Stock Code:2324

COMPAL ELECTRONICS, INC.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Three Months Ended March 31, 2026 and 2025

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 March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2026 and 2025, 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 $21,412,553 thousand and $43,144,108 thousand, constituting 4.7% and 9.9% of consolidated total assets as of March 31, 2026 and 2025, respectively, total liabilities amounting to $5,205,076 thousand and $16,113,002 thousand, constituting 1.7% and 5.6% of consolidated total liabilities as of March 31, 2026 and 2025, respectively, and the absolute value of total comprehensive income (loss) amounting to $(115,512) thousand and $(55,041) thousand, constituting 2.7% and 2.5% of consolidated total comprehensive income (loss) 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 March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and 2025 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)
May 12, 2026

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

March 31, 2026, December 31, 2025, and March 31, 2025

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2026		December 31, 2025		March 31, 2025	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (Note (6)(a))	$ 84,569,615	18.7	83,290,346	19.0	83,502,479	19.3
1110	Current financial assets at fair value through profit or loss (Note (6)(b))	38,231	-	4,254	-	494	-
1135	Current financial assets for hedging (Note (6)(d))	59,071	-	13,181	-	-	-
1136	Current financial assets at amortized cost (Note (6)(e))	8,133,334	1.8	8,932,902	2.0	5,214,134	1.2
1170	Notes and accounts receivable, net (Notes (6)(f) and (6)(v))	164,817,524	36.4	168,427,990	38.4	176,238,489	40.6
1180	Notes and accounts receivable due from related parties, net (Notes (6)(f), (6)(v) and (7))	4,874,356	1.1	6,238,925	1.4	4,724,035	1.1
1200	Other receivables, net (Notes (6)(z) and (7))	783,950	0.2	1,051,807	0.2	2,469,186	0.6
1310	Inventories (Notes (6)(g) and (8))	99,647,366	22.0	84,686,249	19.3	78,483,550	18.1
1470	Other current assets (Note (8))	9,616,085	2.1	8,159,491	1.9	6,088,510	1.4
		372,539,532	82.3	360,805,145	82.2	356,720,877	82.3
	Non-current assets:						
1550	Investments accounted for using equity method (Notes (6)(h) and (7))	7,261,343	1.6	7,303,258	1.7	7,361,427	1.7
1510	Non-current financial assets at fair value through profit or loss (Note (6)(b))	3,240,582	0.7	2,412,526	0.5	2,436,591	0.6
1517	Non-current financial assets at fair value through other comprehensive income (Notes (6)(c) and 6(j))	14,998,437	3.3	14,672,965	3.3	16,421,215	3.8
1600	Property, plant and equipment (Notes (6)(l), (6)(m) and (8))	32,248,270	7.1	31,659,201	7.2	30,568,876	7.0
1755	Right-of-use assets (Notes (6)(m) and (8))	15,093,400	3.3	15,158,612	3.5	13,200,397	3.0
1780	Intangible assets	1,648,043	0.4	1,555,262	0.4	1,688,239	0.4
1840	Deferred tax assets	2,930,065	0.7	2,961,156	0.7	2,927,693	0.7
1990	Other non-current assets (Note (8))	2,474,262	0.6	2,379,152	0.5	2,287,967	0.5
		79,894,402	17.7	78,102,132	17.8	76,892,405	17.7
	Total assets	$ 452,433,934	100.0	438,907,277	100.0	433,613,282	100.0

		March 31, 2026		December 31, 2025		March 31, 2025	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (Notes (6)(f) and (6)(n))	$ 55,846,516	12.3	66,948,717	15.3	52,789,625	12.2
2120	Current financial liabilities at fair value through profit or loss (Note (6)(b))	286,268	0.1	84,867	-	222,755	-
2125	Current financial liabilities for hedging (Note (6)(d))	6,694	-	2,870	-	42,761	-
2130	Current contract liabilities (Note (6)(v))	12,127,216	2.7	5,687,601	1.3	4,479,977	1.0
2170	Notes and accounts payable	156,493,326	34.6	137,664,189	31.4	136,655,839	31.5
2180	Notes and accounts payable to related parties (Note (7))	4,620,088	1.0	8,328,129	1.9	7,876,471	1.8
2200	Other payables (Note (7))	26,188,095	5.8	27,883,282	6.3	26,772,664	6.2
2216	Dividends payable	6,122,125	1.4	40	-	7,207,701	1.7
2230	Current tax liabilities	8,524,204	1.9	7,819,580	1.8	7,825,890	1.8
2280	Current lease liabilities (Note (6)(p))	1,987,718	0.4	2,095,472	0.5	1,985,017	0.5
2300	Other current liabilities	4,854,642	1.1	5,056,907	1.2	5,319,385	1.2
2365	Current refund liabilities	3,118,446	0.7	3,044,831	0.7	3,060,459	0.7
2322	Long-term borrowings, current portion (Note (6)(o))	4,868,384	1.1	4,005,191	0.9	12,212,175	2.8
		285,043,722	63.1	268,621,676	61.3	266,450,719	61.4
	Non-Current liabilities:						
2540	Long-term borrowings (Note (6)(o))	11,898,445	2.6	11,940,112	2.7	11,046,149	2.6
2570	Deferred tax liabilities	2,481,082	0.5	2,464,104	0.6	2,791,335	0.7
2580	Non-current lease liabilities (Note (6)(p))	6,068,578	1.3	7,330,704	1.7	5,256,384	1.2
2640	Non-current net defined benefit liability	472,801	0.1	480,103	0.1	525,326	0.1
2670	Non-current liabilities, others	560,581	0.1	393,670	0.1	401,080	0.1
		21,481,487	4.6	22,608,693	5.2	20,020,274	4.7
	Total liabilities	306,525,209	67.7	291,230,369	66.5	286,470,993	66.1
	Equity:						
	Equity attributable to owners of parent (Note (6)(s)):						
3110	Ordinary share	44,071,466	9.7	44,071,466	10.0	44,071,466	10.2
3200	Capital surplus	3,847,384	0.9	3,681,169	0.8	3,610,035	0.8
3300	Retained earnings	75,427,035	16.7	78,307,765	17.8	74,291,106	17.1
3400	Other equity interest	8,425,671	1.9	6,628,737	1.5	12,710,181	2.9
3500	Treasury shares	(881,247)	(0.2)	(881,247)	(0.2)	(881,247)	(0.2)
		130,890,309	29.0	131,807,890	29.9	133,801,541	30.8
36XX	**Non-controlling interests**	15,018,416	3.3	15,869,018	3.6	13,340,748	3.1
	Total equity	145,908,725	32.3	147,676,908	33.5	147,142,289	33.9
	Total liabilities and equity	$ 452,433,934	100.0	438,907,277	100.0	433,613,282	100.0

See accompanying notes to consolidated financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2026 and 2025

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

		For the three months ended March 31			
		2026		2025	
		Amount	%	Amount	%
4000	**Net sales revenue** (Notes (6)(v) and (7))	$ 201,303,536	100.0	199,097,957	100.0
5000	**Cost of sales** (Notes (6)(g), (6)(q), (7) and (12))	190,706,041	94.7	188,654,464	94.8
	Gross profit	10,597,495	5.3	10,443,493	5.2
	Operating expenses: (Notes (6)(q) and (12))				
6100	Selling expenses	1,556,495	0.8	1,500,367	0.7
6200	Administrative expenses	1,486,247	0.7	1,308,952	0.6
6300	Research and development expenses	4,910,669	2.5	4,927,979	2.5
		7,953,411	4.0	7,737,298	3.8
	Net operating income	2,644,084	1.3	2,706,195	1.4
	Non-operating income and expenses:				
7100	Interest income (Note (6)(x))	809,404	0.4	745,895	0.4
7210	Other gains and losses, net (Notes (6)(j), (6)(x) and (6)(z))	439,245	0.2	824,639	0.4
7050	Finance costs (Note (6)(p))	(550,154)	(0.3)	(740,783)	(0.4)
7190	Other income (Note (6)(x))	26,780	-	91,320	-
7590	Miscellaneous disbursements	(13,978)	-	(16,029)	-
7770	Share of profit (loss) of associates and joint ventures accounted for using equity method (Note (6)(h))	(264,785)	(0.1)	(184,314)	(0.1)
	Total non-operating income and expenses	446,512	0.2	720,728	0.3
7900	**Profit from continuing operations before tax**	3,090,596	1.5	3,426,923	1.7
7950	**Less: Income tax expenses** (Note (6)(r))	699,988	0.3	788,332	0.4
	Profit	2,390,608	1.2	2,638,591	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	(1,675)	-	1,574	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Note6(c))	96,811	-	(7,217,492)	(3.6)
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	3,044	-	(19,858)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note (6)(r))	44,707	-	(1,299,978)	(0.7)
	Components of other comprehensive income that will not be reclassified to profit or loss	53,473	-	(5,935,798)	(2.9)
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	1,591,365	0.8	1,073,570	0.5
8368	Gains (losses) on hedging instrument (Note (6)(y))	42,066	-	(42,761)	-
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	166,799	0.1	74,019	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note (6)(r))	7,284	-	(7,879)	-
	Components of other comprehensive income that will be reclassified to profit or loss	1,792,946	0.9	1,112,707	0.5
8300	**Other comprehensive income (after tax)**	1,846,419	0.9	(4,823,091)	(2.4)
8500	**Total comprehensive income**	**$ 4,237,027**	**2.1**	**(2,184,500)**	**(1.1)**
	Profit, attributable to:				
8610	Profit, attributable to owners of parent	$ 1,967,195	1.0	2,191,229	1.1
8620	Profit, attributable to non-controlling interests	423,413	0.2	447,362	0.2
		$ 2,390,608	**1.2**	**2,638,591**	**1.3**
	Comprehensive income attributable to:				
8710	Comprehensive income (loss), attributable to owners of parent	$ 3,764,065	1.9	(2,630,258)	(1.3)
8720	Comprehensive income (loss), attributable to non-controlling interests	472,962	0.2	445,758	0.2
		$ 4,237,027	**2.1**	**(2,184,500)**	**(1.1)**
	Earnings per share (Note (6)(u))				
9750	**Basic earnings per share**	**$ 0.45**		**0.50**	
9850	**Diluted earnings per share**	**$ 0.45**		**0.50**	

See accompanying notes to consolidated financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the three months ended March 31, 2026 and 2025
(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, 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 three months ended March 31, 2025	-	-	-	-	2,191,229	2,191,229	-	-	-	-	-	2,191,229	447,362	2,638,591
Other comprehensive income	-	-	-	-	-	-	1,123,179	(5,933,386)	(11,280)	(4,821,487)	-	(4,821,487)	(1,604)	(4,823,091)
Total comprehensive income	-	-	-	-	2,191,229	2,191,229	1,123,179	(5,933,386)	(11,280)	(4,821,487)	-	(2,630,258)	445,758	(2,184,500)
Appropriation and distribution of retained earnings:														
Cash dividends of ordinary share	-	-	-	-	(6,170,005)	(6,170,005)	-	-	-	-	-	(6,170,005)	-	(6,170,005)
Changes in equity of associates and joint ventures accounted for using equity method	-	65,930	-	-	2,636	2,636	-	(2,636)	-	(2,636)	-	65,930	-	65,930
Adjustments of capital surplus for cash dividends received by subsidiaries	-	70,024	-	-	-	-	-	-	-	-	-	70,024	-	70,024
Others	-	1,140	-	-	-	-	-	-	-	-	-	1,140	-	1,140
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	54,027	54,027	-	(54,027)	-	(54,027)	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(1,106,082)	(1,106,082)
Balance at March 31, 2025	**$ 44,071,466**	**3,610,035**	**24,012,325**	**387,294**	**49,891,487**	**74,291,106**	**5,326,986**	**7,394,475**	**(11,280)**	**12,710,181**	**(881,247)**	**133,801,541**	**13,340,748**	**147,142,289**
Balance at January 1,2026	$ 44,071,466	3,681,169	25,019,546	-	53,288,219	78,307,765	415,454	6,210,563	2,720	6,628,737	(881,247)	131,807,890	15,869,018	147,676,908
Profit for the three months ended March 31, 2026	-	-	-	-	1,967,195	1,967,195	-	-	-	-	-	1,967,195	423,413	2,390,608
Other comprehensive income	-	-	-	-	(64)	(64)	1,730,958	54,879	11,097	1,796,934	-	1,796,870	49,549	1,846,419
Total comprehensive income	-	-	-	-	1,967,131	1,967,131	1,730,958	54,879	11,097	1,796,934	-	3,764,065	472,962	4,237,027
Appropriation and distribution of retained earnings:														
Cash dividends of ordinary share	-	-	-	-	(4,847,861)	(4,847,861)	-	-	-	-	-	(4,847,861)	-	(4,847,861)
Changes in ownership interests in subsidiaries	-	265	-	-	-	-	-	-	-	-	-	265	-	265
Changes in equity of associates and joint ventures accounted for using equity method	-	110,931	-	-	-	-	-	-	-	-	-	110,931	-	110,931
Adjustments of capital surplus for cash dividends received by subsidiaries	-	55,019	-	-	-	-	-	-	-	-	-	55,019	-	55,019
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(1,323,564)	(1,323,564)
Balance at March 31, 2026	**$ 44,071,466**	**3,847,384**	**25,019,546**	**-**	**50,407,489**	**75,427,035**	**2,146,412**	**6,265,442**	**13,817**	**8,425,671**	**(881,247)**	**130,890,309**	**15,018,416**	**145,908,725**

See accompanying notes to consolidated financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2026	2025
Cash flows from (used in) operating activities:		
Profit before tax	$ 3,090,596	3,426,923
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization	1,818,469	1,759,244
Expected credit loss (gain on reversal)	4,687	(23,195)
Net gain on financial assets or liabilities at fair value through profit or loss	(140,920)	(237,740)
Finance cost	550,154	740,783
Interest income	(809,404)	(745,895)
Dividend income	(16,975)	(14,456)
Compensation cost of share-based payments	2,225	-
Share of loss of associates and joint ventures accounted for using equity method	264,785	184,314
(Gain) losses on disposal of property, plant and equipment	(14,948)	1,431
Gain on disposal of investments	(155,521)	-
Gain on lease modification	(363)	(371)
Total adjustments to reconcile profit	1,502,189	1,664,115
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in financial assets at fair value through profit or loss	(33,977)	144,638
Decrease in notes and accounts receivable	4,968,534	19,860,109
Decrease in other receivable	419,237	546,386
(Increase) decrease in inventories	(14,961,117)	6,348,405
Increase in other current assets	(1,155,832)	(120,441)
(Increase) decrease in other non-current assets	(110,739)	63,151
Total changes in operating assets	(10,873,894)	26,842,248
Changes in operating liabilities:		
Increase in financial liabilities at fair value through profit or loss	201,401	222,755
Increase in contract liabilities	6,439,615	366,439
Increase (decrease) in notes and accounts payable	15,121,096	(14,200,402)
Decrease in other payables	(1,525,327)	(3,116,179)
Increase (decrease) in refund liabilities	73,615	(612,092)
(Decrease) increase in other current liabilities	(202,265)	339,716
Others	(8,977)	(7,751)
Total changes in operating liabilities	20,099,158	(17,007,514)
Total changes in operating assets and liabilities	9,225,264	9,834,734
Total adjustments	10,727,453	11,498,849
Cash inflow generated from operations	13,818,049	14,925,772
Interest received	726,552	1,220,489
Dividends received	16,975	14,456
Interest paid	(549,420)	(1,028,951)
Income taxes paid	(415)	(164,894)
Net cash flows from operating activities	14,011,741	14,966,872
Cash flows from (used in) investing activities:		
Decrease (increase) in financial assets at amortised cost	799,944	(110,282)
Acquisition of financial assets at fair value through profit or loss and through other comprehensive income	(672,688)	(522,677)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	109,677
Acquisition of investments accounted for using equity method	-	(134,605)
Acquisition of property, plant and equipment	(2,500,168)	(1,545,520)
Proceeds from disposal of property, plant and equipment	18,184	39,164
Acquisition of intangible assets	(170,148)	(82,572)
(Increase) decrease in restricted assets	(284,403)	311,429
Others	15,267	(41,377)
Net cash flows used in investing activities	(2,794,012)	(1,976,763)
Cash flows from (used in) financing activities:		
Decrease in short-term borrowings	(11,102,201)	(5,110,776)
Proceeds from long-term borrowings	3,425,000	11,492,449
Repayments of long-term borrowings	(2,603,474)	(14,772,276)
Payment of lease liabilities	(1,659,519)	(1,539,779)
Others	166,931	(83,312)
Net cash flows used in financing activities	(11,773,263)	(10,013,694)
Effect of exchange rate changes on cash and cash equivalents	1,834,803	1,578,182
Net increase in cash and cash equivalents	1,279,269	4,554,597
Cash and cash equivalents at beginning of period	83,290,346	78,947,882
Cash and cash equivalents at end of period	$ **84,569,615**	**83,502,479**

See accompanying notes to consolidated financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2026 and 2025

(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 May 12, 2026.

(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, 2026:

- 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)

(b) 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 Note:On September 25, 2025, the FSC issued a press release announcing that IFRS 18 will be adopted in Taiwan since 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

(Continued)

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” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(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, 2025. For related information, please refer to note (4) of the consolidated financial statement for the year ended December 31, 2025.

(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, 2025. For related information, please refer to note (4)(c) of the consolidated financial statement for the year ended December 31, 2025.

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

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

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership March 31, 2026	Percentage of ownership December 31, 2025	Percentage of ownership March 31, 2025	Description
The Company	Panpal Technology Corp. (“Panpal”)	Investment	100%	100%	100%	Panpal held 31,648 thousand shares of the Company as of March 31, 2026, 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 March 31, 2026, 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%	

(Continued)

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

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership March 31, 2026	Percentage of ownership December 31, 2025	Percentage of ownership March 31, 2025	Description
The Company	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%	96%	
〃	Shennona Co., Ltd. (“Shennona TW”)	〃	100%	100%	100%	
〃	Aco Healthcare Co., Ltd. (“Aco Healthcare”)	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	83%	83%	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%	(Note 4)
〃	Fusionite Corporation (“Fusionite”)	R&D, manufacturing and sales of servers products	100%	100%	-	Fusionite was established in July 2025.
〃	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)

(Continued)

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

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership March 31, 2026	Percentage of ownership December 31, 2025	Percentage of ownership March 31, 2025	Description
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%	
〃	Core Profit Holdings Limited (“CORE”)	〃	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.
〃	Compal USA Holding Inc. (“CUH”)	Investment	100%	100%	-	CUH was established in August 2025.
〃	Trifecta Sense Holding Inc.(“Trifecta”)	〃	100%	-	-	Trifecta was established in January 2026.
CUH	Compal USA Technology Inc. (“CUT”)	R&D, manufacturing and sales of servers products	100%	100%	-	CUT was established in August 2025.
Trifecta	Sylux Inc. (“Sylux”)	Infrared Technology Services	100%	-	-	Sylux was established in January 2026.
Panpal	Compal Technologia Do Brasil Ltda. (“CTB”)	Manufacturing of notebook PCs and other electronic products	100%	100%	100%	(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 of mobile phones	100%	100%	100%	
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%	

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
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Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership March 31, 2026	December 31, 2025	March 31, 2025	Description
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%	
〃	JOINWIN Intelligent Technology (Suzhou) Co., Ltd. (“JIT”)	AI application software development	100%	100%	-	JIT was established in June 2025.
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%	
〃	Mexcom Technologies, LLC (“MTL”)	〃	100%	100%	100%	
〃	Compal Electronics N.A. Inc. (“CNA”)	Sales of servers, notebook PCs, and automotive electronic products	100%	100%	100%	
The Company and CII	Compal Americas (US) Inc. (“CUS”)	Manufacturing and 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%	

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
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Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership March 31, 2026	December 31, 2025	March 31, 2025	Description
CIH (HK)	Compal Electronics Technology (Kunshan) Co., Ltd. ("CET")	Manufacturing of notebook PCs and other electronic products	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%	
〃	Poindus Systems Corp, Ltd. ("Poindus Systems")	Sales of PCs and computer periphery devices	56%	56%	56%	

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
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Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership March 31, 2026	Percentage of ownership December 31, 2025	Percentage of ownership March 31, 2025	Description
Poindus Systems	Poindus Investment Co., Ltd. (“Poindus Investment”)	Investment	100%	100%	100%	Poindus Investment had resolved its dissolution and liquidation in December 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%	100%	
Varlink	EPOS Distributor Limited (“EPOS”)	〃	100%	100%	100%	
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%	CDCN had resolved its dissolution and liquidation in January 2026.
〃	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%	Hanhelt had resolved its dissolution and liquidation in January 2026.
〃	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%	CWV had resolved its dissolution and liquidation in November 2025.

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
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Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership March 31, 2026	December 31, 2025	March 31, 2025	Description
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)
〃	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 and 3)
〃	Arcadyan Turkey Technology and Trade Joint Stock Company ("Arcadyan Turkey")	Sales of wireless network product	100%	100%	100%	(Note 2 and 3)
〃	Arcadyan Technology Japan Co., Ltd. ("Arcadyan Japan")	〃	100%	100%	-	Arcadyan Japan was established in November 2025. (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%	
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	62%	62%	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%	

(Continued)

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

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership March 31, 2026	Percentage of ownership December 31, 2025	Percentage of ownership March 31, 2025	Description
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 and 3)
〃	Arch Holding (BVI) Corp. (“Arch Holding”)	Investment	100%	100%	100%	(Note 2 and 3)
Arch Holding	Compal Networking (Kunshan) Co., Ltd. (“CNC”)	Manufacturing of wireless network products	100%	100%	100%	(Note 2 and 3)
Sinoprime	Arcadyan Technology (Vietnam) Co., Ltd. (“Arcadyan Vietnam”)	〃	100%	100%	100%	
TTI	Quest International Group Co., Ltd. (“Quest”)	Investment	100%	100%	100%	(Note 2 and 3)
Quest	Exquisite Electronic Co., Ltd. (“Exquisite”)	Investment	100%	100%	100%	(Note 2 and 3)
TTI and Exquisite	Tatung Home Appliances (Wujiang) Co., Ltd. (“THAC”)	Manufacturing of household digital electronic products	100%	100%	100%	(Note 2 and 3)
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 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%	

(Continued)

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Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership March 31, 2026	Percentage of ownership December 31, 2025	Percentage of ownership March 31, 2025	Description
Rayonnant Technology (Taicang)	Shanghai Ruixingfu Intelligent Technology Co., Ltd. (“Ruixingfu”)	Wholesale of hardware products, wholesale and manufacturing of electronic components. Also provides related technical services.	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 (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%	

(Continued)

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 March 31, 2026 had not been reviewed by CPA.

Note 3: The financial statements of the subsidiary as of March 31, 2025 had not been reviewed by CPA.

Note 4: The Company's Board of Directors resolved on October 13, 2025, to exchange all shares of Compal Healthcare for the shares issued by Smart Ageing Tech Co., Ltd. ("Smart Ageing Tech"). The effective date was January 1, 2026.

(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, 2025.

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

(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, 2025. Please refer to the note (6) of the consolidated financial statements for the year ended December 31, 2025 and for other related information.

(a) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	$ 20,997	16,452	17,540
Checking accounts and demand deposits	28,680,571	20,738,717	20,708,069
Time deposits	54,488,079	59,265,948	59,165,683
Cash equivalents	1,379,968	3,269,229	3,611,187
	$ 84,569,615	**83,290,346**	**83,502,479**

As of March 31, 2026, December 31 and March 31, 2025, the time deposits with original maturities of more than 3 months, amounting to $8,123,370, 8,922,938 and 5,214,134, 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

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Stock listed in domestic markets	$ 182,645	187,925	148,390
Fund in domestic or foreign markets	2,930,634	2,066,817	1,756,169
Derivative instruments not used for hedging			
Foreign exchange contracts	38,231	4,254	494
Foreign warrants	127,303	157,784	532,032
Total	**$ 3,278,813**	**2,416,780**	**2,437,085**
Current	$ 38,231	4,254	494
Non-current	3,240,582	2,412,526	2,436,591
	$ 3,278,813	**2,416,780**	**2,437,085**

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
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		March 31, 2026	December 31, 2025	March 31, 2025
Financial liabilities held-for-trading:				
Derivative instruments not used for hedging				
Foreign exchange contracts	$	286,268	84,867	213,348
Swap contracts		-	-	9,407
Total	$	**286,268**	**84,867**	**222,755**

The Group enters into derivative instruments to hedge its exposure to foreign currency risk 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:

	March 31, 2026			
	Contract amount (in thousands)		Currency	Maturity date
Derivative financial assets:				
Foreign exchange contracts:				
Forward exchange sold	EUR	13,000	EUR to USD	April 14 ~ June 12, 2026
Forward exchange sold	AUD	4,000	AUD to USD	April 29 ~ May 28, 2026
Forward exchange purchased	USD	80,000	USD to THB	April 17 ~ April 27, 2026
Derivative financial liabilities:				
Foreign exchange contracts:				
Forward exchange purchased	USD	164,500	USD to BRL	April 2 ~ July 24, 2026
Forward exchange sold	AUD	5,000	AUD to USD	April 14 ~ April 29, 2026
Forward exchange sold	USD	79,871	USD to THB	April 17 ~ April 27, 2026

	December 31, 2025			
	Contract amount (in thousands)		Currency	Maturity date
Derivative financial assets:				
Foreign exchange contracts:				
Forward exchange sold	EUR	16,000	EUR to USD	January 29 ~ April 14, 2026
Derivative financial liabilities:				
Foreign exchange contracts:				
Forward exchange purchased	USD	163,500	USD to BRL	January 2 ~ May 14, 2026
Forward exchange sold	EUR	7,000	EUR to USD	January 14 ~ May 14, 2026
Forward exchange sold	EUR	7,000	EUR to TWD	January 29 ~ March 30, 2026
Forward exchange sold	AUD	17,000	AUD to USD	January 29 ~ April 14, 2026

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
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	March 31, 2025			
	Contract amount (in thousands)		Currency	Maturity date
Derivative financial assets:				
Foreign exchange contracts:				
Forward exchange sold	EUR	5,000	EUR to USD	September 12 ~ October 14, 2025
Derivative financial liabilities:				
Foreign exchange contracts:				
Forward exchange purchased	USD	11,448	USD to INR	April 15 ~ May 15, 2025
Forward exchange purchased	USD	160,800	USD to BRL	April 1 ~ September 29, 2025
Forward exchange sold	EUR	18,200	USD to RUB	April 4 ~ September 12, 2025
Swap contracts:				
Currency swap	USD	30,000	USD to TWD	April 23 ~ April 29, 2025

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

As of March 31, 2026, December 31 and March 31, 2025, the Group did not provide any aforementioned financial assets as collaterals for its loans.

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

	March 31, 2026	December 31, 2025	March 31, 2025
Equity investments at fair value through other comprehensive income:			
Stock listed in domestic markets	$ 5,535,114	5,650,208	5,502,144
Stock listed in foreign markets	7,319,997	7,040,252	8,959,099
Stock unlisted in domestic markets	1,963,419	1,836,575	1,733,562
Stock unlisted in foreign markets	179,907	145,930	226,410
Total	**$ 14,998,437**	**14,672,965**	**16,421,215**

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.

There were no disposals of investments and transfers of any cumulative gain or loss within equity relating to these investments for the three months ended March 31, 2026.

For the three months ended March 31, 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 sold upon disposal amounted to $109,677, resulting in a cumulative gain of $54,027, which was reclassified from other equity to retained earnings.

For the three months ended March 31, 2026 and 2025, the Group had recognized the gain of $96,811 and the loss of $7,217,492, respectively, as unrealized gain or loss on financial assets measured at fair value through other comprehensive income, which were recognized in other comprehensive income.

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
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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 three months ended March 31, 2026 and 2025, will be $749,922 and $821,061, 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 March 31, 2026, December 31 and March 31, 2025, 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:

	March 31, 2026	December 31, 2025	March 31, 2025
Cash flow hedge:			
Financial assets used for hedging:			
Forward exchange contracts	$ 59,071	13,181	-
Financial liabilities used for hedging:			
Forward exchange contracts	$ 6,694	2,870	42,761

(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.

As of March 31, 2026, December 31 and March 31, 2025, the details related to the items designated as hedge instruments were as follows:

	March 31, 2026			
	Contract amount (in thousands)	Currency	Maturity period	Average strike price
Derivative financial assets used for hedging				
Forward exchange sold	EUR 40,000	EUR to USD	April 29 ~ December 30, 2026	1.1978
Forward exchange sold	AUD 3,000	AUD to USD	July 30, 2026	0.7099
Derivative financial liabilities used for hedging				
Foreign exchange contracts:				
Forward exchange sold	AUD 11,000	AUD to USD	April 29 ~ June 29, 2026	0.6664

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COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
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	December 31, 2025			
	Contract amount (in thousands)	**Currency**	**Maturity period**	**Average strike price**
Derivative financial assets used for hedging				
Foreign exchange contracts:				
Forward exchange sold	EUR 41,000	EUR to USD	January 29 ~ December 30, 2026	1.1912
Forward exchange sold	AUD 9,000	AUD to USD	January 29 ~ June 29, 2026	0.6710
Derivative financial liabilities used for hedging				
Foreign exchange contracts:				
Forward exchange sold	AUD 12,000	AUD to USD	January 29 ~ June 29, 2026	0.6607

	March 31, 2025			
	Contract amount (in thousands)	**Currency**	**Maturity period**	**Average strike price**
Derivative financial liabilities used for hedging				
Foreign exchange contracts:				
Forward exchange sold	EUR 54,000	EUR to USD	April 29 ~ December 30, 2025	1.0673

(iii) For the three months ended March 31, 2026 and 2025, the ineffective portions of cash flow hedge recognized in profits (losses) amounted to profits of $1,206 and $0, respectively, recorded as “other gains and losses, net”.

(iv) For the three months ended March 31, 2026 and 2025, 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).

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(e) Financial assets at amortized costs

	March 31, 2026	December 31, 2025	March 31, 2025
Time deposits with original maturities of more than 3 months	$ 8,123,370	8,922,938	5,214,134
Bond investments	9,964	9,964	-
Total	**$ 8,133,334**	**8,932,902**	**5,214,134**

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 three months ended March 31, 2026, December 31 and March 31, 2025, the interest rate range for the aforementioned financial assets was between 0.67%~2.58%, 0.67%~2.58% and 0.67%~3.85%, respectively.

As of March 31, 2026, December 31 and March 31, 2025, the Group did not provide any aforementioned financial assets as collaterals for its loans.

(f) Notes and accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivables from operating activities	$ 6,462	5,974	120,654
Accounts receivables – measured at amortized cost	153,959,750	164,178,087	152,736,061
Accounts receivables – fair value through other comprehensive income	19,749,859	14,500,544	32,119,787
	173,716,071	178,684,605	184,976,502
Less: allowance for uncollectible accounts	(4,024,191)	(4,017,690)	(4,013,978)
	$ 169,691,880	**174,666,915**	**180,962,524**
Notes and accounts receivable, net	**$ 164,817,524**	**168,427,990**	**176,238,489**
Notes and accounts receivable – related parties, net	**$ 4,874,356**	**6,238,925**	**4,724,035**

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.

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

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

March 31, 2026				
Credit rating	**Carrying amount of notes and accounts receivable**	**Weighted-average ECL rate**	**Lifetime ECLs**	**Credit-impaired**
Level A	$ 148,863,397	0%	-	No
Level B	14,177,976	1.533%	218,490	No
Level C	3,773,048	100%	3,773,048	Yes
	$ 166,814,421		**3,991,538**	

December 31, 2025				
Credit rating	**Carrying amount of notes and accounts receivable**	**Weighted-average ECL rate**	**Lifetime ECLs**	**Credit-impaired**
Level A	$ 150,668,303	0%	-	No
Level B	16,044,160	1.33%	213,490	No
Level C	3,773,048	100%	3,773,048	Yes
	$ 170,485,511		**3,986,538**	

March 31, 2025				
Credit rating	**Carrying amount of notes and accounts receivable**	**Weighted-average ECL rate**	**Lifetime ECLs**	**Credit-impaired**
Level A	$ 161,064,340	0%	-	No
Level B	12,941,708	1.60%	207,080	No
Level C	3,773,048	100%	3,773,048	Yes
	$ 177,779,096		**3,980,128**	

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

March 31, 2026				
Credit rating	**Carrying amount of notes and accounts receivable**	**Weighted-average ECL rate**	**Lifetime ECLs**	**Credit-impaired**
Level A	$ 2,972,860	0%	-	No
Level B	3,036,368	0.10%	3,042	No
Level C	871,559	1.00%	8,748	No
Level D	-	5.00%	-	-
Level E	20,863	100%	20,863	Yes
	$ 6,901,650		**32,653**	

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COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
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December 31, 2025				
Credit rating	**Carrying amount of notes and accounts receivable**	**Weighted-average ECL rate**	**Lifetime ECLs**	**Credit-impaired**
Level A	$ 4,100,879	0%	-	No
Level B	3,355,662	0.10%	3,363	No
Level C	722,097	1.00%	7,333	No
Level D	-	5.00%	-	-
Level E	20,456	100%	20,456	Yes
	$ 8,199,094		31,152	

March 31, 2025				
Credit rating	**Carrying amount of notes and accounts receivable**	**Weighted-average ECL rate**	**Lifetime ECLs**	**Credit-impaired**
Level A	$ 2,557,485	0%	-	No
Level B	3,768,446	0.10%	3,770	No
Level C	849,894	1.00%	8,499	No
Level D	-	5.00%	-	-
Level E	21,581	100%	21,581	Yes
	$ 7,197,406		33,850	

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

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Overdue 1 to 180 days	$ 1,819,111	2,460,468	1,583,414
Overdue 181 to 365 days	465	-	25,639
Overdue 365 days	-	6,567	-
	$ 1,819,576	2,467,035	1,609,053

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

	For the three months ended March 31,	
	2026	**2025**
Balance at January 1	$ 4,017,690	4,035,750
Impairment losses (reversal) recognized	4,565	(22,875)
Effect of changes in exchange rates	1,936	1,103
Balance at March 31	$ 4,024,191	4,013,978

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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 March 31, 2026, December 31 and March 31, 2025, except for the amount used under the actual sales amount in accordance with certain agreements, the factoring amount granted by the banks were all USD 2,100,000 thousand. 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 March 31, 2026, December 31 and March 31, 2025.

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 March 31, 2026, December 31 and March 31, 2025, accounts receivable factored were recovered and derecognized since the conditions of derecognition were met.

As of March 31, 2026, December 31 and March 31, 2025, the details of the factored accounts receivable but unsettled were as follows:

March 31, 2026							
Purchaser	**Accounts receivable factored (gross)**	**Amount advanced**		**Amount recognized in other receivable**	**Collateral**	**Amount derecognized**	**Interest rate**
		Unpaid	**Paid**				
Financial Institution	$ 12,783,151	-	12,783,151	-	-	12,783,151	4.09%

December 31, 2025							
Purchaser	**Accounts receivable factored (gross)**	**Amount advanced**		**Amount recognized in other receivable**	**Collateral**	**Amount derecognized**	**Interest rate**
		Unpaid	**Paid**				
Financial Institution	$ 6,951,958	-	6,951,958	-	-	6,951,958	4.22%

(Continued)

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	March 31, 2025						
Purchaser	Accounts receivable factored (gross)	Amount advanced Unpaid	Amount advanced Paid	Amount recognized in other receivable	Collateral	Amount derecognized	Interest rate
Financial Institution	$ 7,534,204	-	7,534,204	-	-	7,534,204	4.77%

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 the reporting date, the carrying amounts of transferred accounts receivable and related financial liabilities, which were not yet derecognized, were as follows:

	March 31, 2026				
Purchaser	Accounts receivable transferred	Quota	Amount advanced (recognized as short-term borrowings)	Range of Interest Rate	Collateral
Financial Institution	$ -	72,692	34,525	5.80 %	Inventories

	December 31, 2025				
Purchaser	Accounts receivable transferred	Quota	Amount advanced (recognized as short-term borrowings)	Range of Interest Rate	Collateral
Financial Institution	$ -	71,961	52,702	5.80 %	Inventories

	March 31, 2025				
Purchaser	Accounts receivable transferred	Quota	Amount advanced (recognized as short-term borrowings)	Range of Interest Rate	Collateral
Financial Institution	$ -	64,575	7,993	6.90 %	Inventories

(v) As of March 31, 2026, December 31 and March 31, 2025, the Group did not provide any aforementioned notes and accounts receivable as collaterals.

(g) Inventories

	March 31, 2026	December 31, 2025	March 31, 2025
Finished goods	$ 29,432,863	35,777,885	25,113,148
Work in progress	6,851,530	7,142,391	6,826,480
Raw materials	63,241,794	41,180,081	46,210,863
Raw materials in transit	121,179	585,892	333,059
	$ 99,647,366	**84,686,249**	**78,483,550**

(i) For the three months ended March 31, 2026 and 2025, inventory cost recognized as cost of sales amounted to $190,706,041 and $188,654,464, respectively.

(ii) The loss due to the write-down of inventories to net realizable value amounted to $303,788 for the three months ended March 31, 2026. 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 $169,119 for the three months ended March 31,2025.

(iii) As of March 31, 2026, December 31 and March 31, 2025, the Group provided part of its inventories as collaterals for its short-term borrowings. Please refer to note (8).

(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:

	March 31, 2026	December 31, 2025	March 31, 2025
Associates	$ 7,381,598	7,421,451	7,478,905
Joint venture	5,483	5,386	5,532
	7,387,081	7,426,837	7,484,437
Plus: credit balance of investments in equity method (recorded as other non-current liability)	-	-	7,350
Less: unrealized profits or losses	(125,738)	(123,579)	(130,360)
	$ 7,261,343	**7,303,258**	**7,361,427**

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(i) Associates

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

	March 31, 2026	December 31, 2025	March 31, 2025
Allied Circuit Co., Ltd. ("Allied Circuit")	$ 4,412,612	3,108,255	2,395,947
Avalue Technology Inc. ("Avalue")	1,249,145	1,364,060	1,649,110
	$ 5,661,757	**4,472,315**	**4,045,057**

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

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
The Group's share of the loss of associates	**$ (264,785)**	**(184,186)**

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

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount of individually immaterial associates	**$ 7,381,598**	**7,421,451**	**7,478,905**

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
The Group's share of the net income (loss) of associates:		
Loss from continuing operations	$ (264,785)	(184,186)
Other comprehensive income	169,843	54,161
Total comprehensive income	**$ (94,942)**	**(130,025)**

(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:

	March 31, 2026	December 31, 2025	March 31, 2025
The carrying amount of the Group's interests in all individually insignificant joint ventures	**$ 5,483**	**5,386**	**5,532**

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COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
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	For the three months ended March 31, 2026	For the three months ended March 31, 2025
The Group's share of the net income (loss) of joint ventures:		
Net income (losses) from continuing operations (also the total comprehensive income (losses))	$ -	(128)

(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 March 31, 2026, December 31 and March 31, 2025, the Group did not provide any investments accounted for using equity method as collaterals for its loans.

(i) Changes in subsidiaries' equity

There were no significant transactions for the three months ended March 31, 2026 and 2025. Please refer to note (6)(j) of the consolidated financial statement for the year ended December 31, 2025.

(j) Loss control of subsidiaries

The Company's Board of Directors resolved on October 13, 2025, to exchange all shares of Compal Healthcare for the preferred shares issued by Smart Ageing Tech. The exchange involved Smart Ageing Tech issuing 6,000 thousand preferred shares in exchange for 100% of the shares in Compal Healthcare. The preferred shares were issued at an issue price of NT$32.5 per share, amounting to $195,000. The effective date was January 1, 2026. When the share exchange was completed, Compal Healthcare turned into Smart Ageing Tech's wholly-owned subsidiary, resulting in a gain on disposal of $155,521, recorded as "other gains and losses". As of March 31, 2026, the Group held 6.81% equity interest in Smart Ageing Tech, which was recorded as financial assets at fair value through other comprehensive income.

(k) Material non-controlling interests of subsidiaries

There were no significant transactions for the three months ended March 31, 2026 and 2025. Please refer to note (6)(k) of the consolidated financial statement for the year ended December 31, 2025.

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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 three months ended March 31, 2026 and 2025, 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, 2026	$ 2,567,333	24,981,553	35,024,695	12,565,873	9,129,600	84,269,054
Additions	-	1,620	108,972	94,105	2,124,878	2,329,575
Disposals and derecognitions	-	-	(432,356)	(180,769)	-	(613,125)
Reclassifications	-	2,087	769,207	67,273	(838,567)	-
Effect of movements in exchange rates	3,099	247,621	(584,324)	(628,366)	(61,680)	(1,023,650)
Balance on March 31, 2026	**$ 2,570,432**	**25,232,881**	**34,886,194**	**11,918,116**	**10,354,231**	**84,961,854**
Balance on January 1, 2025	$ 2,572,173	25,148,276	37,347,242	13,258,717	5,729,251	84,055,659
Additions	-	8,852	173,167	42,383	1,318,633	1,543,035
Disposals and derecognitions	-	(116,473)	(134,626)	(41,148)	-	(292,247)
Reclassifications	-	255	408,563	20,577	(429,395)	-
Effect of movements in exchange rates	2,302	329,543	(555,688)	(28,331)	(117,647)	(369,821)
Balance on March 31, 2025	**$ 2,574,475**	**25,370,453**	**37,238,658**	**13,252,198**	**6,500,842**	**84,936,626**
Depreciation and impairments loss:						
Balance on January 1, 2026	$ -	14,751,993	27,428,263	10,429,597	-	52,609,853
Depreciation for the period	-	322,372	837,797	358,039	-	1,518,208
Disposals and derecognitions	-	-	(429,746)	(180,143)	-	(609,889)
Effect of movements in exchange rates	-	(281,038)	(919,444)	395,894	-	(804,588)
Balance on March 31, 2026	**$ -**	**14,793,327**	**26,916,870**	**11,003,387**	**-**	**52,713,584**
Balance on January 1, 2025	$ -	14,612,011	28,483,781	9,855,968	-	52,951,760
Depreciation for the period	-	326,783	808,968	313,601	-	1,449,352
Disposals and derecognitions	-	(111,094)	(100,563)	(39,995)	-	(251,652)
Effect of movements in exchange rates	-	133,109	(169,168)	254,349	-	218,290
Balance on March 31, 2025	**$ -**	**14,960,809**	**29,023,018**	**10,383,923**	**-**	**54,367,750**
Carrying amounts:						
Balance on January 1, 2026	**$ 2,567,333**	**10,229,560**	**7,596,432**	**2,136,276**	**9,129,600**	**31,659,201**
Balance on March 31, 2026	**$ 2,570,432**	**10,439,554**	**7,969,324**	**914,729**	**10,354,231**	**32,248,270**
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 March 31, 2025	**$ 2,574,475**	**10,409,644**	**8,215,640**	**2,868,275**	**6,500,842**	**30,568,876**

As of March 31, 2026 and 2025, the Group's capitalized borrowing costs related to construction amounted to $33,441 and $18,911, calculated using capitalization rates of 2.33%~2.44% and 2.07%, respectively.

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As of March 31, 2026, December 31 and March 31, 2025, 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 assets including land and buildings, machinery and vehicles, which are recognized as right-of-use assets. 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, 2026	$ 12,246,354	6,071,401	50,378	42,304	18,410,437
Additions	139,349	165,172	-	11,561	316,082
Deductions	-	(59,684)	-	(4,810)	(64,494)
Effect of movements in exchange rates	19,044	(252,765)	-	10	(233,711)
Balance on March 31, 2026	**$ 12,404,747**	**5,924,124**	**50,378**	**49,065**	**18,428,314**
Balance on January 1, 2025	$ 12,291,209	3,611,505	50,378	42,777	15,995,869
Additions	-	78,779	-	8,178	86,957
Deductions	-	(75,714)	-	(10,424)	(86,138)
Effect of movements in exchange rates	10,054	29,936	-	118	40,108
Balance on March 31, 2025	**$ 12,301,263**	**3,644,506**	**50,378**	**40,649**	**16,036,796**
Depreciation:					
Balance on January 1, 2026	$ 983,025	2,217,556	31,346	19,898	3,251,825
Depreciation for the period	62,548	211,576	1,120	3,398	278,642
Deductions	-	(33,603)	-	(4,779)	(38,382)
Effect of movements in exchange rates	3,304	(160,479)	-	4	(157,171)
Balance on March 31, 2026	**$ 1,048,877**	**2,235,050**	**32,466**	**18,521**	**3,334,914**
Balance on January 1, 2025	$ 742,883	1,858,515	26,868	17,055	2,645,321
Depreciation for the period	61,931	182,763	1,120	2,996	248,810
Deductions	-	(40,057)	-	(7,832)	(47,889)
Effect of movements in exchange rates	2,057	(11,938)	-	38	(9,843)
Balance on March 31, 2025	**$ 806,871**	**1,989,283**	**27,988**	**12,257**	**2,836,399**
Carrying amount:					
Balance on January 1, 2026	**$ 11,263,329**	**3,853,845**	**19,032**	**22,406**	**15,158,612**
Balance on March 31, 2026	**$ 11,355,870**	**3,689,074**	**17,912**	**30,544**	**15,093,400**
Balance on January 1, 2025	**$ 11,548,326**	**1,752,990**	**23,510**	**25,722**	**13,350,548**
Balance on March 31, 2025	**$ 11,494,392**	**1,655,223**	**22,390**	**28,392**	**13,200,397**

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. Depreciation expenses of the related right-of-use assets and interest expenses on lease liabilities meet the capitalization criteria and are included in the cost of assets.

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COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
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For the three months ended March 31, 2026 and 2025, the related depreciation expenses of right-of-use assets amounting to $57,092 and $56,342, and the interest expenses of lease liabilities amounting to $10,730 and $10,893, respectively, had met the conditions for capitalization under property, plant and equipment at the rate of 1.5%.

The Group acquired right-of-use assets related to a leased plant located in Texas, USA, at a total amount of $2,265,079 (USD 72,067 thousand). The acquisition was approved by the Board of Directors on October 30, 2025, with a lease term of 10.5 to 12 years.

As of March 31, 2026, December 31 and March 31, 2025, 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:

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank loans	$ 55,811,991	66,896,015	52,772,829
Secured bank loans	34,525	52,702	16,796
Total	**$ 55,846,516**	**66,948,717**	**52,789,625**
Unused credit line for short-term borrowings	**$ 265,750,000**	**254,809,000**	**278,688,000**
Range of interest rates	**1.70%~5.80%**	**1.72%~5.80%**	**1.75%~6.96%**

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

Regarding assets as 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:

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank loans	$ 10,532,346	9,710,494	18,562,175
Secured bank loans	6,234,483	6,234,809	4,696,149
Less: current portion	(4,868,384)	(4,005,191)	(12,212,175)
Total	**$ 11,898,445**	**11,940,112**	**11,046,149**
Unused credit line for long-term borrowings	**$ 37,471,000**	**38,040,000**	**29,480,000**
Range of interest rates	**1.74%~2.44%**	**1.75%~2.44%**	**1.76%~4.77%**

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).

(Continued)

(p) Lease liabilities

The details of leases liabilities were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Current	$ 1,987,718	2,095,472	1,985,017
Non-current	$ 6,068,578	7,330,704	5,256,384

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 March 31,	
	2026	2025
Interest on lease liabilities	$ 34,915	12,243
Expenses relating to leases of low-value assets or short-term leases	$ 26,434	23,605

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

	For the three months ended March 31,	
	2026	2025
Total cash outflow for leases	$ 1,720,868	1,575,627

(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 lease terms of 1~5 years. These leases are in short-term or in 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, 2025 and 2024.

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

	For the three months ended March 31,	
	2026	**2025**
Cost of sales	$ 118	214
Selling expenses	164	299
Administrative expenses	522	766
Research and development expenses	1,291	1,923
Total	**$ 2,095**	**3,202**

(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 $143,996 and $140,681 for the three months ended March 31, 2026 and 2025, 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 $215,991 and $187,115 for the three months ended March 31, 2026 and 2025, 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 March 31,	
	2026	**2025**
Current tax expense	**$ 699,988**	**788,332**

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COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
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(ii) The amounts of income tax recognized in other comprehensive income were as follows:

	For the three months ended March 31,	
	2026	**2025**
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of the defined benefit liability	$ (335)	315
Unrealized gains (losses) on equity instruments at fair value through other comprehensive income	45,042	(1,300,293)
	$ 44,707	**(1,299,978)**
Items that will be reclassified subsequently to profit or loss:		
Foreign currency translation differences of foreign operations	$ (1,129)	673
Gains (losses) on hedging instrument	8,413	(8,552)
	$ 7,284	**(7,879)**

(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 Palcom, Hippo Screen, Shennona TW, Ripal, Aco Healthcare, Poindus Systems and Compal Healthcare through 2024.

The ROC tax authorities have assessed the income tax return of Arcadyan, GLB, Panpal, Gempal, Hong Ji, Unicore, Kinpo&Compal Group, UCGI, Hong Jin, CBN, Mactech, Zhi-Bao, Compal Ruifang, Heng Hao, TTI, and Poindus Investment through 2023.

The ROC tax authorities have assessed the income tax return of Starmems and Rayonnant Technology through 2022.

(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 March 31, 2026 and 2025. Please refer to note (6)(s) of the consolidated financial statement for the year ended December 31, 2025.

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(i) Capital surplus

The balances of capital surplus were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Additional paid-in capital	$ 138,690	138,690	138,829
Treasury share transactions	2,967,053	2,912,034	2,912,034
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	158,058	157,793	158,436
Changes in equity of associates and joint ventures accounted for using equity method	546,817	435,886	363,970
	$ 3,847,384	3,681,169	3,610,035

(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.

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.

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Distribution for the earnings of 2025 and 2024 was approved in the Board of Directors meeting held on February 26, 2026 and February 27, 2025, respectively. The relevant information was as follows:

	2025		2024	
	Amount per share	Total amount	Amount per share	Total amount
Cash dividends distributed to common shareholders	$ 1.1	4,847,861	1.4	6,170,005

(iii) Treasury stock

The subsidiaries of the Company did not sell the ordinary shares of the Company in the three months ended March 31, 2026 and 2025. As of March 31, 2026, 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 26.95, 30.40 and 31.85 New Taiwan dollars per share as of March 31, 2026, December 31 and March 31, 2025, 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, 2026	$ 415,454	6,210,563	2,720	6,628,737
The Company	1,707,189	129,707	-	1,836,896
Subsidiaries	(143,030)	(77,185)	11,097	(209,118)
Associates	166,799	2,357	-	169,156
Balance on March 31, 2026	$ 2,146,412	6,265,442	13,817	8,425,671
Balance on January 1, 2025	$ 4,203,807	13,384,524	-	17,588,331
The Company	1,130,815	(5,639,128)	-	(4,508,313)
Subsidiaries	(81,655)	(328,427)	(11,280)	(421,362)
Associates	74,019	(22,494)	-	51,525
Balance on March 31, 2025	$ 5,326,986	7,394,475	(11,280)	12,710,181

(t) Share-based payment

There were no significant changes in share-based payment during the three months ended March 31, 2026 and 2025. Please refer to note (6)(t) of the consolidated financial statements for the year ended December 31, 2025 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 March 31, 2026	For the three months ended March 31, 2025
Basic earnings per share:		
Profit attributable to ordinary shareholders of the Company	$ **1,967,195**	**2,191,229**
Weighted-average number of outstanding ordinary shares (in thousands)	**4,357,130**	**4,357,130**
Diluted earnings per share:		
Profit attributable to ordinary shareholders of the Company (after adjustment of potential diluted ordinary shares)	$ **1,967,195**	**2,191,229**
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
Effect of potential diluted common stock		
Employee compensation (in thousands)	27,702	32,120
Weighted-average number of ordinary shares (after adjustment of potential diluted ordinary shares) (in thousands)	**4,384,832**	**4,389,250**

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31, 2026		
	IT Product Segment	**Strategically Integrated Product Segment**	**Total**
Primary geographical markets:			
United States	$ 55,759,734	6,428,213	62,187,947
Japan	17,251,527	189,594	17,441,121
Netherlands	17,078,252	159,972	17,238,224
China	13,445,184	19,186	13,464,370
United Kingdom	10,545,688	1,557,740	12,103,428
Germany	8,217,219	144,363	8,361,582
India	7,194,573	282,614	7,477,187
Others	59,027,242	4,002,435	63,029,677
	$ **188,519,419**	**12,784,117**	**201,303,536**

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	For the three months ended March 31, 2026		
	IT Product Segment	Strategically Integrated Product Segment	Total
Major products:			
5C related electronics products	$ 188,114,905	12,377,199	200,492,104
Others	404,514	406,918	811,432
	$ 188,519,419	**12,784,117**	**201,303,536**

	For the three months ended March 31, 2025		
	IT Product Segment	Strategically Integrated Product Segment	Total
Primary geographical markets:			
United States	$ 69,223,917	5,637,224	74,861,141
China	22,342,858	16,532	22,359,390
Netherlands	16,634,326	83,643	16,717,969
United Kingdom	9,067,012	1,210,223	10,277,235
Germany	5,853,892	489,975	6,343,867
Others	63,273,270	5,265,085	68,538,355
	$ 186,395,275	**12,702,682**	**199,097,957**
Major products:			
5C related electronics products	$ 185,777,537	12,178,086	197,955,623
Others	617,738	524,596	1,142,334
	$ 186,395,275	**12,702,682**	**199,097,957**

(ii) Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025
Notes and accounts receivable (including related parties)	$ 173,716,071	178,684,605	184,976,502
Less: allowance for impairment	(4,024,191)	(4,017,690)	(4,013,978)
Total	**$ 169,691,880**	**174,666,915**	**180,962,524**
Contract liabilities	**$ 12,127,216**	**5,687,601**	**4,479,977**

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

The amount of revenue recognized for the three months ended March 31, 2026 and 2025 that were included in the balance of contract liability at the beginning of the period was $2,620,795 and $2,331,318, respectively.

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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 there is any profit in a fiscal year, the Company's pre-tax profits in such fiscal year, prior to deduction of compensation to employees and directors, shall be distributed to employees as compensation in an amount of not less than two percent thereof and to directors as compensation 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. No less than eight percent of the amount of compensation to employee shall be allocated as compensation distributions to the non-executive employees. The compensation to employees as mentioned above may be distributed in the form of stock or cash. Employees entitled to receive the said stock or cash may include the employees of the Company's subordinate companies who meet certain requirements.

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 compensation to employees and directors, shall be distributed to employees as compensation in an amount of not less than two percent thereof and to directors as compensation 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 compensation to employees as mentioned above may be distributed in the form of stock or cash. Employees entitled to receive the said stock or cash may include the employees of the Company's subordinate companies who meet certain requirements.

The Company accrued and recognized its employee compensation of $274,406 (including distributions to the non-executive employees) and $292,832, and directors' compensation of $14,635 and $15,617 for the three months ended March 31, 2026 and 2025, 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 $820,339 (including distributions to the non-executive employees) and $1,363,545, and directors' compensation of $43,571 and $72,722 for the years ended December 31, 2025 and 2024, 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.

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(x) Non-operating income and expenses

(i) Interest income

The details of interest income for the three months ended March 31, 2026 and 2025, were as follows:

	For the three months ended March 31	
	2026	**2025**
Interest income from bank deposits	$ 809,125	742,245
Other interest income	279	3,650
	$ 809,404	**745,895**

(ii) Other income

The other incomes for the three months ended March 31, 2026 and 2025, were as follows:

	For the three months ended March 31,	
	2026	**2025**
Dividend revenue	$ 16,975	14,456
Other revenue	9,805	76,864
	$ 26,780	**91,320**

(iii) Other gains and losses

The other gains and losses for the three months ended March 31, 2026 and 2025, were as follows:

	For the three months ended March 31,	
	2026	**2026**
Gains (losses) on disposal of property, plant, and equipment, and intangible assets, net	$ 14,948	(1,431)
Gain on disposal of investments	155,521	-
Foreign currency exchange gains, net	483,100	1,003,510
Losses on financial assets and liabilities at fair value through profit or loss, net	(214,687)	(177,811)
Others	363	371
	$ 439,245	**824,639**

(y) Reclassification of the components of other comprehensive income

The details of reclassification of the components of other comprehensive income for the three months ended March 31, 2026 and 2025, were as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Cash flow hedge:		
Gains (losses) from current period	$ 35,226	(48,045)
Less: reclassification of (losses) gains included in profit or loss	(6,840)	(5,284)
Profit recognized in other comprehensive income (losses)	**$ 42,066**	**(42,761)**

(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, 2025 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, 2025.) 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 three months ended March 31, 2026 and 2025 were as follows:

	Other receivables
Balance on January 1, 2026	$ 5,453
Impairment losses recognized	122
Balance on March 31, 2026	**$ 5,575**
Balance on January 1, 2025	$ 10,354
Impairment losses reversed	(320)
Balance on March 31, 2025	**$ 10,034**

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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
March 31, 2026					
Non-derivative financial liabilities					
Secured borrowings	$ 6,269,008	(6,269,008)	(170,563)	(208,333)	(5,890,112)
Unsecured borrowings	66,344,337	(66,344,337)	(60,544,337)	(3,175,000)	(2,625,000)
Lease liabilities－current and non-current	8,056,296	(9,980,455)	(2,163,417)	(2,043,622)	(5,773,416)
Notes and accounts payable	161,113,414	(161,113,414)	(161,113,414)	-	-
Other payables and dividends payable	32,310,220	(32,310,220)	(32,310,220)	-	-
Derivative financial liabilities					
Forward exchange contracts:	286,268				
Outflow		(8,195,951)	(8,195,951)	-	-
Inflow		7,921,288	7,921,288	-	-
Forward exchange contracts used for hedging:	6,694				
Outflow		(241,120)	(241,120)	-	-
Inflow		234,566	234,566	-	-
	$ 274,386,237	**(276,298,651)**	**(256,583,168)**	**(5,426,955)**	**(14,288,528)**
December 31, 2025					
Non-derivative financial liabilities					
Secured borrowings	$ 6,287,511	(6,287,511)	(147,399)	(208,333)	(5,931,779)
Unsecured borrowings	76,606,509	(76,606,509)	(70,806,509)	(2,300,000)	(3,500,000)
Lease liabilities－current and non-current	9,426,176	(11,336,950)	(2,308,954)	(3,308,650)	(5,719,346)
Notes and accounts payable	145,992,318	(145,992,318)	(145,992,318)	-	-
Other payables and dividends payable	27,883,322	(27,883,322)	(27,883,322)	-	-
Derivative financial liabilities					
Forward exchange contracts:	84,867				
Outflow		(6,083,117)	(6,083,117)	-	-
Inflow		5,996,206	5,996,206	-	-
Forward exchange contracts used for hedging:	2,870				
Outflow		(252,480)	(252,480)	-	-
Inflow		248,769	248,769	-	-
	$ 266,283,573	**(268,197,232)**	**(247,229,124)**	**(5,816,983)**	**(15,151,125)**

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	Carrying Amount	Contractual cash flows	Within 1 year	1 ~ 2 years	Over 2 years
March 31, 2025					
Non-derivative financial liabilities					
Secured borrowings	$ 4,712,945	(4,712,945)	(16,796)	(125,000)	(4,571,149)
Unsecured borrowings	71,335,004	71,335,004	64,985,004	4,050,000	2,300,000
Lease liabilities－current and non-current	7,241,401	(8,506,985)	(2,064,624)	(2,007,550)	(4,434,811)
Notes and accounts payable	144,532,310	(144,532,310)	(144,532,310)	-	-
Other payables and dividends payable	33,980,365	(33,980,365)	(33,980,365)	-	-
Forward exchange contracts:	213,348				
Outflow		(6,571,211)	(6,571,211)	-	-
Inflow		6,361,317	6,361,317	-	-
Currency swap contracts:	9,407				
Outflow		(993,000)	(993,000)	-	-
Inflow		983,890	983,890	-	-
Forward exchange contracts for hedging:	42,761				
Outflow		(1,928,880)	(1,928,880)	-	-
Inflow		1,907,692	1,907,692	-	-
	$ 262,067,541	(120,637,793)	(115,849,283)	1,917,450	(6,705,960)

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

	March 31, 2026			December 31, 2025			March 31, 2025		
	Foreign currency	Exchange rate	TWD	Foreign Currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets									
Monetary items									
USD to TWD	$ 9,351,231	31.995	299,192,636	8,870,010	31.43	278,784,414	7,977,095	33.2050	264,879,439
USD to CNY	10,888	6.9107	348,362	6,301	6.9915	198,040	8,656	7.253	287,422
EUR to TWD	25,010	36.71	918,117	43,463	36.9	1,603,785	30,664	35.97	1,102,984
CNY to USD	2,524,506	0.1447	11,687,646	2,597,570	0.143	11,674,752	2,152,641	0.1379	9,856,877
Non-monetary items									
THB to TWD	7,516,169	0.9739	7,319,997	7,029,006	1.0016	7,040,252	9,084,807	0.9751	8,858,595
Financial liabilities									
Monetary items									
USD to TWD	9,411,950	31.995	301,135,340	8,515,755	31.43	267,650,180	7,427,657	33.205	24,635,351
USD to CNY	1,917	6.9107	61,334	1,554	6.9915	48,842	2,665	7.253	88,491
USD to BRL	258,786	5.2194	8,279,858	268,115	5.5024	8,426,854	271,826	5.7422	9,025,982
EUR to TWD	12,404	36.71	455,351	7,571	36.9	279,370	15,656	35.97	563,146
CNY to USD	2,572,862	0.1447	11,911,519	2,355,681	0.143	10,587,585	2,529,027	0.1379	11,580,337

(Continued)

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 March 31, 2026 and 2025, would have increased (decreased) the net profit before tax as follows for the three months ended March 31, 2026 and 2025. The analysis is performed on the same basis for both periods.

		March 31, 2026	March 31, 2025
USD (against the TWD)			
Strengthening 5%	$	(97,135)	912,204
Weakening 5%		97,135	(912,204)
USD (against the CNY)			
Strengthening 5%		14,351	9,947
Weakening 5%		(14,351)	(9,947)
USD (against the BRL)			
Strengthening 5%		(413,993)	(451,299)
Weakening 5%		413,993	451,299
EUR (against the TWD)			
Strengthening 5%		23,138	26,992
Weakening 5%		(23,138)	(26,992)
CNY (against the USD)			
Strengthening 5%		(11,194)	86,173
Weakening 5%		11,194	(86,173)

(Continued)

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 ended March 31, 2026 and 2025, the foreign exchange losses, including both realized and unrealized, amounted to $483,100 and $1,003,510, 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 three months ended March 31, 2026 and 2025, which would be mainly resulted from the bank savings and borrowings with variable interest rates.

	For the three months ended March 31,	
	2026	**2025**
Interest increased by 0.25%	$ 13,011	5,987
Interest decreased by 0.25%	(13,011)	(5,987)

(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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	March 31, 2026				
		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	$ 38,231	-	38,231	-	38,231
Foreign warrants	127,303	-	-	127,303	127,303
Non-derivative financial assets mandatorily measured at fair value through profit or loss	3,113,279	-	-	3,113,279	3,113,279
Subtotal	3,278,813				
Derivative financial assets for hedging	59,071	-	59,071	-	59,071
Financial assets at fair value through other comprehensive income					
Stocks listed in domestic markets	5,535,114	5,535,114	-	-	5,535,114
Stocks listed in foreign markets	7,319,997	7,319,997	-	-	7,319,997
Stocks unlisted in domestic markets	1,963,419	-	-	1,963,419	1,963,419
Stocks unlisted in foreign markets	179,907	-	-	179,907	179,907
Accounts receivable	19,749,859	-	19,749,859	-	19,749,859
Subtotal	34,748,296				
Financial assets measured at amortized cost					
Cash and cash equivalents	84,569,615	-	-	-	-
Time deposits with original maturities of more than 3 months	8,123,370	-	-	-	-
Bond investments	9,964	-	-	-	-
Notes and accounts receivable, net	143,365,356	-	-	-	-
Notes and accounts receivable due from related parties, net	4,874,356	-	-	-	-
Other receivables	783,950	-	-	-	-
Other current assets (restricted assets)	1,579,802	-	-	-	-
Refundable deposits	706,845	-	-	-	-
Other non-current assets (restricted assets)	800	-	-	-	-
Subtotal	244,014,058				
Total	**$ 282,100,238**				
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities for non-hedging	$ 286,268	-	286,268	-	286,268
Financial liabilities used for hedging	6,694	-	6,694	-	6,694

(Continued)

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	March 31, 2026				
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Short-term borrowings	55,846,516	-	-	-	-
Notes and accounts payable	156,493,326	-	-	-	-
Notes and accounts payable to related parties	4,620,088	-	-	-	-
Other payables and dividends payable	32,310,220	-	-	-	-
Lease liabilities－current and non-current	8,056,296	-	-	-	-
Long-term borrowings current portion	4,868,384	-	-	-	-
Long-term borrowings	11,898,445	-	-	-	-
Deposits received	419,383	-	-	-	-
Total	$ 274,805,620				

	December 31, 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	$ 4,254	-	4,254	-	4,254
Foreign warrants	157,784	-	-	157,784	157,784
Non-derivative financial assets mandatorily measured at fair value through profit or loss	2,254,742	-	-	2,254,742	2,254,742
Subtotal	2,416,780				
Derivative financial assets for hedging	13,181	-	13,181	-	13,181
Financial assets at fair value through other comprehensive income					
Stocks listed in domestic markets	5,650,208	5,650,208	-	-	5,650,208
Stocks listed in foreign markets	7,040,252	7,040,252	-	-	7,040,252
Stocks unlisted in domestic markets	1,836,575	-	-	1,836,575	1,836,575
Stocks unlisted in foreign markets	145,930	-	-	145,930	145,930
Accounts receivable	14,500,544	-	14,500,544	-	14,500,544
Subtotal	29,173,509				
Financial assets measured at amortized cost					
Cash and cash equivalents	83,290,346	-	-	-	-
Time deposits with original maturities of more than 3 months	8,922,938	-	-	-	-
Bond investments	9,964	-	-	-	-
Notes and accounts receivable, net	153,927,446	-	-	-	-
Notes and accounts receivable due from related parties, net	6,238,925	-	-	-	-
Other receivables	1,051,807	-	-	-	-
Other current assets (restricted assets)	1,279,040	-	-	-	-
Refundable deposits	722,921	-	-	-	-
Other non-current assets (restricted assets)	17,159	-	-	-	-
Subtotal	255,460,546				
Total	$ 287,064,016				

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
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	December 31, 2025				
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities for non-hedging	$ 84,867	-	84,867	-	84,867
Derivative financial liabilities for hedging	2,870	-	2,870	-	2,870
Financial liabilities measured at amortized cost					
Short-term borrowings	66,948,717	-	-	-	-
Notes and accounts payable	137,664,189	-	-	-	-
Notes and accounts payable to related parties	8,328,129	-	-	-	-
Other payables and dividends payable	27,883,322	-	-	-	-
Lease liabilities－current and non-current	9,426,176	-	-	-	-
Long-term borrowings current portion	4,005,191	-	-	-	-
Long-term borrowings	11,940,112	-	-	-	-
Deposits received	381,941	-	-	-	-
Subtotal	266,577,777				
Total	$ 266,665,514				

	March 31, 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	$ 494	-	494	-	494
Foreign warrants	532,032	-	-	532,032	532,032
Non-derivative financial assets mandatorily measured at fair value through profit or loss	1,904,559	-	-	1,904,559	1,904,559
Subtotal	2,437,085				
Financial assets at fair value through other comprehensive income					
Stocks listed in domestic markets	5,502,144	5,502,144	-	-	5,502,144
Stocks listed in foreign markets	8,959,099	8,959,099	-	-	8,959,099
Stocks unlisted in domestic markets	1,733,562	-	-	1,733,562	1,733,562
Stocks unlisted in foreign markets	226,410	-	-	226,410	226,410
Accounts receivable	32,119,787	-	32,119,787	-	32,119,787
Subtotal	48,541,002				

(Continued)

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	March 31, 2025				
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	83,502,479	-	-	-	-
Time deposits with original maturities of more than 3 months	5,214,134	-	-	-	-
Notes and accounts receivable, net	144,118,702	-	-	-	-
Notes and accounts receivable due from related parties, net	4,724,035	-	-	-	-
Other receivables	2,469,186	-	-	-	-
Other current assets (restricted assets)	572,606	-	-	-	-
Refundable deposits	503,906	-	-	-	-
Other non-current assets (restricted assets)	17,159	-	-	-	-
Subtotal	241,122,207				
Total	$ 292,100,294				
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities for non-hedging	$ 222,755	-	222,755	-	222,755
Financial liabilities used for hedging	42,761	-	42,761	-	42,761
Financial liabilities measured at amortized cost					
Short-term borrowings	52,789,625	-	-	-	-
Notes and accounts payable	136,655,839	-	-	-	-
Notes and accounts payable to related parties	7,876,471	-	-	-	-
Other payables and dividends payable	33,980,365	-	-	-	-
Lease liabilities－current and non-current	7,241,401	-	-	-	-
Long-term borrowings current portion	12,212,175	-	-	-	-
Long-term borrowings	11,046,149	-	-	-	-
Deposits received	232,148	-	-	-	-
Total	$ 262,299,689				

(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.

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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 three months ended March 31, 2026 and 2025.

5) Changes in Level 3

The change in Level 3 at fair value in the three months ended March 31, 2026 and 2025, 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, 2026	$ 2,412,526	1,982,505	4,395,031
Total gains and losses recognized:			
In profit or loss	140,920	-	140,920
In other comprehensive income	-	(67,840)	(67,840)
Purchased	641,388	31,300	672,688
Share swap	-	195,000	195,000
Proceeds from capital reduction of investments	-	(318)	(318)
Effect of changes in exchange rates	45,748	2,679	48,427
Balance on March 31, 2026	**$ 3,240,582**	**2,143,326**	**5,383,908**
Balance on January 1, 2025	$ 1,359,358	1,983,625	3,342,983
Total gains and losses recognized:			
In profit or loss	237,740	-	237,740
In other comprehensive income	-	(16,471)	(16,471)
Purchased	817,334	-	817,334
Effect of changes in exchange rates	22,159	(7,182)	14,977
Balance on March 31, 2025	**$ 2,436,591**	**1,959,972**	**4,396,563**

For the three months ended March 31, 2026 and 2025, 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 three months ended March 31, 2026	For the three months ended March 31, 2025
Total gains and losses recognized:		
In profit or loss before tax (as "other gains and losses")	$ 140,920	237,740
In other comprehensive income (as "unrealized gains and losses from equity instruments at fair value through other comprehensive income")	$ (67,840)	(16,471)

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.

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 (1.91~4.05, 1.94~3.38 and 1.93~3.22, respectively, on March 31, 2026, December 31 and March 31, 2025)	The higher the multiple is, the higher the fair value will be.
		Multiples of earnings (12.72, 12.90 and 17.91, respectively, on March 31, 2026, December 31 and March 31, 2025)	The higher the multiple is, the higher the fair value will be.
		Lack-of-Marketability discount rate (All are 40%~65% on March 31, 2026, December 31 and March 31, 2025)	The higher the Lack-of-Marketability discount rate is, the lower the fair value will be.

(Continued)

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 (All are 30% on March 31, 2026, December 31 and March 31, 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:

			Profit or loss		Other comprehensive income	
	Input	Move up or down	Favorable change	Unfavorable change	Favorable change	Unfavorable change
March 31, 2026						
Financial assets at fair value through profit or loss	Volatility	5%	$ 36,581	33,655	-	-
Financial assets at fair value through other comprehensive income	Price-Book ratio multiples	5%	$ -	-	45,690	18,445
	Multiples of earnings	5%	$ -	-	12,952	15,214
	Lack-of-Marketability discount rate	5%	$ -	-	10,478	25,492
December 31, 2025						
Financial assets at fair value through profit or loss	Volatility		$ 39,084	39,084	-	-
Financial assets at fair value through other comprehensive income	Price-Book ratio multiples	5%	$ -	-	45,006	18,282
	Multiples of earnings	5%	$ -	-	10,106	12,525
	Lack-of-Marketability discount rate	5%	$ -	-	12,952	27,706
March 31, 2025						
Financial assets at fair value through profit or loss	Volatility	5%	$ 75,110	77,197	-	-
Financial assets at fair value through other comprehensive income	Price-Book ratio multiples	5%	$ -	-	17,670	15,177
	Multiples of earnings	5%	$ -	-	1,583	1,589

(Continued)

		Profit or loss		Other comprehensive income	
Input	**Move up or down**	**Favorable change**	**Unfavorable change**	**Favorable change**	**Unfavorable change**
Lack-of-Marketability discount rate	5%	$ -	-	7,101	9,588

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

March 31, 2026			
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	$ 200,761,618	200,761,618	-
	(USD 6,274,781)	(USD 6,274,781)	

December 31, 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	$ 144,045,199	144,045,199	-
	(USD 4,583,048)	(USD 4,583,048)	

March 31, 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	$ 94,409,353	272,947,923	(178,538,570)
	(USD 2,843,227)	(USD 2,843,227)	

(Continued)

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(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, 2025.

(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, 2025. There were no significant changes of quantitative data of capital management compared to the consolidated financial statements for the year ended December 31, 2025. Please refer to note (6)(ab) of the consolidated financial statements for the year ended December 31, 2025.

(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 three months ended March 31, 2026 and 2025 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, 2026	Cash flow	Other non-cash changes	March 31, 2026
Short-term borrowings	$ 66,948,717	(11,102,201)	-	55,846,516
Long-term borrowings	15,945,303	821,526	-	16,766,829
Lease liabilities	9,426,176	(1,659,519)	289,639	8,056,296
Deposits received and others	393,670	37,469	(20)	431,119
Total liabilities from financing activities	**$ 92,713,866**	**(11,902,725)**	**289,619**	**81,100,760**

	January 1, 2025	Cash flow	Other non-cash changes	March 31, 2025
Short-term borrowings	$ 57,900,401	(5,110,776)	-	52,789,625
Long-term borrowings	26,538,151	(3,279,827)	-	23,258,324
Lease liabilities	8,732,843	(1,539,779)	48,337	7,241,401
Deposits received and others	478,182	(83,312)	6,210	401,080
Total liabilities from financing activities	**$ 93,649,577**	**(10,013,694)**	**54,547**	**83,690,430**

(Continued)

(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
ARCE THERAPEUTICS, INC. (“ARCE”)	An associate
Raypal Biomedical Co., Ltd. (“Raypal”)	An associate
River Regeneration and Rejuvenation Biotechnology Co. Ltd. (“River Regeneration”)	An associate
Kinpo Group Management Service Company (“Kinpo Group Management”)	An associate
Neo Medical USA, Inc.	An associate
Acbel Polytech Inc. and its subsidiaries (“Acbel”)	Substantial related party
Cal-Comp Electronics (Thailand) Public Company Limited and its subsidiaries (“Cal-Comp”)	Substantial related party
Kinpo Electronics, Inc. (“Kinpo”)	Substantial related party

(b) Transactions with key management personnel

Key management personnel remunerations comprised:

	For the three months ended March 31, 2026	2025
Short-term employee benefits	$ 209,095	206,291
Post-employment benefits	1,910	1,741
	$ 211,005	**208,032**

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

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
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(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 March 31, 2026	For the three months ended March 31, 2025
Associates	$ 180,191	191,147
Other related parties	14,709	131
	$ 194,900	191,278

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 March 31, 2026	For the three months ended March 31, 2025
Associates	$ 373,448	301,400
Other related parties	8,629,254	11,785,322
	$ 9,002,702	12,086,722

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	March 31, 2026	December 31, 2025	March 31, 2025
Notes and accounts receivable	Associates	$ 142,920	130,713	164,382
Notes and accounts receivable	Other related parties	4,731,436	6,108,212	4,559,653
Other receivables	Associates	3,421	-	1,127
Other receivables	Other related parties	815	764	42
		$ 4,878,592	6,239,689	4,725,204

(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	March 31, 2026	December 31, 2025	March 31, 2025
Notes and accounts payable	Associates	$ 383,235	318,398	315,965
Notes and accounts payable	Other related parties	4,236,853	8,009,731	7,560,506
Other payables	Associates	299	21	1,035
Other payables	Other related parties	43,262	30,226	18,972
		$ 4,663,649	8,358,376	7,896,478

(v) Property transactions

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

		For the three months ended March 31, 2025		
Relationship	Item	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 asscociate-Allied Circuit, by cash	$ 134,605

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged Assets	Subject	March 31, 2026	December 31, 2025	March 31, 2025
Inventories	Bank loans and accounts receivable factoring	$ 201,562	197,164	121,816
Other current assets	Pledged deposit	1,579,802	1,279,040	572,606
Property, plant, and equipment	Bank loans	142,923	151,462	165,260
Right-of-use assets	Bank loans	7,569,993	7,610,986	7,733,964
Other non-current assets	Customs deposit	800	800	800
Other non-current assets	Pledged deposit	-	16,359	16,359
		$ 9,495,080	9,255,811	8,610,805

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(9) Commitments and contingencies:

The details of commitments and contingencies were as follows:

(a) With regard to the former employee of Inventec Corporation ("Inventec") who joined the Group, Inventec filed a lawsuit against the Group, accusing the Group violated the Trade Secret Act and the Copyright Act, and seeking relevant damages compensation. The Taipei District Court rendered its first-instance judgment on this case on May 21, 2025, holding that the Group was held liable as an employer for its employee's professional conduct constituting an offense under the Copyright Act and was thus fined $200. The Group was acquitted of all other criminal charges. With respect to the criminal incidental civil action filed by Inventec against the Group, the Court determined that the Group was not at fault (without culpa) and thus dismissed Inventec's claim for damages.

The Group deems that there are considerable doubts concerning the findings of fact and the application of law in the part of the judgment adverse to the Group. Consequently, the Group had filed an appeal within the statutory period, and so did the prosecutor. Inventec had also appealed the judgment. As this case remains pending before the appellate court for deliberation, the Group is presently unable to reasonably estimate the ultimate impact and financial consequences that may arise from this case.

(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 March 31, 2026, December 31 and March 31, 2025, the Group's signed commitments to purchase property, plant and equipment amounted to $16,206,333, $12,466,589 and $8,319,020, respectively.

(10) Losses due to major disasters: None

(11) Subsequent events:

On May 12, 2026, the Company's Board of Directors resolved to repurchase 100,000 thousand ordinary shares of the Company for transfer to employees, at a price ranging from NT $21.56 to NT $44.43 per share.

(Continued)

(12) Other:

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

By function / By item	Three months ended March 31, 2026			Three months ended March 31, 2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	2,443,988	4,245,786	6,689,774	2,272,584	4,203,605	6,476,189
Labor and health insurance	197,833	295,140	492,973	194,644	294,900	489,544
Pension	169,795	192,287	362,082	148,968	182,030	330,998
Others	298,107	278,242	576,349	341,190	207,524	548,714
Depreciation	1,501,128	238,630	1,739,758	1,355,085	286,735	1,641,820
Amortization	4,620	74,091	78,711	4,451	112,973	117,424

(b) Seasonality of operations

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

(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 three months ended March 31, 2026:

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

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

(iii) Material securities held as of March 31, 2026 (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

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(14) Segment information:

	Three months ended March 31, 2026			
	Information technology product segment	**Strategically integrated product segment**	**Adjustment and elimination**	**Total**
Revenue:				
Revenue from external customers	$ 188,519,419	12,784,117	-	201,303,536
Revenue from segments	1,290,790	-	(1,290,790)	-
Total revenue	**$ 189,810,209**	**12,784,117**	**(1,290,790)**	**201,303,536**
Reportable segment profit	**$ 2,185,663**	**904,933**	**-**	**3,090,596**

	Three months ended March 31, 2025			
	Information technology product segment	**Strategically integrated product segment**	**Adjustment and elimination**	**Total**
Revenue:				
Revenue from external customers	$ 186,395,275	12,702,682	-	199,097,957
Revenue from segments	275,663	-	(275,663)	-
Total revenue	**$ 186,670,938**	**12,702,682**	**(275,663)**	**199,097,957**
Reportable segment profit	**$ 2,521,740**	**905,183**	**-**	**3,426,923**

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Table 1 Loans to other parties:

(March 31, 2026)

(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
1	CPC	CIC	Other receivables	Y	462,900	462,900	277,740	1.30%	Short-term financing	-	Operating demand	-	-	-	2,773,124	2,773,124	(Note 1)
1	CPC	CCI Nanjing	Other receivables	Y	1,157,250	1,131,328	1,085,038	1.30%	Short-term financing	-	Operating demand	-	-	-	2,773,124	2,773,124	(Note 1)
2	CIT	HengHao Kunshan	Other receivables	Y	959,850	959,850	959,850	4.36%	Short-term financing	-	Operating demand	-	-	-	31,745,134	31,745,134	(Note 2)
2	CIT	CEM	Other receivables	Y	319,950	319,950	319,950	4.36%	Short-term financing	-	Operating demand	;	-	-	31,745,134	31,745,134	(Note 2)
2	CIT	Rayonnant Technology (Taicang)	Other receivables	Y	162,015	162,015	162,015	1.30%	Short-term financing	-	Operating demand	;	-	-	31,745,134	31,745,134	(Note 2)
3	CPO	CIT	Other receivables	Y	694,350	694,350	694,350	1.30%	Short-term financing	-	Operating demand	-	-	-	3,424,096	3,424,096	(Note 3)
3	CPO	CEM	Other receivables	Y	959,850	959,850	959,850	4.36%	Short-term financing	-	Operating demand	-	-	-	3,424,096	3,424,096	(Note 3)
3	CPO	CCI Nanjing	Other receivables	Y	833,220	833,220	833,220	1.30%	Short-term financing	-	Operating demand	-	-	-	3,424,096	3,424,096	(Note 3)
4	CET	BT	Other receivables	Y	277,740	277,740	115,725	1.60%	Short-term financing	-	Operating demand	-	-	-	5,082,344	5,082,344	(Note 4)
5	Panpal	CEM	Other receivables	Y	1,759,725	1,759,725	1,759,725	4.36%	Short-term financing	-	Operating demand	-	-	-	2,412,715	2,412,715	(Note 5)
5	Panpal	HengHao	Other receivables	Y	300,000	300,000	300,000	2.38%	Short-term financing	-	Operating demand	-	-	-	2,412,715	2,412,715	(Note 5)
6	CIC	HengHao Kunshan	Other receivables	Y	1,759,725	1,759,725	1,759,725	4.36%	Short-term financing	-	Operating demand	-	-	-	12,072,844	12,072,844	(Note 6)
6	CIC	CTB	Other receivables	Y	319,950	319,950	319,950	4.36%	Short-term financing	-	Operating demand	-	-	-	12,072,844	12,072,844	(Note 6)
7	BSH	CIN	Other receivables	Y	447,930	447,930	447,930	4.36%	Short-term financing	-	Operating demand	-	-	-	8,922,271	8,922,271	(Note 7)
7	BSH	CTB	Other receivables	Y	1,279,800	1,279,800	1,279,800	4.36%	Short-term financing	-	Operating demand	-	-	-	8,922,271	8,922,271	(Note 7)
8	Gempal	Ray-Kwong Medical Management Consulting Co., Ltd.	Other receivables	Y	5,000	5,000	5,000	2.38%	Short-term financing	-	Operating demand	-	-	-	8,294	927,821	(Note 8)
8	Gempal	Hippo Screen	Other receivables	Y	35,000	35,000	35,000	2.38%	Short-term financing	-	Operating demand	-	-	-	927,821	927,821	(Note 8)
9	Hong Ji	Aco Healthcare	Other receivables	Y	100,000	-	-	2.38%	Short-term financing	-	Operating demand	-	-	-	495,990	495,990	(Note 9)
9	Hong Ji	Ripal	Other receivables	Y	30,000	30,000	10,000	2.38%	Short-term financing	-	Operating demand	-	-	-	495,990	495,990	(Note 9)
10	CEQ	CIT	Other receivables	Y	462,900	462,900	462,900	1.30%	Short-term financing	-	Operating demand	-	-	-	3,784,427	3,784,427	(Note 10)
11	Palcom	Hippo Screen	Other receivables	Y	35,000	35,000	35,000	2.38%	Short-term financing	-	Operating demand	-	-	-	42,961	42,961	(Note 11)
12	GLB	PT GLB Biotechnology Indonesia	Other receivables	Y	31,995	31,995	-	4.75%	Short-term financing	-	Operating demand	-	-	-	51,072	249,274	(Note 12)
13	Arcadyan	Acradyan Brasil	Other receivables	Y	96,000	96,600	64,000	4.60%	Short-term financing	-	Operating demand	-	-	-	3,145,678	6,291,356	(Note 13)
13	Arcadyan	Arcadyan UK	Other receivables	Y	160,000	160,000	-	4.80%	Transaction for business between two parties	1,600,000	-	-	-	-	1,280,000	6,291,356	(Note 13)
14	Poindus Systems	Adasys	Long-term receivables	Y	24,063	24,063	-	2.83%	Transaction for business between two parties	123,420	-	-	-	-	110,092	235,785	(Note 14)
14	Poindus Systems	Adasys	Other receivables	Y	24,076	-	-	2.86%	Short-term financing	-	Expand business	-	-	-	117,892	235,785	(Note 14)
14	Poindus Systems	Poindus UK	Other receivables	Y	11,545	11,545	11,545	4.77%	Transaction for business between two parties	-	-	-	-	-	52,719	235,785	(Note 14)
14	Poindus Systems	Varlink	Other receivables	Y	21,380	21,380	21,380	4.77%	Short-term financing	-	Expand business	-	-	-	117,892	235,785	(Note 14)
14	Poindus Systems	Varlink	Long-term receivables	Y	21,380	21,380	21,380	4.58%~4.77%	Transaction for business between two parties	97,538	-	-	-	-	110,487	235,785	(Note 14)

(Continued)

Note 1： 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 2： 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 3： 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 4： 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 5： 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 Panpal's endorsements/guarantees for calculation. In addition, Panpal's subsidiaries in which it directly or indirectly holds more than 50% of the voting shares, or the ultimate parent company of Panpal, or it's subsidiaries in which it directly or indirectly holds more than 50% of the voting shares, the total amount of loans is not limited by 80% of the aforesaid restrictions, but the maximum amount shall not exceed the total amount of lendable capital of Panpal, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 6： 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 7： 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 8： 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, Gempal's subsidiaries in which it directly or indirectly holds more than 50% of the voting shares, or the ultimate parent company of Gempal, or it's subsidiaries in which it directly or indirectly holds more than 50% of the voting shares, the total amount of loans is not limited by 80% of the aforesaid restriction, 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 9： 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, Hong Ji's subsidiaries in which it directly or indirectly holds more than 50% of the voting shares, or the ultimate parent company of Hong Ji, or it's subsidiaries in which it directly or indirectly holds more than 50% of the voting shares, the total amount of loans is not limited by 80% of the 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 10： According to CEQ's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of CEQ. When a short-term financing facility with CEQ 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 CEQ'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 CEQ, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 11： According to Palcom's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of Palcom. When a short-term financing facility with Palcom 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 Palcom's total amount of lendable capital, and shall be combined with the Palcom's endorsements/guarantees for calculation. In addition, Palcom's subsidiaries in which it directly or indirectly holds more than 50% of the voting shares, or the ultimate parent company of Palcom, or it's subsidiaries in which it directly or indirectly holds more than 50% of the voting shares, the total amount of loans is not limited by 80% of the aforesaid restriction, but the maximum amount shall not exceed the total amount of lendable capital of Palcom, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 12： According to GLB's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of GLB. When a short-term financing facility with GLB 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 GLB's total amount of lendable capital, and shall be combined with the GLB's endorsements/guarantees for calculation. In addition, GLB's subsidiaries in which it directly or indirectly holds more than 50% of the voting shares, or the ultimate parent company of GLB, or it's subsidiaries in which it directly or indirectly holds more than 50% of the voting shares, the total amount of loans is not limited by 80% of the aforesaid restriction, but the maximum amount shall not exceed the total amount of lendable capital of GLB, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 13： 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 14： 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 15： The transactions had been eliminated in the consolidated financial statements.

(Continued)

Notes to Consolidated Financial Statements

Table 2 Guarantees and endorsements for other parties:

(March 31, 2026)

(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 and 2)	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)	32,722,577	36,154	36,154	36,154	-	0.03%	65,445,154	Y	-	-
0	The Company	CTB	(Note 4)	32,722,577	465,207	465,207	465,207	-	0.36%	65,445,154	Y	-	-
0	The Company	Compal Ruifang	(Note 3)	32,722,577	998,500	998,500	2,070	-	0.76%	65,445,154	Y	-	-
0	The Company	Kinpo & Compal Group Assets Development Corporation	(Note 3)	32,722,577	15,400,000	15,400,000	4,004,962	-	11.77%	65,445,154	Y	-	-
1	Arcadyan	Arcadyan AU	(Note 4)	2,097,118	240,000	240,000	-	-	1.53%	6,291,356	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)

Notes to Consolidated Financial Statements

Table 3 Securities held as of March 31, 2026 (excluding investment in subsidiaries, associates and joint ventures)

(March 31, 2026)

(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	348,505	-	348,505	
	Kinpo	Substantial related party	Financial assets at fair value through other comprehensive income-non-current	124,044	2,673,143	8%	2,673,143	
	Cal-Comp	Substantial related party	Financial assets at fair value through other comprehensive income-non-current	1,554,139	7,319,997	15%	7,319,997	
	AC Advanced Tech, L.P	-	Financial assets at fair value through profit or loss-non-current	-	546,437	-	546,437	
	Others		Financial assets at fair value through profit or loss and other comprehensive income		1,679,610		1,679,610	
	Total				12,567,692			
Panpal	Compal Electronics, Inc.	The parent company	Financial assets at fair value through other comprehensive income-non-current	31,648	852,916	1%	852,916	(Note 1)
	Kinpo	Substantial related party	Financial assets at fair value through other comprehensive income-non-current	69,370	1,494,916	5%	1,494,916	
	CDIB Partners Investment Holding Corp.	-	Financial assets at fair value through other comprehensive income-non-current	54,000	1,118,340	5%	1,118,340	
	AcBel	Substantial related party	Financial assets at fair value through other comprehensive income-non-current	11,332	516,734	1%	516,734	
	Others		Financial assets at fair value through other comprehensive income-non-current		262,285		262,285	
	Total				4,245,191			
Gempal	Compal Electronics, Inc.	The parent company	Financial assets at fair value through other comprehensive income-non-current	18,369	495,054	-	495,054	(Note 1)
	Others		Financial assets at fair value through other comprehensive income-non-current		41,362		41,362	
	Total				536,416			
Arcadyan	Others		Financial assets at fair value through profit or loss and other comprehensive income		50,563		50,563	
Mactech	Others		Financial assets at fair value through other comprehensive income-non-current		15,900		15,900	
Mithera	Others		Financial assets at fair value through other comprehensive income-non-current		143,977		143,977	
BT	Others		Financial assets at fair value through other comprehensive income-non-current		4,630		4,630	
CIT	Kunqiao Phase II (Suzhou) Emerging Industry Venture Capital Partnership Fund	-	Financial assets at fair value through profit or loss-non-current	-	1,096,661	-	1,096,661	
BSH	ABG Capital PartnersV, LP (ABG)	-	Financial assets at fair value through profit or loss-non-current	-	667,762	-	667,762	
	Others		Financial assets at fair value through profit or loss and other comprehensive income		258,197		258,197	
	Total				925,959			

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

(Continued)

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 year ended March 31, 2026)

(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	(1,087,141)	(1.4)%	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.	2,738,905	1.4%	(Note 2)
	CEM	Subsidiaries wholly owned by the Company	Sale	(1,441,305)	(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.	2,116,579	1.0%	(Note 2)
	Just and its subsidiaries	Subsidiaries wholly owned by the Company	Sale	(200,064)	(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.	3,556,940	1.7%	(Note 2)
	BCI and its subsidiaries	Subsidiaries wholly owned by the Company	Sale	(222,365)	(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.	225,334	0.1%	(Note 2)
	CIH and its subsidiaries	Subsidiaries wholly owned by the Company	Purchase	14,085,720	6.7%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(86,724,156)	(49.7)%	(Note 2)
	Just and its subsidiaries	Subsidiaries wholly owned by the Company	Purchase	1,418,651	0.7%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(3,986,881)	(2.3)%	(Note 2)
	HSI and its subsidiaries	Subsidiaries wholly owned by the Company	Purchase	31,142,583	14.8%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(8,913,920)	(5.1)%	(Note 2)
	BCI and its subsidiaries	Subsidiaries wholly owned by the Company	Purchase	2,591,528	1.2%	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.	(8,489,132)	(4.9)%	(Note 2)
	Kinpo	Substantial related party	Purchase	8,482,816	4.0%	Net 35 days from the end of the month	Similar to non-related parties	There is no significant difference.	(3,985,563)	(2.3)%	
Just and its subsidiaries	Compal Electronic, Inc.	Parent company	Sale	(1,418,651)	(72.9)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	3,986,881	88.8%	(Note 2)
	CTB	With the same ultimate parent company	Sale	(192,674)	(6.0)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	240,104	3.1%	(Note 2)
	UCGI	With the same ultimate parent company	Sale	(167,996)	(5.2)%	60 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	231,302	3.0%	(Note 2)
	Compal Electronic, Inc.	Parent company	Purchase	200,064	37.9%	120 days	Similar to non-related parties	There is no significant difference.	(3,556,940)	(73.8)%	(Note 2)
CIH and its subsidiaries	Compal Electronic, Inc.	Parent company	Sale	(14,085,720)	(57.9)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	86,724,156	58.7%	(Note 2)
	HSI and its subsidiaries	With the same ultimate parent company	Sale	(467,464)	(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.	8,204,869	4.6%	(Note 2)
	HSI and its subsidiaries	With the same ultimate parent company	Purchase	153,287	0.2%	Net 60 days from the delivery	Similar to non-related parties	Adjustments will be made based on demand for funding.	(122,129)	(0.1)%	(Note 2)
	Rayonnant Technology and its subsidiaries	With the same ultimate parent company	Purchase	113,709	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.	-	- %	(Note 2)
BCI and its subsidiaries	Compal Electronic, Inc.	Parent company	Sale	(2,591,528)	(96.0)%	120 days	Markup based on BCI and its subsidiaries' cost	Adjustments will be made based on demand for funding.	8,489,132	87.1%	(Note 2)
	Compal Electronic, Inc.	Parent company	Purchase	222,365	68.6%	120 days	Similar to non-related parties	There is no significant difference.	(225,334)	(41.5)%	(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 year ended March 31, 2026)

(In Thousands of New Taiwan Dollars)

Company Name	Counter party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/ (Sale)	Amount	Percentage of total purchases/ (sales)	Payment terms	Unit price	Payment Terms	Ending Balance	Percentage of total notes/accounts receivable (payable)	
CEM	CTB	With the same ultimate parent company	Sale	(546,619)	(21.2)%	45 days	Similar to non-related parties	There is no significant difference.	678,608	23.4%	(Note 2)
	Compal Electronic, Inc.	Parent company	Purchase	1,441,305	60.6%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(2,116,579)	(75.7)%	(Note 2)
CTB	CEM	With the same ultimate parent company	Purchase	546,619	37.7%	120 days	According to markup pricing	There is no significant difference.	(678,608)	(30.8)%	(Note 2)
	JUST and its subsidiaries	With the same ultimate parent company	Purchase	192,674	13.3%	120 days	Similar to non-related parties	There is no significant difference.	(240,104)	(10.9)%	(Note 2)
UCGI	Avalue	An associate	Sale	(124,013)	(39.5)%	75 days	Similar to non-related parties	There is no significant difference.	105,949	34.6%	
	Just and its subsidiaries	With the same ultimate parent company	Purchase	167,996	71.6%	60 days	Similar to non-related parties	There is no significant difference.	(231,302)	(84.0)%	(Note 2)
Rayonnant Technology and its subsidiaries	CIH and its subsidiaries	With the same ultimate parent company	Sale	(113,709)	(83.5)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	-	- %	(Note 2)
HSI and its subsidiaries	Compal Electronic, Inc.	Parent company	Sale	(31,142,583)	(98.9)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	8,913,920	99.2%	(Note 2)
	CIH and its subsidiaries	With the same ultimate parent company	Sale	(153,287)	(0.5)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	122,129	0.3%	(Note 2)
	Arcadyan and its subsidiaries	With the same ultimate parent company	Sale	(203,649)	(0.7)%	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.	206,025	0.5%	(Note 2)
	CIH and its subsidiaries	With the same ultimate parent company	Purchase	467,464	2.3%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(8,204,869)	(12.5)%	(Note 2)
	CPM	An associate	Purchase	153,563	0.7%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(149,275)	(0.2)%	(Note 2)
Arcadyan	Acradyan USA	Arcadyan's subsidiary	Sale	(6,316,022)	(49.6)%	Net 120 days from delivery	-	-	-	- %	(Note 2&3)
	Acradyan AU	Arcadyan's subsidiary	Sale	(559,657)	(4.4)%	Net 60 days from the end of the month of delivery	-	-	206,818	4.0%	(Note 2)
	Acradyan Germany	Arcadyan's subsidiary	Sale	(333,589)	(2.6)%	Net 150 days from delivery	-	-	267,702	5.1%	(Note 2)
	Arcadyan Vietnam	Arcadyan's subsidiary	Purchase	3,778,730	16.9%	Net 180 days from the end of the month of delivery	According to markup pricing	-	(937,396)	(3.2)%	(Note 1&2)
Arcadyan and its subsidiaries	Compal Electronic, Inc.	Parent company	Purchase	1,087,141	7.9%	Net 60 days from the end of the month of delivery	-	-	(2,738,905)	(15.0)%	(Note 2)
Arcadyan Vietnam	Arcadyan	With the same ultimate parent company	Sale	(3,778,730)	(100.0)%	Net 180 days from the end of the month of delivery	According to markup pricing	-	937,396	- %	(Note 1&2)
	HSI and its subsidiaries	With the same ultimate parent company	Purchase	203,649	1.6%	Net 60 days from the end of the month of delivery	-	-	(206,025)	(0.8)%	(Note 2)
Acradyan USA	Arcadyan	With the same ultimate parent company	Purchase	6,316,022	100.0%	Net 120 days from delivery	-	-	-	- %	(Note 2&3)
Acradyan AU	Arcadyan	With the same ultimate parent company	Purchase	559,657	100.0%	Net 60 days from the end of the month of delivery	-	-	(206,818)	(100.0)%	(Note 2)
Acradyan Germany	Arcadyan	With the same ultimate parent company	Purchase	333,589	100.0%	Net 150 days from delivery	-	-	(267,702)	(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: As of March 31, 2026, the advance receipt arising from the transaction amounted to $4,693,983, which was recorded as contract liabilities – current.

(Continued)

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:

(March 31, 2026)

(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	2,738,905	0.78	-	-	1,892,647	(Note 1)	-
The Company	CBN	The Company’s subsidiary	122,128	0.26	-	-	-	(Note 1)	-
The Company	Just and its subsidiaries	The Company’s subsidiary	3,556,940 (Note 3)	(Note 3)	-	-	-	(Note 1)	-
The Company	BCI and its subsidiaries	The Company’s subsidiary	225,334 (Note 3)	(Note 3)	-	-	-	(Note 1)	-
The Company	CEM	The Company’s subsidiary	2,116,579	0.61			-	(Note 1)	-
The Company	Cal-Comp	Substantial related party	4,708,938 (Note 3)	(Note 3)	-	-	2,359,101	(Note 1)	-
Just and its subsidiaries	Compal Electronic, Inc.	Parent company	3,986,881	0.48	-	-	-	(Note 1)	-
Just and its subsidiaries	CTB	With the same ultimate parent company	240,104	1.60	-	-	44,946	(Note 1)	-
Just and its subsidiaries	UCGI	With the same ultimate parent company	231,302	0.86	-	-	-	(Note 1)	-
CIH and its subsidiaries	Compal Electronic, Inc.	Parent company	86,724,156	0.19	-	-	84,733,579	(Note 1)	-
CIH and its subsidiaries	HSI and its subsidiaries	With the same ultimate parent company	8,204,869	0.07	-	-	-	(Note 1)	-
BCI and its subsidiaries	Compal Electronic, Inc.	Parent company	8,489,132	0.30	-	-	8,489,132	(Note 1)	-
BCI and its subsidiaries	HSI and its subsidiaries	With the same ultimate parent company	1,133,353	0.00	-	-	-	(Note 1)	-
CEM	CTB	With the same ultimate parent company	678,608	0.76	-	-	89,013	(Note 1)	-
UCGI	Avalue	An associate	105,949	1.36	-	-	-	(Note 1)	-
HSI and its subsidiaries	Compal Electronic, Inc.	Parent company	8,913,920	4.18	-	-	6,361,534	(Note 1)	-
HSI and its subsidiaries	CIH and its subsidiaries	With the same ultimate parent company	122,129	2.30	-	-	-	(Note 1)	-
HSI and its subsidiaries	Arcadyan and its subsidiaries	With the same ultimate parent company	206,025	1.13	-	-	-	(Note 1)	-
Arcadyan	Compal Electronic, Inc.	Parent company	1,202,719 (Note 4)	(Note 4)	-	-	817,490	(Note 2)	-
Arcadyan	Arcadyan AU	Arcadyan’s subsidiary	206,818	13.97	-	-	118,750	(Note 2)	-
Arcadyan	Arcadyan Germany	Arcadyan’s subsidiary	267,702	4.69	-	-	18,079	(Note 2)	-
CNC	Arcadyan	With the same ultimate parent company	266,647	(Note 5)	-	-	-	(Note 2)	-
Arcadyan Vietnam	Arcadyan	With the same ultimate parent company	937,396 (Note 6)	(Note 6)	-	-	937,396	(Note 2)	-

Note 1: Balance as of May 5, 2026.

Note 2: Balance as of April 27, 2026.

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

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

Note 5: Other receivables due to supply chain management service fees.

Note 6: Accounts receivables due to processing raw material.

(Continued)

Notes to Consolidated Financial Statements

Table 6 Business relationships and significant intercompany transactions:

(March 31, 2026)

(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	1,087,141	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.	0.5%
				Accounts Receivable	2,738,905	〃	0.6%
0	The Company	CEM	1	Sales Revenue	1,441,305	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	0.7%
				Accounts Receivable	2,116,579	〃	0.5%
0	The Company	Just and its subsidiaries	1	Sales Revenue	200,064	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	3,556,940	〃	0.8%
0	The Company	BCI and its subsidiaries	1	Sales Revenue	222,365	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	225,334	〃	-
1	Just and its subsidiaries	The Company	2	Sales Revenue	1,418,651	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	0.7%
				Accounts Receivable	3,986,881	〃	0.9%
1	Just and its subsidiaries	CTB	3	Sales Revenue	192,674	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	240,104	〃	0.1%
1	Just and its subsidiaries	UCGI	3	Sales Revenue	167,996	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	231,302	〃	0.1%
2	CIH and its subsidiaries	The Company	2	Sales Revenue	14,085,720	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	7.0%
				Accounts Receivable	86,724,156	〃	19.2%
2	CIH and its subsidiaries	HSI and its subsidiaries	3	Sales Revenue	467,464	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	0.2%
				Accounts Receivable	8,204,869	〃	1.8%
3	BCI and its subsidiaries	The Company	2	Sales Revenue	2,591,528	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.	1.3%
				Accounts Receivable	8,489,132	〃	1.9%
3	BCI and its subsidiaries	HSI and its subsidiaries	3	Sales Revenue	2,713	The price is based on the operating cost. The credit period is net 120 days, and will be adjusted if necessary.	-
				Accounts Receivable	1,133,353	〃	0.3%
4	CEM	CTB	3	Sales Revenue	546,619	There is no significant difference of price to non-related parties. The credit period is net 45 days.	0.3%
				Accounts Receivable	678,608	〃	0.2%
5	Rayonnant and its subsidiaries	CIH and its subsidiaries	3	Sales Revenue	113,709	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	-	〃	-
6	HSI and its subsidiaries	The Company	2	Sales Revenue	31,142,583	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	15.5%
				Accounts Receivable	8,913,920	〃	2.0%
6	HSI and its subsidiaries	CIH and its subsidiaries	3	Sales Revenue	153,287	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	122,129	〃	-
6	HSI and its subsidiaries	Arcadyan and its subsidiaries	3	Sales Revenue	203,649	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	206,025	〃	-
7	Arcadyan	The Company	2	Other Receivable	1,202,719	There is no significant difference of price to non-related parties. The credit period is net 60 days from delivery.	0.3%
7	Arcadyan	Arcadyan Germany	3	Sales Revenue	333,589	There is no significant difference of price to non-related parties. The credit period is net 150 days from delivery.	0.2%
				Accounts Receivable	267,702	〃	0.1%
7	Arcadyan	Arcadyan USA	3	Sales Revenue	6,316,022	There is no significant difference of price to non-related parties. The credit period is net 120 days from delivery.	3.1%
				Contract Liabilities	4,693,983	〃	1.0%
7	Arcadyan	Arcadyan AU	3	Sales Revenue	559,657	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.	0.3%
				Accounts Receivable	206,818	〃	-

(Continued)

Table 6 Business relationships and significant intercompany transactions:

(March 31, 2026)

(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	Arcadyan Vietnam	Arcadyan	3	Processing Revenue	3,778,730	The price is based on Arcadyan Vietnam's cost-plus markup. The credit period is net 180 days from the end of the month of delivery and may adjusted depending on funding needs.	1.9%
				Accounts Receivable	937,396	〃	0.2%
9	CNC	Arcadyan	3	Service Revenue	34,927	The price is based on CNC's cost-plus markup. The credit period is net 120 days from the end of the month of delivery and may adjusted depending on funding needs.	-
				Other Receivable	266,647	〃	0.1%

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

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Table 7 The information on investees for the year ended March 31, 2026 (excluding information on investees in Mainland China):

(March 31, 2026)

(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
				March 31, 2026	December 31, 2025	Shares	Percentage of Ownership	Carrying Value			
The Company	Kinpo & Compal Group Assets Development Corporation	Taipei City	Real estate development leasing and related management business	6,825,000	6,825,000	682,500	70%	6,775,840	5,253	3,377	(Note 2)
	Bizcom	Milpitas, USA	Warranty services and marketing of LCD TVs and notebook PCs	36,369	36,369	100	100%	535,358	4,906	6,549	(Note 2)
	Just	British Virgin Islands	Investment	1,480,509	1,480,509	48,010	100%	11,322,252	63,292	63,292	(Note 2)
	CIH	British Virgin Islands	Investment	1,787,680	1,787,680	53,001	100%	52,317,440	653,737	653,737	(Note 2)
	Panpal	Taipei City	Investment	5,171,837	5,171,837	500,000	100%	5,152,816 (Note 1)	230,695	195,882	(Note 2)
	Gempal	Taipei City	Investment	900,036	900,036	90,000	100%	1,858,545 (Note 1)	48,906	28,700	(Note 2)
	Kinpo Group Management	Taipei City	Consultation, training services, etc.	3,000	3,000	300	38%	5,200	(68)	(25)	
	Ripal	Tainan City	Manufacturing of electric appliance and audiovisual electric products	60,000	60,000	6,000	100%	102,305	(110)	(110)	(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%	61,352	255	255	(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%	3,770,583	-	-	(Note 2)
	Shennona TW	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%	15,345	(5,056)	(5,056)	(Note 2)
	Allied Circuit	Taoyuan City	Production and sales of PCB boards	475,087	475,087	10,955	20%	699,639	195,711	38,445	
	Poindus Systems	Taipei City	Design and manufacture of PCs and peripheral equipment	353,046	353,046	11,768	56%	368,571	1,413	(1,395)	(Note 2)
	Aco Healthcare	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	258,639	258,639	662,131	83%	48,634	(14,841)	(12,353)	(Note 2)
	Lipo	Cayman Islands	Investment	489,450	489,450	98	49%	53,450	(19,062)	(9,340)	
	CPE	The Netherlands	Investment	197,463	197,463	6,427	100%	1,015,406	9,076	9,076	(Note 2)
	Starmems	Hsinchu County	R&D of MEMS technology of manufacturing process of semiconductor and manufacturing of electronic components	64,650	64,650	6,465	38%	18,684	(3,618)	(1,364)	(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	174,797	6,264	36%	5,159	(5,246)	(1,905)	
	Hong Ji	Taipei City	Investment	1,000,000	1,000,000	100,000	100%	1,282,089	33,201	33,201	(Note 2)
	Hong Jin	Taipei City	Investment	295,000	295,000	29,500	100%	421,367	14,138	14,138	(Note 2)
	Mactech	Taichung City	Manufacturing of equipment and lighting, retailing of equipment and international trading	219,601	219,601	21,756	53%	295,599	2,745	1,452	(Note 2)
	Auscom	Austin, TX USA	R&D of notebook PC related products and components	101,747	101,747	3,000	100%	176,170	187	187	(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%	3,028,551	688,288	129,017	(Note 2)
	FGH	British Virgin Islands	Investment	2,754,741	2,754,741	89,755	100%	3,272,182	(273,252)	(273,252)	(Note 2)
	Shennona	Delaware, USA	Medical care IOT business	48,210	48,210	-	100%	856	-	(2,482)	(Note 2)
	HSI	British Virgin Islands	Investment	1,346,814	1,346,814	42,700	54%	1,345,727	234,078	125,419	(Note 2)
	CEP	Poland	Maintenance and warranty services of notebook PCs	385,553	385,553	844	100%	(28,261)	(194,891)	(194,891)	(Note 2)
	CPL	Poland	Maintenance and warranty services of notebook PCs	1,307,669	1,307,669	3,207	100%	1,195,510	(41,915)	(39,477)	(Note 2)
	Raypal	Taipei City	Cancerous immunocyte therapy and regenerative medicine	209,076	209,076	4,646	30%	131,663	5,523	(754)	
	ARCE	Taipei City	Biotechnology services, research & development services, intellectual property rights, wholesale of animal medication, retail sale and management advisory	211,493	211,493	55,207	20%	59,665	(64,170)	(12,975)	
	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%	(16,594)	(9,749)	(9,310)	(Note 2)
	HengHao	Taipei City	Manufacturing of PCs, computer periphery devices, and electronic components	6,019,757	6,019,757	29,015	100%	(695,427)	(25,797)	(25,363)	(Note 2)

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Table 7 The information on investees for the year ended March 31, 2026 (excluding information on investees in Mainland China):

(March 31, 2026)

(In Thousands of New Taiwan Dollars/ shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount March 31, 2026	Original Investment Amount December 31, 2025	Ending Balance Shares	Ending Balance Percentage of Ownership	Ending Balance Carrying Value	Net income (losses) of investee	Share of profits/losses of investee	Note
The Company	BCI	British Virgin Islands	Investment	2,636,051	2,636,051	90,820	100%	10,250,279	48,864	48,864	(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%	333,235	(70,039)	(34,969)	(Note 2)
	Rayonnant Technology	Taipei City	Manufacturing and sales of PCs, computer periphery devices, and electronic components	295,000	295,000	29,500	100%	169,533	1,578	1,578	(Note 2)
	CRH	British Virgin Islands	Investment	377,328	377,328	12,500	100%	246,106	4,699	4,699	(Note 2)
	Acendant Private Equity Investment Ltd.	British Virgin Islands	Investment	943,922	943,922	31,253	35%	1,327,660	(16,334)	(5,672)	
	Etrade	British Virgin Islands	Investment	1,532,029	1,532,029	46,900	65%	(640,938)	2,854	1,859	(Note 2)
	Webtek	British Virgin Islands	Investment	3,340	3,340	100	100%	519,567	3,148	3,148	(Note 2)
	Forever	British Virgin Islands	Investment	1,575	1,575	50	100%	1,539,885	2,565	2,565	(Note 2)
	UCGI	Taipei City	Manufacturing and retail sale of computers and electronic components	689,997	689,997	20,000	100%	37,364	(1,118)	(1,140)	(Note 2)
	Palcom	Taipei City	Selling of mobile phones	100,000	100,000	10,000	100%	109,384	112	112	(Note 2)
	Avalue	New Taipei City	Manufacturing, processing, and import and export business of industrial motherboards	547,595	547,595	14,924	21%	800,607	161,469	32,830	
	CORE	British Virgin Islands	Investment	4,318,860	4,318,860	147,000	100%	9,055,643	(26,708)	(26,708)	(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%	300,770	(1,287)	(1,289)	(Note 2)
	GLB	New Taipei City	Manufacturing and wholesale of medical equipment	247,560	247,560	15,035	50%	429,554	13,662	8,082	(Note 2)
	Compal Healthcare	Taipei City	Information software services, data processing services, and electronic information supply services	-	20,000	-	-%	-	-	-	(Note 2)
	River Regeneration	Taipei City	Regeneration and rejuvenation of stem cell	200,020	200,020	16,000	42%	145,548	(14,243)	(5,997)	
	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%	84,719	10,723	12,608	(Note 2)
	Precisely Printed Medical Ltd.	Kaohsiung City	Biotechnology services, research & development services	10,000	10,000	1,000	30%	6,936	(836)	(255)	
	Fusionite	Taipei City	R&D, manufacturing and sales of servers products	10,000	10,000	1,000	100%	9,999	28	28	(Note 2)
	CUS	U.S.A	Manufacturing and sales of servers, notebook PCs, and automotive electronic products	890,880	890,880	-	79%	880,356	(37,918)	(30,126)	(Note 2)
	CUH	U.S.A	Investment	2,304,750	2,304,750	7,500	100%	2,242,190	(118,222)	(118,222)	(Note 2)
	Trifecta	U.S.A	Investment	159,275	-	-	100%	159,275	-	-	(Note 2)
								122,625,263		604,670	
CUH	CUT	U.S.A	R&D, manufacturing and sales of servers products	2,304,750	2,304,750	75,000	100%	2,242,190	(118,222)	Investment gain (losses) recognized by CUH	(Note 2)
Aco Healthcare	Neo Medical USA, Inc.	U.S.A	Manufacturing and sales of medical equipment	30,016	30,016	1,765	26%	30,016	-	Investment gain (losses) recognized by Aco Healthcare	(Note 2)
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%	645,429	688,288	Investment gain (losses) recognized by Panpal	(Note 2)
	Allied Circuit	Taoyuan City	Production and selling of PCB boards	171,229	171,229	3,157	6%	201,607	195,711	Investment gain (losses) recognized by Panpal	
	PT GLB Biotechnology Indonesia	Indonesia	Manufacturing and wholesale of medical equipment	894	894	-	1%	641	(3,658)	Investment gain (losses) recognized by Panpal	(Note 2)
	Others							(1,684,434)			(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%	756,078	688,288	Investment gain (losses) recognized by Gempal	(Note 2)
	Allied Circuit	Taoyuan City	Production and selling of PCB boards	78,908	78,908	3,472	6%	221,768	195,711	Investment gain (losses) recognized by Gempal	
	Others							97,921	-		(Note 2)

(Continued)

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

Table 7 The information on investees for the year ended March 31, 2026 (excluding information on investees in Mainland China):

(March 31, 2026)

(In Thousands of New Taiwan Dollars/ shares)

				Original Investment Amount		Ending Balance			Net income		
Investor Company	**Investee Company**	**Location**	**Main Businesses and Products**	**March 31, 2026**	**December 31, 2025**	**Shares**	**Percentage of Ownership**	**Carrying Value**	**(losses) of investee**	**Share of profits/losses of investee**	**Note**
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%	756,078	688,288	Investment gain (losses) recognized by Hong Ji	(Note 2)
	Allied Circuit	Taoyuan City	Production and selling of PCB boards	17,066	17,066	918	2%	53,740	195,711	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%	360,562	688,288	Investment gain (losses) recognized by Hong Jin	(Note 2)
Just	CDH (HK)	Hong Kong	Investment	1,993,209	1,993,209	62,298	100%	8,489,854	50,147	Investment gain (losses) recognized by Just	(Note 2)
	CII	British Virgin Islands	Investment	407,776	407,776	12,745	100%	357,355	(11,629)	Investment gain (losses) recognized by Just	(Note 2)
	CPI	British Virgin Islands	Investment	15,998	15,998	500	100%	15,715	43	Investment gain (losses) recognized by Just	(Note 2)
CII	Smart	British Virgin Islands	Investment	32	32	1	100%	386	(1)	Investment gain (losses) recognized by CII	(Note 2)
	MEL	U.S.A	Investment	263,447	263,447	-	100%	223,888	364	Investment gain (losses) recognized by CII	(Note 2)
	MTL	U.S.A	Investment	32	32	-	100%	32	-	Investment gain (losses) recognized by CII	(Note 2)
	CNA	U.S.A	Sales of automotive electronic products	79,988	79,988	2,500	100%	42,274	(4,200)	Investment gain (losses) recognized by CII	(Note 2)
	CUS	U.S.A	Manufacturing and sales of servers, notebook PCs, and automotive electronic products	239,963	239,963	-	21%	87,845	(37,918)	Investment gain (losses) recognized by CII	(Note 2)
CIH	CIH (HK)	Hong Kong	Investment	2,393,306	2,393,306	74,803	100%	51,256,793	642,585	Investment gain (losses) recognized by CIH	(Note 2)
	Jenpal	British Virgin Islands	Investment	235,163	235,163	7,350	100%	136,568	1,345	Investment gain (losses) recognized by CIH	(Note 2)
	PFG	British Virgin Islands	Investment	32	32	1	100%	277,785	17,931	Investment gain (losses) recognized by CIH	(Note 2)
	FWT	British Virgin Islands	Investment	476,726	476,726	14,900	100%	476,725	-	Investment gain (losses) recognized by CIH	(Note 2)
	CCM	British Virgin Islands	Investment	163,175	163,175	5,100	51%	5,483	-	Investment gain (losses) recognized by CIH	
HSI	IUE	British Virgin Islands	Investment	2,143,665	2,143,665	67,000	100%	2,752,858	222,834	Investment gain (losses) recognized by HSI	(Note 2)
	Goal	British Virgin Islands	Investment	406,337	406,337	12,700	100%	350,348	11,244	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	2,143,665	2,143,665	67,000	100%	2,752,858	222,834	Investment gain (losses) recognized by IUE	(Note 2)
Goal	CDM	Vietnam	Construction of and investment in infrastructure in Ba-Thien industrial district of Vietnam	406,337	406,337	12,700	100%	307,251	11,244	Investment gain (losses) recognized by Goal	(Note 2)
BCI	CMI	British Virgin Islands	Investment	2,585,836	2,585,836	80,820	100%	6,350,932	2,516	Investment gain (losses) recognized by BCI	(Note 2)
	PRI	British Virgin Islands	Investment	319,950	319,950	10,000	100%	3,899,347	46,348	Investment gain (losses) recognized by BCI	(Note 2)
CORE	BSH	British Virgin Islands	Investment	4,703,265	4,703,265	147,000	100%	9,055,643	(26,708)	Investment gain (losses) recognized by CORE	(Note 2)
BSH	Mithera	Cayman Islands	Investment	161,575	161,575	-	99%	135,578	(291)	Investment gain (losses) recognized by BSH	(Note 2)
	CIN	U.S.A	Manufaturing	580,069	569,826	1	100%	202,362	(112,128)	Investment gain (losses) recognized by BSH	(Note 2)
	HSI	British Virgin Islands	Investment	1,183,815	1,183,815	37,000	46%	1,792,743	234,078	Investment gain (losses) recognized by BSH	(Note 2)
	HHB	British Virgin Islands	Investment	191,970	191,970	9,000	16%	216,345	(2,696)	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	1,919,700	1,919,700	-	100%	2,007,797	7,107	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	63,990	63,990	-	100%	46,484	-	Investment gain (losses) recognized by Forever	(Note 2)
Webtek	Etrade	British Virgin Islands	Investment	799,875	799,875	25,000	35%	(341,644)	2,854	Investment gain (losses) recognized by Webtek	(Note 2)

(Continued)

Table 7 The information on investees for the year ended March 31, 2026 (excluding information on investees in Mainland China):

(March 31, 2026)

(In Thousands of New Taiwan Dollars/ shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount March 31, 2026	Original Investment Amount December 31, 2025	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	Arcadyan Holding	British Virgin Islands	Investment	1,375,362	1,375,362	37,780	100%	1,522,932	(862,339)	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%	164,758	34,214	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan Germany	Germany	Technology support and sales of wireless network products	1,125	1,125	0.5	100%	125,921	4,115	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan Korea	Korea	Sales of wireless network products	2,879	2,879	20	100%	30,632	(1,590)	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Zhi-Bao	Hsinchu City	Investment	48,000	48,000	34,980	100%	277,528	(15,073)	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%	139,445	690	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan UK	UK	Technical support of wireless network product	1,988	1,988	50	100%	7,489	233	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan AU	Australia	Sales of wireless network products	1,161	1,161	50	100%	139,996	16,895	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan RU	Russia	Sales of wireless network products	7,672	7,672	-	100%	367	(24)	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan Turkey	Turkey	Sales of wireless network products	61,268	61,268	6,200	100%	35,524	1,307	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan Japan	Japan	Sales of wireless network products	2,008	2,008	1	100%	1,763	(240)	Investment gain (losses) recognized by Arcadyan	(Note 2)
Arcadyan and Zhi-Bao	Arcadyan Brasil	Brazil	Sales of wireless network products	81,593	81,593	968	100%	(57,928)	2,155	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%	29,662	(7,819)	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%	168,163	(70,039)	Investment gain (losses) recognized by Arcadyan and Zhi-Bao	(Note 2)
Arcadyan Holding	Sinoprime	British Virgin Islands	Investment	929,600	929,600	29,050	100%	1,498,976	(833,034)	Investment gain (losses) recognized by Arcadyan Holding	(Note 2)
	Arch Holding	British Virgin Islands	Investment	32,352	32,352	1	100%	136,096	(42,227)	Investment gain (losses) recognized by Arcadyan Holding	(Note 2)
TTI	Quest	Samoa	Investment	38,400	38,400	1,200	100%	8,305	(89)	Investment gain (losses) recognized by TTI	(Note 2)
Quest	Exquisite	Samoa	Investment	37,440	37,440	1,170	100%	7,392	(95)	Investment gain (losses) recognized by Quest	(Note 2)
Sinoprime	Arcadyan Vietnam	Vietnam	Manufacturing of wireless network products	928,000	928,000	-	100%	1,498,976	(833,064)	Investment gain (losses) recognized by Sinoprime	(Note 2)
Rayonnant Technology	APH	British Virgin Islands	Investment	257,454	257,454	8,651	41%	172,306	7,950	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	399,938	399,938	12,500	59%	246,106	7,950	Investment gain (losses) recognized by CRH	(Note 2)
APH	PEL	British Virgin Islands	Investment	100,816	100,816	3,151	100%	51,100	198,512	Investment gain (losses) recognized by APH	(Note 2)
	Rayonnant (HK)	Hong Kong	Investment	575,910	575,910	18,000	100%	352,594	9,707	Investment gain (losses) recognized by APH	(Note 2)
HHT	HHA	British Virgin Islands	Investment	1,429,235	1,429,235	46,882	100%	(1,665,377)	(2,262)	Investment gain (losses) recognized by HHT	(Note 2)
HHA	HHB	British Virgin Islands	Investment	1,499,991	1,499,991	46,882	84%	(1,451,364)	(2,696)	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%	4,876	(94)	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%	6,528	6	Investment gain (losses) recognized by CBN	(Note 2)
	Starmems	Taiwan	R&D of MEMS microphone related products	16,300	16,300	1,630	10%	4,711	(3,618)	Investment gain (losses) recognized by CBN	(Note 2)
FGH	Wah Yuen Technology Holding Ltd. and its subsidiaries	Mauritius	Investment	2,871,727	2,871,727	95,862	37%	3,344,101	(709,081)	Investment gain (losses) recognized by FGH	
GLB	PT GLB Biotechnology Indonesia	Indonesia	Manufacturing and wholesale of medical equipment	83,340	83,340	42	99%	56,165	(3,658)	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%	-	(3,862)	Investment gain (losses) recognized by Mactech	

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
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Table 7 The information on investees for the year ended March 31, 2026 (excluding information on investees in Mainland China):

(March 31, 2026)

(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
				March 31, 2026	December 31, 2025	Shares	Percentage of Ownership	Carrying Value			
Poindus Systems	Poindus Investment	Taipei City	Investment holding	4,100	4,100	(Note 3)	100%	353	-	Investment gain (losses) recognized by Poindus Systems	(Note 2)
	Poindus UK	UK	Sales of PCs and peripherals	14,297	14,297	300	100%	(10,750)	(164)	Investment gain (losses) recognized by Poindus Systems	(Note 2)
	Adasys	Germany	Sales of PCs and peripherals	57,712	57,712	0.002	100%	(9,388)	(5,197)	Investment gain (losses) recognized by Poindus Systems	(Note 2)
	Varlink	UK	Sales of PCs and peripherals	61,590	61,590	140	100%	48,815	926	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)
Trifecta	Sylux	U.S.A	Infrared Technology Services	159,275	-	-	100%	159,275	-	Investment gain (losses) recognized by Trifecta	(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.

(Continued)

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

Table 8 Information on investment in Mainland China:

(March 31, 2026)

(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, 2026	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2025	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	1,183,815	(Note 1)	1,183,815	-	-	1,183,815	71,755	100%	71,755	3,023,044	-
CDT	Manufacturing and sales of notebook PCs, mobile phones, and Digital products	639,900	(Note 2)	639,900	-	-	639,900	96,302	100%	96,302	441,617	-
CET	Manufacturing of notebook PCs	383,940	(Note 2)	383,940	-	-	383,940	235	100%	235	5,182,402	-
CSD	Research, manufacture and sales of communication devices, mobile phones, electronic computer, smart watch, and provide related technology service	277,787	(Note 2)	(Note 3)	-	-	-	67,289	100%	67,289	812,034	-
FIP	Manufacturing of auto parts and accessories	416,680	(Note 2)	(Note 3)	-	-	-	(32,698)	60%	(19,619)	363,170	-
JIT	AI application software development	46,298	(Note 2)	(Note 3)	-	-	-	13,827	100%	13,827	58,325	-
BT	Manufacturing of notebook PCs	31,995	(Note 2)	31,995	-	-	31,995	10,842	100%	10,842	(104,103)	-
CGS	Maintenance and warranty service of notebook PCs	9,260	(Note 2)	(Note 3)	-	-	-	(2,382)	100%	(2,382)	(24,337)	-
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	1,023,840	(Note 1)	426,493	-	-	426,493	(2,199)	43%	(949)	18,397	-
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	2,015,762	(Note 1&3)	47,033	-	-	47,033	(137,776)	44%	(61,062)	265,111	-
CIC	Manufacturing of notebook PCs	383,940	(Note 2)	383,940	-	-	383,940	1,545	100%	1,545	12,291,434	-
CPO	Manufacturing and sales of LCD TVs	387,140	(Note 1)	387,140	-	-	387,140	290	100%	290	3,526,682	-
CIT	Manufacturing of notebook PCs	767,880	(Note 2)	767,880	-	-	767,880	541,039	100%	541,039	32,863,151	-
CST	International trade and distribution of computers and electronic components	44,793	(Note 2)	44,793	-	-	44,793	1,976	100%	1,976	50,820	-
CIJ	Investment and consulting services	499,122	(Note 2)	499,122	-	-	499,122	(30,266)	100%	(30,266)	2,385,676	-
CDE	Manufacturing and sales of LCD TVs	479,925	(Note 2)	(Note 3)	-	-	-	(30,520)	100%	(30,520)	2,348,361	-
CIS	Outward investment and consulting services	2,585,836	(Note 1)	2,585,836	-	-	2,585,836	2,516	100%	2,516	6,350,932	-
CEC	R&D and manufacturing of notebook PCs, tablet PCs, digital products, network switches, wireless AP, and automobile electronic products	2,559,600	(Note 2)	(Note 3)	-	-	-	2,049	100%	2,049	6,316,265	-
CMC	Corporate management consulting, financial and tax consulting, investment consulting, and investment management consulting services	25,596	(Note 2)	(Note 3)	-	-	-	454	100%	454	28,014	-
CEQ	R&D, manufacturing and sales of notebook PCs and related components. Also provides related maintenance and warranty services	319,950	(Note 1)	319,950	-	-	319,950	46,348	100%	46,348	3,899,347	-
Compal Precision Module (Jiangsu) Co., Ltd.	Manufacturing and selling of magnesium alloy injection molding	13,437,900	(Note 2)	2,643,651	-	-	2,643,651	(367,789)	37%	(134,684)	5,049,301	-

(Continued)

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Table 8 Information on investment in Mainland China:

(March 31, 2026)

(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, 2026	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2025	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	1,919,700	(Note 2)	366,535	-	-	366,535	(127,771)	37%	(46,790)	478,944	-
Rayonnant (Taicang)	Manufacturing and sales of aluminum alloy and magnesium alloy products	575,910	(Note 2)	399,938	-	-	399,938	9,707	100%	9,707	353,224	-
Ruixingfu	Wholesale of hardware products, wholesale and manufacturing of electronic components. Also provides related technical services.	23,149	(Note 2)	(Note 3)	-	-	-	2,602	100%	2,602	27,433	-
CCI Nanjing	Manufacturing and processing of mobile phones and tablet PCs	863,865	(Note 1)	703,890	-	-	703,890	(4,333)	100%	(4,333)	(1,392,550)	-
CDCN	Manufacturing and processing of mobile phones and tablet PCs	185,571	(Note 1)	185,571	-	-	185,571	(285)	100%	(285)	71,477	-
CWCN	Manufacturing and processing of mobile phones and tablet PCs	1,567,755	(Note 1)	607,905	-	-	607,905	7,274	100%	7,274	298,705	-
Hanhelt	R&D and manufacturing of electronic communication equipment	63,990	(Note 1)	63,990	-	-	63,990	(95)	100%	(95)	2,496	-
Arcadyan												
SVA Arcadyan	R&D and sales of wireless network products	259,200	(Note 1)	429,440 (Note 7)	-	-	429,440	1,360	100%	1,360	59,648	-
CNC	Manufacturing and wireless network products	78,400	(Note 1&11)	32,352 (Note 8)	-	-	32,352	(42,227)	100%	(42,227)	279,552	-
THAC	Manufacturing of household electronics products	387,360	(Note 1& 9&10)	36,800	-	-	36,800	(253)	100%	(253)	20,736	-
HengHao												
HengHao Zhejiang	Production of touch panels and related components	1,567,755	(Note 2)	(Note 13)	-	-	-	(3,416)	100%	(3,416)	(1,620,451)	-
Poindus Systems												
Qijie	Sales of PCs and peripherals	31,995	(Note 1)	31,995	-	-	31,995	544	100%	544	7,968	-

(ii) Limitation on investment in Mainland China:

(In Thousands of USD)

Names of Company	Accumulated Investment in Mainland China as of March 31, 2026	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	17,358,471 (US$542,537) (Note 5)	25,282,737 (US$790,209)	(Note 6)
Arcadyan	498,592 (US$15,581)	778,752 (US$24,336)	9,437,035
HengHao	1,499,670 (US$46,872)	1,499,670 (US$46,872)	(Note 12)
Poindus Systems	31,995 (US$1,000)	31,995 (US$1,000)	354,942

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”), Compal Smart Device (Chongqing) Co., Ltd. (“CSD”) and Rayonnant Technology (Taicang) Co., Ltd. (“Rayonnant Technology (Taicang)”) 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： Arcadyan’s subsidiary, CNC, conducted a capital reduction and returned share capital in the amount of USD 10,000 thousands. The funds were remitted to the offshore subsidiary and have not yet been repatriated to Taiwan.

Note 12： The net equity of HengHao is negative at March 31, 2026.

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

Note 14： The amounts in New Taiwan Dollars were translated at the exchange rates at the balance sheet date or the average exchange rate.

(iii) Significant transactions:

For the three months ended March 31, 2026, 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”.