317,406	2.19			277,951	(Note 1)	-
The Company	Cal-Comp	Substantial related party	4,265,165 (Note 3)	(Note 3)	-	-	2,272,490	(Note 1)	-
Just and its subsidiaries	Compal Electronic, Inc.	Parent company	3,830,874	2.14	-	-	82,040	(Note 1)	-
Just and its subsidiaries	HSI and its subsidiaries	With the same ultimate parent company	146,760	4.28	-	-	-	(Note 1)	-
Just and its subsidiaries	CTB	With the same ultimate parent company	217,645	4.74	-	-	-	(Note 1)	-
Just and its subsidiaries	UCGI	With the same ultimate parent company	185,155	5.14	-	-	-	(Note 1)	-
CIH and its subsidiaries	Compal Electronic, Inc.	Parent company	48,685,482	1.44	-	-	46,862,575	(Note 1)	-
CIH and its subsidiaries	HSI and its subsidiaries	With the same ultimate parent company	6,529,162	0.50	-	-	-	(Note 1)	-
BCI and its subsidiaries	Compal Electronic, Inc.	Parent company	5,532,751	2.01	-	-	3,501,603	(Note 1)	-
BCI and its subsidiaries	HSI and its subsidiaries	With the same ultimate parent company	1,245,516	0.20	-	-	-	(Note 1)	-
BCI and its subsidiaries	CTB	With the same ultimate parent company	370,399	-	-	-	40,983	(Note 1)	-
BCI and its subsidiaries	Just and its subsidiaries	With the same ultimate parent company	214,537	4.38	-	-	-	(Note 1)	-
CEM	CTB	With the same ultimate parent company	339,560	2.83	-	-	158,067	(Note 1)	-
UCGI	Avalue	An associate	113,201	5.42	-	-	-	(Note 1)	-
HSI and its subsidiaries	Compal Electronic, Inc.	Parent company	8,133,131	12.63	-	-	3,951,241	(Note 1)	-
HSI and its subsidiaries	CIH and its subsidiaries	With the same ultimate parent company	696,063	7.49	-	-	-	(Note 1)	-
HSI and its subsidiaries	Arcadyan and its subsidiaries	With the same ultimate parent company	226,922	5.25	-	-	34,321	(Note 1)	-
Arcadyan	Compal Electronic, Inc.	Parent company	262,543 (Note 4)	(Note 4)	-	-	-	(Note 2)	-
Arcadyan	Arcadyan USA	Arcadyan's subsidiary	460,441	86.62	-	-	460,441	(Note 2)	-
Arcadyan	Arcadyan Vietnam	Arcadyan's subsidiary	115,624 (Note 3)	(Note 3)	-	-	-	(Note 2)	-
Arcadyan	Arcadyan Germany	Arcadyan's subsidiary	371,469	4.62	-	-	-	(Note 2)	-
CNC	Arcadyan	With the same ultimate parent company	134,634 (Note 5)	(Note 5)	-	-	-	(Note 2)	-

Note 1: Balance as of August 5, 2025.

Note 2: Balance as of July 17, 2025.

Note 3: Receivables due to purchasing on behalf of related parties.

Note 4: Accounts receivables due to sale of raw material.

Note 5: Accounts receivables due to processing raw material.

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Table 6 Business relationships and significant intercompany transactions:

(June 30, 2025)

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company name	Counter party	Relationship (Note 2)	Intercompany transactions: Accounts name	Amount	Terms	Percentage of the consolidated net revenue or total assets
0	The Company	Arcadyan and its subsidiaries	1	Sales Revenue	537,872	There is no significant difference of price to non-related parties. The credit period is net 60 days from the end of the month of delivery.	0.1%
				Accounts Receivable	492,221	〃	0.1%
0	The Company	CEM	1	Sales Revenue	2,160,577	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	0.6%
				Accounts Receivable	1,317,406	〃	0.3%
1	Just and its subsidiaries	The Company	2	Sales Revenue	3,056,528	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	0.8%
				Accounts Receivable	3,830,874	〃	1.0%
1	Just and its subsidiaries	HSI and its subsidiaries	3	Sales Revenue	158,528	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	-
				Accounts Receivable	146,760	〃	-
1	Just and its subsidiaries	CTB	3	Sales Revenue	258,113	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	0.1%
				Accounts Receivable	217,645	〃	0.1%
1	Just and its subsidiaries	UCGI	3	Sales Revenue	443,117	There is no significant difference of price to non-related parties. The credit period is net 60 days, and will be adjusted if necessary.	0.1%
				Accounts Receivable	185,155	〃	-
2	CIH and its subsidiaries	The Company	2	Sales Revenue	39,246,770	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	10.3%
				Accounts Receivable	48,685,482	〃	12.8%
2	CIH and its subsidiaries	CEM	3	Sales Revenue	188,716	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	-
				Accounts Receivable	91,937	〃	-
2	CIH and its subsidiaries	CTB	3	Sales Revenue	104,953	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	-
				Accounts Receivable	58,077	〃	-
2	CIH and its subsidiaries	HSI and its subsidiaries	3	Sales Revenue	1,545,626	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	0.4%
				Accounts Receivable	6,529,162	〃	1.7%
3	BCI and its subsidiaries	The Company	2	Sales Revenue	7,041,310	The price is based on BCI and its subsidiaries ' s operating cost. The credit period is net 120 days, and will be adjusted if necessary.	1.9%
				Accounts Receivable	5,532,751	〃	1.4%
3	BCI and its subsidiaries	Just and its subsidiaries	3	Sales Revenue	234,906	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	0.1%
				Accounts Receivable	214,537	〃	0.1%
3	BCI and its subsidiaries	HSI and its subsidiaries	3	Sales Revenue	122,808	The price is based on the operating cost. The credit period is net 120 days, and will be adjusted if necessary.	-
				Accounts Receivable	1,245,516	〃	0.3%
4	CEM	CTB	3	Sales Revenue	772,094	There is no significant difference of price to non-related parties. The credit period is net 45 days.	0.2%
				Accounts Receivable	339,560	〃	0.1%
5	UCGI	Avalue	3	Sales Revenue	257,663	There is no significant difference of price to non-related parties. The credit period is net 75 days, and will be adjusted if necessary.	0.1%
				Accounts Receivable	113,201	〃	-
6	Rayonnant and its subsidiaries	CIH and its subsidiaries	3	Sales Revenue	137,964	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	-
				Accounts Receivable	27,219	〃	-
7	HSI and its subsidiaries	The Company	2	Sales Revenue	44,605,808	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	11.8%
				Accounts Receivable	8,133,131	〃	2.1%
7	HSI and its subsidiaries	CIH and its subsidiaries	3	Sales Revenue	1,324,355	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	0.3%
				Accounts Receivable	696,063	〃	0.2%
7	HSI and its subsidiaries	Arcadyan and its subsidiaries	3	Sales Revenue	502,104	There is no significant difference of price to non-related parties. The credit period is net 60 days from the end of the month of delivery.	0.1%
				Accounts Receivable	226,922	〃	0.1%

(Continued)

Table 6 Business relationships and significant intercompany transactions:

(June 30, 2025)

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company name	Counter party	Relationship (Note 2)	Intercompany transactions: Accounts name	Amount	Terms	Percentage of the consolidated net revenue or total assets
8	HengHao	Avalue	3	Sales Revenue	104,525	There is no significant difference of price to non-related parties. The credit period is net 30 days, and will be adjusted if necessary.	-
				Accounts Receivable	31,111	〃	-
9	Arcadyan	The Company	2	Other Receivable	262,543	There is no significant difference of price to non-related parties. The credit period is net 60 days from the end of the month of delivery.	0.1%
9	Arcadyan	Arcadyan Germany	3	Sales Revenue	608,571	There is no significant difference of price to non-related parties. The credit period is net 150 days from delivery.	0.2%
				Accounts Receivable	371,469	〃	0.1%
9	Arcadyan	Arcadyan USA	3	Sales Revenue	10,508,572	There is no significant difference of price to non-related parties. The credit period is net 120 days from delivery.	2.8%
				Accounts Receivable	460,441	〃	0.1%
9	Arcadyan	Arcadyan AU	3	Sales Revenue	612,700	There is no significant difference of price to non-related parties. The credit period is net 60 days from the end of the month of delivery.	0.2%
				Accounts Receivable	35,160	〃	-
9	Arcadyan	Arcadyan Vietnam	3	Other Receivable	115,624	The credit period is net 180 days from the end of the month of delivery and depended on funding demand.	-
10	Arcadyan Vietnam	Arcadyan	3	Processing Revenue	3,522,613	The price is based on Arcadyan Vietnam’s cost.	0.9%

Note 1: The numbers filled in as follows:
1. 0 represents the Company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Transactions labeled as follows:
1. represents transactions between the parent company and its subsidiaries.
2. represents transactions between the subsidiaries and the parent company.
3. represents transactions between subsidiaries.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Table 7 The information on investees for the nine months ended June 30, 2025 (excluding information on investees in Mainland China):

(June 30, 2025)

(In Thousands of New Taiwan Dollars/ shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Ending Balance			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Value			
The Company	Kinpo & Compal Group Assets Development Corporation	Taipei City	Real estate development leasing and related management business	4,025,000	4,025,000	402,500	70%	3,974,018	(7,450)	(5,217)	(Note 2)
	Bizcom	Milpitas, USA	Warranty services and marketing of LCD TVs and notebook PCs	36,369	36,369	100	100%	475,858	11,519	13,270	(Note 2)
	Just	British Virgin Islands	Investment	1,480,509	1,480,509	48,010	100%	10,181,815	57,343	57,343	(Note 2)
	CIH	British Virgin Islands	Investment	1,787,680	1,787,680	53,001	100%	46,977,394	1,731,045	1,731,045	(Note 2)
	Panpal	Taipei City	Investment	5,171,837	5,171,837	500,000	100%	4,912,910 (Note 1)	603,933	568,817	(Note 2)
	Gempal	Taipei City	Investment	900,036	900,036	90,000	100%	1,664,601 (Note 1)	79,821	55,217	(Note 2)
	Kinpo Group Management	Taipei City	Consultation, training services, etc.	3,000	3,000	300	38%	5,318	599	224	
	Ripal	Tainan City	Manufacturing of electric appliance and audiovisual electric products	60,000	60,000	6,000	100%	103,637	(2,226)	(3,013)	(Note 2)
	Unicore	Taipei City	Management & Consultant, rental and leasing business and wholesale and retail of medical equipments	200,000	200,000	7,000	100%	61,954	(1,058)	(1,058)	(Note 2)
	Lead-Honor	Taoyuan City	Manufacturing of electric appliance and audiovisual electric products	42,000	42,000	2,772	42%	-	-	-	
	CEH	British Virgin Islands	Investment	34	34	1	100%	3,453,148	-	-	(Note 2)
	Shennona Taiwan	Taipei City	Management & Consultant, rental and leasing business, wholesale and retail sale of precision instruments and international trade	20,000	20,000	2,000	100%	13,350	(4,363)	(5,014)	(Note 2)
	Allied Circuit	Taoyuan City	Production and sales of PCB boards	475,087	395,388	10,955	20%	499,148	55,743	11,067	
	Poindus Systems	Taipei City	Design and manufacture of PCs and peripheral equipment	353,046	353,046	11,768	56%	347,617	21,941	11,097	(Note 2)
	Aco Smartcare	Hsinchu City	Wholesale and retail sale of computer software, software design services, data processing services, wholesale and retail sale of electronic materials, wholesale and retail sale of precision instruments, and biotechnology services	159,083	159,083	330,276	71%	3,303	(32,307)	(24,430)	(Note 2)
	Lipo Holding Co., Ltd.	Cayman Islands	Investment	489,450	489,450	98	49%	55,634	(91,575)	(44,872)	
	CPE	The Netherlands	Investment	197,463	197,463	6,427	100%	911,945	21,857	21,857	(Note 2)
	Starmems	Hsinchu County	R&D of MEMS microphone related products	64,650	64,650	6,465	38%	22,939	(10,428)	(3,966)	(Note 2)
	Crownpo	Taipei City	Manufacturing, processing, and selling resistor chips, networking chips, diodes, multilayer ceramic capacitors, semiconductor devices, and selling electronic products	174,797	149,547	3,739	36%	9,426	(22,057)	(7,551)	
	Hong Ji	Taipei City	Investment	1,000,000	1,000,000	100,000	100%	1,155,520	60,047	60,025	(Note 2)
	Hong Jin	Taipei City	Investment	295,000	295,000	29,500	100%	368,903	28,190	28,194	(Note 2)
	Mactech	Taichung City	Manufacturing of equipment and lighting, retailing of equipment and international trading	219,601	219,601	21,756	53%	297,878	51,864	26,631	(Note 2)
	Auscom	Austin, TX USA	R&D of notebook PC related products and components	101,747	101,747	3,000	100%	157,098	2,713	6,860	(Note 2)
	Arcadyan	Hsinchu City	R&D, manufacturing and sales of wireless network, integrated household electronics, and mobile office products	1,325,132	1,325,132	41,305	19%	2,927,443	1,344,520	252,025	(Note 2)
	FGH	British Virgin Islands	Investment	2,754,741	2,754,741	89,755	100%	3,315,129	(250,543)	(250,543)	(Note 2)
	Shennona	Delaware, USA	Medical care IOT business	48,210	48,210	-	100%	3,316	-	(3,732)	(Note 2)
	HSI	British Virgin Islands	Investment	1,346,814	1,346,814	42,700	54%	622,798	167,905	89,964	(Note 2)
	CEP	Poland	Maintenance and warranty services of notebook PCs	385,553	385,553	844	100%	190,356	(480)	(480)	(Note 2)
	CPL	Poland	Production of automotive electronic products	1,307,669	652,669	3,207	100%	1,181,594	(1,695)	(1,695)	(Note 2)
	Raypal	Taipei City	Cancerous immunocyte therapy and regenerative medicine	209,076	209,076	4,646	30%	135,633	(32,014)	(9,082)	
	ARCE	Taipei City	Biotechnology services, research & development services, intellectual property rights, wholesale of animal medication, retail sale and management advisory	158,160	158,160	44,540	20%	36,468	(76,189)	(15,677)	
	Hippo Screen	Taipei City	Management & Consultant, rental and leasing business, wholesale and retail sale of precision instruments and international trade	162,000	162,000	9,550	96%	12,849	(14,257)	(13,615)	(Note 2)
	Infinno	Hsinchu County	Manufacturing of electronic components, wholesale and retail sale of precision instruments and electronic materials	127,026	127,026	4,648	28%	10,564	(19,815)	(5,493)	
	HengHao	Taipei City	Manufacturing of PCs, computer periphery devices, and electronic components	6,019,757	6,019,757	29,015	100%	(514,935)	(204,922)	(193,091)	(Note 2)

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COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Table 7 The information on investees for the nine months ended June 30, 2025 (excluding information on investees in Mainland China):

(June 30, 2025)

(In Thousands of New Taiwan Dollars/ shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Ending Balance			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Value			
The Company	BCI	British Virgin Islands	Investment	2,636,051	2,636,051	90,820	100%	9,234,871	78,009	78,009	(Note 2)
	CBN	Hsinchu County	R&D and sales of cable modem, digital setup box, and other communication products	284,827	284,827	29,060	43%	373,269	(52,886)	(26,434)	(Note 2)
	Rayonnant Technology	Taipei City	Manufacturing and sales of PCs, computer periphery devices, and electronic components	295,000	295,000	29,500	100%	171,573	(50,505)	(50,505)	(Note 2)
	CRH	British Virgin Islands	Investment	377,328	377,328	12,500	100%	236,712	(69,555)	(69,555)	(Note 2)
	Acendant Private Equity Investment Ltd.	British Virgin Islands	Investment	943,922	943,922	31,253	35%	1,223,660	(43,187)	(14,995)	
	Etrade	British Virgin Islands	Investment	1,532,029	1,532,029	46,900	65%	(521,965)	(31,342)	(25,528)	(Note 2)
	Webtek	British Virgin Islands	Investment	3,340	3,340	100	100%	466,742	(5,688)	(5,688)	(Note 2)
	Forever	British Virgin Islands	Investment	1,575	1,575	50	100%	1,442,502	9,288	9,288	(Note 2)
	UCGI	Taipei City	Manufacturing and retail sale of computers and electronic components	689,997	689,997	20,000	100%	45,048	(10,156)	(10,183)	(Note 2)
	Palcom	Taipei City	Selling of mobile phones	100,000	100,000	10,000	100%	109,147	2,221	2,221	(Note 2)
	Avalue	New Taipei City	Manufacturing, processing, and import and export business of industrial motherboards	547,595	547,595	14,924	21%	763,203	224,599	45,469	
	CORE	British Virgin Islands	Investment	4,318,860	4,318,860	147,000	100%	8,080,740	(6,557)	(6,557)	(Note 2)
	Compal Ruifang	New Taipei City	Investing and developing businesses, such as public construction and specific zones	300,000	300,000	30,000	100%	301,854	292	292	(Note 2)
	GLB	New Taipei City	Manufacturing and wholesale of medical equipment	247,560	247,560	15,035	50%	412,145	26,560	16,783	(Note 2)
	Compal Healthcare	Taipei City	Information software services, data processing services, and electronic information supply services	20,000	20,000	4,000	100%	50,676	20,342	23,333	(Note 2)
	River Regeneration	Taipei City	Regeneration and rejuvenation of stem cell	100,020	100,020	6,000	31%	70,073	(31,682)	(8,705)	
	Genki Compal Long-Term Care Corporation Aggregate	New Taipei City	Residential elderly care services	21,915	21,915	-	49%	21,915	-	-	
	CMX	Mexcio	Production of automotive electronic products	77,997	77,997	-	100%	67,702	(12,162)	(12,150)	(Note 2)
	Precisely Printed Medical Ltd.	Kaohsiung City	Biotechnology services, research & development services	10,000	-	1,000	30%	8,041	(2,416)	(1,959)	
								106,132,537		2,288,243	
Panpal	Arcadyan	Hsinchu City	Telecommunication equipment and apparatus manufacturing, electronic parts and components manufacturing, restrained telecom radio frequency equipment and materials import and manufacturing	279,202	279,202	8,192	4%	625,376	1,344,520	Investment gain (losses) recognized by Panpal	(Note 2)
	Allied Circuit	Taoyuan City	Production and selling of PCB boards	171,229	148,263	3,157	6%	143,834	55,743	Investment gain (losses) recognized by Panpal	
	PT GLB Biotechnology Indonesia	Indonesia	Manufacturing and wholesale of medical equipment	894	894	-	1%	753	(5,645)	Investment gain (losses) recognized by Panpal	(Note 2)
	Others							(1,371,213)			(Note 2)
Gempal	Arcadyan	Hsinchu City	Telecommunication equipment and apparatus manufacturing, electronic parts and components manufacturing, restrained telecom radio frequency equipment and materials import and manufacturing	306,655	306,655	9,279	4%	733,365	1,344,520	Investment gain (losses) recognized by Gempal	(Note 2)
	Allied Circuit	Taoyuan City	Production and selling of PCB boards	78,908	53,645	3,472	6%	158,217	55,743	Investment gain (losses) recognized by Gempal	
	Others							90,312	-		(Note 2)
Hong Ji	Arcadyan	Hsinchu City	Telecommunication equipment and apparatus manufacturing, electronic parts and components manufacturing, restrained telecom radio frequency equipment and materials import and manufacturing	306,655	306,655	9,279	4%	733,365	1,344,520	Investment gain (losses) recognized by Hong Ji	(Note 2)
	Allied Circuit	Taoyuan City	Production and selling of PCB boards	17,066	10,389	918	2%	36,944	55,743	Investment gain (losses) recognized by Hong Ji	
Hong Jin	Arcadyan	Hsinchu City	Telecommunication equipment and apparatus manufacturing, electronic parts and components manufacturing, restrained telecom radio frequency equipment and materials import and manufacturing	131,942	131,942	4,609	2%	349,279	1,344,520	Investment gain (losses) recognized by Hong Jin	(Note 2)
Just	CDH (HK)	Hong Kong	Investment	1,825,317	1,825,317	62,298	100%	7,627,547	41,843	Investment gain (losses) recognized by Just	(Note 2)
	CII	British Virgin Islands	Investment	373,429	373,429	12,745	100%	366,303	(30,346)	Investment gain (losses) recognized by Just	(Note 2)
	CPI	British Virgin Islands	Investment	14,650	14,650	500	100%	14,277	(100)	Investment gain (losses) recognized by Just	(Note 2)

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COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Table 7 The information on investees for the nine months ended June 30, 2025 (excluding information on investees in Mainland China):

(June 30, 2025)

(In Thousands of New Taiwan Dollars/ shares)

				Original Investment Amount		Ending Balance					
Investor Company	Investee Company	Location	Main Businesses and Products	June 30, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Value	Net income (losses) of investee	Share of profits/losses of investee	Note
CII	Smart	British Virgin Islands	Investment	29	29	1	100%	356	(1)	Investment gain (losses) recognized by CII	(Note 2)
	MEL	U.S.A	Investment	241,256	241,256	-	100%	203,252	1,302	Investment gain (losses) recognized by CII	(Note 2)
	MTL	U.S.A	Investment	29	29	-	100%	29	-	Investment gain (losses) recognized by CII	(Note 2)
	CNA	U.S.A	Sales of servers, notebook PCs, and automotive electronic products	73,250	73,250	2,500	100%	55,074	(27,174)	Investment gain (losses) recognized by CII	(Note 2)
	CUS	U.S.A	Manufacturing and sales of servers, notebook PCs and automotive electronic products	219,750	219,750	2,500	100%	104,918	(4,297)	Investment gain (losses) recognized by CII	(Note 2)
CIH	CIH (HK)	Hong Kong	Investment	2,191,713	2,191,713	74,803	100%	46,043,303	1,684,955	Investment gain (losses) recognized by CIH	(Note 2)
	Jenpal	British Virgin Islands	Investment	215,355	215,355	7,350	100%	121,205	3,047	Investment gain (losses) recognized by CIH	(Note 2)
	PFG	British Virgin Islands	Investment	29	29	1	100%	202,182	40,018	Investment gain (losses) recognized by CIH	(Note 2)
	FWT	British Virgin Islands	Investment	436,570	436,570	14,900	100%	436,569	-	Investment gain (losses) recognized by CIH	(Note 2)
	CCM	British Virgin Islands	Investment	149,430	149,430	5,100	51%	4,966	(63)	Investment gain (losses) recognized by CIH	
HSI	IUE	British Virgin Islands	Investment	1,963,100	1,963,100	67,000	100%	1,755,877	168,897	Investment gain (losses) recognized by HSI	(Note 2)
	Goal	British Virgin Islands	Investment	372,110	372,110	12,700	100%	311,899	(992)	Investment gain (losses) recognized by HSI	(Note 2)
IUE	CVC	Vietnam	R&D, manufacturing, sales, and maintenance of notebook PCs, computer monitors, LCD TVs and electronic components	1,963,100	1,963,100	67,000	100%	1,755,877	168,897	Investment gain (losses) recognized by IUE	(Note 2)
Goal	CDM	Vietnam	Construction of and investment in infrastructure in Ba-Thien industrial district of Vietnam	372,110	372,110	12,700	100%	272,432	(992)	Investment gain (losses) recognized by Goal	(Note 2)
BCI	CMI	British Virgin Islands	Investment	2,368,026	2,368,026	80,820	100%	5,740,603	8,727	Investment gain (losses) recognized by BCI	(Note 2)
	PRI	British Virgin Islands	Investment	293,000	293,000	10,000	100%	3,494,268	69,282	Investment gain (losses) recognized by BCI	(Note 2)
CORE	BSH	British Virgin Islands	Investment	4,307,100	4,307,100	147,000	100%	8,080,740	(6,557)	Investment gain (losses) recognized by CORE	(Note 2)
BSH	Mithera	Cayman Islands	Investment	147,965	147,965	-	99%	130,373	(172)	Investment gain (losses) recognized by BSH	(Note 2)
	CIN	U.S.A	Manufaturing	531,209	238,209	1	100%	432,587	(101,057)	Investment gain (losses) recognized by BSH	(Note 2)
	HSI	British Virgin Islands	Investment	1,084,100	1,084,100	37,000	46%	1,282,427	167,905	Investment gain (losses) recognized by BSH	(Note 2)
	HHB	British Virgin Islands	Investment	175,800	175,800	9,000	16%	197,775	(157,305)	Investment gain (losses) recognized by BSH	(Note 2)
	CEV	Vietnam	R&D, manufacturing, sales, and maintenance of notebook PCs, computer monitors, LCD TVs, mobile phones, tablet PCs, smart watches, communication equipment, and other electronic products	1,758,000	1,758,000	-	100%	1,826,529	(1,908)	Investment gain (losses) recognized by BSH	(Note 2)
Forever	GIA	British Virgin Islands	Selling of mobile phones	-	-	-	100%	-	-	Investment gain (losses) recognized by Forever	(Note 2)
	CWV	Vietnam	R&D, manufacturing, sales, and maintenance of notebook PCs, computer monitors, LCD TVs and electronic components	58,600	58,600	-	100%	45,610	3,094	Investment gain (losses) recognized by Forever	(Note 2)
Webtek	Etrade	British Virgin Islands	Investment	732,500	732,500	25,000	35%	(278,460)	(31,342)	Investment gain (losses) recognized by Webtek	(Note 2)
Arcadyan	Arcadyan Holding	British Virgin Islands	Investment	1,701,027	1,701,027	47,780	100%	1,933,139	(268,760)	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan USA	U.S.A	Technology support and sales of wireless network products	23,055	23,055	1	100%	132,930	20,731	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan Germany	Germany	Technology support and sales of wireless network products	1,125	1,125	1	100%	110,422	7,575	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan Korea	Korea	Sales of wireless network products	2,879	2,879	20	100%	42,521	7,780	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Zhi-Bao	Hsinchu City	Investment	48,000	48,000	34,980	100%	294,334	(15,062)	Investment gain (losses) recognized by Arcadyan	(Note 2)
	TTI	Taipei City	R&D and sales of household digital products	308,726	308,726	25,028	61%	133,754	(14,165)	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan UK	UK	Technical support of wireless network products	1,988	1,988	50	100%	6,298	170	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan AU	Australia	Sales of wireless network products	1,161	1,161	50	100%	71,389	6,508	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan RU	Russia	Sales of wireless network products	7,672	7,672	-	100%	368	(620)	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan Turkey	Turkey	Sales of wireless network products	61,268	61,268	6,200	100%	50,426	3,724	Investment gain (losses) recognized by Arcadyan	(Note 2&4)

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
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Table 7 The information on investees for the nine months ended June 30, 2025 (excluding information on investees in Mainland China):

(June 30, 2025)

(In Thousands of New Taiwan Dollars/ shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount: June 30, 2025	Original Investment Amount: December 31, 2024	Ending Balance: Shares	Ending Balance: Percentage of Ownership	Ending Balance: Carrying Value	Net income (losses) of investee	Share of profits/losses of investee	Note
Arcadyan and Zhi-Bao	Arcadyan Brasil	Brazil	Sales of wireless network products	81,593	81,593	968	100%	(49,281)	3,704	Investment gain (losses) recognized by Arcadyan and Zhi-Bao	(Note 2)
	Arcadyan India	India	Sales of wireless network products	76,952	76,952	19,800	100%	30,066	85,811	Investment gain (losses) recognized by Arcadyan and Zhi-Bao	(Note 2)
	CBN	Hsinchu County	Sales of communication and electronic components	48,197	48,197	13,673	20%	183,974	(52,886)	Investment gain (losses) recognized by Arcadyan	(Note 2)
Arcadyan Holding	Sinoprime	British Virgin Islands	Investment	846,953	846,953	29,050	100%	1,606,820	(179,844)	Investment gain (losses) recognized by Arcadyan Holding	(Note 2)
	Arch Holding	British Virgin Islands	Investment	321,026	321,026	35	100%	453,331	(91,658)	Investment gain (losses) recognized by Arcadyan Holding	(Note 2)
TTI	Quest	Samoa	Investment	34,986	34,986	1,200	100%	7,546	(750)	Investment gain (losses) recognized by TTI	(Note 2)
Quest	Exquisite	Samoa	Investment	34,111	34,111	1,170	100%	6,735	(765)	Investment gain (losses) recognized by Quest	(Note 2)
Sinoprime	Arcadyan Vietnam	Vietnam	Manufacturing of wireless network products	845,495	845,495	-	100%	1,602,359	(179,940)	Investment gain (losses) recognized by Sinoprime	(Note 2)
Rayonnant Technology	APH	British Virgin Islands	Investment	257,454	257,454	8,651	41%	154,548	(117,691)	Investment gain (losses) recognized by Rayonnant Technology	(Note 2)
	Forming Co., Ltd.	Taoyuan City	R&D and manufacturing of electronic materials	27,300	27,300	1,820	21%	-	-	Investment gain (losses) recognized by Rayonnant Technology	(Note 2)
CRH	APH	British Virgin Islands	Investment	366,250	366,250	12,500	59%	236,712	(117,691)	Investment gain (losses) recognized by CRH	(Note 2)
APH	PEL	British Virgin Islands	Investment	92,324	92,324	3,151	100%	45,808	731	Investment gain (losses) recognized by APH	(Note 2)
	Rayonnant (HK)	Hong Kong	Investment	527,400	527,400	18,000	100%	341,201	(118,421)	Investment gain (losses) recognized by APH	(Note 2)
HHT	HHA	British Virgin Islands	Investment	1,429,235	1,429,235	46,882	100%	(1,523,990)	(133,712)	Investment gain (losses) recognized by HHT	(Note 2)
HHA	HHB	British Virgin Islands	Investment	1,373,643	1,373,643	46,882	84%	(1,327,792)	(157,305)	Investment gain (losses) recognized by HHA	(Note 2)
CBN	CBNB	Belgium	The import and export business of broad band network products and related components, as well as technical support and advisory services	6,842	6,842	20	100%	4,843	(168)	Investment gain (losses) recognized by CBN	(Note 2)
	CBNN	Netherlands	The import and export business of broad band network products and related components, as well as technical support and advisory services	7,016	7,016	20	100%	6,180	(109)	Investment gain (losses) recognized by CBN	(Note 2)
	Starmems	Taiwan	R&D of MEMS microphone related products	16,300	16,300	1,630	10%	5,784	(10,428)	Investment gain (losses) recognized by CBN	(Note 2)
FGH	Wah Yuen Technology Holding Ltd. and its subsidiaries	Mauritius	Investment	2,629,836	2,629,836	95,862	37%	3,381,169	(702,406)	Investment gain (losses) recognized by FGH	
GLB	PT GLB Biotechnology Indonesia	Indonesia	Manufacturing and wholesale of medical equipment	83,340	83,340	42	99%	75,358	(5,645)	Investment gain (losses) recognized by GLB	(Note 2)
Mactech	Taiwan Intelligent Robotics Company, Ltd.	Taipei City	Manufacturing of equipment and lighting	43,200	43,200	2,160	15%	418	(10,204)	Investment gain (losses) recognized by Mactech	
Poindus Systems	Poindus Investment	Taipei City	Investment holding	4,100	4,100	(Note 3)	100%	352	(64)	Investment gain (losses) recognized by Poindus Systems	(Note 2)
	Poindus UK	UK	Sales of PCs and peripherals	14,297	14,297	300	100%	(9,080)	113	Investment gain (losses) recognized by Poindus Systems	(Note 2)
	Adasys	Germany	Sales of PCs and peripherals	57,712	57,712	0.002	100%	(1,380)	(6,625)	Investment gain (losses) recognized by Poindus Systems	(Note 2)
	Varlink	UK	Sales of PCs and peripherals	61,590	61,590	140	100%	45,226	3,269	Investment gain (losses) recognized by Poindus Systems	(Note 2)
Varlink	EPOS	UK	Sales of PCs and peripherals	-	-	0.001	100%	-	-	Investment gain (losses) recognized by Varlink	(Note 2)

Note 1: The carrying value had been deducted $559,812 and $321,435 of the Company's stock held by Panpal and Gempal, respectively.
Note 2: The transactions had been eliminated in the consolidated financial statements.
Note 3: A limited company, therefore no number of shares.
Note 4: Arcadyan Turkey was established on May 2, 2024.

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COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
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Table 8 Information on investment in Mainland China:

(June 30, 2025)

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars / shares)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 4)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
CPC	Manufacturing and sales of monitors	1,084,100	(Note 1)	1,084,100	-	-	1,084,100	(5,154)	100%	(5,154)	2,575,542	-
CDT	Manufacturing and sales of notebook PCs, mobile phones, and Digital products	586,000	(Note 2)	586,000	-	-	586,000	21,606	100%	21,606	182,731	-
CET	Manufacturing of notebook PCs	351,600	(Note 2)	351,600	-	-	351,600	(240,221)	100%	(240,221)	4,618,196	-
CSD	Research, manufacture and sales of communication devices, mobile phones, electronic computer, smart watch, and provide related technology service	245,257	(Note 2)	(Note 3)	-	-	-	17,724	100%	18,187	3,122,081	-
FIP	Manufacturing of auto parts and accessories	367,885	(Note 2)	(Note 3)	-	-	-	(25,431)	60%	(15,259)	343,241	-
BT	Manufacturing of notebook PCs	29,300	(Note 2)	29,300	-	-	29,300	(17,422)	100%	(17,422)	(127,498)	-
CGS	Maintenance and warranty service of notebook PCs	8,175	(Note 2)	(Note 3)	-	-	-	(3,767)	100%	(3,767)	(21,134)	-
LIZ Electronics (Kunshan) Co., Ltd.	Production and processing chip resistors, ceramic capacitors, diodes, and other latest electronic components and related precision electronic equipment; selling self-produced products	937,600	(Note 1)	390,569	-	-	390,569	(69,013)	43%	(29,800)	27,689	-
LIZ Electronics (Nantong) Co., Ltd.	Research & development, and manufacturing chip components (chip resistors, ceramic chip diode; selling self-produced products and providing after-sales service. Performing wholesale and trading business of electronic components, semiconductors, special materials for electronic components, and spare parts	1,845,970	(Note 1&3)	43,071	-	-	43,071	(193,654)	44%	(85,014)	169,764	-
CIC	Manufacturing of notebook PCs	351,600	(Note 2)	351,600	-	-	351,600	164,811	100%	164,811	11,014,927	-
CPO	Manufacturing and sales of LCD TVs	354,530	(Note 1)	354,530	-	-	354,530	25,192	100%	25,192	3,088,149	-
CIT	Manufacturing of notebook PCs	703,200	(Note 2)	703,200	-	-	703,200	1,753,839	100%	1,753,839	29,763,997	-
CST	International trade and distribution of computers and electronic components	41,020	(Note 2)	41,020	-	-	41,020	1,887	100%	1,887	43,037	-
CIJ	Investment and consulting services	457,080	(Note 2)	457,080	-	-	457,080	9,598	100%	9,598	2,421,483	-
CDE	Manufacturing and sales of LCD TVs	439,500	(Note 2)	(Note 3)	-	-	-	9,089	100%	9,089	2,388,014	-
CIS	Outward investment and consulting services	2,368,026	(Note 1)	2,368,026	-	-	2,368,026	8,727	100%	8,727	5,740,603	-
CEC	R&D and manufacturing of notebook PCs, tablet PCs, digital products, network switches, wireless AP, and automobile electronic products	2,344,000	(Note 2)	(Note 3)	-	-	-	8,384	100%	8,384	5,709,588	-
CMC	Corporate management consulting, financial and tax consulting, investment consulting, and investment management consulting services	23,440	(Note 2)	(Note 3)	-	-	-	321	100%	321	24,949	-
CEQ	R&D, manufacturing and sales of notebook PCs and related components. Also provides related maintenance and warranty services	293,000	(Note 1)	293,000	-	-	293,000	69,282	100%	69,282	3,494,268	-
Compal Precision Module (Jiangsu) Co., Ltd.	Manufacturing and selling of magnesium alloy injection molding	12,306,000	(Note 2)	2,420,971	-	-	2,420,971	(288,721)	37%	(105,730)	4,687,296	-

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
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Table 8 Information on investment in Mainland China:

(June 30, 2025)

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars / shares)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 4)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Changbao Electronic Technology (Chongqing) Co., Ltd.	Production and marketing of magnesium alloy molding	1,758,000	(Note 2)	335,661	-	-	335,661	(67,573)	37%	(24,745)	478,957	-
Rayonnant (Taicang)	Manufacturing and sales of aluminum alloy and magnesium alloy products	527,400	(Note 2)	366,250	-	-	366,250	(53,985)	100%	(118,420)	341,775	-
CCI Nanjing	Manufacturing and processing of mobile phones and tablet PCs	791,100	(Note 1)	644,600	-	-	644,600	55,694	100%	55,694	(1,224,213)	-
CDCN	Manufacturing and processing of mobile phones and tablet PCs	169,940	(Note 1)	169,940	-	-	169,940	255	100%	255	64,284	-
CWCN	Manufacturing and processing of mobile phones and tablet PCs	1,435,700	(Note 1)	556,700	-	-	556,700	(88,581)	100%	(88,581)	323,736	-
Hanhelt	R&D and manufacturing of electronic communication equipment	58,600	(Note 1)	58,600	-	-	58,600	(32)	100%	(32)	2,285	-
<u>**Arcadyan**</u>												
SVA Arcadyan	R&D and sales of wireless network products	236,156	(Note 1)	391,260 (Note 7)	-	-	391,260	2,740	100%	2,740	47,843	-
CNC	Manufacturing and wireless network products	71,430	(Note 1)	321,026 (Note 8)	-	-	321,026	(115,138)	100%	(115,138)	325,428	-
THAC	Manufacturing of household electronics products	352,921	(Note 1& 9&10)	33,528	-	-	33,528	(2,294)	100%	(2,294)	18,834	-
<u>**HengHao**</u>												
HengHao Zhejiang	Production of touch panels and related components	1,435,700	(Note 2)	(Note 3)	-	-	-	(158,852)	100%	(158,852)	(1,480,617)	-
<u>**Poindus Systems**</u>												
Qijie	Sales of PCs and peripherals	29,300	(Note 1)	29,300	-	-	29,300	(719)	100%	(719)	7,409	-

(ii) Limitation on investment in Mainland China:

(In Thousands of USD)

Names of Company	Accumulated Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission of Ministry of Economic Affairs	Limitation on investment in Mainland China by Investment Commission of Ministry of Economic Affairs
The Company	15,896,334 (US$542,537) (Note 5)	23,149,637 (US$790,090)	(Note 6)
Arcadyan	745,814 (US$25,581)	1,001,066 (US$34,336)	9,113,396
HengHao	1,373,350 (US$46,872) (Note 5)	1,373,350 (US$46,872)	(Note 12)
Poindus Systems	29,300 (US$1,000)	29,300 (US$1,000)	332,507

Note 1： Indirectly investment in Mainland China through companies registered in the third region.

Note 2： Indirectly investment in Mainland China through an existing company registered in the third region.

Note 3： Investees held by Kunshan Botai Electronics Co., Ltd. (“BT”), Compal Investment (Jiansu) Co., Ltd. (“CIJ”), Compal Electronic (Sichuan) Co., Ltd. (“CIS”), Compal Electronics (China) Co., Ltd. (“CPC”) and Compal Smart Device (Chongqing) Co., Ltd. (“CSD”) through their own funds.

Note 4： The investment income (loss), except for Compal Precision Module (Jiangsu) Co., Ltd., was determined based on the financial report reviewed by the CPAs.

Note 5： Including the investment amount of sold or dissolved companies, including Beijing Compower Xuntong Electronic Technology Co., Ltd., VAP Optoelectronics (NanJing) Corp., Flextronics Technology (Shanghai) Ltd., Lucom, LCFC (HeFei) Electronics Technology Co., Ltd. and the increased investment amount form merging with Compal Communication Co., Ltd.

Note 6： As the Company has obtained the certificate of being qualified for operating headquarters, issued by Industrial Development Bureau, MOEA, the upper limit on investment in mainland China is not applicable.

Note 7： Arcadyan paid US$18,420 thousand and acquired 100% shares of SVA Arcadyan from Accton Asia through Arcadyan Holding in 2010.

Note 8： Arcadyan paid US$8,561 thousand and acquired 100% shares of CNC from Just through Arcadyan Holding in 2007.

Note 9： Arcadyan’s subsidiary, TTI, obtained the control over THAC with US$1,150 thousand on February 28, 2013 (the date of stock transferring).

Note 10： Arcadyan’s subsidiary, TTI, increase the capital of THAC by accounts receivable of TTI amounting to US$8,755 thousands on August 16, 2023.

Note 11： The amounts in New Taiwan Dollars were translated at the exchange rates at the balance sheet date or the average exchange rate.

Note 12： The net equity of HengHao is negative at June 30, 2025.

Note 13： HengHao Kunshan merged with HengHao Zhejiang through an absorption merger in November 2024, with HengHao Zhejiang being the sole surviving company.

(iii) Significant transactions:

For the nine months ended June 30, 2025, the significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.