

**COMPAL ELECTRONICS, INC.  
AND SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Six Months Ended June 30, 2026 and 2025**

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## Independent Auditors' Review Report

To COMPAL ELECTRONICS, INC.:

### Introduction

We have reviewed the accompanying consolidated balance sheets of COMPAL ELECTRONICS, INC. and its subsidiaries (the "Group") as of June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2026 and 2025, as well as the changes in equity and cash flows for the six months ended June 30, 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 \$23,103,234 thousand and \$38,714,227 thousand, constituting 4.4% and 10.1% of consolidated total assets as of June 30, 2026 and 2025, respectively, total liabilities amounting to \$5,479,854 thousand and \$16,311,313 thousand, constituting 1.5% and 6.6% of consolidated total liabilities as of June 30, 2026 and 2025, respectively, and the absolute value of total comprehensive income (loss) amounting to \$(272,954) thousand, \$382,931 thousand, \$(388,466) thousand and \$327,890 thousand, constituting 2.4%, 3.1%, 2.5% and 2.3% of consolidated total comprehensive income (loss) for the three months and six months ended June 30, 2026 and 2025, respectively.

**Qualified Conclusion**

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of COMPAL ELECTRONICS, INC. and its subsidiaries as of June 30, 2026 and 2025, and of its consolidated financial performance for the three months and six months ended June 30, 2026 and 2025, as well as its consolidated cash flows for the six months ended June 30, 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

Taipei, Taiwan (Republic of China)  
August 13, 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

June 30, 2026, December 31, 2025, and June 30, 2025

(Expressed in Thousands of New Taiwan Dollars)

|                     |                                                                                                       | June 30, 2026  |       | December 31, 2025 |       | June 30, 2025 |       |                                                        |                                                                                  | June 30, 2026  |       | December 31, 2025 |       | June 30, 2025 |       |
|---------------------|-------------------------------------------------------------------------------------------------------|----------------|-------|-------------------|-------|---------------|-------|--------------------------------------------------------|----------------------------------------------------------------------------------|----------------|-------|-------------------|-------|---------------|-------|
| Assets              |                                                                                                       | Amount         | %     | Amount            | %     | Amount        | %     | Liabilities and Equity                                 |                                                                                  | Amount         | %     | Amount            | %     | Amount        | %     |
| Current assets:     |                                                                                                       |                |       |                   |       |               |       | Current liabilities:                                   |                                                                                  |                |       |                   |       |               |       |
| 1100                | Cash and cash equivalents (Note (6)(a))                                                               | \$ 82,928,768  | 15.9  | 83,290,346        | 19.0  | 65,563,130    | 17.2  | 2100                                                   | Short-term borrowings (Notes (6)(f) and (6)(n))                                  | \$ 91,824,088  | 17.6  | 66,948,717        | 15.3  | 44,628,315    | 11.7  |
| 1110                | Current financial assets at fair value through profit or loss (Note (6)(b))                           | 30,310         | -     | 4,254             | -     | 15,752        | -     | 2120                                                   | Current financial liabilities at fair value through profit or loss (Note (6)(b)) | 125,035        | -     | 84,867            | -     | 362,806       | 0.1   |
| 1135                | Current financial assets for hedging (Note (6)(d))                                                    | 53,858         | -     | 13,181            | -     | -             | -     | 2125                                                   | Current financial liabilities for hedging (Note (6)(d))                          | -              | -     | 2,870             | -     | 131,581       | -     |
| 1136                | Current financial assets at amortized cost (Note (6)(e))                                              | 2,932,445      | 0.6   | 8,932,902         | 2.0   | 4,913,582     | 1.3   | 2130                                                   | Current contract liabilities (Note (6)(v))                                       | 12,841,700     | 2.5   | 5,687,601         | 1.3   | 4,380,054     | 1.2   |
| 1170                | Notes and accounts receivable, net (Notes (6)(f) and (6)(v))                                          | 206,264,705    | 39.4  | 168,427,990       | 38.4  | 151,659,856   | 39.7  | 2170                                                   | Notes and accounts payable                                                       | 179,465,996    | 34.4  | 137,664,189       | 31.4  | 124,242,566   | 32.5  |
| 1180                | Notes and accounts receivable due from related parties, net (Notes (6)(f), (6)(v) and (7))            | 5,786,763      | 1.1   | 6,238,925         | 1.4   | 4,418,613     | 1.1   | 2180                                                   | Notes and accounts payable to related parties (Note (7))                         | 5,954,987      | 1.1   | 8,328,129         | 1.9   | 5,502,597     | 1.5   |
| 1200                | Other receivables, net (Notes (6)(z) and (7))                                                         | 1,655,599      | 0.3   | 1,051,807         | 0.2   | 2,354,497     | 0.6   | 2200                                                   | Other payables (Note (7))                                                        | 28,318,727     | 5.4   | 27,883,282        | 6.3   | 24,886,994    | 6.5   |
| 1310                | Inventories (Notes (6)(g) and (8))                                                                    | 111,644,470    | 21.4  | 84,686,249        | 19.3  | 75,823,323    | 19.9  | 2216                                                   | Dividends payable                                                                | 48,987         | -     | 40                | -     | 40,894        | -     |
| 1470                | Other current assets (Note (8))                                                                       | 12,462,416     | 2.4   | 8,159,491         | 1.9   | 6,183,298     | 1.6   | 2230                                                   | Current tax liabilities                                                          | 8,453,567      | 1.6   | 7,819,580         | 1.8   | 7,051,227     | 1.9   |
|                     |                                                                                                       | 423,759,334    | 81.1  | 360,805,145       | 82.2  | 310,932,051   | 81.4  | 2280                                                   | Current lease liabilities (Note (6)(p))                                          | 2,056,266      | 0.4   | 2,095,472         | 0.5   | 1,937,642     | 0.5   |
| Non-current assets: |                                                                                                       |                |       |                   |       |               |       | 2300                                                   | Other current liabilities                                                        | 5,381,217      | 1.1   | 5,056,907         | 1.2   | 5,391,190     | 1.4   |
| 1550                | Investments accounted for using equity method (Notes (6)(h) and (7))                                  | 7,079,907      | 1.4   | 7,303,258         | 1.7   | 6,536,649     | 1.7   | 2365                                                   | Current refund liabilities                                                       | 3,185,478      | 0.6   | 3,044,831         | 0.7   | 2,696,052     | 0.7   |
| 1510                | Non-current financial assets at fair value through profit or loss (Note (6)(b))                       | 7,088,579      | 1.4   | 2,412,526         | 0.5   | 2,054,236     | 0.5   | 2322                                                   | Long-term borrowings, current portion (Note (6)(o))                              | 7,481,576      | 1.4   | 4,005,191         | 0.9   | 7,200,000     | 1.9   |
| 1517                | Non-current financial assets at fair value through other comprehensive income (Notes (6)(c) and 6(j)) | 23,709,827     | 4.5   | 14,672,965        | 3.3   | 14,579,230    | 3.8   |                                                        | Non-Current liabilities:                                                         | 345,137,624    | 66.1  | 268,621,676       | 61.3  | 228,451,918   | 59.9  |
| 1600                | Property, plant and equipment (Notes (6)(l), (6)(m) and (8))                                          | 37,859,643     | 7.3   | 31,659,201        | 7.2   | 28,143,594    | 7.4   | 2540                                                   | Long-term borrowings (Note (6)(o))                                               | 12,531,778     | 2.5   | 11,940,112        | 2.7   | 9,915,412     | 2.6   |
| 1755                | Right-of-use assets (Notes (6)(m) and (8))                                                            | 14,760,255     | 2.8   | 15,158,612        | 3.5   | 12,836,204    | 3.4   | 2570                                                   | Deferred tax liabilities                                                         | 3,879,268      | 0.7   | 2,464,104         | 0.6   | 2,509,453     | 0.7   |
| 1780                | Intangible assets                                                                                     | 1,578,258      | 0.3   | 1,555,262         | 0.4   | 1,660,530     | 0.4   | 2580                                                   | Non-current lease liabilities (Note (6)(p))                                      | 5,771,644      | 1.1   | 7,330,704         | 1.7   | 5,111,805     | 1.3   |
| 1840                | Deferred tax assets                                                                                   | 2,972,575      | 0.6   | 2,961,156         | 0.7   | 2,932,528     | 0.8   | 2640                                                   | Non-current net defined benefit liability                                        | 468,014        | 0.1   | 480,103           | 0.1   | 521,332       | 0.1   |
| 1930                | Long-term notes and accounts receivable, net (Note (6)(f))                                            | 449,731        | 0.1   | -                 | -     | -             | -     | 2670                                                   | Non-current liabilities, others                                                  | 432,349        | 0.1   | 393,670           | 0.1   | 377,813       | 0.1   |
| 1990                | Other non-current assets (Note (8))                                                                   | 2,524,631      | 0.5   | 2,379,152         | 0.5   | 2,107,087     | 0.6   |                                                        | Total liabilities                                                                | 23,083,053     | 4.5   | 22,608,693        | 5.2   | 18,435,815    | 4.8   |
|                     |                                                                                                       | 98,023,406     | 18.9  | 78,102,132        | 17.8  | 70,850,058    | 18.6  |                                                        | Equity:                                                                          | 368,220,677    | 70.6  | 291,230,369       | 66.5  | 246,887,733   | 64.7  |
| Total assets        |                                                                                                       | \$ 521,782,740 | 100.0 | 438,907,277       | 100.0 | 381,782,109   | 100.0 | Equity attributable to owners of parent (Note (6)(s)): |                                                                                  |                |       |                   |       |               |       |
|                     |                                                                                                       |                |       |                   |       |               |       | 3110                                                   | Ordinary share                                                                   | 44,071,466     | 8.4   | 44,071,466        | 10.0  | 44,071,466    | 11.5  |
|                     |                                                                                                       |                |       |                   |       |               |       | 3200                                                   | Capital surplus                                                                  | 3,802,124      | 0.7   | 3,681,169         | 0.8   | 3,614,575     | 1.0   |
|                     |                                                                                                       |                |       |                   |       |               |       | 3300                                                   | Retained earnings                                                                | 78,610,789     | 15.1  | 78,307,765        | 17.8  | 74,868,149    | 19.6  |
|                     |                                                                                                       |                |       |                   |       |               |       | 3400                                                   | Other equity interest                                                            | 15,933,331     | 3.1   | 6,628,737         | 1.5   | (213,508)     | (0.1) |
|                     |                                                                                                       |                |       |                   |       |               |       | 3500                                                   | Treasury shares                                                                  | (4,297,954)    | (0.8) | (881,247)         | (0.2) | (881,247)     | (0.2) |
|                     |                                                                                                       |                |       |                   |       |               |       |                                                        |                                                                                  | 138,119,756    | 26.5  | 131,807,890       | 29.9  | 121,459,435   | 31.8  |
|                     |                                                                                                       |                |       |                   |       |               |       | 36XX                                                   | Non-controlling interests                                                        | 15,442,307     | 2.9   | 15,869,018        | 3.6   | 13,434,941    | 3.5   |
|                     |                                                                                                       |                |       |                   |       |               |       |                                                        | Total equity                                                                     | 153,562,063    | 29.4  | 147,676,908       | 33.5  | 134,894,376   | 35.3  |
|                     |                                                                                                       |                |       |                   |       |               |       | Total liabilities and equity                           |                                                                                  | \$ 521,782,740 | 100.0 | 438,907,277       | 100.0 | 381,782,109   | 100.0 |

See accompanying notes to consolidated financial statements.

**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the three months and six months ended June 30, 2026 and 2025**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

|      |                                                                                                                                                                                                  | For the three months ended June 30 |              |                     |              | For the six months ended June 30 |              |                     |              |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------|---------------------|--------------|----------------------------------|--------------|---------------------|--------------|
|      |                                                                                                                                                                                                  | 2026                               |              | 2025                |              | 2026                             |              | 2025                |              |
|      |                                                                                                                                                                                                  | Amount                             | %            | Amount              | %            | Amount                           | %            | Amount              | %            |
| 4000 | <b>Net sales revenue</b> (Notes (6)(v) and (7))                                                                                                                                                  | \$ 238,294,676                     | 100.0        | 180,443,179         | 100.0        | 439,598,212                      | 100.0        | 379,541,136         | 100.0        |
| 5000 | <b>Cost of sales</b> (Notes (6)(g), (6)(q), (7) and (12))                                                                                                                                        | <u>227,273,618</u>                 | <u>95.4</u>  | <u>169,858,060</u>  | <u>94.1</u>  | <u>417,979,659</u>               | <u>95.1</u>  | <u>358,512,524</u>  | <u>94.5</u>  |
|      | <b>Gross profit</b>                                                                                                                                                                              | <u>11,021,058</u>                  | <u>4.6</u>   | <u>10,585,119</u>   | <u>5.9</u>   | <u>21,618,553</u>                | <u>4.9</u>   | <u>21,028,612</u>   | <u>5.5</u>   |
|      | <b>Operating expenses:</b> (Notes (6)(q) and (12))                                                                                                                                               |                                    |              |                     |              |                                  |              |                     |              |
| 6100 | Selling expenses                                                                                                                                                                                 | 1,783,910                          | 0.7          | 1,600,958           | 0.9          | 3,340,405                        | 0.7          | 3,101,325           | 0.8          |
| 6200 | Administrative expenses                                                                                                                                                                          | 1,543,970                          | 0.7          | 1,341,615           | 0.7          | 3,030,217                        | 0.7          | 2,650,567           | 0.7          |
| 6300 | Research and development expenses                                                                                                                                                                | <u>4,838,424</u>                   | <u>2.0</u>   | <u>5,018,972</u>    | <u>2.8</u>   | <u>9,749,093</u>                 | <u>2.2</u>   | <u>9,946,951</u>    | <u>2.6</u>   |
|      |                                                                                                                                                                                                  | <u>8,166,304</u>                   | <u>3.4</u>   | <u>7,961,545</u>    | <u>4.4</u>   | <u>16,119,715</u>                | <u>3.6</u>   | <u>15,698,843</u>   | <u>4.1</u>   |
|      | <b>Net operating income</b>                                                                                                                                                                      | <u>2,854,754</u>                   | <u>1.2</u>   | <u>2,623,574</u>    | <u>1.5</u>   | <u>5,498,838</u>                 | <u>1.3</u>   | <u>5,329,769</u>    | <u>1.4</u>   |
|      | <b>Non-operating income and expenses:</b>                                                                                                                                                        |                                    |              |                     |              |                                  |              |                     |              |
| 7100 | Interest income (Note (6)(x))                                                                                                                                                                    | 934,615                            | 0.3          | 667,245             | 0.4          | 1,744,019                        | 0.4          | 1,413,140           | 0.4          |
| 7210 | Other gains and losses, net (Notes (6)(j), (6)(x) and (6)(z))                                                                                                                                    | 1,456,571                          | 0.6          | (1,700,414)         | (1.0)        | 1,895,816                        | 0.4          | (875,775)           | (0.2)        |
| 7050 | Finance costs (Note (6)(p))                                                                                                                                                                      | (829,685)                          | (0.3)        | (650,248)           | (0.4)        | (1,379,839)                      | (0.3)        | (1,391,031)         | (0.4)        |
| 7190 | Other income (Note (6)(x))                                                                                                                                                                       | 520,312                            | 0.2          | 510,168             | 0.3          | 547,092                          | 0.1          | 601,488             | 0.1          |
| 7590 | Miscellaneous disbursements                                                                                                                                                                      | (33,555)                           | -            | (7,928)             | -            | (47,533)                         | -            | (23,957)            | -            |
| 7770 | Share of profit (loss) of associates and joint ventures accounted for using equity method (Note (6)(h))                                                                                          | <u>(263,595)</u>                   | <u>(0.1)</u> | <u>(152,658)</u>    | <u>(0.1)</u> | <u>(528,380)</u>                 | <u>(0.1)</u> | <u>(336,972)</u>    | <u>(0.1)</u> |
|      | <b>Total non-operating income and expenses</b>                                                                                                                                                   | <u>1,784,663</u>                   | <u>0.7</u>   | <u>(1,333,835)</u>  | <u>(0.8)</u> | <u>2,231,175</u>                 | <u>0.5</u>   | <u>(613,107)</u>    | <u>(0.2)</u> |
| 7900 | <b>Profit from continuing operations before tax</b>                                                                                                                                              | 4,639,417                          | 1.9          | 1,289,739           | 0.7          | 7,730,013                        | 1.8          | 4,716,662           | 1.2          |
| 7950 | <b>Less: Income tax expenses</b> (Note (6)(r))                                                                                                                                                   | <u>1,030,564</u>                   | <u>0.4</u>   | <u>360,545</u>      | <u>0.2</u>   | <u>1,730,552</u>                 | <u>0.4</u>   | <u>1,148,877</u>    | <u>0.3</u>   |
|      | <b>Profit</b>                                                                                                                                                                                    | <u>3,608,853</u>                   | <u>1.5</u>   | <u>929,194</u>      | <u>0.5</u>   | <u>5,999,461</u>                 | <u>1.4</u>   | <u>3,567,785</u>    | <u>0.9</u>   |
| 8300 | <b>Other comprehensive income:</b>                                                                                                                                                               |                                    |              |                     |              |                                  |              |                     |              |
| 8310 | <b>Components of other comprehensive income that will not be reclassified to profit or loss</b>                                                                                                  |                                    |              |                     |              |                                  |              |                     |              |
| 8311 | Gains (losses) on remeasurements of defined benefit plans                                                                                                                                        | 4,250                              | -            | 2,390               | -            | 2,575                            | -            | 3,964               | -            |
| 8316 | Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Note6(c))                                                            | 9,102,261                          | 3.8          | (1,602,986)         | (0.9)        | 9,199,072                        | 2.1          | (8,820,478)         | (2.3)        |
| 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 | (605)                              | -            | (15,312)            | -            | 2,439                            | -            | (35,170)            | -            |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note (6)(r))                                                                     | <u>1,350,134</u>                   | <u>0.6</u>   | <u>(266,225)</u>    | <u>(0.1)</u> | <u>1,394,841</u>                 | <u>0.3</u>   | <u>(1,566,203)</u>  | <u>(0.4)</u> |
|      | Components of other comprehensive income that will not be reclassified to profit or loss                                                                                                         | <u>7,755,772</u>                   | <u>3.2</u>   | <u>(1,349,683)</u>  | <u>(0.8)</u> | <u>7,809,245</u>                 | <u>1.8</u>   | <u>(7,285,481)</u>  | <u>(1.9)</u> |
| 8360 | <b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>                                                                                               |                                    |              |                     |              |                                  |              |                     |              |
| 8361 | Exchange differences on translation of foreign financial statements                                                                                                                              | (307,787)                          | (0.1)        | (11,095,612)        | (6.2)        | 1,283,578                        | 0.3          | (10,022,042)        | (2.7)        |
| 8368 | Gains (losses) on hedging instrument (Note (6)(y))                                                                                                                                               | 1,480                              | -            | (88,820)            | -            | 43,546                           | -            | (131,581)           | -            |
| 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     | 105,346                            | -            | (601,813)           | (0.3)        | 272,145                          | 0.1          | (527,794)           | (0.1)        |
| 8399 | Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note (6)(r))                                                                         | <u>30</u>                          | <u>-</u>     | <u>(18,443)</u>     | <u>-</u>     | <u>7,314</u>                     | <u>-</u>     | <u>(26,322)</u>     | <u>-</u>     |
|      | Components of other comprehensive income that will be reclassified to profit or loss                                                                                                             | <u>(200,991)</u>                   | <u>(0.1)</u> | <u>(11,767,802)</u> | <u>(6.5)</u> | <u>1,591,955</u>                 | <u>0.4</u>   | <u>(10,655,095)</u> | <u>(2.8)</u> |
| 8300 | <b>Other comprehensive income (loss) (after tax)</b>                                                                                                                                             | <u>7,554,781</u>                   | <u>3.1</u>   | <u>(13,117,485)</u> | <u>(7.3)</u> | <u>9,401,200</u>                 | <u>2.2</u>   | <u>(17,940,576)</u> | <u>(4.7)</u> |
| 8500 | <b>Total comprehensive income (loss)</b>                                                                                                                                                         | <u>\$ 11,163,634</u>               | <u>4.6</u>   | <u>(12,188,291)</u> | <u>(6.8)</u> | <u>15,400,661</u>                | <u>3.6</u>   | <u>(14,372,791)</u> | <u>(3.8)</u> |
|      | <b>Profit, attributable to:</b>                                                                                                                                                                  |                                    |              |                     |              |                                  |              |                     |              |
| 8610 | Profit, attributable to owners of parent                                                                                                                                                         | \$ 3,132,716                       | 1.3          | 482,460             | 0.3          | 5,099,911                        | 1.2          | 2,673,689           | 0.7          |
| 8620 | Profit, attributable to non-controlling interests                                                                                                                                                | <u>476,137</u>                     | <u>0.2</u>   | <u>446,734</u>      | <u>0.2</u>   | <u>899,550</u>                   | <u>0.2</u>   | <u>894,096</u>      | <u>0.2</u>   |
|      |                                                                                                                                                                                                  | <u>\$ 3,608,853</u>                | <u>1.5</u>   | <u>929,194</u>      | <u>0.5</u>   | <u>5,999,461</u>                 | <u>1.4</u>   | <u>3,567,785</u>    | <u>0.9</u>   |
|      | <b>Comprehensive income attributable to:</b>                                                                                                                                                     |                                    |              |                     |              |                                  |              |                     |              |
| 8710 | Comprehensive income (loss), attributable to owners of parent                                                                                                                                    | \$ 10,696,928                      | 4.5          | (12,346,646)        | (6.9)        | 14,460,993                       | 3.4          | (14,976,904)        | (3.9)        |
| 8720 | Comprehensive income (loss), attributable to non-controlling interests                                                                                                                           | <u>466,706</u>                     | <u>0.2</u>   | <u>158,355</u>      | <u>0.1</u>   | <u>939,668</u>                   | <u>0.2</u>   | <u>604,113</u>      | <u>0.1</u>   |
|      |                                                                                                                                                                                                  | <u>\$ 11,163,634</u>               | <u>4.7</u>   | <u>(12,188,291)</u> | <u>(6.8)</u> | <u>15,400,661</u>                | <u>3.6</u>   | <u>(14,372,791)</u> | <u>(3.8)</u> |
|      | <b>Earnings per share</b> (Note (6)(u))                                                                                                                                                          |                                    |              |                     |              |                                  |              |                     |              |
| 9750 | <b>Basic earnings per share</b>                                                                                                                                                                  | <u>\$ 0.73</u>                     |              | <u>0.11</u>         |              | <u>1.18</u>                      |              | <u>0.61</u>         |              |
| 9850 | <b>Diluted earnings per share</b>                                                                                                                                                                | <u>\$ 0.72</u>                     |              | <u>0.11</u>         |              | <u>1.17</u>                      |              | <u>0.61</u>         |              |

See accompanying notes to consolidated financial statements.

**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity**  
**For the six months ended June 30, 2026 and 2025**  
**(Expressed in Thousands of New Taiwan Dollars)**

|                                                                                                         | Equity attributable to owners of parent |               |                 |                                  |                         |                                                                     |                                                                                                         |             |          |              |                                               |                           |              |              |
|---------------------------------------------------------------------------------------------------------|-----------------------------------------|---------------|-----------------|----------------------------------|-------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-------------|----------|--------------|-----------------------------------------------|---------------------------|--------------|--------------|
|                                                                                                         | Retained earnings                       |               |                 |                                  |                         |                                                                     | Total other equity interest                                                                             |             |          |              |                                               |                           |              |              |
|                                                                                                         |                                         |               |                 |                                  |                         |                                                                     | Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income |             |          |              | Total other equity interest                   |                           |              |              |
|                                                                                                         |                                         |               |                 |                                  |                         |                                                                     |                                                                                                         |             |          |              | Treasury shares                               |                           |              |              |
| Ordinary shares                                                                                         | Capital surplus                         | Legal reserve | Special reserve | Unappropriated retained earnings | Total retained earnings | Exchange differences on translation of foreign financial statements |                                                                                                         |             |          |              | 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 six months ended June 30, 2025                                                           | -                                       | -             | -               | -                                | 2,673,689               | 2,673,689                                                           | -                                                                                                       | -           | -        | -            | -                                             | 2,673,689                 | 894,096      | 3,567,785    |
| Other comprehensive income                                                                              | -                                       | -             | -               | -                                | 2,426                   | 2,426                                                               | (10,334,085)                                                                                            | (7,284,223) | (34,711) | (17,653,019) | -                                             | (17,650,593)              | (289,983)    | (17,940,576) |
| Total comprehensive income                                                                              | -                                       | -             | -               | -                                | 2,676,115               | 2,676,115                                                           | (10,334,085)                                                                                            | (7,284,223) | (34,711) | (17,653,019) | -                                             | (14,976,904)              | 604,113      | (14,372,791) |
| Appropriation and distribution of retained earnings:                                                    |                                         |               |                 |                                  |                         |                                                                     |                                                                                                         |             |          |              |                                               |                           |              |              |
| Legal reserve appropriated                                                                              | -                                       | -             | 1,007,221       | -                                | (1,007,221)             | -                                                                   | -                                                                                                       | -           | -        | -            | -                                             | -                         | -            | -            |
| Reversal of special reserve                                                                             | -                                       | -             | -               | (387,294)                        | 387,294                 | -                                                                   | -                                                                                                       | -           | -        | -            | -                                             | -                         | -            | -            |
| Cash dividends of ordinary share                                                                        | -                                       | -             | -               | -                                | (6,170,005)             | (6,170,005)                                                         | -                                                                                                       | -           | -        | -            | -                                             | (6,170,005)               | -            | (6,170,005)  |
| Changes in ownership interests in subsidiaries                                                          | -                                       | (1,249)       | -               | -                                | -                       | -                                                                   | -                                                                                                       | -           | -        | -            | -                                             | (1,249)                   | -            | (1,249)      |
| Changes in equity of associates and joint ventures accounted for using equity method                    | -                                       | 71,858        | -               | -                                | 2,636                   | 2,636                                                               | -                                                                                                       | (2,636)     | -        | (2,636)      | -                                             | 71,858                    | -            | 71,858       |
| Adjustments of capital surplus for cash dividends received by subsidiaries                              | -                                       | 70,024        | -               | -                                | -                       | -                                                                   | -                                                                                                       | -           | -        | -            | -                                             | 70,024                    | -            | 70,024       |
| Others                                                                                                  | -                                       | 1,001         | -               | -                                | -                       | -                                                                   | -                                                                                                       | -           | -        | -            | -                                             | 1,001                     | -            | 1,001        |
| Disposal of investments in equity instruments measured at fair value through other comprehensive income | -                                       | -             | -               | -                                | 146,184                 | 146,184                                                             | -                                                                                                       | (146,184)   | -        | (146,184)    | -                                             | -                         | -            | -            |
| Changes in non-controlling interests                                                                    | -                                       | -             | -               | -                                | -                       | -                                                                   | -                                                                                                       | -           | -        | -            | -                                             | -                         | (1,170,244)  | (1,170,244)  |
| Balance at June 30, 2025                                                                                | \$ 44,071,466                           | 3,614,575     | 25,019,546      | -                                | 49,848,603              | 74,868,149                                                          | (6,130,278)                                                                                             | 5,951,481   | (34,711) | (213,508)    | (881,247)                                     | 121,459,435               | 13,434,941   | 134,894,376  |
| 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 six months ended June 30, 2026                                                           | -                                       | -             | -               | -                                | 5,099,911               | 5,099,911                                                           | -                                                                                                       | -           | -        | -            | -                                             | 5,099,911                 | 899,550      | 5,999,461    |
| Other comprehensive income                                                                              | -                                       | -             | -               | -                                | 1,733                   | 1,733                                                               | 1,541,106                                                                                               | 7,806,755   | 11,488   | 9,359,349    | -                                             | 9,361,082                 | 40,118       | 9,401,200    |
| Total comprehensive income                                                                              | -                                       | -             | -               | -                                | 5,101,644               | 5,101,644                                                           | 1,541,106                                                                                               | 7,806,755   | 11,488   | 9,359,349    | -                                             | 14,460,993                | 939,668      | 15,400,661   |
| Appropriation and distribution of retained earnings:                                                    |                                         |               |                 |                                  |                         |                                                                     |                                                                                                         |             |          |              |                                               |                           |              |              |
| Legal reserve appropriated                                                                              | -                                       | -             | 626,455         | -                                | (626,455)               | -                                                                   | -                                                                                                       | -           | -        | -            | -                                             | -                         | -            | -            |
| Cash dividends of ordinary share                                                                        | -                                       | -             | -               | -                                | (4,847,861)             | (4,847,861)                                                         | -                                                                                                       | -           | -        | -            | -                                             | (4,847,861)               | -            | (4,847,861)  |
| Purchase of treasury share                                                                              | -                                       | -             | -               | -                                | -                       | -                                                                   | -                                                                                                       | -           | -        | -            | (3,416,707)                                   | (3,416,707)               | -            | (3,416,707)  |
| Changes in ownership interests in subsidiaries                                                          | -                                       | 438           | -               | -                                | 248                     | 248                                                                 | -                                                                                                       | (248)       | -        | (248)        | -                                             | 438                       | -            | 438          |
| Changes in equity of associates and joint ventures accounted for using equity method                    | -                                       | 64,540        | -               | -                                | (5,514)                 | (5,514)                                                             | -                                                                                                       | -           | -        | -            | -                                             | 59,026                    | -            | 59,026       |
| Adjustments of capital surplus for cash dividends received by subsidiaries                              | -                                       | 55,019        | -               | -                                | -                       | -                                                                   | -                                                                                                       | -           | -        | -            | -                                             | 55,019                    | -            | 55,019       |
| Others                                                                                                  | -                                       | 958           | -               | -                                | -                       | -                                                                   | -                                                                                                       | -           | -        | -            | -                                             | 958                       | -            | 958          |
| Disposal of investments in equity instruments measured at fair value through other comprehensive income | -                                       | -             | -               | -                                | 54,507                  | 54,507                                                              | -                                                                                                       | (54,507)    | -        | (54,507)     | -                                             | -                         | -            | -            |
| Changes in non-controlling interests                                                                    | -                                       | -             | -               | -                                | -                       | -                                                                   | -                                                                                                       | -           | -        | -            | -                                             | -                         | (1,366,379)  | (1,366,379)  |
| Balance at June 30, 2026                                                                                | \$ 44,071,466                           | 3,802,124     | 25,646,001      | -                                | 52,964,788              | 78,610,789                                                          | 1,956,560                                                                                               | 13,962,563  | 14,208   | 15,933,331   | (4,297,954)                                   | 138,119,756               | 15,442,307   | 153,562,063  |

See accompanying notes to consolidated financial statements.

## COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

## Consolidated Statements of Cash Flows

For the six months ended June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

|                                                                                                             | For the six months ended<br>June 30 |                     |
|-------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------|
|                                                                                                             | 2026                                | 2025                |
| <b>Cash flows from (used in) operating activities:</b>                                                      |                                     |                     |
| Profit before tax                                                                                           | \$ 7,730,013                        | 4,716,662           |
| Adjustments:                                                                                                |                                     |                     |
| Adjustments to reconcile profit (loss):                                                                     |                                     |                     |
| Depreciation and amortization                                                                               | 3,190,328                           | 3,580,022           |
| Expected credit loss (gain on reversal)                                                                     | 52,822                              | (143)               |
| Net gain on financial assets or liabilities at fair value through profit or loss                            | (1,933,080)                         | 64,102              |
| Finance cost                                                                                                | 1,379,839                           | 1,391,031           |
| Interest income                                                                                             | (1,744,019)                         | (1,413,140)         |
| Dividend income                                                                                             | (348,762)                           | (450,060)           |
| Compensation cost of share-based payments                                                                   | 818                                 | 1,592               |
| Share of loss of associates and joint ventures accounted for using equity method                            | 528,380                             | 336,972             |
| Gain on disposal of property, plant and equipment                                                           | (22,891)                            | (16,671)            |
| Gain on disposal of investments                                                                             | (151,866)                           | -                   |
| Gain on lease modification                                                                                  | (363)                               | (520)               |
| <b>Total adjustments to reconcile profit</b>                                                                | <b>951,206</b>                      | <b>3,493,185</b>    |
| <b>Changes in operating assets and liabilities:</b>                                                         |                                     |                     |
| Changes in operating assets:                                                                                |                                     |                     |
| (Increase) decrease in financial assets at fair value through profit or loss                                | (26,056)                            | 129,380             |
| (Increase) decrease in notes and accounts receivable                                                        | (37,440,694)                        | 44,730,739          |
| (Increase) decrease in other receivable                                                                     | (30,076)                            | 920,277             |
| (Increase) decrease in inventories                                                                          | (26,958,221)                        | 9,008,632           |
| Increase in other current assets                                                                            | (4,170,271)                         | (204,426)           |
| Increase in long-term notes and accounts receivable                                                         | (450,663)                           | -                   |
| (Increase) decrease in other non-current assets                                                             | (91,502)                            | 299,115             |
| <b>Total changes in operating assets</b>                                                                    | <b>(69,167,483)</b>                 | <b>54,883,717</b>   |
| Changes in operating liabilities:                                                                           |                                     |                     |
| Increase in financial liabilities at fair value through profit or loss                                      | 40,168                              | 362,806             |
| Increase in contract liabilities                                                                            | 7,154,099                           | 266,516             |
| Increase (decrease) in notes and accounts payable                                                           | 39,428,665                          | (28,987,549)        |
| Increase (decrease) in other payables                                                                       | 367,143                             | (5,044,161)         |
| Increase (decrease) in refund liabilities                                                                   | 140,647                             | (976,499)           |
| Increase in other current liabilities                                                                       | 324,310                             | 411,521             |
| Others                                                                                                      | (9,514)                             | (9,355)             |
| <b>Total changes in operating liabilities</b>                                                               | <b>47,445,518</b>                   | <b>(33,976,721)</b> |
| <b>Total changes in operating assets and liabilities</b>                                                    | <b>(21,721,965)</b>                 | <b>20,906,996</b>   |
| <b>Total adjustments</b>                                                                                    | <b>(20,770,759)</b>                 | <b>24,400,181</b>   |
| Cash (outflow) inflow generated from operations                                                             | (13,040,746)                        | 29,116,843          |
| Interest received                                                                                           | 1,525,824                           | 1,944,703           |
| Dividends received                                                                                          | 158,537                             | 206,558             |
| Interest paid                                                                                               | (1,205,150)                         | (1,717,168)         |
| Income taxes paid                                                                                           | (1,096,370)                         | (1,302,830)         |
| <b>Net cash flows (used in) from operating activities</b>                                                   | <b>(13,657,905)</b>                 | <b>28,248,106</b>   |
| <b>Cash flows from (used in) investing activities:</b>                                                      |                                     |                     |
| Decrease in financial assets at amortised cost                                                              | 6,000,943                           | 190,270             |
| Acquisition of financial assets at fair value through profit or loss and through other comprehensive income | (2,718,420)                         | (605,211)           |
| Proceeds from disposal of financial assets at fair value through other comprehensive income                 | 390,281                             | 328,308             |
| Acquisition of investments accounted for using equity method                                                | (110,549)                           | (159,855)           |
| Acquisition of property, plant and equipment                                                                | (8,924,351)                         | (3,063,230)         |
| Proceeds from disposal of property, plant and equipment                                                     | 334,153                             | 253,100             |
| Acquisition of intangible assets                                                                            | (228,339)                           | (268,972)           |
| (Increase) decrease in restricted assets                                                                    | (116,295)                           | 300,360             |
| Others                                                                                                      | 1,541                               | (72,621)            |
| <b>Net cash flows used in investing activities</b>                                                          | <b>(5,371,036)</b>                  | <b>(3,097,851)</b>  |
| <b>Cash flows from (used in) financing activities:</b>                                                      |                                     |                     |
| Increase (decrease) in short-term borrowings                                                                | 24,875,371                          | (13,272,086)        |
| Proceeds from long-term borrowings                                                                          | 11,900,000                          | 21,189,014          |
| Repayments of long-term borrowings                                                                          | (7,831,949)                         | (30,611,753)        |
| Payment of lease liabilities                                                                                | (1,711,882)                         | (1,824,314)         |
| Cash dividends paid                                                                                         | (4,792,842)                         | (6,099,981)         |
| Payments to acquire treasury shares                                                                         | (3,416,707)                         | -                   |
| Change in non-controlling interests                                                                         | (1,329,170)                         | (1,119,652)         |
| Others                                                                                                      | 39,637                              | (99,368)            |
| <b>Net cash flows from (used in) financing activities</b>                                                   | <b>17,732,458</b>                   | <b>(31,838,140)</b> |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>                                         | <b>934,905</b>                      | <b>(6,696,867)</b>  |
| <b>Net decrease in cash and cash equivalents</b>                                                            | <b>(361,578)</b>                    | <b>(13,384,752)</b> |
| <b>Cash and cash equivalents at beginning of period</b>                                                     | <b>83,290,346</b>                   | <b>78,947,882</b>   |
| <b>Cash and cash equivalents at end of period</b>                                                           | <b>\$ 82,928,768</b>                | <b>65,563,130</b>   |

See accompanying notes to consolidated financial statements.

# COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

June 30, 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 August 13, 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)

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

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2027, would not have a significant impact on its consolidated financial statements:

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

The Group expects to adopt the following new and amended standards, which effective for annual period beginning on January 1, 2028:

- (i) 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.

The new standard introduces consequential amendments to IAS 7, which require to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows.

The Group is evaluating the impact on its consolidated financial statements upon the initial adoption of the new standard.

(Continued)

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

- (ii) Amendments to IAS 28 “The Fair Value Option for Investments in Associates and Joint Ventures”

The Group does not expect the amendments to have a significant impact on its consolidated financial statements.

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

The Group does not expect the following 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 20 “Regulatory Assets and Regulatory Liabilities”

**(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.

(Continued)

**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 |                   |               | Description                                                                                                                                       |
|-----------------------------|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-------------------------|-------------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
|                             |                                                         |                                                                                                                | June 30, 2026           | December 31, 2025 | June 30, 2025 |                                                                                                                                                   |
| The Company                 | Panpal Technology Corp. ("Panpal")                      | Investment                                                                                                     | 100%                    | 100%              | 100%          | Panpal held 31,648 thousand shares of the Company as of June 30, 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 June 30, 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 |                   |               | Description                             |
|------------------|----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------|---------------|-----------------------------------------|
|                  |                                                                                        |                                                                                                                                                                                                                                       | June 30, 2026           | December 31, 2025 | June 30, 2025 |                                         |
| 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 | 86%                     | 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 |                   |               | Description                                                                       |
|---------------------|-------------------------------------------------------------------|-------------------------------------------------------------|-------------------------|-------------------|---------------|-----------------------------------------------------------------------------------|
|                     |                                                                   |                                                             | June 30, 2026           | December 31, 2025 | June 30, 2025 |                                                                                   |
| 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**  
**Notes to Consolidated Financial Statements**

| Name of investor    | Name of Subsidiary                                        | Nature of Operation                                                                                                                                  | Percentage of ownership |                   |               | Description                       |
|---------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------|---------------|-----------------------------------|
|                     |                                                           |                                                                                                                                                      | June 30, 2026           | December 31, 2025 | June 30, 2025 |                                   |
| 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**  
**Notes to Consolidated Financial Statements**

| Name of investor       | Name of Subsidiary                                        | Nature of Operation                                                          | Percentage of ownership |                   |               | Description |
|------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------|-------------------------|-------------------|---------------|-------------|
|                        |                                                           |                                                                              | June 30, 2026           | December 31, 2025 | June 30, 2025 |             |
| 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**  
**Notes to Consolidated Financial Statements**

| Name of investor    | Name of Subsidiary                                         | Nature of Operation                                                                                                                                           | Percentage of ownership |                   |               | Description                                                                       |
|---------------------|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------|---------------|-----------------------------------------------------------------------------------|
|                     |                                                            |                                                                                                                                                               | June 30, 2026           | December 31, 2025 | June 30, 2025 |                                                                                   |
| 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%          | The Company had completed the liquidation in June 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%          | The Company had completed the liquidation in June 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%          | The Company had completed the liquidation in June 2026.                           |

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

| Name of investor                           | Name of Subsidiary                                                           | Nature of Operation                                                                        | Percentage of ownership |                   |               | Description                                               |
|--------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-------------------------|-------------------|---------------|-----------------------------------------------------------|
|                                            |                                                                              |                                                                                            | June 30, 2026           | December 31, 2025 | June 30, 2025 |                                                           |
| 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%          |                                                           |

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

| Name of investor             | Name of Subsidiary                                                          | Nature of Operation                                                                                              | Percentage of ownership |                   |               | Description                                             |
|------------------------------|-----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------|---------------|---------------------------------------------------------|
|                              |                                                                             |                                                                                                                  | June 30, 2026           | December 31, 2025 | June 30, 2025 |                                                         |
| 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%          |                                                         |

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

| Name of investor               | Name of Subsidiary                                                           | Nature of Operation                                                                                                                                                                 | Percentage of ownership |                   |               | Description |
|--------------------------------|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------|---------------|-------------|
|                                |                                                                              |                                                                                                                                                                                     | June 30, 2026           | December 31, 2025 | June 30, 2025 |             |
| 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)

## COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

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

Note 2: The financial statements of the subsidiary as of June 30, 2026 had not been reviewed by CPA.

Note 3: The financial statements of the subsidiary as of June 30, 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.

#### (e) Revenue from contracts with customers

##### Installment sales revenue

The Group engages in installment sales transactions. The difference between the installment selling price and the cash selling price is recognized as unearned interest revenue and is subsequently recognized as interest revenue using the interest method over the installment period. The balance of unearned interest revenue is presented as a deduction from notes and accounts receivable. Revenue from installment sales is recognized when control of the products has been transferred.

#### (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**

|                                       | <b>June 30,<br/>2026</b>    | <b>December 31,<br/>2025</b> | <b>June 30,<br/>2025</b> |
|---------------------------------------|-----------------------------|------------------------------|--------------------------|
| Cash on hand                          | \$ 48,786                   | 16,452                       | 16,660                   |
| Checking accounts and demand deposits | 27,654,826                  | 20,738,717                   | 19,941,423               |
| Time deposits                         | 54,674,956                  | 59,265,948                   | 43,757,503               |
| Cash equivalents                      | <u>550,200</u>              | <u>3,269,229</u>             | <u>1,847,544</u>         |
|                                       | <b><u>\$ 82,928,768</u></b> | <b><u>83,290,346</u></b>     | <b><u>65,563,130</u></b> |

As of June 30, 2026, December 31 and June 30, 2025, the time deposits with original maturities of more than 3 months, amounting to \$2,922,481, \$8,922,938 and \$4,913,582, 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**

|                                                                                    | <b>June 30,<br/>2026</b>   | <b>December 31,<br/>2025</b> | <b>June 30,<br/>2025</b> |
|------------------------------------------------------------------------------------|----------------------------|------------------------------|--------------------------|
| <b>Financial assets mandatorily measured at fair value through profit or loss:</b> |                            |                              |                          |
| Non-derivative financial assets                                                    |                            |                              |                          |
| Stock listed in domestic markets                                                   | \$ 177,215                 | 187,925                      | 141,865                  |
| Fund in domestic or foreign markets                                                | 5,009,350                  | 2,066,817                    | 1,733,397                |
| Derivative instruments not used for hedging                                        |                            |                              |                          |
| Foreign exchange contracts                                                         | 30,310                     | 4,254                        | 1,662                    |
| Swap contracts                                                                     | -                          | -                            | 14,090                   |
| Foreign warrants                                                                   | <u>1,902,014</u>           | <u>157,784</u>               | <u>178,974</u>           |
| Total                                                                              | <b><u>\$ 7,118,889</u></b> | <b><u>2,416,780</u></b>      | <b><u>2,069,988</u></b>  |
| Current                                                                            | \$ 30,310                  | 4,254                        | 15,752                   |
| Non-current                                                                        | <u>7,088,579</u>           | <u>2,412,526</u>             | <u>2,054,236</u>         |
|                                                                                    | <b><u>\$ 7,118,889</u></b> | <b><u>2,416,780</u></b>      | <b><u>2,069,988</u></b>  |

(Continued)

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

|                                                | <u>June 30,<br/>2026</u> | <u>December 31,<br/>2025</u> | <u>June 30,<br/>2025</u> |
|------------------------------------------------|--------------------------|------------------------------|--------------------------|
| <b>Financial liabilities held-for-trading:</b> |                          |                              |                          |
| Derivative instruments not used for hedging    |                          |                              |                          |
| Foreign exchange contracts                     | \$ 115,086               | 84,867                       | 355,964                  |
| Swap contracts                                 | <u>9,949</u>             | <u>-</u>                     | <u>6,842</u>             |
| <b>Total</b>                                   | <b><u>\$ 125,035</u></b> | <b><u>84,867</u></b>         | <b><u>362,806</u></b>    |

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:

| <u>June 30, 2026</u>                     |                                           |                 |                               |  |
|------------------------------------------|-------------------------------------------|-----------------|-------------------------------|--|
|                                          | <u>Contract amount<br/>(in thousands)</u> | <u>Currency</u> | <u>Maturity date</u>          |  |
| <b>Derivative financial assets:</b>      |                                           |                 |                               |  |
| <b>Foreign exchange contracts:</b>       |                                           |                 |                               |  |
| Forward exchange sold                    | EUR 18,000                                | EUR to USD      | July 14 ~ December 14, 2026   |  |
| Forward exchange sold                    | AUD 12,000                                | AUD to USD      | August 14 ~ November 27, 2026 |  |
| Forward exchange purchased               | USD 2,107                                 | USD to INR      | August 28, 2026               |  |
| Forward exchange purchased               | USD 1,000                                 | USD to BRL      | September 30, 2026            |  |
| Forward exchange purchased               | USD 60,000                                | USD to THB      | August 7 ~ August 31, 2026    |  |
| <b>Derivative financial liabilities:</b> |                                           |                 |                               |  |
| <b>Foreign exchange contracts:</b>       |                                           |                 |                               |  |
| Forward exchange purchased               | USD 189,500                               | USD to BRL      | July 2 ~ November 23, 2026    |  |
| Forward exchange sold                    | EUR 2,000                                 | EUR to USD      | December 14, 2026             |  |
| Forward exchange sold                    | USD 59,856                                | USD to THB      | August 7 ~ August 31, 2026    |  |
| <b>Swap contracts:</b>                   |                                           |                 |                               |  |
| Currency swap                            | USD 40,000                                | USD to TWD      | July 17 ~ August 19, 2026     |  |
| <u>December 31, 2025</u>                 |                                           |                 |                               |  |
|                                          | <u>Contract amount<br/>(in thousands)</u> | <u>Currency</u> | <u>Maturity date</u>          |  |
| <b>Derivative financial assets:</b>      |                                           |                 |                               |  |
| <b>Foreign exchange contracts:</b>       |                                           |                 |                               |  |
| Forward exchange sold                    | EUR 16,000                                | EUR to USD      | January 29 ~ April 14, 2026   |  |
| <b>Derivative financial liabilities:</b> |                                           |                 |                               |  |
| <b>Foreign exchange contracts:</b>       |                                           |                 |                               |  |
| 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   |  |

(Continued)

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

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

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

As of June 30, 2026, December 31 and June 30, 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

|                                                                      | <b>June 30,<br/>2026</b> | <b>December 31,<br/>2025</b> | <b>June 30,<br/>2025</b> |
|----------------------------------------------------------------------|--------------------------|------------------------------|--------------------------|
| Equity investments at fair value through other comprehensive income: |                          |                              |                          |
| Stock listed in domestic markets                                     | \$ 8,081,949             | 5,650,208                    | 5,016,714                |
| Stock listed in foreign markets                                      | 13,396,682               | 7,040,252                    | 7,623,218                |
| Stock unlisted in domestic markets                                   | 2,051,879                | 1,836,575                    | 1,738,760                |
| Stock unlisted in foreign markets                                    | 179,317                  | 145,930                      | 200,538                  |
| Total                                                                | <b>\$ 23,709,827</b>     | <b>14,672,965</b>            | <b>14,579,230</b>        |

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.

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

For the six months ended June 30, 2026, the Group disposed its entire shareholding in Taiwan Mobile Co., Ltd. and a portion of its shareholding in ITH Corporation. The fair value of the shares upon disposal amounted to \$369,589 and \$20,692, respectively, resulting in a cumulative gain of \$50,758 and \$3,997, respectively, which was reclassified from other comprehensive income to retained earnings.

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

For the three months and six months ended June 30, 2026 and 2025, the Group had recognized the gain of \$9,102,261, the loss of \$1,602,986, the gain of \$9,199,072 and the loss of \$8,820,478, respectively, as unrealized gain or loss on financial assets measured at fair value through other comprehensive income, which were recognized in other comprehensive income.

If there is an increase (decrease) in the market price by 5% on the reporting date of the equity securities hold by the Group, the increase (decrease) in other comprehensive income (pre-tax) for the six months ended June 30, 2026 and 2025, will be \$1,185,491 and \$728,962, respectively. These analyses are performed on the same basis for the period and assume that all other variables remain the same.

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

As of June 30, 2026, December 31 and June 30, 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:

|                                                | <b>June 30,<br/>2026</b> | <b>December 31,<br/>2025</b> | <b>June 30,<br/>2025</b> |
|------------------------------------------------|--------------------------|------------------------------|--------------------------|
| <b>Cash flow hedge:</b>                        |                          |                              |                          |
| <b>Financial assets used for hedging:</b>      |                          |                              |                          |
| Forward exchange contracts                     | \$ <u>53,858</u>         | <u>13,181</u>                | <u>-</u>                 |
| <b>Financial liabilities used for hedging:</b> |                          |                              |                          |
| Forward exchange contracts                     | \$ <u>-</u>              | <u>2,870</u>                 | <u>131,581</u>           |

(Continued)

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

(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 June 30, 2026, December 31 and June 30, 2025, the details related to the items designated as hedge instruments were as follows:

| <b>June 30, 2026</b>                                     |     |                                           |                 |                                   |                                 |
|----------------------------------------------------------|-----|-------------------------------------------|-----------------|-----------------------------------|---------------------------------|
|                                                          |     | <b>Contract amount<br/>(in thousands)</b> | <b>Currency</b> | <b>Maturity period</b>            | <b>Average<br/>strike price</b> |
| <b>Derivative financial assets used for hedging</b>      |     |                                           |                 |                                   |                                 |
| Forward exchange sold                                    | EUR | 29,000                                    | EUR to USD      | July 30 ~<br>December 30, 2026    | 1.1977                          |
| Forward exchange sold                                    | AUD | 8,000                                     | AUD to USD      | July 30 ~<br>September 29, 2026   | 0.7046                          |
| <b>Foreign exchange contracts:</b>                       |     |                                           |                 |                                   |                                 |
| <b>December 31, 2025</b>                                 |     |                                           |                 |                                   |                                 |
|                                                          |     | <b>Contract amount<br/>(in thousands)</b> | <b>Currency</b> | <b>Maturity period</b>            | <b>Average<br/>strike price</b> |
| <b>Derivative financial assets used for hedging</b>      |     |                                           |                 |                                   |                                 |
| <b>Foreign exchange contracts:</b>                       |     |                                           |                 |                                   |                                 |
| Forward exchange sold                                    | EUR | 41,000                                    | EUR to USD      | January 29 ~<br>December 30, 2026 | 1.1912                          |
| Forward exchange sold                                    | AUD | 9,000                                     | AUD to USD      | January 29 ~<br>June 29, 2026     | 0.6710                          |
| <b>Derivative financial liabilities used for hedging</b> |     |                                           |                 |                                   |                                 |
| <b>Foreign exchange contracts:</b>                       |     |                                           |                 |                                   |                                 |
| Forward exchange sold                                    | AUD | 12,000                                    | AUD to USD      | January 29 ~<br>June 29, 2026     | 0.6607                          |

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

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

- (iii) For the three months and six months ended June 30, 2026 and 2025, the ineffective portions of cash flow hedge recognized in profits (losses) amounted to losses of \$11,144, \$0, \$9,938 and \$0, respectively, recorded as “other gains and losses, net”.
- (iv) For the three months and six months ended June 30, 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).
- (e) Financial assets at amortized costs

|                                                              | June 30,<br>2026    | December 31,<br>2025 | June 30,<br>2025 |
|--------------------------------------------------------------|---------------------|----------------------|------------------|
| Time deposits with original maturities of more than 3 months | \$ 2,922,481        | 8,922,938            | 4,913,582        |
| Bond investments                                             | 9,964               | 9,964                | -                |
| Total                                                        | <u>\$ 2,932,445</u> | <u>8,932,902</u>     | <u>4,913,582</u> |

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

For the six months ended June 30, 2026, December 31 and June 30, 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 June 30, 2026, December 31 and June 30, 2025, the Group did not provide any aforementioned financial assets as collaterals for its loans.

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

(f) Notes and accounts receivable

|                                                                                        | <b>June 30,<br/>2026</b>     | <b>December 31,<br/>2025</b> | <b>June 30,<br/>2025</b>  |
|----------------------------------------------------------------------------------------|------------------------------|------------------------------|---------------------------|
| Notes receivables from operating activities                                            | \$ 10,083                    | 5,974                        | 6,548                     |
| Accounts receivables – measured at amortized cost                                      | 198,205,815                  | 164,178,087                  | 142,963,882               |
| Accounts receivables – fair value through other comprehensive income                   | 17,788,177                   | 14,500,544                   | 17,111,256                |
| Installment trade receivables                                                          | <u>142,115</u>               | <u>-</u>                     | <u>-</u>                  |
|                                                                                        | 216,146,190                  | 178,684,605                  | 160,081,686               |
| Less: allowance for uncollectible accounts                                             | (4,073,831)                  | (4,017,690)                  | (4,003,217)               |
| Less: unrealized interest revenue                                                      | <u>(20,891)</u>              | <u>-</u>                     | <u>-</u>                  |
| Subtotal                                                                               | <u><b>212,051,468</b></u>    | <u><b>174,666,915</b></u>    | <u><b>156,078,469</b></u> |
| Long-term installment trade receivables                                                | 478,886                      | -                            | -                         |
| Less: allowance for uncollectible accounts                                             | (932)                        | -                            | -                         |
| Less: unrealized interest revenue                                                      | <u>(28,223)</u>              | <u>-</u>                     | <u>-</u>                  |
| Subtotal                                                                               | <u>449,731</u>               | <u>-</u>                     | <u>-</u>                  |
|                                                                                        | <u><b>\$ 212,501,199</b></u> | <u><b>174,666,915</b></u>    | <u><b>156,078,469</b></u> |
| Notes and accounts receivable, net (including long-term notes and accounts receivable) | <u><b>\$ 206,714,436</b></u> | <u><b>168,427,990</b></u>    | <u><b>151,659,856</b></u> |
| Notes and accounts receivable – related parties, net                                   | <u><b>\$ 5,786,763</b></u>   | <u><b>6,238,925</b></u>      | <u><b>4,418,613</b></u>   |

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

(i) Expected credit losses

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

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

| <b>June 30, 2026</b> |                                                                     |                                           |                         |                             |
|----------------------|---------------------------------------------------------------------|-------------------------------------------|-------------------------|-----------------------------|
| <b>Credit rating</b> | <b>Carrying<br/>amount of notes<br/>and accounts<br/>receivable</b> | <b>Weighted-<br/>average<br/>ECL rate</b> | <b>Lifetime ECLs</b>    | <b>Credit-<br/>impaired</b> |
| Level A              | \$ 181,001,336                                                      | 0%                                        | -                       | No                          |
| Level B              | 23,968,585                                                          | 1.11%                                     | 265,963                 | No                          |
| Level C              | <u>3,773,048</u>                                                    | 100%                                      | <u>3,773,048</u>        | Yes                         |
|                      | <u><b>\$ 208,742,969</b></u>                                        |                                           | <u><b>4,039,011</b></u> |                             |

(Continued)

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

| <b>December 31, 2025</b> |                                                                     |                                           |                      |                             |
|--------------------------|---------------------------------------------------------------------|-------------------------------------------|----------------------|-----------------------------|
| <b>Credit rating</b>     | <b>Carrying<br/>amount of notes<br/>and accounts<br/>receivable</b> | <b>Weighted-<br/>average<br/>ECL rate</b> | <b>Lifetime ECLs</b> | <b>Credit-<br/>impaired</b> |
| 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                         |
|                          | <b>\$ 170,485,511</b>                                               |                                           | <b>3,986,538</b>     |                             |

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

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

| <b>June 30, 2026</b> |                                                                     |                                           |                      |                             |
|----------------------|---------------------------------------------------------------------|-------------------------------------------|----------------------|-----------------------------|
| <b>Credit rating</b> | <b>Carrying<br/>amount of notes<br/>and accounts<br/>receivable</b> | <b>Weighted-<br/>average<br/>ECL rate</b> | <b>Lifetime ECLs</b> | <b>Credit-<br/>impaired</b> |
| Level A              | \$ 3,094,479                                                        | 0%                                        | -                    | No                          |
| Level B              | 3,568,665                                                           | 0.10%                                     | 3,577                | No                          |
| Level C              | 1,149,074                                                           | 1.00%                                     | 11,400               | No                          |
| Level D              | -                                                                   | 5.00%                                     | -                    | -                           |
| Level E              | 20,775                                                              | 100%                                      | 20,775               | Yes                         |
|                      | <b>\$ 7,832,993</b>                                                 |                                           | <b>35,752</b>        |                             |

| <b>December 31, 2025</b> |                                                                     |                                           |                      |                             |
|--------------------------|---------------------------------------------------------------------|-------------------------------------------|----------------------|-----------------------------|
| <b>Credit rating</b>     | <b>Carrying<br/>amount of notes<br/>and accounts<br/>receivable</b> | <b>Weighted-<br/>average<br/>ECL rate</b> | <b>Lifetime ECLs</b> | <b>Credit-<br/>impaired</b> |
| 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                         |
|                          | <b>\$ 8,199,094</b>                                                 |                                           | <b>31,152</b>        |                             |

(Continued)

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

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

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

|                         | <b>June 30,<br/>2026</b>   | <b>December 31,<br/>2025</b> | <b>June 30,<br/>2025</b> |
|-------------------------|----------------------------|------------------------------|--------------------------|
| Overdue 1 to 180 days   | \$ 2,315,721               | 2,460,468                    | 1,878,901                |
| Overdue 181 to 365 days | 2,227                      | -                            | 18,564                   |
| Overdue 365 days        | -                          | 6,567                        | -                        |
|                         | <b><u>\$ 2,317,948</u></b> | <b><u>2,467,035</u></b>      | <b><u>1,897,465</u></b>  |

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

|                                     | <b>For the six months ended<br/>June 30,</b> |                         |
|-------------------------------------|----------------------------------------------|-------------------------|
|                                     | <b>2026</b>                                  | <b>2025</b>             |
| Balance at January 1                | \$ 4,017,690                                 | 4,035,750               |
| Impairment losses recognized        | 54,043                                       | 2,541                   |
| Amounts written off                 | -                                            | (24,186)                |
| Effect of changes in exchange rates | 3,030                                        | (10,888)                |
| Balance at June 30                  | <b><u>\$ 4,074,763</u></b>                   | <b><u>4,003,217</u></b> |

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.

(Continued)

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

(iv) Accounts receivable factoring

1) Non-recourse

The Group entered into accounts receivable factoring agreements with banks. As of June 30, 2026, December 31 and June 30, 2025, except for the amount used under the actual sales amount in accordance with certain agreements, the factoring amount granted by the banks were USD 1,800,000 thousand, USD 2,100,000 thousand and USD 2,100,000 thousand, respectively. Based on the agreements, the Group is not responsible for guaranteeing the ability of the accounts receivable obligor to make payment when it is affected by credit risk. Thus, this is a non-recourse accounts receivable factoring. The Group derecognized the above accounts receivable because it has transferred substantially all of the risks and rewards of their ownership and it does not have any continuing involvement in them. After the transfer of the accounts receivable, the Group can request partial advanced amount, while the interest calculated at an agreed rate is paid to the bank in the period during the time of receiving advance and the accounts receivable is collected. The remaining amounts with no advance are received when the accounts receivable are settled by the customers. There were no factored accounts receivable as of June 30, 2026, December 31 and June 30, 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 June 30, 2026, December 31 and June 30, 2025, accounts receivable factored were recovered and derecognized since the conditions of derecognition were met.

As of June 30, 2026, December 31 and June 30, 2025, the details of the factored accounts receivable but unsettled were as follows:

| June 30, 2026         |                                      |                 |                  |                                       |            |                         |
|-----------------------|--------------------------------------|-----------------|------------------|---------------------------------------|------------|-------------------------|
| Purchaser             | Accounts receivable factored (gross) | Amount advanced |                  | Amount recognized in other receivable | Collateral | Amount derecognized     |
|                       |                                      | Unpaid          | Paid             |                                       |            | Interest rate           |
| Financial Institution | \$ <u>9,575,143</u>                  | <u>-</u>        | <u>9,575,143</u> | <u>-</u>                              | -          | <u>9,575,143</u> 4.180% |
| December 31, 2025     |                                      |                 |                  |                                       |            |                         |
| Purchaser             | Accounts receivable factored (gross) | Amount advanced |                  | Amount recognized in other receivable | Collateral | Amount derecognized     |
|                       |                                      | Unpaid          | Paid             |                                       |            | Interest rate           |
| Financial Institution | \$ <u>6,951,958</u>                  | <u>-</u>        | <u>6,951,958</u> | <u>-</u>                              | -          | <u>6,951,958</u> 4.22%  |

(Continued)

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

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

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:

| June 30, 2026         |                                        |               |                                                              |                               |                   |
|-----------------------|----------------------------------------|---------------|--------------------------------------------------------------|-------------------------------|-------------------|
| <u>Purchaser</u>      | <u>Accounts receivable transferred</u> | <u>Quota</u>  | <u>Amount advanced (recognized as short-term borrowings)</u> | <u>Range of Interest Rate</u> | <u>Collateral</u> |
| Financial Institution | \$ <u>-</u>                            | <u>71,434</u> | <u>28,364</u>                                                | 5.80 %                        | Inventories       |

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

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

- (v) As of June 30, 2026, December 31 and June 30, 2025, the Group did not provide any aforementioned notes and accounts receivable as collaterals.

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

(g) Inventories

|                          | <b>June 30,<br/>2026</b>     | <b>December 31,<br/>2025</b> | <b>June 30,<br/>2025</b> |
|--------------------------|------------------------------|------------------------------|--------------------------|
| Finished goods           | \$ 25,059,561                | 35,777,885                   | 22,917,513               |
| Work in progress         | 5,464,845                    | 7,142,391                    | 7,685,895                |
| Raw materials            | 80,859,674                   | 41,180,081                   | 44,900,269               |
| Raw materials in transit | <u>260,390</u>               | <u>585,892</u>               | <u>319,646</u>           |
|                          | <b><u>\$ 111,644,470</u></b> | <b><u>84,686,249</u></b>     | <b><u>75,823,323</u></b> |

- (i) For the three months and six months ended June 30, 2026 and 2025, inventory cost recognized as cost of sales amounted to \$227,273,618, \$169,858,060, \$417,979,659 and \$358,512,524, respectively.
- (ii) The loss due to the write-down of inventories to net realizable value amounted to \$510,577, \$6,860 and \$814,365 for the three months ended June 30, 2026 and 2025 and six months ended June 30, 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 \$162,259 for the six months ended June 30, 2025.
- (iii) As of June 30, 2026, December 31 and June 30, 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:

|                                    | <b>June 30,<br/>2026</b>   | <b>December 31,<br/>2025</b> | <b>June 30,<br/>2025</b> |
|------------------------------------|----------------------------|------------------------------|--------------------------|
| Associates                         | \$ 7,199,619               | 7,421,451                    | 6,647,126                |
| Joint venture                      | <u>5,471</u>               | <u>5,386</u>                 | <u>4,966</u>             |
|                                    | 7,205,090                  | 7,426,837                    | 6,652,092                |
| Less: unrealized profits or losses | <u>(125,183)</u>           | <u>(123,579)</u>             | <u>(115,443)</u>         |
|                                    | <b><u>\$ 7,079,907</u></b> | <b><u>7,303,258</u></b>      | <b><u>6,536,649</u></b>  |

(i) Associates

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

|                                             | <b>June 30,<br/>2026</b>   | <b>December 31,<br/>2025</b> | <b>June 30,<br/>2025</b> |
|---------------------------------------------|----------------------------|------------------------------|--------------------------|
| Allied Circuit Co., Ltd. ("Allied Circuit") | \$ 6,938,069               | 3,108,255                    | 2,220,182                |
| Avalue Technology Inc. ("Avalue")           | <u>2,119,218</u>           | <u>1,364,060</u>             | <u>1,499,869</u>         |
|                                             | <b><u>\$ 9,057,287</u></b> | <b><u>4,472,315</u></b>      | <b><u>3,720,051</u></b>  |

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

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

|                                                | For the three months ended<br>June 30, |                  | For the six months ended<br>June 30, |                  |
|------------------------------------------------|----------------------------------------|------------------|--------------------------------------|------------------|
|                                                | 2026                                   | 2025             | 2026                                 | 2025             |
| The Group's share of the<br>loss of associates | \$ <u>(263,607)</u>                    | <u>(152,754)</u> | <u>(528,392)</u>                     | <u>(336,940)</u> |

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

|                                                          | June 30,<br>2026    | December 31,<br>2025 | June 30,<br>2025 |
|----------------------------------------------------------|---------------------|----------------------|------------------|
| Carrying amount of individually<br>immaterial associates | \$ <u>7,199,619</u> | <u>7,421,451</u>     | <u>6,647,126</u> |

  

|                                                                 | For the three months ended<br>June 30, |                  | For the six months ended<br>June 30, |                  |
|-----------------------------------------------------------------|----------------------------------------|------------------|--------------------------------------|------------------|
|                                                                 | 2026                                   | 2025             | 2026                                 | 2025             |
| The Group's share of the<br>net income (loss) of<br>associates: |                                        |                  |                                      |                  |
| Loss from continuing<br>operations                              | \$ (263,607)                           | (152,754)        | (528,392)                            | (336,940)        |
| Other comprehensive<br>income                                   | <u>104,741</u>                         | <u>(617,125)</u> | <u>274,584</u>                       | <u>(562,964)</u> |
| Total comprehensive<br>income                                   | \$ <u>(158,866)</u>                    | <u>(769,879)</u> | <u>(253,808)</u>                     | <u>(899,904)</u> |

- (ii) Joint venture

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

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

|                                                                                                  | June 30,<br>2026 | December 31,<br>2025 | June 30,<br>2025 |
|--------------------------------------------------------------------------------------------------|------------------|----------------------|------------------|
| The carrying amount of the Group's interests in<br>all individually insignificant joint ventures | \$ <u>5,471</u>  | <u>5,386</u>         | <u>4,966</u>     |

(Continued)

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

|                                                                                               | <b>For the three months ended</b> |             | <b>For the six months ended</b> |             |
|-----------------------------------------------------------------------------------------------|-----------------------------------|-------------|---------------------------------|-------------|
|                                                                                               | <b>June 30,</b>                   |             | <b>June 30,</b>                 |             |
|                                                                                               | <b>2026</b>                       | <b>2025</b> | <b>2026</b>                     | <b>2025</b> |
| The Group's share of the net income (loss) of joint ventures:                                 |                                   |             |                                 |             |
| Net income (losses) from continuing operations (also the total comprehensive income (losses)) | \$ <u>12</u>                      | <u>96</u>   | <u>12</u>                       | <u>(32)</u> |

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

(iv) As of June 30, 2026, December 31 and June 30, 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 six months ended June 30, 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 June 30, 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 six months ended June 30, 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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**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

(l) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the six months ended June 30, 2026 and 2025, were as follows:

|                                       |                     |                                          |                   |                    | Under<br>construction<br>and<br>prepayment<br>for purchase<br>of equipment |                   |
|---------------------------------------|---------------------|------------------------------------------|-------------------|--------------------|----------------------------------------------------------------------------|-------------------|
|                                       | Land                | Buildings<br>and building<br>improvement | Machinery         | Other<br>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                             | -                   | 3,565                                    | 282,484           | 2,551,630          | 5,980,284                                                                  | 8,817,963         |
| Disposals and derecognitions          | -                   | -                                        | (885,526)         | (679,380)          | -                                                                          | (1,564,906)       |
| Reclassifications                     | -                   | -                                        | 1,914,298         | 73,315             | (1,987,613)                                                                | -                 |
| Effect of movements in exchange rates | 2,303               | 377,860                                  | (227,305)         | (303,937)          | 28,860                                                                     | (122,219)         |
| Balance on June 30, 2026              | <u>\$ 2,569,636</u> | <u>25,362,978</u>                        | <u>36,108,646</u> | <u>14,207,501</u>  | <u>13,151,131</u>                                                          | <u>91,399,892</u> |
| Balance on January 1, 2025            | \$ 2,572,173        | 25,148,276                               | 37,347,242        | 13,258,717         | 5,729,251                                                                  | 84,055,659        |
| Additions                             | -                   | 14,827                                   | 335,662           | 373,026            | 2,418,982                                                                  | 3,142,497         |
| Disposals and derecognitions          | -                   | (112,120)                                | (591,674)         | (154,682)          | -                                                                          | (858,476)         |
| Reclassifications                     | -                   | 44,223                                   | 797,170           | 53,183             | (894,576)                                                                  | -                 |
| Effect of movements in exchange rates | (19,116)            | (2,203,078)                              | (4,388,708)       | (995,614)          | (402,396)                                                                  | (8,008,912)       |
| Balance on June 30, 2025              | <u>\$ 2,553,057</u> | <u>22,892,128</u>                        | <u>33,499,692</u> | <u>12,534,630</u>  | <u>6,851,261</u>                                                           | <u>78,330,768</u> |
| 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           | -                   | 272,710                                  | 1,745,883         | 517,436            | -                                                                          | 2,536,029         |
| Disposals and derecognitions          | -                   | -                                        | (586,170)         | (667,474)          | -                                                                          | (1,253,644)       |
| Effect of movements in exchange rates | -                   | (330,987)                                | (267,779)         | 246,777            | -                                                                          | (351,989)         |
| Balance on June 30, 2026              | <u>\$ -</u>         | <u>14,693,716</u>                        | <u>28,320,197</u> | <u>10,526,336</u>  | <u>-</u>                                                                   | <u>53,540,249</u> |
| Balance on January 1, 2025            | \$ -                | 14,612,011                               | 28,483,781        | 9,855,968          | -                                                                          | 52,951,760        |
| Depreciation for the period           | -                   | 623,933                                  | 1,648,269         | 618,411            | -                                                                          | 2,890,613         |
| Disposals and derecognitions          | -                   | (106,956)                                | (362,652)         | (152,439)          | -                                                                          | (622,047)         |
| Effect of movements in exchange rates | -                   | (1,657,439)                              | (2,003,763)       | (1,371,950)        | -                                                                          | (5,033,152)       |
| Balance on June 30, 2025              | <u>\$ -</u>         | <u>13,471,549</u>                        | <u>27,765,635</u> | <u>8,949,990</u>   | <u>-</u>                                                                   | <u>50,187,174</u> |
| Carrying amounts:                     |                     |                                          |                   |                    |                                                                            |                   |
| Balance on January 1, 2026            | <u>\$ 2,567,333</u> | <u>10,229,560</u>                        | <u>7,596,432</u>  | <u>2,136,276</u>   | <u>9,129,600</u>                                                           | <u>31,659,201</u> |
| Balance on June 30, 2026              | <u>\$ 2,569,636</u> | <u>10,669,262</u>                        | <u>7,788,449</u>  | <u>3,681,165</u>   | <u>13,151,131</u>                                                          | <u>37,859,643</u> |
| Balance on January 1, 2025            | <u>\$ 2,572,173</u> | <u>10,536,265</u>                        | <u>8,863,461</u>  | <u>3,402,749</u>   | <u>5,729,251</u>                                                           | <u>31,103,899</u> |
| Balance on June 30, 2025              | <u>\$ 2,553,057</u> | <u>9,420,579</u>                         | <u>5,734,057</u>  | <u>3,584,640</u>   | <u>6,851,261</u>                                                           | <u>28,143,594</u> |

As of June 30, 2026 and 2025, the Group's capitalized borrowing costs related to construction amounted to \$67,254 and \$44,231, calculated using capitalization rates of 2.33%~2.44% and 2.07%~2.43%, respectively.

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

The Group's Board of Directors resolved on May 29, 2026, to acquire a parcel of land and the building thereon located in Daxi District, Taoyuan City, at a total price of \$2,050,000. As of June 30, 2026, the payments have been made in full, and the related transfer procedures have not yet been completed. Therefore, the amounts were recognized as under construction and prepayment for purchase of equipment.

The Group's Board of Directors resolved on June 12, 2026, to proceed with leasehold improvements on a building in Texas, USA, and to acquire related operating equipment. As of June 30, 2026, the related projects were still in progress. Therefore, the amounts were recognized as under construction and prepayment for purchase of equipment. Please refer to Note (9)(c) for details of significant unrecognized contractual commitments associated with the acquisition of property, plant and equipment.

As of June 30, 2026, December 31 and June 30, 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:

|                                       | <u>Land</u>          | <u>Buildings</u> | <u>Machinery</u> | <u>Vehicles<br/>and other</u> | <u>Total</u>      |
|---------------------------------------|----------------------|------------------|------------------|-------------------------------|-------------------|
| Cost:                                 |                      |                  |                  |                               |                   |
| Balance on January 1, 2026            | \$ 12,246,354        | 6,071,401        | 50,378           | 42,304                        | 18,410,437        |
| Additions                             | 139,349              | 522,246          | -                | 25,304                        | 686,899           |
| Deductions                            | -                    | (626,415)        | -                | (4,805)                       | (631,220)         |
| Effect of movements in exchange rates | 14,889               | 41,889           | -                | 33                            | 56,811            |
| Balance on June 30, 2026              | <u>\$ 12,400,592</u> | <u>6,009,121</u> | <u>50,378</u>    | <u>62,836</u>                 | <u>18,522,927</u> |
| Balance on January 1, 2025            | \$ 12,291,209        | 3,611,505        | 50,378           | 42,777                        | 15,995,869        |
| Additions                             | -                    | 174,292          | -                | 9,768                         | 184,060           |
| Deductions                            | -                    | (163,934)        | -                | (10,977)                      | (174,911)         |
| Effect of movements in exchange rates | (111,944)            | (137,350)        | -                | (99)                          | (249,393)         |
| Balance on June 30, 2025              | <u>\$ 12,179,265</u> | <u>3,484,513</u> | <u>50,378</u>    | <u>41,469</u>                 | <u>15,755,625</u> |
| Depreciation:                         |                      |                  |                  |                               |                   |
| Balance on January 1, 2026            | \$ 983,025           | 2,217,556        | 31,346           | 19,898                        | 3,251,825         |
| Depreciation for the period           | 125,121              | 417,073          | 2,239            | 8,062                         | 552,495           |
| Deductions                            | -                    | (53,494)         | -                | (4,775)                       | (58,269)          |
| Effect of movements in exchange rates | 2,527                | 14,101           | -                | (7)                           | 16,621            |
| Balance on June 30, 2026              | <u>\$ 1,110,673</u>  | <u>2,595,236</u> | <u>33,585</u>    | <u>23,178</u>                 | <u>3,762,672</u>  |
| Balance on January 1, 2025            | \$ 742,883           | 1,858,515        | 26,868           | 17,055                        | 2,645,321         |
| Depreciation for the period           | 123,530              | 341,146          | 2,239            | 6,117                         | 473,032           |
| Deductions                            | -                    | (123,904)        | -                | (8,385)                       | (132,289)         |
| Effect of movements in exchange rates | (18,106)             | (48,426)         | -                | (111)                         | (66,643)          |
| Balance on June 30, 2025              | <u>\$ 848,307</u>    | <u>2,027,331</u> | <u>29,107</u>    | <u>14,676</u>                 | <u>2,919,421</u>  |

(Continued)

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

|                            | <u>Land</u>          | <u>Buildings</u> | <u>Machinery</u> | <u>Vehicles<br/>and other</u> | <u>Total</u>      |
|----------------------------|----------------------|------------------|------------------|-------------------------------|-------------------|
| Carrying amount:           |                      |                  |                  |                               |                   |
| Balance on January 1, 2026 | \$ <u>11,263,329</u> | <u>3,853,845</u> | <u>19,032</u>    | <u>22,406</u>                 | <u>15,158,612</u> |
| Balance on June 30, 2026   | \$ <u>11,289,919</u> | <u>3,413,885</u> | <u>16,793</u>    | <u>39,658</u>                 | <u>14,760,255</u> |
| Balance on January 1, 2025 | \$ <u>11,548,326</u> | <u>1,752,990</u> | <u>23,510</u>    | <u>25,722</u>                 | <u>13,350,548</u> |
| Balance on June 30, 2025   | \$ <u>11,330,958</u> | <u>1,457,182</u> | <u>21,271</u>    | <u>26,793</u>                 | <u>12,836,204</u> |

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.

For the three months and six months ended June 30, 2026 and 2025, the related depreciation expenses of right-of-use assets amounting to \$56,341, \$56,341, \$112,683 and \$112,683, and the interest expenses of lease liabilities amounting to \$10,662, \$10,824, \$21,392 and \$21,717, 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 June 30, 2026, December 31 and June 30, 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:

|                                              | <u>June 30,<br/>2026</u> | <u>December 31,<br/>2025</u> | <u>June 30,<br/>2025</u> |
|----------------------------------------------|--------------------------|------------------------------|--------------------------|
| Unsecured bank loans                         | \$ 91,795,724            | 66,896,015                   | 44,628,311               |
| Secured bank loans                           | <u>28,364</u>            | <u>52,702</u>                | <u>4</u>                 |
| Total                                        | <u>\$ 91,824,088</u>     | <u>66,948,717</u>            | <u>44,628,315</u>        |
| Unused credit line for short-term borrowings | <u>\$ 236,528,000</u>    | <u>254,809,000</u>           | <u>255,264,000</u>       |
| Range of interest rates                      | <u>1.72%~5.80%</u>       | <u>1.72%~5.80%</u>           | <u>1.70%~6.96%</u>       |

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).

(Continued)

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

(o) Long-term borrowings

The details of long-term borrowings were as follows:

|                                             | <b>June 30,<br/>2026</b>    | <b>December 31,<br/>2025</b> | <b>June 30,<br/>2025</b>  |
|---------------------------------------------|-----------------------------|------------------------------|---------------------------|
| Unsecured bank loans                        | \$ 13,779,198               | 9,710,494                    | 11,716,790                |
| Secured bank loans                          | 6,234,156                   | 6,234,809                    | 5,398,622                 |
| Less: current portion                       | <u>(7,481,576)</u>          | <u>(4,005,191)</u>           | <u>(7,200,000)</u>        |
| Total                                       | <u><b>\$ 12,531,778</b></u> | <u><b>11,940,112</b></u>     | <u><b>9,915,412</b></u>   |
| Unused credit line for long-term borrowings | <u><b>\$ 52,430,000</b></u> | <u><b>38,040,000</b></u>     | <u><b>36,048,000</b></u>  |
| Range of interest rates                     | <u><b>1.37%~2.44%</b></u>   | <u><b>1.75%~2.44%</b></u>    | <u><b>1.76%~2.43%</b></u> |

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

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

(p) Lease liabilities

The details of leases liabilities were as follows:

|             | <b>June 30,<br/>2026</b>   | <b>December 31,<br/>2025</b> | <b>June 30,<br/>2025</b> |
|-------------|----------------------------|------------------------------|--------------------------|
| Current     | <u><b>\$ 2,056,266</b></u> | <u><b>2,095,472</b></u>      | <u><b>1,937,642</b></u>  |
| Non-current | <u><b>\$ 5,771,644</b></u> | <u><b>7,330,704</b></u>      | <u><b>5,111,805</b></u>  |

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

The amounts recognized in profit or loss were as follows:

|                                                                      | <b>For the three months ended<br/>June 30,</b> |                      | <b>For the six months ended<br/>June 30,</b> |                      |
|----------------------------------------------------------------------|------------------------------------------------|----------------------|----------------------------------------------|----------------------|
|                                                                      | <b>2026</b>                                    | <b>2025</b>          | <b>2026</b>                                  | <b>2025</b>          |
| Interest on lease liabilities                                        | <u><b>\$ 29,853</b></u>                        | <u><b>8,949</b></u>  | <u><b>57,848</b></u>                         | <u><b>21,192</b></u> |
| Expenses relating to leases of low-value assets or short-term leases | <u><b>\$ 49,306</b></u>                        | <u><b>16,180</b></u> | <u><b>75,740</b></u>                         | <u><b>39,785</b></u> |

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

|                               | <b>For the six months ended<br/>June 30,</b> |                         |
|-------------------------------|----------------------------------------------|-------------------------|
|                               | <b>2026</b>                                  | <b>2025</b>             |
| Total cash outflow for leases | <u><b>\$ 1,845,470</b></u>                   | <u><b>1,885,291</b></u> |

(Continued)

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

(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<br>June 30, |              | For the six months ended<br>June 30, |              |
|-----------------------------------|----------------------------------------|--------------|--------------------------------------|--------------|
|                                   | 2026                                   | 2025         | 2026                                 | 2025         |
| Cost of sales                     | \$ 74                                  | 209          | 192                                  | 423          |
| Selling expenses                  | 183                                    | 299          | 347                                  | 598          |
| Administrative expenses           | 505                                    | 757          | 1,027                                | 1,523        |
| Research and development expenses | 1,301                                  | 1,935        | 2,592                                | 3,858        |
| Total                             | <u>\$ 2,063</u>                        | <u>3,200</u> | <u>4,158</u>                         | <u>6,402</u> |

(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 \$135,008, \$138,887, \$279,004 and \$279,568 for the three months and six months ended June 30, 2026 and 2025, respectively. Payment was made to the Bureau of Labor Insurance.

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

Other subsidiaries recognized the pension expenses, basic endowment insurance expenses, and social welfare expenses amounting to \$219,670, \$171,148, \$435,661 and \$358,263 for the three months and six months ended June 30, 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<br>June 30, |                | For the six months ended<br>June 30, |                  |
|---------------------|----------------------------------------|----------------|--------------------------------------|------------------|
|                     | 2026                                   | 2025           | 2026                                 | 2025             |
| Current tax expense | \$ <u>1,030,564</u>                    | <u>360,545</u> | <u>1,730,552</u>                     | <u>1,148,877</u> |

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

|                                                                                                  | For the three months ended<br>June 30, |                  | For the six months ended<br>June 30, |                    |
|--------------------------------------------------------------------------------------------------|----------------------------------------|------------------|--------------------------------------|--------------------|
|                                                                                                  | 2026                                   | 2025             | 2026                                 | 2025               |
| <b>Items that will not be reclassified subsequently to profit or loss:</b>                       |                                        |                  |                                      |                    |
| Remeasurement of the defined benefit liability                                                   | \$ 851                                 | 478              | 516                                  | 793                |
| Unrealized gains (losses) on equity instruments at fair value through other comprehensive income | <u>1,349,283</u>                       | <u>(266,703)</u> | <u>1,394,325</u>                     | <u>(1,566,996)</u> |
|                                                                                                  | <u>\$ 1,350,134</u>                    | <u>(266,225)</u> | <u>1,394,841</u>                     | <u>(1,566,203)</u> |
| <b>Items that will be reclassified subsequently to profit or loss:</b>                           |                                        |                  |                                      |                    |
| Foreign currency translation differences of foreign operations                                   | \$ (266)                               | (679)            | (1,395)                              | (6)                |
| Gains (losses) on hedging instrument                                                             | <u>296</u>                             | <u>(17,764)</u>  | <u>8,709</u>                         | <u>(26,316)</u>    |
|                                                                                                  | <u>\$ 30</u>                           | <u>(18,443)</u>  | <u>7,314</u>                         | <u>(26,322)</u>    |

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

(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, Gempal, Hong Ji, Unicore, CBN, Zhi-Bao, TTI, Mactech, Starmems, Poindus Investment, Kinpo&Compal Group and Compal Ruifang through 2024.

The ROC tax authorities have assessed the income tax return of Arcadyan, GLB, Panpal, UCGI, Hong Jin and Heng Hao through 2023.

The ROC tax authorities have assessed the income tax return of 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 June 30, 2026 and 2025. Please refer to note (6)(s) of the consolidated financial statement for the year ended December 31, 2025.

(i) Capital surplus

The balances of capital surplus were as follows:

|                                                                                                           | <b>June 30,<br/>2026</b>   | <b>December 31,<br/>2025</b> | <b>June 30,<br/>2025</b> |
|-----------------------------------------------------------------------------------------------------------|----------------------------|------------------------------|--------------------------|
| Additional paid-in capital                                                                                | \$ 139,648                 | 138,690                      | 138,690                  |
| 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                                             | 158,231                    | 157,793                      | 157,187                  |
| Changes in equity of associates and joint ventures accounted for using equity method                      | 500,426                    | 435,886                      | 369,898                  |
|                                                                                                           | <b><u>\$ 3,802,124</u></b> | <b><u>3,681,169</u></b>      | <b><u>3,614,575</u></b>  |

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

(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.

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:

|                                                      | <b>2025</b>                 |                         | <b>2024</b>                 |                         |
|------------------------------------------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|
|                                                      | <b>Amount<br/>per share</b> | <b>Total<br/>amount</b> | <b>Amount<br/>per share</b> | <b>Total<br/>amount</b> |
| Cash dividends distributed<br>to common shareholders | \$ 1.1                      | <u><u>4,847,861</u></u> | 1.4                         | <u><u>6,170,005</u></u> |

(iii) Treasury stock

The subsidiaries of the Company did not sell the ordinary shares of the Company in the six months ended June 30, 2026 and 2025. As of June 30, 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 35.30, 30.40 and 29.00 New Taiwan dollars per share as of June 30, 2026, December 31 and June 30, 2025, respectively.

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

The Company's Board of Directors resolved on May 12, 2026, to repurchase 100,000 thousand shares of treasury stock for transfer to employees, in accordance with the requirements under Article 28-2 of the Securities and Exchange Act. The total repurchase price amounted to \$3,416,707. As of June 30, 2026, no treasury shares have been transferred to employees.

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<br>differences on<br>transaction of<br>foreign operation<br>financial<br>statements | Unrealized gain<br>(loss) from<br>financial assets at<br>fair value through<br>other<br>comprehensive<br>income | Others          | Total             |
|----------------------------|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-----------------|-------------------|
| Balance on January 1, 2026 | \$ 415,454                                                                                   | 6,210,563                                                                                                       | 2,720           | 6,628,737         |
| The Company                | 1,406,761                                                                                    | 6,844,802                                                                                                       | -               | 8,251,563         |
| Subsidiaries               | (137,800)                                                                                    | 905,446                                                                                                         | 11,488          | 779,134           |
| Associates                 | 272,145                                                                                      | 1,752                                                                                                           | -               | 273,897           |
| Balance on June 30, 2026   | <u>\$ 1,956,560</u>                                                                          | <u>13,962,563</u>                                                                                               | <u>14,208</u>   | <u>15,933,331</u> |
| Balance on January 1, 2025 | \$ 4,203,807                                                                                 | 13,384,524                                                                                                      | -               | 17,588,331        |
| The Company                | (9,692,916)                                                                                  | (6,978,745)                                                                                                     | -               | (16,671,661)      |
| Subsidiaries               | (113,375)                                                                                    | (415,783)                                                                                                       | (34,711)        | (563,869)         |
| Associates                 | (527,794)                                                                                    | (38,515)                                                                                                        | -               | (566,309)         |
| Balance on June 30, 2025   | <u>\$ (6,130,278)</u>                                                                        | <u>5,951,481</u>                                                                                                | <u>(34,711)</u> | <u>(213,508)</u>  |

(t) Share-based payment

There were no significant changes in share-based payment during the six months ended June 30, 2026 and 2025. Please refer to note (6)(t) of the consolidated financial statements for the year ended December 31, 2025 for related information.

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

(u) Earnings per share

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

|                                                                                                                              | For the three months ended<br>June 30, |                  | For the six months ended<br>June 30, |                  |
|------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|------------------|--------------------------------------|------------------|
|                                                                                                                              | 2026                                   | 2025             | 2026                                 | 2025             |
| <b>Basic earnings per share:</b>                                                                                             |                                        |                  |                                      |                  |
| Profit attributable to ordinary<br>shareholders of the Company                                                               | \$ <u>3,132,716</u>                    | <u>482,460</u>   | <u>5,099,911</u>                     | <u>2,673,689</u> |
| Weighted-average number of<br>outstanding ordinary shares (in<br>thousands)                                                  | <u>4,318,806</u>                       | <u>4,357,130</u> | <u>4,339,552</u>                     | <u>4,357,130</u> |
| <b>Diluted earnings per share:</b>                                                                                           |                                        |                  |                                      |                  |
| Profit attributable to ordinary<br>shareholders of the Company<br>(after adjustment of potential<br>diluted ordinary shares) | \$ <u>3,132,716</u>                    | <u>482,460</u>   | <u>5,099,911</u>                     | <u>2,673,689</u> |
| Weighted-average number of<br>outstanding ordinary shares of<br>potential diluted ordinary shares                            |                                        |                  |                                      |                  |
| Weighted-average number of<br>outstanding ordinary shares (in<br>thousands)                                                  | 4,318,806                              | 4,357,130        | 4,339,552                            | 4,357,130        |
| Effect of potential diluted<br>common stock                                                                                  |                                        |                  |                                      |                  |
| Employee compensation (in<br>thousands)                                                                                      | <u>19,902</u>                          | <u>12,163</u>    | <u>28,662</u>                        | <u>23,626</u>    |
| Weighted-average number of<br>ordinary shares (after adjustment<br>of potential diluted ordinary<br>shares) (in thousands)   | <u>4,338,708</u>                       | <u>4,369,293</u> | <u>4,368,214</u>                     | <u>4,380,756</u> |

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

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

| <b>For the three months ended June 30, 2026</b> |                               |                                                             |                    |
|-------------------------------------------------|-------------------------------|-------------------------------------------------------------|--------------------|
|                                                 | <b>IT Product<br/>Segment</b> | <b>Strategically<br/>Integrated<br/>Product<br/>Segment</b> | <b>Total</b>       |
| Primary geographical markets:                   |                               |                                                             |                    |
| United States                                   | \$ 69,773,418                 | 7,422,748                                                   | 77,196,166         |
| China                                           | 26,111,264                    | 170,652                                                     | 26,281,916         |
| Japan                                           | 17,860,144                    | 181,900                                                     | 18,042,044         |
| Netherlands                                     | 17,092,712                    | 239,293                                                     | 17,332,005         |
| India                                           | 9,658,398                     | 976,652                                                     | 10,635,050         |
| United Kingdom                                  | 7,731,178                     | 160,749                                                     | 7,891,927          |
| Germany                                         | 6,122,546                     | 723,087                                                     | 6,845,633          |
| Others                                          | 70,062,705                    | 4,007,230                                                   | 74,069,935         |
|                                                 | <b>\$ 224,412,365</b>         | <b>13,882,311</b>                                           | <b>238,294,676</b> |
| Major products:                                 |                               |                                                             |                    |
| 5C related electronics products                 | \$ 223,711,296                | 13,364,048                                                  | 237,075,344        |
| Others                                          | 701,069                       | 518,263                                                     | 1,219,332          |
|                                                 | <b>\$ 224,412,365</b>         | <b>13,882,311</b>                                           | <b>238,294,676</b> |
| <b>For the three months ended June 30, 2025</b> |                               |                                                             |                    |
|                                                 | <b>IT Product<br/>Segment</b> | <b>Strategically<br/>Integrated<br/>Product<br/>Segment</b> | <b>Total</b>       |
| Primary geographical markets:                   |                               |                                                             |                    |
| United States                                   | \$ 67,290,712                 | 5,689,658                                                   | 72,980,370         |
| China                                           | 17,880,046                    | 139,121                                                     | 18,019,167         |
| Netherlands                                     | 12,427,288                    | 128,777                                                     | 12,556,065         |
| Japan                                           | 12,042,805                    | 332,245                                                     | 12,375,050         |
| India                                           | 6,722,984                     | 1,361,227                                                   | 8,084,211          |
| United Kingdom                                  | 5,988,142                     | 1,085,624                                                   | 7,073,766          |
| Germany                                         | 5,125,263                     | 550,680                                                     | 5,675,943          |
| Others                                          | 39,503,408                    | 4,175,199                                                   | 43,678,607         |
|                                                 | <b>\$ 166,980,648</b>         | <b>13,462,531</b>                                           | <b>180,443,179</b> |
| Major products:                                 |                               |                                                             |                    |
| 5C related electronics products                 | \$ 166,330,230                | 13,103,651                                                  | 179,433,881        |
| Others                                          | 650,418                       | 358,880                                                     | 1,009,298          |
|                                                 | <b>\$ 166,980,648</b>         | <b>13,462,531</b>                                           | <b>180,443,179</b> |

(Continued)

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

| <b>For the six months ended June 30, 2026</b> |                           |                                                 |                    |
|-----------------------------------------------|---------------------------|-------------------------------------------------|--------------------|
|                                               | <b>IT Product Segment</b> | <b>Strategically Integrated Product Segment</b> | <b>Total</b>       |
| Primary geographical markets:                 |                           |                                                 |                    |
| United States                                 | \$ 125,533,152            | 13,850,961                                      | 139,384,113        |
| China                                         | 39,556,448                | 189,838                                         | 39,746,286         |
| Japan                                         | 35,111,671                | 371,494                                         | 35,483,165         |
| Netherlands                                   | 34,170,964                | 399,265                                         | 34,570,229         |
| United Kingdom                                | 18,276,866                | 2,534,392                                       | 20,811,258         |
| India                                         | 17,875,617                | 305,112                                         | 18,180,729         |
| Germany                                       | 13,317,119                | 1,005,701                                       | 14,322,820         |
| Others                                        | 129,089,947               | 8,009,665                                       | 137,099,612        |
|                                               | <b>\$ 412,931,784</b>     | <b>26,666,428</b>                               | <b>439,598,212</b> |
| Major products:                               |                           |                                                 |                    |
| 5C related electronics products               | \$ 411,826,201            | 25,741,247                                      | 437,567,448        |
| Others                                        | 1,105,583                 | 925,181                                         | 2,030,764          |
|                                               | <b>\$ 412,931,784</b>     | <b>26,666,428</b>                               | <b>439,598,212</b> |
| <b>For the six months ended June 30, 2025</b> |                           |                                                 |                    |
|                                               | <b>IT Product Segment</b> | <b>Strategically Integrated Product Segment</b> | <b>Total</b>       |
| Primary geographical markets:                 |                           |                                                 |                    |
| United States                                 | \$ 136,514,629            | 11,326,882                                      | 147,841,511        |
| China                                         | 40,222,904                | 155,653                                         | 40,378,557         |
| Netherlands                                   | 29,061,614                | 212,420                                         | 29,274,034         |
| Japan                                         | 24,795,321                | 616,250                                         | 25,411,571         |
| United Kingdom                                | 15,055,154                | 2,295,847                                       | 17,351,001         |
| India                                         | 14,893,912                | 2,395,261                                       | 17,289,173         |
| Germany                                       | 10,979,155                | 1,040,655                                       | 12,019,810         |
| Others                                        | 81,853,234                | 8,122,245                                       | 89,975,479         |
|                                               | <b>\$ 353,375,923</b>     | <b>26,165,213</b>                               | <b>379,541,136</b> |
| Major products:                               |                           |                                                 |                    |
| 5C related electronics products               | \$ 352,107,767            | 25,281,737                                      | 377,389,504        |
| Others                                        | 1,268,156                 | 883,476                                         | 2,151,632          |
|                                               | <b>\$ 353,375,923</b>     | <b>26,165,213</b>                               | <b>379,541,136</b> |

(Continued)

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

(ii) Contract balances

|                                                           | <b>June 30,<br/>2026</b>     | <b>December 31,<br/>2025</b> | <b>June 30,<br/>2025</b>  |
|-----------------------------------------------------------|------------------------------|------------------------------|---------------------------|
| Notes and accounts receivable (including related parties) | \$ 216,004,075               | 178,684,605                  | 160,081,686               |
| Installment trade receivables                             | 142,115                      | -                            | -                         |
| Long-term installment trade receivables                   | 478,886                      | -                            | -                         |
| Less: allowance for impairment                            | (4,074,763)                  | (4,017,690)                  | (4,003,217)               |
| Less: unrealized interest revenue – current               | (20,891)                     | -                            | -                         |
| Less: unrealized interest revenue – non-current           | (28,223)                     | -                            | -                         |
| Total                                                     | <u><b>\$ 212,501,199</b></u> | <u><b>174,666,915</b></u>    | <u><b>156,078,469</b></u> |
| Contract liabilities                                      | <u><b>\$ 12,841,700</b></u>  | <u><b>5,687,601</b></u>      | <u><b>4,380,054</b></u>   |

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

The amount of revenue recognized for the six months ended June 30, 2026 and 2025 that were included in the balance of contract liability at the beginning of the period was \$3,353,879 and \$2,323,017, respectively.

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

(w) Employees' and directors' compensations

On May 29, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles of Incorporation, if 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.

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

The Company accrued and recognized its employee compensation (including distributions to the non-executive employees) of \$428,146, \$59,884, \$702,552 and \$352,716, and directors' compensation of \$22,834, \$3,195, \$37,469 and \$18,812 for the three months and six months ended June 30, 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.

(x) Non-operating income and expenses

(i) Interest income

The details of interest income for the three months and six months ended June 30, 2026 and 2025, were as follows:

|                                    | <b>For the three months ended<br/>June 30</b> |                       | <b>For the six months ended<br/>June 30</b> |                         |
|------------------------------------|-----------------------------------------------|-----------------------|---------------------------------------------|-------------------------|
|                                    | <b>2026</b>                                   | <b>2025</b>           | <b>2026</b>                                 | <b>2025</b>             |
| Interest income from bank deposits | \$ 934,359                                    | 661,266               | 1,743,484                                   | 1,403,511               |
| Other interest income              | 256                                           | 5,979                 | 535                                         | 9,629                   |
|                                    | <b><u>\$ 934,615</u></b>                      | <b><u>667,245</u></b> | <b><u>1,744,019</u></b>                     | <b><u>1,413,140</u></b> |

(ii) Other income

The other incomes for the three months and six months ended June 30, 2026 and 2025, were as follows:

|                  | <b>For the three months ended<br/>June 30,</b> |                       | <b>For the six months ended<br/>June 30,</b> |                       |
|------------------|------------------------------------------------|-----------------------|----------------------------------------------|-----------------------|
|                  | <b>2026</b>                                    | <b>2025</b>           | <b>2026</b>                                  | <b>2025</b>           |
| Dividend revenue | \$ 331,787                                     | 435,604               | 348,762                                      | 450,060               |
| Other revenue    | 188,525                                        | 74,564                | 198,330                                      | 151,428               |
|                  | <b><u>\$ 520,312</u></b>                       | <b><u>510,168</u></b> | <b><u>547,092</u></b>                        | <b><u>601,488</u></b> |

(Continued)

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

(iii) Other gains and losses

The other gains and losses for the three months and six months ended June 30, 2026 and 2025, were as follows:

|                                                                                                       | For the three months ended<br>June 30, |                    | For the six months ended<br>June 30, |                  |
|-------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------|--------------------------------------|------------------|
|                                                                                                       | 2026                                   | 2025               | 2026                                 | 2025             |
| Gains on disposal of property,<br>plant, and equipment, net                                           | \$ 7,943                               | 18,102             | 22,891                               | 16,671           |
| Gain (loss) on disposal of<br>investments                                                             | (3,655)                                | -                  | 151,866                              | -                |
| Foreign currency exchange<br>gains (losses), net                                                      | (189,585)                              | (1,212,349)        | 293,515                              | (208,839)        |
| Gains (losses) on financial<br>assets and liabilities at fair<br>value through profit or loss,<br>net | 1,641,868                              | (506,316)          | 1,427,181                            | (684,127)        |
| Others                                                                                                | -                                      | 149                | 363                                  | 520              |
|                                                                                                       | <u>\$ 1,456,571</u>                    | <u>(1,700,414)</u> | <u>1,895,816</u>                     | <u>(875,775)</u> |

(y) Reclassification of the components of other comprehensive income

The details of reclassification of the components of other comprehensive income for the three months and six months ended June 30, 2026 and 2025, were as follows:

|                                                                        | For the three months ended<br>June 30, |                 | For the six months ended<br>June 30, |                  |
|------------------------------------------------------------------------|----------------------------------------|-----------------|--------------------------------------|------------------|
|                                                                        | 2026                                   | 2025            | 2026                                 | 2025             |
| Cash flow hedge:                                                       |                                        |                 |                                      |                  |
| Gains (losses) from current period                                     | \$ 15,620                              | (136,977)       | 50,846                               | (185,022)        |
| Less: reclassification of (losses)<br>gains included in profit or loss | 14,140                                 | (48,157)        | 7,300                                | (53,441)         |
| Profit recognized in other<br>comprehensive income (losses)            | <u>\$ 1,480</u>                        | <u>(88,820)</u> | <u>43,546</u>                        | <u>(131,581)</u> |

(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.

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

(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 six months ended June 30, 2026 and 2025 were as follows:

|                            | <b>Other<br/>receivables</b> |
|----------------------------|------------------------------|
| Balance on January 1, 2026 | \$ 5,453                     |
| Impairment losses reversed | (1,221)                      |
| Balance on June 30, 2026   | <u>\$ 4,232</u>              |
| Balance on January 1, 2025 | \$ 10,354                    |
| Impairment losses reversed | (2,684)                      |
| Balance on June 30, 2025   | <u>\$ 7,670</u>              |

(ii) Liquidity risk

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

|                                           | <b>Carrying<br/>Amount</b> | <b>Contractual<br/>cash flows</b> | <b>Within 1 year</b> | <b>1 ~ 2 years</b> | <b>Over 2 years</b> |
|-------------------------------------------|----------------------------|-----------------------------------|----------------------|--------------------|---------------------|
| <b>June 30, 2026</b>                      |                            |                                   |                      |                    |                     |
| Non-derivative financial liabilities      |                            |                                   |                      |                    |                     |
| Secured borrowings                        | \$ 6,262,520               | (6,262,520)                       | (205,742)            | (208,333)          | (5,848,445)         |
| Unsecured borrowings                      | 105,574,922                | (105,574,922)                     | (99,099,922)         | (2,243,750)        | (4,231,250)         |
| Lease liabilities—current and non-current | 7,827,910                  | (9,618,950)                       | (2,221,773)          | (2,322,470)        | (5,074,707)         |
| Notes and accounts payable                | 185,420,983                | (185,420,983)                     | (185,420,983)        | -                  | -                   |
| Other payables and dividends payable      | 28,367,714                 | (28,367,714)                      | (28,367,714)         | -                  | -                   |
| Derivative financial liabilities          |                            |                                   |                      |                    |                     |
| Forward exchange contracts:               | 115,086                    |                                   |                      |                    |                     |
| Outflow                                   |                            | (8,127,863)                       | (8,127,863)          | -                  | -                   |
| Inflow                                    |                            | 8,018,660                         | 8,018,660            | -                  | -                   |
| Currency swap contracts:                  | 9,949                      |                                   |                      |                    |                     |
| Outflow                                   |                            | (1,274,600)                       | (1,274,600)          | -                  | -                   |
| Inflow                                    |                            | 1,261,470                         | 1,261,470            | -                  | -                   |
|                                           | <u>\$ 333,579,084</u>      | <u>(335,367,422)</u>              | <u>(315,438,467)</u> | <u>(4,774,553)</u> | <u>(15,154,402)</u> |

(Continued)

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

|                                              | <u>Carrying<br/>Amount</u> | <u>Contractual<br/>cash flows</u> | <u>Within 1 year</u> | <u>1 ~ 2 years</u> | <u>Over 2 years</u> |
|----------------------------------------------|----------------------------|-----------------------------------|----------------------|--------------------|---------------------|
| <b>December 31, 2025</b>                     |                            |                                   |                      |                    |                     |
| 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              | -                  | -                   |
|                                              | <u>\$ 266,283,573</u>      | <u>(268,197,232)</u>              | <u>(247,229,124)</u> | <u>(5,816,983)</u> | <u>(15,151,125)</u> |
| <b>June 30, 2025</b>                         |                            |                                   |                      |                    |                     |
| Non-derivative financial liabilities         |                            |                                   |                      |                    |                     |
| Secured borrowings                           | \$ 5,398,626               | (5,398,626)                       | (4)                  | (137,017)          | (5,261,605)         |
| Unsecured borrowings                         | 56,345,101                 | (56,345,101)                      | (51,828,311)         | (4,516,790)        | -                   |
| Lease liabilities—current and non-current    | 7,049,447                  | (8,287,334)                       | (2,011,984)          | (1,951,113)        | (4,324,237)         |
| Notes and accounts payable                   | 129,745,163                | (129,745,163)                     | (129,745,163)        | -                  | -                   |
| Other payables and dividends payable         | 24,927,888                 | (24,927,888)                      | (24,927,888)         | -                  | -                   |
| Forward exchange contracts:                  | 355,964                    |                                   |                      |                    |                     |
| Outflow                                      |                            | (6,882,876)                       | (6,882,876)          | -                  | -                   |
| Inflow                                       |                            | 6,551,724                         | 6,551,724            | -                  | -                   |
| Currency swap contracts:                     | 6,842                      |                                   |                      |                    |                     |
| Outflow                                      |                            | (437,325)                         | (437,325)            | -                  | -                   |
| Inflow                                       |                            | 440,685                           | 440,685              | -                  | -                   |
| Forward exchange contracts for hedging:      | 131,581                    |                                   |                      |                    |                     |
| Outflow                                      |                            | (2,021,480)                       | (2,021,480)          | -                  | -                   |
| Inflow                                       |                            | 1,903,194                         | 1,903,194            | -                  | -                   |
|                                              | <u>\$ 223,960,612</u>      | <u>(225,150,190)</u>              | <u>(208,959,428)</u> | <u>(6,604,920)</u> | <u>(9,585,842)</u>  |

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

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

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

|                       | June 30, 2026    |               |             | December 31, 2025 |               |             | June 30, 2025    |               |             |
|-----------------------|------------------|---------------|-------------|-------------------|---------------|-------------|------------------|---------------|-------------|
|                       | Foreign currency | Exchange rate | TWD         | Foreign Currency  | Exchange rate | TWD         | Foreign currency | Exchange rate | TWD         |
| Financial assets      |                  |               |             |                   |               |             |                  |               |             |
| Monetary items        |                  |               |             |                   |               |             |                  |               |             |
| USD to TWD            | \$ 8,922,150     | 31.85         | 284,170,748 | 8,870,010         | 31.43         | 278,784,414 | 7,484,290        | 29.3          | 219,289,697 |
| USD to CNY            | 10,241           | 6.7877        | 326,176     | 6,301             | 6.9915        | 198,040     | 6,301            | 7.168         | 184,619     |
| EUR to TWD            | 44,200           | 36.29         | 1,604,018   | 43,463            | 36.9          | 1,603,785   | 38,419           | 34.35         | 1,319,693   |
| CNY to USD            | 2,715,167        | 0.1473        | 12,738,220  | 2,597,570         | 0.143         | 11,674,752  | 2,347,828        | 0.1395        | 9,596,395   |
| Non-monetary items    |                  |               |             |                   |               |             |                  |               |             |
| THB to TWD            | 13,984,010       | 0.9580        | 13,396,682  | 7,029,006         | 1.0016        | 7,040,252   | 8,473,968        | 0.8950        | 7,584,201   |
| Financial liabilities |                  |               |             |                   |               |             |                  |               |             |
| Monetary items        |                  |               |             |                   |               |             |                  |               |             |
| USD to TWD            | 9,422,682        | 31.85         | 300,112,422 | 8,515,755         | 31.43         | 267,650,180 | 7,321,030        | 29.3          | 214,506,179 |
| USD to CNY            | 1,555            | 6.7877        | 49,527      | 1,554             | 6.9915        | 48,842      | 1,554            | 7.168         | 45,532      |
| USD to BRL            | 271,046          | 5.1766        | 8,632,815   | 268,115           | 5.5024        | 8,426,854   | 230,424          | 5.4571        | 6,751,423   |
| EUR to TWD            | 11,028           | 36.29         | 400,206     | 7,571             | 36.9          | 279,370     | 3,012            | 34.25         | 103,462     |
| CNY to USD            | 2,593,863        | 0.1473        | 12,169,121  | 2,355,681         | 0.143         | 10,587,585  | 2,534,891        | 0.1395        | 10,360,987  |

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable, and other payables that are denominated in foreign currency. Assuming all other variable factors remain constant, a strengthening (weakening) 5% of appreciation (depreciation) of the each major foreign currency against Group entities' functional currency as of June 30, 2026 and 2025, would have increased (decreased) the net profit before tax as follows for the six months ended June 30, 2026 and 2025. The analysis is performed on the same basis for both periods.

|                       | <u>June 30, 2026</u> | <u>June 30, 2025</u> |
|-----------------------|----------------------|----------------------|
| USD (against the TWD) |                      |                      |
| Strengthening 5%      | \$ (797,097)         | 239,176              |
| Weakening 5%          | 797,097              | (239,176)            |
| USD (against the CNY) |                      |                      |
| Strengthening 5%      | 13,832               | 6,954                |
| Weakening 5%          | (13,832)             | (6,954)              |
| USD (against the BRL) |                      |                      |
| Strengthening 5%      | (431,641)            | (337,571)            |
| Weakening 5%          | 431,641              | 337,571              |

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

|                                                | <u>June 30, 2026</u> | <u>June 30, 2025</u> |
|------------------------------------------------|----------------------|----------------------|
| EUR (against the TWD)                          |                      |                      |
| Strengthening 5%                               | 60,191               | 60,812               |
| Weakening 5%                                   | (60,191)             | (60,812)             |
| CNY (against the USD)                          |                      |                      |
| Strengthening 5%                               | 28,455               | (38,230)             |
| Weakening 5%                                   | (28,455)             | 38,230               |
| 3) Exchange gains and losses of monetary items |                      |                      |

As the Group deals with diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. For the three months and six months ended June 30, 2026 and 2025, the foreign exchange losses, including both realized and unrealized, amounted to \$(189,585), \$(1,212,349), \$293,515 and \$(208,839), respectively.

(iv) Interest rate analysis

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

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

Assuming all other variable factors remaining constant, if the interest rate had increased or decreased by 0.25%, the impact to the net profit before tax would be as follows for the six months ended June 30, 2026 and 2025, which would be mainly resulted from the bank savings and borrowings with variable interest rates.

|                             | <b>For the six months ended</b> |             |
|-----------------------------|---------------------------------|-------------|
|                             | <b>June 30,</b>                 |             |
|                             | <u>2026</u>                     | <u>2025</u> |
| Interest increased by 0.25% | \$ 23,076                       | 12,293      |
| Interest decreased by 0.25% | (23,076)                        | (12,293)    |

(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.

(Continued)

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

|                                                                                           | June 30, 2026                |            |            |           |            |
|-------------------------------------------------------------------------------------------|------------------------------|------------|------------|-----------|------------|
|                                                                                           |                              | Fair Value |            |           |            |
|                                                                                           | Book value                   | Level 1    | Level 2    | Level 3   | Total      |
| <b>Financial assets at fair value through profit or loss—current and non-current</b>      |                              |            |            |           |            |
| Foreign exchange contracts                                                                | \$ 30,310                    | -          | 30,310     | -         | 30,310     |
| Foreign warrants                                                                          | 1,902,014                    | -          | -          | 1,902,014 | 1,902,014  |
| Non-derivative financial assets mandatorily measured at fair value through profit or loss | 5,186,565                    | -          | -          | 5,186,565 | 5,186,565  |
| Subtotal                                                                                  | 7,118,889                    |            |            |           |            |
| <b>Derivative financial assets for hedging</b>                                            | 53,858                       | -          | 53,858     | -         | 53,858     |
| <b>Financial assets at fair value through other comprehensive income</b>                  |                              |            |            |           |            |
| Stocks listed in domestic markets                                                         | 8,081,949                    | 8,081,949  | -          | -         | 8,081,949  |
| Stocks listed in foreign markets                                                          | 13,396,682                   | 13,396,682 | -          | -         | 13,396,682 |
| Stocks unlisted in domestic markets                                                       | 2,051,879                    | -          | -          | 2,051,879 | 2,051,879  |
| Stocks unlisted in foreign markets                                                        | 179,317                      | -          | -          | 179,317   | 179,317    |
| Accounts receivable                                                                       | 17,788,177                   | -          | 17,788,177 | -         | 17,788,177 |
| Subtotal                                                                                  | 41,498,004                   |            |            |           |            |
| <b>Financial assets measured at amortized cost</b>                                        |                              |            |            |           |            |
| Cash and cash equivalents                                                                 | 82,928,768                   | -          | -          | -         | -          |
| Time deposits with original maturities of more than 3 months                              | 2,922,481                    | -          | -          | -         | -          |
| Bond investments                                                                          | 9,964                        | -          | -          | -         | -          |
| Notes and accounts receivable, net (including long-term notes and accounts receivable)    | 188,926,259                  | -          | -          | -         | -          |
| Notes and accounts receivable due from related parties, net                               | 5,786,763                    | -          | -          | -         | -          |
| Other receivables                                                                         | 1,655,599                    | -          | -          | -         | -          |
| Other current assets (restricted assets)                                                  | 1,411,693                    | -          | -          | -         | -          |
| Refundable deposits                                                                       | 720,860                      | -          | -          | -         | -          |
| Other non-current assets (restricted assets)                                              | 17,159                       | -          | -          | -         | -          |
| Subtotal                                                                                  | 284,379,546                  |            |            |           |            |
| Total                                                                                     | <u><u>\$ 333,050,297</u></u> |            |            |           |            |
| <b>Financial liabilities at fair value through profit or loss</b>                         |                              |            |            |           |            |
| Derivative financial liabilities for non-hedging                                          | \$ <u>125,035</u>            | -          | 125,035    | -         | 125,035    |
| <b>Financial liabilities measured at amortized cost</b>                                   |                              |            |            |           |            |
| Short-term borrowings                                                                     | 91,824,088                   | -          | -          | -         | -          |
| Notes and accounts payable                                                                | 179,465,996                  | -          | -          | -         | -          |
| Notes and accounts payable to related parties                                             | 5,954,987                    | -          | -          | -         | -          |
| Other payables and dividends payable                                                      | 28,367,714                   | -          | -          | -         | -          |
| Lease liabilities—current and non-current                                                 | 7,827,910                    | -          | -          | -         | -          |
| Long-term borrowings current portion                                                      | 7,481,576                    | -          | -          | -         | -          |
| Long-term borrowings                                                                      | 12,531,778                   | -          | -          | -         | -          |
| Deposits received                                                                         | 420,614                      | -          | -          | -         | -          |
| Total                                                                                     | <u><u>\$ 333,999,698</u></u> |            |            |           |            |

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

|                                                                                           | December 31, 2025            |            |            |           |            |
|-------------------------------------------------------------------------------------------|------------------------------|------------|------------|-----------|------------|
|                                                                                           | Book value                   | Fair Value |            |           | Total      |
|                                                                                           | Level 1                      | Level 2    | Level 3    |           |            |
| <b>Financial assets at fair value through profit or loss—current and non-current</b>      |                              |            |            |           |            |
| 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 | <u>2,254,742</u>             | -          | -          | 2,254,742 | 2,254,742  |
| Subtotal                                                                                  | <u>2,416,780</u>             |            |            |           |            |
| <b>Derivative financial assets for hedging</b>                                            | <u>13,181</u>                | -          | 13,181     | -         | 13,181     |
| <b>Financial assets at fair value through other comprehensive income</b>                  |                              |            |            |           |            |
| 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                                                                       | <u>14,500,544</u>            | -          | 14,500,544 | -         | 14,500,544 |
| Subtotal                                                                                  | <u>29,173,509</u>            |            |            |           |            |
| <b>Financial assets measured at amortized cost</b>                                        |                              |            |            |           |            |
| 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)                                              | <u>17,159</u>                | -          | -          | -         | -          |
| Subtotal                                                                                  | <u>255,460,546</u>           |            |            |           |            |
| <b>Total</b>                                                                              | <b><u>\$ 287,064,016</u></b> |            |            |           |            |
| <b>Financial liabilities at fair value through profit or loss</b>                         |                              |            |            |           |            |
| Derivative financial liabilities for non-hedging                                          | \$ <u>84,867</u>             | -          | 84,867     | -         | 84,867     |
| <b>Derivative financial liabilities for hedging</b>                                       | <u>2,870</u>                 | -          | 2,870      | -         | 2,870      |
| <b>Financial liabilities measured at amortized cost</b>                                   |                              |            |            |           |            |
| 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                                                                         | <u>381,941</u>               | -          | -          | -         | -          |
| Subtotal                                                                                  | <u>266,577,777</u>           |            |            |           |            |
| <b>Total</b>                                                                              | <b><u>\$ 266,665,514</u></b> |            |            |           |            |

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

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

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

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

b) Derivative financial instruments

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

4) Transfer from one level to another

There was no transfer from one level to another in the six months ended June 30, 2026 and 2025.

5) Changes in Level 3

The change in Level 3 at fair value in the six months ended June 30, 2026 and 2025, were as follows:

|                                                                                       | <b>Financial assets at<br/>fair value through<br/>profit or loss</b> | <b>Financial assets<br/>at fair value<br/>through other<br/>comprehensive<br/>income</b> | <b>Total</b>     |
|---------------------------------------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------|
| Balance on January 1, 2026                                                            | \$ 2,412,526                                                         | 1,982,505                                                                                | 4,395,031        |
| Total gains and losses recognized:                                                    |                                                                      |                                                                                          |                  |
| In profit or loss                                                                     | 1,933,080                                                            | -                                                                                        | 1,933,080        |
| In other comprehensive income                                                         | -                                                                    | 20,617                                                                                   | 20,617           |
| Purchased                                                                             | 2,687,120                                                            | 31,300                                                                                   | 2,718,420        |
| Share swap                                                                            | -                                                                    | 195,000                                                                                  | 195,000          |
| Proceeds from capital reduction of investments                                        | -                                                                    | (318)                                                                                    | (318)            |
| Effect of changes in exchange rates                                                   | 55,853                                                               | 2,092                                                                                    | 57,945           |
| Balance on June 30, 2026                                                              | <u>\$ 7,088,579</u>                                                  | <u>2,231,196</u>                                                                         | <u>9,319,775</u> |
| Balance on January 1, 2025                                                            | \$ 1,359,358                                                         | 1,983,625                                                                                | 3,342,983        |
| Total gains and losses recognized:                                                    |                                                                      |                                                                                          |                  |
| In profit or loss                                                                     | (64,102)                                                             | -                                                                                        | (64,102)         |
| In other comprehensive income                                                         | -                                                                    | (16,775)                                                                                 | (16,775)         |
| Purchased                                                                             | 599,711                                                              | 5,500                                                                                    | 605,211          |
| Transferred from prepayments for investments (recorded as "other non-current assets") | 294,657                                                              | -                                                                                        | 294,657          |
| Effect of changes in exchange rates                                                   | (135,388)                                                            | (33,052)                                                                                 | (168,440)        |
| Balance on June 30, 2025                                                              | <u>\$ 2,054,236</u>                                                  | <u>1,939,298</u>                                                                         | <u>3,993,534</u> |

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

For the six months ended June 30, 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:

|                                                                                                                                           | <b>For the six months ended<br/>June 30,</b> |                        |
|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------|
|                                                                                                                                           | <b>2025</b>                                  | <b>2025</b>            |
| Total gains and losses recognized:                                                                                                        |                                              |                        |
| In profit or loss before tax (as “other gains and losses”)                                                                                | \$ <u><u>1,933,080</u></u>                   | <u><u>(64,102)</u></u> |
| In other comprehensive income (as “unrealized gains and losses from equity instruments at fair value through other comprehensive income”) | \$ <u><u>20,617</u></u>                      | <u><u>(16,775)</u></u> |

- 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:

| <b>Item</b>                                                                                                  | <b>Valuation technique</b>                                                          | <b>Significant unobservable inputs</b>                                                                                                                                                                                                              | <b>Inter-relationships between significant unobservable inputs and fair value</b>                                                    |
|--------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| 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 (1.92~4.62, 1.94~3.38 and 2.02~3.51, respectively, on June 30, 2026, December 31 and June 30, 2025)<br><br>Multiples of earnings (16.58, 12.90 and 13.05, respectively, on June 30, 2026, December 31 and June 30, 2025) | The higher the multiple is, the higher the fair value will be.<br><br>The higher the multiple is, the higher the fair value will be. |

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

| <u>Item</u>                                                       | <u>Valuation technique</u>         | <u>Significant unobservable inputs</u>                                                                | <u>Inter-relationships between significant unobservable inputs and fair value</u>        |
|-------------------------------------------------------------------|------------------------------------|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
|                                                                   |                                    | Lack-of-Marketability discount rate (All are 40%~65% on June 30, 2026, December 31 and June 30, 2025) | The higher the Lack-of-Marketability discount rate is, the lower the fair value will be. |
| 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 June 30, 2026, December 31 and June 30, 2025)                              | The higher the Volatility is, the higher the fair value will be.                         |

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

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

|                                                                   |                                     |                 | Profit or loss   |                    | Other comprehensive income |                    |
|-------------------------------------------------------------------|-------------------------------------|-----------------|------------------|--------------------|----------------------------|--------------------|
|                                                                   | Input                               | Move up or down | Favorable change | Unfavorable change | Favorable change           | Unfavorable change |
| June 30, 2026                                                     |                                     |                 |                  |                    |                            |                    |
| Financial assets at fair value through profit or loss             | Volatility                          | 5%              | \$ 11,651        | 5,826              | -                          | -                  |
| Financial assets at fair value through other comprehensive income | Price-Book ratio multiples          | 5%              | \$ -             | -                  | 39,024                     | 11,441             |
|                                                                   | Multiples of earnings               | 5%              | \$ -             | -                  | 8,298                      | 11,246             |
|                                                                   | Lack-of-Marketability discount rate | 5%              | \$ -             | -                  | 7,547                      | 23,375             |
| 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             |

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

|                                                                         | Input                                  | Move up<br>or down | Profit or loss      |                        | Other comprehensive<br>income |                        |
|-------------------------------------------------------------------------|----------------------------------------|--------------------|---------------------|------------------------|-------------------------------|------------------------|
|                                                                         |                                        |                    | Favorable<br>change | Unfavora<br>ble change | Favorable<br>change           | Unfavora<br>ble change |
| June 30, 2025                                                           |                                        |                    |                     |                        |                               |                        |
| Financial assets at fair value<br>through profit or loss                | Volatility                             | 5%                 | \$ 54,788           | 52,961                 | -                             | -                      |
| Financial assets at fair value<br>through other<br>comprehensive income | Price-Book ratio multiples             | 5%                 | \$ -                | -                      | 17,182                        | 17,003                 |
|                                                                         | Multiples of earnings                  | 5%                 | \$ -                | -                      | 1,213                         | 1,234                  |
|                                                                         | Lack-of-Marketability<br>discount rate | 5%                 | \$ -                | -                      | 8,192                         | 8,351                  |

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

| <b>June 30, 2026</b>                                                                                              |                                                           |                                                                                    |                                                                                       |
|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>Financial assets that are offset which have an exercisable master netting arrangement or similar agreement</b> |                                                           |                                                                                    |                                                                                       |
|                                                                                                                   | Gross amounts<br>of recognized<br>financial assets<br>(a) | Gross amounts of<br>financial liabilities offset<br>in the balance<br>sheet<br>(b) | Net amount of financial<br>assets presented in<br>the balance<br>sheet<br>(c)=(a)-(b) |
| Cash/ Short-term borrowings                                                                                       | \$ <u>247,297,853</u>                                     | <u>247,297,853</u>                                                                 | <u>-</u>                                                                              |
|                                                                                                                   | (USD <u>7,760,799</u> )                                   | (USD <u>7,760,799</u> )                                                            |                                                                                       |

| <b>December 31, 2025</b>                                                                                          |                                                           |                                                                                    |                                                                                       |
|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>Financial assets that are offset which have an exercisable master netting arrangement or similar agreement</b> |                                                           |                                                                                    |                                                                                       |
|                                                                                                                   | Gross amounts<br>of recognized<br>financial assets<br>(a) | Gross amounts of<br>financial liabilities offset<br>in the balance<br>sheet<br>(b) | Net amount of financial<br>assets presented in<br>the balance<br>sheet<br>(c)=(a)-(b) |
| Cash/ Short-term borrowings                                                                                       | \$ <u>144,045,199</u>                                     | <u>144,045,199</u>                                                                 | <u>-</u>                                                                              |
|                                                                                                                   | (USD <u>4,583,048</u> )                                   | (USD <u>4,583,048</u> )                                                            |                                                                                       |

(Continued)

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

| June 30, 2025                                                                                                     |                                                           |                                                                                    |                                                                                       |
|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>Financial assets that are offset which have an exercisable master netting arrangement or similar agreement</b> |                                                           |                                                                                    |                                                                                       |
|                                                                                                                   | Gross amounts<br>of recognized<br>financial assets<br>(a) | Gross amounts of<br>financial liabilities offset<br>in the balance<br>sheet<br>(b) | Net amount of financial<br>assets presented in<br>the balance<br>sheet<br>(c)=(a)-(b) |
| Cash/ Short-term borrowings                                                                                       | \$ <u>95,323,477</u>                                      | <u>95,323,477</u>                                                                  | <u>-</u>                                                                              |
|                                                                                                                   | (USD <u>3,253,361</u> )                                   | (USD <u>3,253,361</u> )                                                            |                                                                                       |

(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 six months ended June 30, 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,<br>2026   | Cash flow         | Other<br>non-cash<br>changes | June 30,<br>2026   |
|---------------------------------------------|----------------------|-------------------|------------------------------|--------------------|
| Short-term borrowings                       | \$ 66,948,717        | 24,875,371        | -                            | 91,824,088         |
| Long-term borrowings                        | 15,945,303           | 4,068,051         | -                            | 20,013,354         |
| Lease liabilities                           | 9,426,176            | (1,711,882)       | 113,616                      | 7,827,910          |
| Deposits received and others                | 393,670              | 39,637            | (958)                        | 432,349            |
| Total liabilities from financing activities | <u>\$ 92,713,866</u> | <u>27,271,177</u> | <u>112,658</u>               | <u>120,097,701</u> |

  

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

(Continued)

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

**(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.

| <u>Name of related party</u>                                                             | <u>Relationship with the Group</u> |
|------------------------------------------------------------------------------------------|------------------------------------|
| Compal Precision Module (Jiangsu) Co., Ltd. (“CPM”)                                      | An associate                       |
| Changbao Electronic Technology (Chongqing) Co., Ltd. (“Changbao”)                        | An associate                       |
| Avalue                                                                                   | An associate                       |
| Crownpo Technology Inc. (“Crownpo”)                                                      | An associate                       |
| Allied Circuit                                                                           | An associate                       |
| LIZ Electronics (Kunshan) Co., Ltd.                                                      | An associate                       |
| LIZ Electronics (Nantong) Co., Ltd. (“LIZ (Nantong)”)                                    | An associate                       |
| ARCE THERAPEUTICS, INC. (“ARCE”)                                                         | An associate                       |
| Raypal Biomedical Co., Ltd. (“Raypal”)                                                   | An associate                       |
| River Regeneration and Rejuvenation Biotechnology Co. Ltd. (“River Regeneration”)        | An associate                       |
| Kinpo Group Management Service Company (“Kinpo Group Management”)                        | An associate                       |
| Neo Medical USA, Inc.                                                                    | An associate                       |
| Vernus AI, Inc.(Vernus AI)                                                               | 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          |
| Teleport Access Services, Inc. (“TAS”)                                                   | Substantial related party          |

(Continued)

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

(b) Transactions with key management personnel

Key management personnel remunerations comprised:

|                              | <b>For the three months ended<br/>June 30,</b> |                       | <b>For the six months ended<br/>June 30,</b> |                       |
|------------------------------|------------------------------------------------|-----------------------|----------------------------------------------|-----------------------|
|                              | <b>2026</b>                                    | <b>2025</b>           | <b>2026</b>                                  | <b>2025</b>           |
| Short-term employee benefits | \$ 225,875                                     | 160,668               | 434,970                                      | 366,959               |
| Post-employment benefits     | 1,882                                          | 1,756                 | 3,792                                        | 3,497                 |
|                              | <b><u>\$ 227,757</u></b>                       | <b><u>162,424</u></b> | <b><u>438,762</u></b>                        | <b><u>370,456</u></b> |

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

(c) Significant related-party transactions

(i) Sale of goods to related parties

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

|                       | <b>For the three months ended<br/>June 30,</b> |                       | <b>For the six months ended<br/>June 30,</b> |                       |
|-----------------------|------------------------------------------------|-----------------------|----------------------------------------------|-----------------------|
|                       | <b>2026</b>                                    | <b>2025</b>           | <b>2026</b>                                  | <b>2025</b>           |
| Associates            | \$ 136,650                                     | 173,825               | 316,841                                      | 364,972               |
| Other related parties | 7,915                                          | 8,649                 | 22,624                                       | 8,780                 |
|                       | <b><u>\$ 144,565</u></b>                       | <b><u>182,474</u></b> | <b><u>339,465</u></b>                        | <b><u>373,752</u></b> |

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:

|                       | <b>For the three months ended<br/>June 30,</b> |                         | <b>For the six months ended<br/>June 30,</b> |                          |
|-----------------------|------------------------------------------------|-------------------------|----------------------------------------------|--------------------------|
|                       | <b>2026</b>                                    | <b>2025</b>             | <b>2026</b>                                  | <b>2025</b>              |
| Associates            | \$ 297,517                                     | 340,505                 | 670,965                                      | 641,905                  |
| Other related parties | 7,527,985                                      | 8,155,609               | 16,157,239                                   | 19,940,931               |
|                       | <b><u>\$ 7,825,502</u></b>                     | <b><u>8,496,114</u></b> | <b><u>16,828,204</u></b>                     | <b><u>20,582,836</u></b> |

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.

(Continued)

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

(iii) Receivables due from related parties

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

| <b>Account</b>                | <b>Related party categories</b> | <b>June 30, 2026</b>       | <b>December 31, 2025</b> | <b>June 30, 2025</b>    |
|-------------------------------|---------------------------------|----------------------------|--------------------------|-------------------------|
| Notes and accounts receivable | Associates                      | \$ 127,384                 | 130,713                  | 145,138                 |
| Notes and accounts receivable | Other related parties           | 5,659,379                  | 6,108,212                | 4,273,475               |
| Other receivables             | Associates                      | 3,929                      | -                        | 2,430                   |
| Other receivables             | Other related parties           | 595                        | 764                      | 3,087                   |
|                               |                                 | <u><u>\$ 5,791,287</u></u> | <u><u>6,239,689</u></u>  | <u><u>4,424,130</u></u> |

(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:

| <b>Account</b>             | <b>Related party categories</b> | <b>June 30, 2026</b>       | <b>December 31, 2025</b> | <b>June 30, 2025</b>    |
|----------------------------|---------------------------------|----------------------------|--------------------------|-------------------------|
| Notes and accounts payable | Associates                      | \$ 318,781                 | 318,398                  | 331,182                 |
| Notes and accounts payable | Other related parties           | 5,636,206                  | 8,009,731                | 5,171,415               |
| Other payables             | Associates                      | 887                        | 21                       | 23,136                  |
| Other payables             | Other related parties           | 98,655                     | 30,226                   | 9,922                   |
|                            |                                 | <u><u>\$ 6,054,529</u></u> | <u><u>8,358,376</u></u>  | <u><u>5,535,655</u></u> |

(v) Property transactions

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

| <b>Relationship</b>           | <b>Item</b>                                      | <b>For the six months ended June 30, 2026</b> |                                                                       |                          | <b>For the six months ended June 30, 2025</b> |                                                                            |                          |
|-------------------------------|--------------------------------------------------|-----------------------------------------------|-----------------------------------------------------------------------|--------------------------|-----------------------------------------------|----------------------------------------------------------------------------|--------------------------|
|                               |                                                  | <b>Number of shares</b>                       | <b>Object</b>                                                         | <b>Acquisition price</b> | <b>Number of shares</b>                       | <b>Object</b>                                                              | <b>Acquisition price</b> |
| Associates–<br>Vernus AI      | Investment accounted for using the equity method | 13,000 thousand shares                        | The Company increased the capital of its associate–Vernus AI, by cash | \$ 110,549               |                                               |                                                                            |                          |
| Associates–<br>Allied Circuit | Investment accounted for using the equity method |                                               |                                                                       |                          | 1,346 thousand shares                         | The Company increased the capital of its associate–Allied Circuit, by cash | \$ 134,605               |
| Associates–<br>Crownpo        | Investment accounted for using the equity method |                                               |                                                                       |                          | 2,545 thousand shares                         | The Company increased the capital of its associate–Crownpo, by cash        | 25,250                   |

(Continued)

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

**(8) Pledged assets:**

The carrying values of pledged assets were as follows:

| <b>Pledged Assets</b>          | <b>Subject</b>                                     | <b>June 30,<br/>2026</b>   | <b>December 31,<br/>2025</b> | <b>June 30,<br/>2025</b> |
|--------------------------------|----------------------------------------------------|----------------------------|------------------------------|--------------------------|
| Inventories                    | Bank loans and<br>accounts receivable<br>factoring | \$ 235,257                 | 197,164                      | 148,850                  |
| Other current assets           | Pledged deposit                                    | 1,411,693                  | 1,279,040                    | 583,675                  |
| Property, plant, and equipment | Bank loans                                         | 134,383                    | 151,462                      | 158,544                  |
| Right-of-use assets            | Bank loans                                         | 7,529,001                  | 7,610,986                    | 7,692,972                |
| Other non-current assets       | Customs deposit                                    | 800                        | 800                          | 800                      |
| Other non-current assets       | Pledged deposit                                    | -                          | 16,359                       | 16,359                   |
|                                |                                                    | <u><u>\$ 9,311,134</u></u> | <u><u>9,255,811</u></u>      | <u><u>8,601,200</u></u>  |

**(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 June 30, 2026, December 31 and June 30, 2025, the Group’s signed commitments to purchase property, plant and equipment amounted to \$23,259,269, \$12,466,589 and \$7,655,403, respectively.

**(10) Losses due to major disasters: None**

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

**(11) Subsequent events:**

- (a) On August 13, 2026, the Company's Board of Directors resolved to invest up to USD 80,000 thousand to establish its wholly-owned subsidiary, Compal IoT (Cayman) Holding Inc. (a tentative name). Through its wholly-owned subsidiaries, Compal IoT (Cayman) Holding Inc. will acquire Semtech Corporation's cellular IoT module business for a consideration of approximately USD 62,000 thousand, in order to expand the Group's global presence in the IoT market.
- (b) On August 13, 2026, the Company's Board of Directors resolved to increase its investment in AC Advanced Tech, L.P. by USD 28,800 thousand. The Company will invest funds in installments based on the fundraising results.

**(12) Other:**

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

| By function<br>By item     | Three months ended June 30, 2026 |                    |           | Three months ended June 30, 2025 |                    |           |
|----------------------------|----------------------------------|--------------------|-----------|----------------------------------|--------------------|-----------|
|                            | Operating costs                  | Operating expenses | Total     | Operating costs                  | Operating expenses | Total     |
| Employee benefits          |                                  |                    |           |                                  |                    |           |
| Salary                     | 2,683,818                        | 4,230,546          | 6,914,364 | 2,371,409                        | 4,089,770          | 6,461,179 |
| Labor and health insurance | 198,436                          | 303,360            | 501,796   | 170,003                          | 287,110            | 457,113   |
| Pension                    | 182,688                          | 174,053            | 356,741   | 139,587                          | 173,648            | 313,235   |
| Others                     | 409,016                          | 317,521            | 726,537   | 335,900                          | 259,140            | 595,040   |
| Depreciation               | 1,000,874                        | 235,209            | 1,236,083 | 1,376,387                        | 232,755            | 1,609,142 |
| Amortization               | 2,237                            | 133,539            | 135,776   | 2,476                            | 209,160            | 211,636   |

| By function<br>By item     | Six months ended June 30, 2026 |                    |            | Six months ended June 30, 2025 |                    |            |
|----------------------------|--------------------------------|--------------------|------------|--------------------------------|--------------------|------------|
|                            | Operating costs                | Operating expenses | Total      | Operating costs                | Operating expenses | Total      |
| Employee benefits          |                                |                    |            |                                |                    |            |
| Salary                     | 5,127,806                      | 8,476,332          | 13,604,138 | 4,643,993                      | 8,293,375          | 12,937,368 |
| Labor and health insurance | 396,269                        | 598,500            | 994,769    | 364,647                        | 582,010            | 946,657    |
| Pension                    | 352,483                        | 366,340            | 718,823    | 288,555                        | 355,678            | 644,233    |
| Others                     | 707,123                        | 595,763            | 1,302,886  | 677,090                        | 466,664            | 1,143,754  |
| Depreciation               | 2,502,002                      | 473,839            | 2,975,841  | 2,731,472                      | 519,490            | 3,250,962  |
| Amortization               | 6,857                          | 207,630            | 214,487    | 6,927                          | 322,133            | 329,060    |

- (b) Seasonality of operations

The Group's operations were not affected by seasonality or cyclicity factors.

(Continued)

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

**(13) Other disclosures:**

(a) Information on significant transactions

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

**(14) Segment information:**

| <b>Three months ended June 30, 2026</b> |                                                       |                                                         |                                           |                    |
|-----------------------------------------|-------------------------------------------------------|---------------------------------------------------------|-------------------------------------------|--------------------|
|                                         | <b>Information<br/>technology<br/>product segment</b> | <b>Strategically<br/>integrated<br/>product segment</b> | <b>Adjustment<br/>and<br/>elimination</b> | <b>Total</b>       |
| <b>Revenue:</b>                         |                                                       |                                                         |                                           |                    |
| Revenue from external customers         | \$ 224,412,365                                        | 13,882,311                                              | -                                         | 238,294,676        |
| Revenue from segments                   | 1,139,183                                             | -                                                       | (1,139,183)                               | -                  |
| <b>Total revenue</b>                    | <b>\$ 225,551,548</b>                                 | <b>13,882,311</b>                                       | <b>(1,139,183)</b>                        | <b>238,294,676</b> |
| <b>Reportable segment profit</b>        | <b>\$ 3,633,067</b>                                   | <b>1,006,350</b>                                        | <b>-</b>                                  | <b>4,639,417</b>   |
| <b>Three months ended June 30, 2025</b> |                                                       |                                                         |                                           |                    |
|                                         | <b>Information<br/>technology<br/>product segment</b> | <b>Strategically<br/>integrated<br/>product segment</b> | <b>Adjustment<br/>and<br/>elimination</b> | <b>Total</b>       |
| <b>Revenue:</b>                         |                                                       |                                                         |                                           |                    |
| Revenue from external customers         | \$ 166,980,648                                        | 13,462,531                                              | -                                         | 180,443,179        |
| Revenue from segments                   | 764,313                                               | -                                                       | (764,313)                                 | -                  |
| <b>Total revenue</b>                    | <b>\$ 167,744,961</b>                                 | <b>13,462,531</b>                                       | <b>(764,313)</b>                          | <b>180,443,179</b> |
| <b>Reportable segment profit</b>        | <b>\$ 402,831</b>                                     | <b>886,908</b>                                          | <b>-</b>                                  | <b>1,289,739</b>   |

(Continued)

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

| Six months ended June 30, 2026   |                                                       |                                                         |                                           |                    |
|----------------------------------|-------------------------------------------------------|---------------------------------------------------------|-------------------------------------------|--------------------|
|                                  | <u>Information<br/>technology<br/>product segment</u> | <u>Strategically<br/>integrated<br/>product segment</u> | <u>Adjustment<br/>and<br/>elimination</u> | <u>Total</u>       |
| <b>Revenue:</b>                  |                                                       |                                                         |                                           |                    |
| Revenue from external customers  | \$ 412,931,784                                        | 26,666,428                                              | -                                         | 439,598,212        |
| Revenue from segments            | <u>2,429,973</u>                                      | <u>-</u>                                                | <u>(2,429,973)</u>                        | <u>-</u>           |
| <b>Total revenue</b>             | <b>\$ 415,361,757</b>                                 | <b>26,666,428</b>                                       | <b>(2,429,973)</b>                        | <b>439,598,212</b> |
| <b>Reportable segment profit</b> | <b>\$ 5,818,730</b>                                   | <b>1,911,283</b>                                        | <b>-</b>                                  | <b>7,730,013</b>   |
| Six months ended June 30, 2025   |                                                       |                                                         |                                           |                    |
|                                  | <u>Information<br/>technology<br/>product segment</u> | <u>Strategically<br/>integrated<br/>product segment</u> | <u>Adjustment<br/>and<br/>elimination</u> | <u>Total</u>       |
| <b>Revenue:</b>                  |                                                       |                                                         |                                           |                    |
| Revenue from external customers  | \$ 353,375,923                                        | 26,165,213                                              | -                                         | 379,541,136        |
| Revenue from segments            | <u>1,039,976</u>                                      | <u>-</u>                                                | <u>(1,039,976)</u>                        | <u>-</u>           |
| <b>Total revenue</b>             | <b>\$ 354,415,899</b>                                 | <b>26,165,213</b>                                       | <b>(1,039,976)</b>                        | <b>379,541,136</b> |
| <b>Reportable segment profit</b> | <b>\$ 2,924,571</b>                                   | <b>1,792,091</b>                                        | <b>-</b>                                  | <b>4,716,662</b>   |

# COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

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**Table 1 Loans to other parties:**  
(June 30, 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 |       | Individual funding loan limits | Maximum limit of fund financing | Note      |
|-----|-----------------|---------------------------------------------------|-----------------------|---------------|-----------------------------------------------------------------|----------------|---------------------------------------|-------------------------------------------|----------------------------------------------|-----------------------------------------------------|----------------------------------|------------------------|------------|-------|--------------------------------|---------------------------------|-----------|
|     |                 |                                                   |                       |               |                                                                 |                |                                       |                                           |                                              |                                                     |                                  |                        | Item       | Value |                                |                                 |           |
| 1   | CPC             | CIC                                               | Other receivables     | Y             | 469,000                                                         | 469,000        | 281,400                               | 1.30%                                     | Short-term financing                         | -                                                   | Operating demand                 | -                      | -          | -     | 2,773,124                      | 2,773,124                       | (Note 1)  |
| 1   | CPC             | CCI Nanjing                                       | Other receivables     | Y             | 2,353,950                                                       | 1,195,950      | 1,120,910                             | 1.20%~1.30%                               | Short-term financing                         | -                                                   | Operating demand                 | -                      | -          | -     | 2,773,124                      | 2,773,124                       | (Note 1)  |
| 2   | CIT             | HengHao Kunshan                                   | Other receivables     | Y             | 959,850                                                         | 955,500        | 955,500                               | 4.38%                                     | Short-term financing                         | -                                                   | Operating demand                 | -                      | -          | -     | 31,745,134                     | 31,745,134                      | (Note 2)  |
| 2   | CIT             | CEM                                               | Other receivables     | Y             | 319,950                                                         | 318,500        | 318,500                               | 4.38%                                     | Short-term financing                         | -                                                   | Operating demand                 | -                      | -          | -     | 31,745,134                     | 31,745,134                      | (Note 2)  |
| 2   | CIT             | Rayonant Technology (Taichang)                    | Other receivables     | Y             | 164,150                                                         | 164,150        | 164,150                               | 1.30%                                     | Short-term financing                         | -                                                   | Operating demand                 | -                      | -          | -     | 31,745,134                     | 31,745,134                      | (Note 2)  |
| 3   | CPO             | CIT                                               | Other receivables     | Y             | 1,547,700                                                       | 1,547,700      | 1,547,700                             | 1.20%~1.30%                               | Short-term financing                         | -                                                   | Operating demand                 | -                      | -          | -     | 3,424,096                      | 3,424,096                       | (Note 3)  |
| 3   | CPO             | CEM                                               | Other receivables     | Y             | 959,850                                                         | 318,500        | 318,500                               | 4.38%                                     | Short-term financing                         | -                                                   | Operating demand                 | -                      | -          | -     | 3,424,096                      | 3,424,096                       | (Note 3)  |
| 3   | CPO             | CCI Nanjing                                       | Other receivables     | Y             | 1,661,860                                                       | 828,100        | 828,100                               | 1.30%~2.68%                               | Short-term financing                         | -                                                   | Operating demand                 | -                      | -          | -     | 3,424,096                      | 3,424,096                       | (Note 3)  |
| 4   | CET             | BT                                                | Other receivables     | Y             | 281,400                                                         | 281,400        | 117,250                               | 1.60%                                     | Short-term financing                         | -                                                   | Operating demand                 | -                      | -          | -     | 5,082,344                      | 5,082,344                       | (Note 4)  |
| 5   | Panpal          | CEM                                               | Other receivables     | Y             | 1,759,725                                                       | 1,751,750      | 1,751,750                             | 4.38%                                     | Short-term financing                         | -                                                   | Operating demand                 | -                      | -          | -     | 2,412,850                      | 2,412,850                       | (Note 5)  |
| 5   | Panpal          | HengHao                                           | Other receivables     | Y             | 600,000                                                         | 300,000        | -                                     | 2.38%                                     | Short-term financing                         | -                                                   | Operating demand                 | -                      | -          | -     | 2,412,850                      | 2,412,850                       | (Note 5)  |
| 6   | CIC             | HengHao Kunshan                                   | Other receivables     | Y             | 3,511,475                                                       | 1,751,750      | 1,751,750                             | 4.38%                                     | Short-term financing                         | -                                                   | Operating demand                 | -                      | -          | -     | 12,072,844                     | 12,072,844                      | (Note 6)  |
| 6   | CIC             | CTB                                               | Other receivables     | Y             | 319,950                                                         | -              | -                                     | 4.38%                                     | Short-term financing                         | -                                                   | Operating demand                 | -                      | -          | -     | 12,072,844                     | 12,072,844                      | (Note 6)  |
| 7   | BSH             | CIN                                               | Other receivables     | Y             | 447,930                                                         | 445,900        | 445,900                               | 4.38%                                     | Short-term financing                         | -                                                   | Operating demand                 | -                      | -          | -     | 8,922,271                      | 8,922,271                       | (Note 7)  |
| 7   | BSH             | CTB                                               | Other receivables     | Y             | 1,279,800                                                       | 1,274,000      | 1,274,000                             | 4.38%                                     | 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                          | 927,093                         | (Note 8)  |
| 8   | Gempal          | Hippo Screen                                      | Other receivables     | Y             | 70,000                                                          | 35,000         | 35,000                                | 2.38%                                     | Short-term financing                         | -                                                   | Operating demand                 | -                      | -          | -     | 927,093                        | 927,093                         | (Note 8)  |
| 9   | Hong Ji         | Aco Healthcare                                    | Other receivables     | Y             | 100,000                                                         | -              | -                                     | 2.38%                                     | Short-term financing                         | -                                                   | Operating demand                 | -                      | -          | -     | 495,959                        | 495,959                         | (Note 9)  |
| 9   | Hong Ji         | Ripal                                             | Other receivables     | Y             | 30,000                                                          | 30,000         | 10,000                                | 2.38%                                     | Short-term financing                         | -                                                   | Operating demand                 | -                      | -          | -     | 495,959                        | 495,959                         | (Note 9)  |
| 10  | CEQ             | CIT                                               | Other receivables     | Y             | 469,000                                                         | 469,000        | 469,000                               | 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                 | -                      | -          | -     | 43,669                         | 43,669                          | (Note 11) |
| 12  | GLB             | PT GLB Biotechnology Indonesia                    | Other receivables     | Y             | 31,995                                                          | 31,850         | 9,555                                 | 4.75%                                     | Short-term financing                         | -                                                   | Operating demand                 | -                      | -          | -     | 51,072                         | 249,274                         | (Note 12) |
| 13  | CDE             | CIT                                               | Other receivables     | Y             | 1,433,250                                                       | 1,433,250      | 1,433,250                             | 2.68%                                     | Short-term financing                         | -                                                   | Operating demand                 | -                      | -          | -     | 2,373,626                      | 2,373,626                       | (Note 13) |
| 14  | Arcadyan        | Arcadyan Brasil                                   | Other receivables     | Y             | 96,000                                                          | 95,595         | 63,730                                | 4.60%                                     | Short-term financing                         | -                                                   | Operating demand                 | -                      | -          | -     | 3,291,185                      | 6,582,370                       | (Note 14) |
| 14  | Arcadyan        | Arcadyan UK                                       | Other receivables     | Y             | 160,000                                                         | -              | -                                     | 4.80%                                     | Transaction for business between two parties | 1,593,250                                           | -                                | -                      | -          | -     | 1,274,600                      | 6,582,370                       | (Note 14) |
| 14  | Arcadyan        | Arcadyan UK                                       | Other receivables     | Y             | 159,325                                                         | 159,325        | -                                     | 4.30%                                     | Transaction for business between two parties | 2,835,985                                           | -                                | -                      | -          | -     | 2,268,788                      | 6,582,370                       | (Note 14) |
| 15  | Poindus Systems | Adasys                                            | Long-term receivables | Y             | 24,063                                                          | 23,530         | 23,530                                | 2.83%                                     | Transaction for business between two parties | 110,092                                             | -                                | -                      | -          | -     | 110,092                        | 224,207                         | (Note 15) |
| 15  | Poindus Systems | Adasys                                            | Other receivables     | Y             | 24,076                                                          | -              | -                                     | 2.86%                                     | Short-term financing                         | -                                                   | Expand business                  | -                      | -          | -     | 112,103                        | 224,207                         | (Note 15) |
| 15  | Poindus Systems | Poindus UK                                        | Other receivables     | Y             | 11,545                                                          | -              | -                                     | 4.77%                                     | Transaction for business between two parties | -                                                   | -                                | -                      | -          | -     | 52,719                         | 224,207                         | (Note 15) |
| 15  | Poindus Systems | Varlink                                           | Other receivables     | Y             | 21,380                                                          | -              | -                                     | 4.77%                                     | Short-term financing                         | -                                                   | Expand business                  | -                      | -          | -     | 112,103                        | 224,207                         | (Note 15) |
| 15  | Poindus Systems | Varlink                                           | Long-term receivables | Y             | 21,380                                                          | 21,010         | 21,010                                | 4.58%                                     | Transaction for business between two parties | 110,487                                             | -                                | -                      | -          | -     | 110,487                        | 224,207                         | (Note 15) |
| 15  | Poindus Systems | Varlink                                           | Long-term receivables | Y             | 21,380                                                          | 21,010         | 21,010                                | 4.58%                                     | Transaction for business between two parties | 110,728                                             | -                                | -                      | -          | -     | 110,728                        | 224,207                         | (Note 15) |

(Continued)

## Notes to Consolidated Financial Statements

- 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 Pampal's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of Pampal. When a short-term financing facility with Pampal 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 Pampal's total amount of lendable capital, and shall be combined with the Pampal's endorsements/guarantees for calculation. In addition, Pampal's subsidiaries in which it directly or indirectly holds more than 50% of the voting shares, or the ultimate parent company of Pampal, or its 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 Pampal, 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 its 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 its 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 its 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 its 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 CDE's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of CDE. When a short-term financing facility with CDE 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 CDE'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 CDE, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.
- Note 14 : 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 15 : 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. For short-term financing provided by Poindus Systems to its directly or indirectly wholly owned subsidiaries, the aggregate amount of such loans shall not be subject to the preceding restriction; however, it shall not exceed 20% of the net worth of Poindus Systems. In addition, inter-company loans of funds between overseas companies in which Poindus System directly or indirectly holds 100% of the voting shares, or loans of funds to Pudatee 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 16 : The transactions had been eliminated in the consolidated financial statements.

## Notes to Consolidated Financial Statements

Table 2 Guarantees and endorsements for other parties:

(June 30, 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)                      | 34,529,939                                                                    | 36,154                                                            | 35,991                                                      | 35,991                                | -                                                         | 0.03%                                                                                                       | 69,059,878                                                    | Y                                                                                | -                                                                                | -                                                                                  |
| 0   | The Company       | CTB                                                 | (Note 4)                      | 34,529,939                                                                    | 465,207                                                           | 463,099                                                     | 463,099                               | -                                                         | 0.34%                                                                                                       | 69,059,878                                                    | Y                                                                                | -                                                                                | -                                                                                  |
| 0   | The Company       | Compal Ruifang                                      | (Note 3)                      | 34,529,939                                                                    | 998,500                                                           | 998,500                                                     | 2,070                                 | -                                                         | 0.72%                                                                                                       | 69,059,878                                                    | Y                                                                                | -                                                                                | -                                                                                  |
| 0   | The Company       | Kinpo & Compal Group Assets Development Corporation | (Note 3)                      | 34,529,939                                                                    | 15,400,000                                                        | 15,400,000                                                  | 4,004,962                             | -                                                         | 11.15%                                                                                                      | 69,059,878                                                    | Y                                                                                | -                                                                                | -                                                                                  |
| 1   | Arcadyan          | Arcadyan AU                                         | (Note 4)                      | 2,194,123                                                                     | 240,000                                                           | 238,988                                                     | -                                     | -                                                         | 1.45%                                                                                                       | 6,582,370                                                     | 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 June 30, 2026 (excluding investment in subsidiaries, associates and joint ventures)**  
(June 30, 2026)

(In Thousands of shares/ units)

| Name of holder | Category and name of security                                                | Relationship with security issuer | Account name                                                                         | Ending balance           |                   |                        |            | Note     |
|----------------|------------------------------------------------------------------------------|-----------------------------------|--------------------------------------------------------------------------------------|--------------------------|-------------------|------------------------|------------|----------|
|                |                                                                              |                                   |                                                                                      | Shares/Units (thousands) | Carrying value    | Holding percentage (%) | Fair value |          |
| The Company    | Kinpo                                                                        | Substantial related party         | Financial assets at fair value through other comprehensive income-non-current        | 124,044                  | 4,360,138         | 8%                     | 4,360,138  |          |
|                | Cal-Comp                                                                     | Substantial related party         | Financial assets at fair value through other comprehensive income-non-current        | 1,554,139                | 13,396,682        | 15%                    | 13,396,682 |          |
|                | AC Advanced Tech, L.P                                                        | -                                 | Financial assets at fair value through profit or loss-non-current                    | -                        | 2,545,735         | -                      | 2,545,735  |          |
|                | Lenovo Warrant                                                               | -                                 | Financial assets at fair value through profit or loss-non-current                    | 35,860                   | 1,902,014         | -                      | 1,902,014  |          |
|                | Others                                                                       |                                   | Financial assets at fair value through profit or loss and other comprehensive income |                          | 1,727,980         |                        | 1,727,980  |          |
|                | Total                                                                        |                                   |                                                                                      |                          | <u>23,932,549</u> |                        |            |          |
| Panpal         | Compal Electronics, Inc.                                                     | The parent company                | Financial assets at fair value through other comprehensive income-non-current        | 31,648                   | 1,117,177         | 1%                     | 1,117,177  | (Note 1) |
|                | Kinpo                                                                        | Substantial related party         | Financial assets at fair value through other comprehensive income-non-current        | 69,370                   | 2,438,343         | 5%                     | 2,438,343  |          |
|                | CDIB Partners Investment Holding Corp.                                       | -                                 | Financial assets at fair value through other comprehensive income-non-current        | 54,000                   | 1,138,320         | 5%                     | 1,138,320  |          |
|                | AcBel                                                                        | Substantial related party         | Financial assets at fair value through other comprehensive income-non-current        | 11,332                   | 659,515           | 1%                     | 659,515    |          |
|                | Others                                                                       |                                   | Financial assets at fair value through other comprehensive income-non-current        |                          | 273,402           |                        | 273,402    |          |
|                | Total                                                                        |                                   |                                                                                      |                          | <u>5,626,757</u>  |                        |            |          |
| Gempal         | Compal Electronics, Inc.                                                     | The parent company                | Financial assets at fair value through other comprehensive income-non-current        | 18,369                   | 648,438           | -                      | 648,438    | (Note 1) |
|                | Others                                                                       |                                   | Financial assets at fair value through other comprehensive income-non-current        |                          | 38,618            |                        | 38,618     |          |
|                | Total                                                                        |                                   |                                                                                      |                          | <u>687,056</u>    |                        |            |          |
| Arcadyan       | Others                                                                       |                                   | Financial assets at fair value through profit or loss and other comprehensive income |                          | <u>55,552</u>     |                        | 55,552     |          |
| Mactech        | Others                                                                       |                                   | Financial assets at fair value through other comprehensive income-non-current        |                          | <u>16,290</u>     |                        | 16,290     |          |
| Mithera        | Others                                                                       |                                   | Financial assets at fair value through other comprehensive income-non-current        |                          | <u>143,325</u>    |                        | 143,325    |          |
| BT             | Others                                                                       |                                   | Financial assets at fair value through other comprehensive income-non-current        |                          | <u>4,692</u>      |                        | 4,692      |          |
| CIT            | Kunqiao Phase II (Suzhou) Emerging Industry Venture Capital Partnership Fund | -                                 | Financial assets at fair value through profit or loss-non-current                    | -                        | <u>1,122,186</u>  | -                      | 1,122,186  |          |
| BSH            | ABG Capital PartnersV, LP (ABG)                                              | -                                 | Financial assets at fair value through profit or loss-non-current                    | -                        | 673,674           | -                      | 673,674    |          |
|                | Others                                                                       |                                   | Financial assets at fair value through profit or loss and other comprehensive income |                          | 301,940           |                        | 301,940    |          |
|                | Total                                                                        |                                   |                                                                                      |                          | <u>975,614</u>    |                        |            |          |

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 NTS100 million or 20% of the capital stock:**  
(For the year ended June 30, 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) |          |
| The Company               | Arcadyan and its subsidiaries             | The Company's subsidiaries               | Sale                | (1,899,115)  | (1.0)%                                | Net 60 days from the end of the month of delivery | Similar to non-related parties                 | There is no significant difference, and adjustments will be made based on demand for funding if necessary. | 781,641                             | 0.7%                                                    | (Note 2) |
|                           | CEM                                       | Subsidiaries wholly owned by the Company | Sale                | (3,064,070)  | (0.8)%                                | 120 days                                          | Similar to non-related parties                 | There is no significant difference, and adjustments will be made based on demand for funding if necessary. | 3,740,920                           | 1.8%                                                    | (Note 2) |
|                           | Just and its subsidiaries                 | Subsidiaries wholly owned by the Company | Sale                | (639,769)    | (0.2)%                                | 120 days                                          | Similar to non-related parties                 | There is no significant difference, and adjustments will be made based on demand for funding if necessary. | 3,963,254                           | 1.9%                                                    | (Note 2) |
|                           | BCI and its subsidiaries                  | Subsidiaries wholly owned by the Company | Sale                | (346,275)    | (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. | 10,389                              | - %                                                     | (Note 2) |
|                           | CIH and its subsidiaries                  | Subsidiaries wholly owned by the Company | Purchase            | 27,514,903   | 7.1%                                  | 120 days                                          | Similar to non-related parties                 | There is no significant difference, and adjustments will be made based on demand for funding if necessary. | (48,725,560)                        | (23.8)%                                                 | (Note 2) |
|                           | Just and its subsidiaries                 | Subsidiaries wholly owned by the Company | Purchase            | 3,049,618    | 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. | (2,916,230)                         | (1.4)%                                                  | (Note 2) |
|                           | HSI and its subsidiaries                  | Subsidiaries wholly owned by the Company | Purchase            | 60,498,668   | 15.6%                                 | 120 days                                          | Similar to non-related parties                 | There is no significant difference, and adjustments will be made based on demand for funding if necessary. | (14,449,180)                        | (7.0)%                                                  | (Note 2) |
|                           | BCI and its subsidiaries                  | Subsidiaries wholly owned by the Company | Purchase            | 5,050,636    | 1.3%                                  | 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. | (7,917,911)                         | (3.9)%                                                  | (Note 2) |
|                           | Kinpo                                     | Substantial related party                | Purchase            | 15,840,478   | 4.1%                                  | Net 35 days from the end of the month             | Similar to non-related parties                 | There is no significant difference.                                                                        | (5,373,964)                         | (2.6)%                                                  | (Note 2) |
| Just and its subsidiaries | Compal Electronic, Inc.                   | Parent company                           | Sale                | (3,049,618)  | (52.2)%                               | 120 days                                          | Similar to non-related parties                 | There is no significant difference, and adjustments will be made based on demand for funding if necessary. | 2,916,230                           | 88.4%                                                   | (Note 2) |
|                           | BCI and its subsidiaries                  | With the same ultimate parent company    | Sale                | (702,535)    | (6.2)%                                | 90 days                                           | Similar to non-related parties                 | There is no significant difference, and adjustments will be made based on demand for funding if necessary. | 694                                 | - %                                                     | (Note 2) |
|                           | CTB                                       | With the same ultimate parent company    | Sale                | (272,953)    | (2.4)%                                | 120 days                                          | Similar to non-related parties                 | There is no significant difference, and adjustments will be made based on demand for funding if necessary. | 151,241                             | 2.3%                                                    | (Note 2) |
|                           | UCGI                                      | With the same ultimate parent company    | Sale                | (319,207)    | (2.8)%                                | 60 days                                           | Similar to non-related parties                 | There is no significant difference, and adjustments will be made based on demand for funding if necessary. | 229,232                             | 3.4%                                                    | (Note 2) |
|                           | Compal Electronic, Inc.                   | Parent company                           | Purchase            | 639,769      | 32.6%                                 | 120 days                                          | Similar to non-related parties                 | There is no significant difference.                                                                        | (3,963,254)                         | (72.7)%                                                 | (Note 2) |
| CIH and its subsidiaries  | Compal Electronic, Inc.                   | Parent company                           | Sale                | (27,514,903) | (57.2)%                               | 120 days                                          | Similar to non-related parties                 | There is no significant difference, and adjustments will be made based on demand for funding if necessary. | 48,725,560                          | 62.5%                                                   | (Note 2) |
|                           | HSI and its subsidiaries                  | With the same ultimate parent company    | Sale                | (893,921)    | (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. | 8,265,865                           | 4.7%                                                    | (Note 2) |
|                           | HSI and its subsidiaries                  | With the same ultimate parent company    | Purchase            | 244,870      | 0.1%                                  | Net 60 days from the delivery                     | Similar to non-related parties                 | Adjustments will be made based on demand for funding.                                                      | (63,898)                            | - %                                                     | (Note 2) |
|                           | Rayonnant Technology and its subsidiaries | With the same ultimate parent company    | Purchase            | 303,940      | 0.2%                                  | 120 days                                          | Similar to non-related parties                 | There is no significant difference, and adjustments will be made based on demand for funding if necessary. | (151,862)                           | (0.1)%                                                  | (Note 2) |
|                           | Compal Electronic, Inc.                   | Parent company                           | Sale                | (5,050,636)  | (82.0)%                               | 120 days                                          | Markup based on BCI and its subsidiaries' cost | Adjustments will be made based on demand for funding.                                                      | 7,917,911                           | 90.5%                                                   | (Note 2) |

(Continued)

## Notes to Consolidated Financial Statements

**Table 4 Related-party transactions for purchases and sales with amounts exceeding the lower of NTS100 million or 20% of the capital stock:**  
(For the year ended June 30, 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) |            |
| BCI and its subsidiaries                  | Just and its subsidiaries     | With the same ultimate parent company | Purchase            | 702,535      | 3.1%                                  | 90 days                                            | Similar to non-related parties                | There is no significant difference.                                                                        | (694)                               | - %                                                     | (Note 2)   |
| CEM                                       | Compal Electronic, Inc.       | Parent company                        | Purchase            | 346,275      | 67.2%                                 | 120 days                                           | Similar to non-related parties                | There is no significant difference.                                                                        | (10,389)                            | (61.9)%                                                 | (Note 2)   |
|                                           | CTB                           | With the same ultimate parent company | Sale                | (1,357,177)  | (26.2)%                               | 45 days                                            | Similar to non-related parties                | There is no significant difference.                                                                        | 1,419,953                           | 43.8%                                                   | (Note 2)   |
|                                           | Compal Electronic, Inc.       | Parent company                        | Purchase            | 3,064,070    | 64.1%                                 | 120 days                                           | Similar to non-related parties                | There is no significant difference, and adjustments will be made based on demand for funding if necessary. | (3,740,920)                         | (85.3)%                                                 | (Note 2)   |
| CTB                                       | CEM                           | With the same ultimate parent company | Purchase            | 1,357,177    | 39.0%                                 | 120 days                                           | According to markup pricing                   | There is no significant difference.                                                                        | (1,419,953)                         | (59.4)%                                                 | (Note 2)   |
| UCGI                                      | JUST and its subsidiaries     | With the same ultimate parent company | Purchase            | 272,953      | 7.8%                                  | 120 days                                           | Similar to non-related parties                | There is no significant difference.                                                                        | (151,241)                           | (6.3)%                                                  | (Note 2)   |
|                                           | Avalue                        | An associate                          | Sale                | (221,298)    | (41.1)%                               | 75 days                                            | Similar to non-related parties                | There is no significant difference.                                                                        | 94,384                              | 34.3%                                                   |            |
|                                           | Just and its subsidiaries     | With the same ultimate parent company | Purchase            | 319,207      | 75.1%                                 | 60 days                                            | Similar to non-related parties                | There is no significant difference.                                                                        | (229,232)                           | (91.5)%                                                 | (Note 2)   |
| Rayonnant Technology and its subsidiaries | CIH and its subsidiaries      | With the same ultimate parent company | Sale                | (303,940)    | (91.3)%                               | 120 days                                           | Similar to non-related parties                | There is no significant difference, and adjustments will be made based on demand for funding if necessary. | 151,862                             | 97.2%                                                   | (Note 2)   |
| HSI and its subsidiaries                  | Compal Electronic, Inc.       | Parent company                        | Sale                | (60,498,668) | (98.7)%                               | 120 days                                           | Similar to non-related parties                | There is no significant difference, and adjustments will be made based on demand for funding if necessary. | 14,449,180                          | 99.3%                                                   | (Note 2)   |
|                                           | CIH and its subsidiaries      | With the same ultimate parent company | Sale                | (244,870)    | (0.4)%                                | 120 days                                           | Similar to non-related parties                | There is no significant difference, and adjustments will be made based on demand for funding if necessary. | 63,898                              | 0.1%                                                    | (Note 2)   |
|                                           | Arcadyan and its subsidiaries | With the same ultimate parent company | Sale                | (530,858)    | (0.9)%                                | 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. | 305,341                             | 0.6%                                                    | (Note 2)   |
|                                           | CIH and its subsidiaries      | With the same ultimate parent company | Purchase            | 893,921      | 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. | (8,265,865)                         | (12.0)%                                                 | (Note 2)   |
|                                           | CPM                           | An associate                          | Purchase            | 291,284      | 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. | (137,453)                           | (0.2)%                                                  |            |
|                                           | Arcadyan USA                  | Arcadyan's subsidiary                 | Sale                | (12,969,731) | (49.9)%                               | Net 120 days from delivery                         | -                                             | -                                                                                                          | 4,667                               | 0.1%                                                    | (Note 2&3) |
| Arcadyan                                  | Arcadyan AU                   | Arcadyan's subsidiary                 | Sale                | (941,332)    | (3.6)%                                | Net 60 days from the end of the month of delivery  | -                                             | -                                                                                                          | 114,104                             | 1.9%                                                    | (Note 2)   |
|                                           | Arcadyan Germany              | Arcadyan's subsidiary                 | Sale                | (601,078)    | (2.3)%                                | Net 150 days from delivery                         | -                                             | -                                                                                                          | 511,336                             | 8.5%                                                    | (Note 2)   |
|                                           | Arcadyan Vietnam              | Arcadyan's subsidiary                 | Purchase            | 6,438,028    | 12.7%                                 | Net 180 days from the end of the month of delivery | According to markup pricing                   | -                                                                                                          | (4,111,204)                         | (14.0)%                                                 | (Note 1&2) |
| Arcadyan and its subsidiaries             | Compal Electronic, Inc.       | Parent company                        | Purchase            | 1,899,115    | 5.0%                                  | Net 60 days from the end of the month of delivery  | -                                             | -                                                                                                          | (781,641)                           | (5.0)%                                                  | (Note 2)   |
| Arcadyan Vietnam                          | Arcadyan                      | With the same ultimate parent company | Sale                | (6,438,028)  | (100.0)%                              | Net 180 days from the end of the month of delivery | According to markup pricing                   | -                                                                                                          | 4,111,204                           | - %                                                     | (Note 1&2) |
| Arcadyan USA                              | HSI and its subsidiaries      | With the same ultimate parent company | Purchase            | 530,858      | 1.6%                                  | Net 60 days from the end of the month of delivery  | -                                             | -                                                                                                          | (305,341)                           | (0.9)%                                                  | (Note 2)   |
|                                           | Arcadyan                      | With the same ultimate parent company | Purchase            | 12,969,731   | 100.0%                                | Net 120 days from delivery                         | -                                             | -                                                                                                          | (4,667)                             | - %                                                     | (Note 2&3) |
|                                           | Arcadyan                      | With the same ultimate parent company | Purchase            | 941,332      | 100.0%                                | Net 60 days from the end of the month of delivery  | -                                             | -                                                                                                          | (114,104)                           | (100.0)%                                                | (Note 2)   |
| Arcadyan Germany                          | Arcadyan                      | With the same ultimate parent company | Purchase            | 601,078      | 100.0%                                | Net 150 days from delivery                         | -                                             | -                                                                                                          | (511,336)                           | (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 June 30, 2026, the advance receipt arising from the transaction amounted to \$4,660,693, 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:

(June 30, 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              | 781,641            | 3.63          | -       | -            | 659,347 (Note 1)                      | -                       |
| The Company                               | CBN                           | The Company's subsidiary              | 121,823            | 0.09          | -       | -            | 18,792 (Note 1)                       | -                       |
| The Company                               | Just and its subsidiaries     | The Company's subsidiary              | 3,963,254 (Note 3) | (Note 3)      | -       | -            | - (Note 1)                            | -                       |
| The Company                               | CEM                           | The Company's subsidiary              | 3,740,920          | 1.88          | -       | -            | 1,107,363 (Note 1)                    | -                       |
| The Company                               | Cal-Comp                      | Substantial related party             | 5,651,701 (Note 3) | (Note 3)      | -       | -            | - (Note 1)                            | -                       |
| Just and its subsidiaries                 | Compal Electronic, Inc.       | Parent company                        | 2,916,230          | 1.65          | -       | -            | - (Note 1)                            | -                       |
| Just and its subsidiaries                 | CTB                           | With the same ultimate parent company | 151,241            | 3.44          | -       | -            | 44,946 (Note 1)                       | -                       |
| Just and its subsidiaries                 | UCGI                          | With the same ultimate parent company | 229,232            | 2.48          | -       | -            | - (Note 1)                            | -                       |
| CIH and its subsidiaries                  | Compal Electronic, Inc.       | Parent company                        | 48,725,560         | 0.99          | -       | -            | 9,617,587 (Note 1)                    | -                       |
| CIH and its subsidiaries                  | HSI and its subsidiaries      | With the same ultimate parent company | 8,265,865          | 0.22          | -       | -            | - (Note 1)                            | -                       |
| BCI and its subsidiaries                  | Compal Electronic, Inc.       | Parent company                        | 7,917,911          | 1.31          | -       | -            | 5,206,035 (Note 1)                    | -                       |
| BCI and its subsidiaries                  | HSI and its subsidiaries      | With the same ultimate parent company | 888,685            | 5.45          | -       | -            | - (Note 1)                            | -                       |
| CEM                                       | CTB                           | With the same ultimate parent company | 1,419,953          | 2.59          | -       | -            | 89,013 (Note 1)                       | -                       |
| Rayonnant Technology and its subsidiaries | CIH and its subsidiaries      | With the same ultimate parent company | 151,862            | 6.82          | -       | -            | - (Note 1)                            | -                       |
| HSI and its subsidiaries                  | Compal Electronic, Inc.       | Parent company                        | 14,449,180         | 10.73         | -       | -            | 4,217,322 (Note 1)                    | -                       |
| HSI and its subsidiaries                  | Arcadyan and its subsidiaries | With the same ultimate parent company | 305,341            | 5.19          | -       | -            | - (Note 1)                            | -                       |
| Arcadyan                                  | Compal Electronic, Inc.       | Parent company                        | 160,622 (Note 4)   | (Note 4)      | -       | -            | - (Note 2)                            | -                       |
| Arcadyan                                  | Arcadyan AU                   | Arcadyan's subsidiary                 | 114,104            | 16.52         | -       | -            | - (Note 2)                            | -                       |
| Arcadyan                                  | Arcadyan Germany              | Arcadyan's subsidiary                 | 511,336            | 2.96          | -       | -            | - (Note 2)                            | -                       |
| CNC                                       | Arcadyan                      | With the same ultimate parent company | 279,244 (Note 5)   | (Note 5)      | -       | -            | - (Note 2)                            | -                       |
| Arcadyan Vietnam                          | Arcadyan                      | With the same ultimate parent company | 4,111,204 (Note 6) | (Note 6)      | -       | -            | - (Note 2)                            | -                       |

Note 1: Balance as of July 31, 2026.

Note 2: Balance as of July 24, 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:

(June 30, 2026)

(In Thousands of New Taiwan Dollars)

| No.<br>(Note 1) | Company name                              | Counter party                 | Relationship<br>(Note 2) | Intercompany transactions |            |                                                                                                                                             | Percentage of the consolidated net revenue or total assets |
|-----------------|-------------------------------------------|-------------------------------|--------------------------|---------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
|                 |                                           |                               |                          | Accounts name             | Amount     | Terms                                                                                                                                       |                                                            |
| 0               | The Company                               | Arcadyan and its subsidiaries | 1                        | Sales Revenue             | 1,899,115  | 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. | 0.4%                                                       |
|                 |                                           |                               |                          | Accounts Receivable       | 781,641    | "                                                                                                                                           | 0.1%                                                       |
| 0               | The Company                               | CEM                           | 1                        | Sales Revenue             | 3,064,070  | 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       | 3,740,920  | "                                                                                                                                           | 0.7%                                                       |
| 0               | The Company                               | Just and its subsidiaries     | 1                        | Sales Revenue             | 639,769    | 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       | 3,963,254  | "                                                                                                                                           | 0.8%                                                       |
| 0               | The Company                               | BCI and its subsidiaries      | 1                        | Sales Revenue             | 346,275    | 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       | 10,389     | "                                                                                                                                           | -                                                          |
| 1               | Just and its subsidiaries                 | The Company                   | 2                        | Sales Revenue             | 3,049,618  | 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       | 2,916,230  | "                                                                                                                                           | 0.6%                                                       |
| 1               | Just and its subsidiaries                 | BCI and its subsidiaries      | 3                        | Sales Revenue             | 702,535    | There is no significant difference of price to non-related parties. The credit period is net 90 days, and will be adjusted if necessary.    | 0.2%                                                       |
|                 |                                           |                               |                          | Accounts Receivable       | 694        | "                                                                                                                                           | -                                                          |
| 1               | Just and its subsidiaries                 | CTB                           | 3                        | Sales Revenue             | 272,953    | There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.   | 0.1%                                                       |
|                 |                                           |                               |                          | Accounts Receivable       | 151,241    | "                                                                                                                                           | -                                                          |
| 1               | Just and its subsidiaries                 | UCGI                          | 3                        | Sales Revenue             | 319,207    | 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       | 229,232    | "                                                                                                                                           | -                                                          |
| 2               | CIH and its subsidiaries                  | The Company                   | 2                        | Sales Revenue             | 27,514,903 | There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.   | 6.3%                                                       |
|                 |                                           |                               |                          | Accounts Receivable       | 48,725,560 | "                                                                                                                                           | 9.3%                                                       |
| 2               | CIH and its subsidiaries                  | HSI and its subsidiaries      | 3                        | Sales Revenue             | 893,921    | 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       | 8,265,865  | "                                                                                                                                           | 1.6%                                                       |
| 3               | BCI and its subsidiaries                  | The Company                   | 2                        | Sales Revenue             | 5,050,636  | 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.     | 1.1%                                                       |
|                 |                                           |                               |                          | Accounts Receivable       | 7,917,911  | "                                                                                                                                           | 1.5%                                                       |
| 3               | BCI and its subsidiaries                  | HSI and its subsidiaries      | 3                        | Sales Revenue             | 8,183      | The price is based on the operating cost. The credit period is net 120 days, and will be adjusted if necessary.                             | -                                                          |
|                 |                                           |                               |                          | Accounts Receivable       | 888,685    | "                                                                                                                                           | 0.2%                                                       |
| 4               | CEM                                       | CTB                           | 3                        | Sales Revenue             | 1,357,177  | There is no significant difference of price to non-related parties. The credit period is net 45 days.                                       | 0.3%                                                       |
|                 |                                           |                               |                          | Accounts Receivable       | 1,419,953  | "                                                                                                                                           | 0.3%                                                       |
| 5               | Rayonnant Technology and its subsidiaries | CIH and its subsidiaries      | 3                        | Sales Revenue             | 303,940    | 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       | 151,862    | "                                                                                                                                           | -                                                          |
| 6               | HSI and its subsidiaries                  | The Company                   | 2                        | Sales Revenue             | 60,498,668 | There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.   | 13.8%                                                      |
|                 |                                           |                               |                          | Accounts Receivable       | 14,449,180 | "                                                                                                                                           | 2.8%                                                       |
| 6               | HSI and its subsidiaries                  | CIH and its subsidiaries      | 3                        | Sales Revenue             | 244,870    | 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       | 63,898     | "                                                                                                                                           | -                                                          |
| 6               | HSI and its subsidiaries                  | Arcadyan and its subsidiaries | 3                        | Sales Revenue             | 530,858    | 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       | 305,341    | "                                                                                                                                           | 0.1%                                                       |
| 7               | Arcadyan                                  | The Company                   | 2                        | Other Receivable          | 160,622    | There is no significant difference of price to non-related parties. The credit period is net 60 days from delivery.                         | -                                                          |
| 7               | Arcadyan                                  | Arcadyan Germany              | 3                        | Sales Revenue             | 601,078    | There is no significant difference of price to non-related parties. The credit period is net 150 days from delivery.                        | 0.1%                                                       |
|                 |                                           |                               |                          | Accounts Receivable       | 511,336    | "                                                                                                                                           | 0.1%                                                       |

(Continued)

## Notes to Consolidated Financial Statements

Table 6 Business relationships and significant intercompany transactions:

(June 30, 2026)

(In Thousands of New Taiwan Dollars)

| No.<br>(Note 1) | Company name     | Counter party | Relationship<br>(Note 2) | Intercompany transactions |            |                                                                                                                                                                                 |                                                            |
|-----------------|------------------|---------------|--------------------------|---------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
|                 |                  |               |                          | Accounts name             | Amount     | Terms                                                                                                                                                                           | Percentage of the consolidated net revenue or total assets |
| 7               | Arcadyan         | Arcadyan USA  | 3                        | Sales Revenue             | 12,969,731 | There is no significant difference of price to non-related parties. The credit period is net 120 days from delivery.                                                            | 3.0%                                                       |
|                 |                  |               |                          | Accounts Receivable       | 4,667      | "                                                                                                                                                                               | -                                                          |
|                 |                  |               |                          | Contract Liabilities      | 4,660,693  | "                                                                                                                                                                               | 0.9%                                                       |
| 7               | Arcadyan         | Arcadyan AU   | 3                        | Sales Revenue             | 941,332    | There is no significant difference of price to non-related parties. The credit period is net 60 days from the end of the month of delivery.                                     | 0.2%                                                       |
|                 |                  |               |                          | Accounts Receivable       | 114,104    | "                                                                                                                                                                               | -                                                          |
| 8               | Arcadyan Vietnam | Arcadyan      | 3                        | Processing Revenue        | 6,438,028  | 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. | 1.5%                                                       |
|                 |                  |               |                          | Accounts Receivable       | 4,111,204  | "                                                                                                                                                                               | 0.8%                                                       |
| 9               | CNC              | Arcadyan      | 3                        | Service Revenue           | 69,878     | 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          | 279,244    | "                                                                                                                                                                               | 0.1%                                                       |

Note 1: The numbers filled in as follows:

- 0 represents the Company.
- Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Transactions labeled as follows:

- represents transactions between the parent company and its subsidiaries.
- represents transactions between the subsidiaries and the parent company.
- represents transactions between subsidiaries.

(Continued)

## Notes to Consolidated Financial Statements

Table 7 The information on investees for the year ended June 30, 2026 (excluding information on investees in Mainland China):

(June 30, 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     |
|------------------|-----------------------------------------------------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------|----------------|-------------------------|-----------------------|---------------------------------|-------------------------------------|----------|
|                  |                                                     |                        |                                                                                                                                                                                                                                       | June 30, 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%                     | 6,778,278             | 8,737                           | 5,815                               | (Note 2) |
|                  | Bizcom                                              | Milpitas, USA          | Warranty services and marketing of LCD TVs and notebook PCs                                                                                                                                                                           | 36,369                     | 36,369            | 100            | 100%                    | 536,613               | 8,558                           | 10,200                              | (Note 2) |
|                  | Just                                                | British Virgin Islands | Investment                                                                                                                                                                                                                            | 1,480,509                  | 1,480,509         | 48,010         | 100%                    | 11,455,414            | 187,466                         | 187,466                             | (Note 2) |
|                  | CIH                                                 | British Virgin Islands | Investment                                                                                                                                                                                                                            | 1,787,680                  | 1,787,680         | 53,001         | 100%                    | 52,742,159            | 1,310,306                       | 1,310,306                           | (Note 2) |
|                  | Panpal                                              | Taipei City            | Investment                                                                                                                                                                                                                            | 5,171,837                  | 5,171,837         | 500,000        | 100%                    | 6,217,069<br>(Note 1) | 297,699                         | 263,223                             | (Note 2) |
|                  | Gempal                                              | Taipei City            | Investment                                                                                                                                                                                                                            | 900,036                    | 900,036           | 90,000         | 100%                    | 1,731,541<br>(Note 1) | 108,091                         | 86,064                              | (Note 2) |
|                  | Kinpo Group Management                              | Taipei City            | Consultation, training services, etc.                                                                                                                                                                                                 | 3,000                      | 3,000             | 300            | 38%                     | 5,452                 | 604                             | 227                                 |          |
|                  | Ripal                                               | Tainan City            | Manufacturing of electric appliance and audiovisual electric products                                                                                                                                                                 | 60,000                     | 60,000            | 6,000          | 100%                    | 103,054               | 343                             | 639                                 | (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%                    | 62,017                | 920                             | 920                                 | (Note 2) |
|                  | Lead-Honor                                          | Taoyuan City           | Surface treatment of plastic and metal enclosures                                                                                                                                                                                     | 42,000                     | 42,000            | 2,772          | 42%                     | -                     | -                               | -                                   |          |
|                  | CEH                                                 | British Virgin Islands | Investment                                                                                                                                                                                                                            | 34                         | 34                | 1              | 100%                    | 3,753,504             | -                               | -                                   | (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%                    | 16,209                | (3,673)                         | (4,192)                             | (Note 2) |
|                  | Allied Circuit                                      | Taoyuan City           | Production and sales of PCB boards                                                                                                                                                                                                    | 475,087                    | 475,087           | 10,955         | 18%                     | 643,240               | 402,917                         | 77,443                              |          |
|                  | Poindus Systems                                     | Taipei City            | Design and manufacture of PCs and peripheral equipment                                                                                                                                                                                | 353,046                    | 353,046           | 11,768         | 56%                     | 351,170               | 15,422                          | 6,456                               | (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 | 288,639                    | 258,639           | 812,131        | 86%                     | 54,853                | (38,376)                        | (32,128)                            | (Note 2) |
|                  | Lipo                                                | Cayman Islands         | Investment                                                                                                                                                                                                                            | 489,450                    | 489,450           | 98             | 49%                     | 83,551                | (38,605)                        | (18,917)                            |          |
|                  | CPE                                                 | The Netherlands        | Investment                                                                                                                                                                                                                            | 197,463                    | 197,463           | 6,427          | 100%                    | 1,020,502             | 18,699                          | 18,699                              | (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%                     | 17,087                | (7,817)                         | (2,961)                             | (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%                     | 7,431                 | (9,330)                         | (3,388)                             |          |
|                  | Hong Ji                                             | Taipei City            | Investment                                                                                                                                                                                                                            | 1,000,000                  | 1,000,000         | 100,000        | 100%                    | 1,198,982             | 69,263                          | 69,187                              | (Note 2) |
|                  | Hong Jin                                            | Taipei City            | Investment                                                                                                                                                                                                                            | 295,000                    | 295,000           | 29,500         | 100%                    | 384,571               | 29,889                          | 29,906                              | (Note 2) |
|                  | Mactech                                             | Taichung City          | Manufacturing of equipment and lighting, retailing of equipment and international trading                                                                                                                                             | 219,601                    | 219,601           | 21,756         | 53%                     | 283,747               | 7,022                           | 3,565                               | (Note 2) |
|                  | Auscom                                              | Austin, TX USA         | R&D of notebook PC related products and components                                                                                                                                                                                    | 101,747                    | 101,747           | 3,000          | 100%                    | 178,522               | 3,314                           | 3,314                               | (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%                     | 3,164,924             | 1,432,548                       | 268,525                             | (Note 2) |
|                  | FGH                                                 | British Virgin Islands | Investment                                                                                                                                                                                                                            | 2,754,741                  | 2,754,741         | 89,755         | 100%                    | 3,063,168             | (551,940)                       | (551,940)                           | (Note 2) |
|                  | Shennona                                            | Delaware, USA          | Medical care IOT business                                                                                                                                                                                                             | 48,210                     | 48,210            | -              | 100%                    | 852                   | -                               | (2,481)                             | (Note 2) |
|                  | HSI                                                 | British Virgin Islands | Investment                                                                                                                                                                                                                            | 1,346,814                  | 1,346,814         | 42,700         | 54%                     | 1,524,181             | 578,687                         | 309,894                             | (Note 2) |
|                  | CEP                                                 | Poland                 | Maintenance and warranty services of notebook PCs                                                                                                                                                                                     | 385,553                    | 385,553           | 844            | 100%                    | (133,873)             | (299,765)                       | (299,765)                           | (Note 2) |
|                  | CPL                                                 | Poland                 | Production of automotive electronic products                                                                                                                                                                                          | 1,307,669                  | 1,307,669         | 3,207          | 100%                    | 1,166,418             | (65,383)                        | (62,959)                            | (Note 2) |
|                  | Raypal                                              | Taipei City            | Cancerous immunocyte therapy and regenerative medicine                                                                                                                                                                                | 209,076                    | 209,076           | 4,646          | 30%                     | 130,084               | 5,523                           | (2,332)                             |          |
|                  | 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%                     | 71,780                | (96,903)                        | (19,594)                            |          |
|                  | 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%                     | (24,882)              | (18,443)                        | (17,598)                            | (Note 2) |
|                  | HengHao                                             | Taipei City            | Manufacturing of PCs, computer periphery devices, and electronic components                                                                                                                                                           | 6,019,757                  | 6,019,757         | 29,015         | 100%                    | (681,194)             | (35,994)                        | (18,899)                            | (Note 2) |

(Continued)

## Notes to Consolidated Financial Statements

Table 7 The information on investees for the year ended June 30, 2026 (excluding information on investees in Mainland China):

(June 30, 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     |
|------------------|---------------------------------------------------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------|----------------|-------------------------|--------------------|---------------------------------|-------------------------------------------------------|----------|
|                  |                                                   |                        |                                                                                                                                                                                             | June 30, 2026              | December 31, 2025 | Shares         | Percentage of Ownership | Carrying Value     |                                 |                                                       |          |
| The Company      | BCI                                               | British Virgin Islands | Investment                                                                                                                                                                                  | 2,636,051                  | 2,636,051         | 90,820         | 100%                    | 10,224,453         | 69,318                          | 69,318                                                | (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%                     | 305,037            | (132,969)                       | (61,611)                                              | (Note 2) |
|                  | Rayonnant Technology                              | Taipei City            | Manufacturing and sales of PCs, computer periphery devices, and electronic components                                                                                                       | 295,000                    | 295,000           | 29,500         | 100%                    | 138,992            | (31,550)                        | (31,550)                                              | (Note 2) |
|                  | CRH                                               | British Virgin Islands | Investment                                                                                                                                                                                  | 377,328                    | 377,328           | 12,500         | 100%                    | 205,881            | (34,122)                        | (34,122)                                              | (Note 2) |
|                  | Acendant Private Equity Investment Ltd.           | British Virgin Islands | Investment                                                                                                                                                                                  | 943,922                    | 943,922           | 31,253         | 35%                     | 1,315,926          | (32,670)                        | (11,344)                                              |          |
|                  | Etrade                                            | British Virgin Islands | Investment                                                                                                                                                                                  | 1,532,029                  | 1,532,029         | 46,900         | 65%                     | (665,594)          | (16,205)                        | (10,573)                                              | (Note 2) |
|                  | Webtek                                            | British Virgin Islands | Investment                                                                                                                                                                                  | 3,340                      | 3,340             | 100            | 100%                    | 465,961            | (1,466)                         | (1,466)                                               | (Note 2) |
|                  | Forever                                           | British Virgin Islands | Investment                                                                                                                                                                                  | 1,575                      | 1,575             | 50             | 100%                    | 1,573,321          | (3,743)                         | (3,743)                                               | (Note 2) |
|                  | UCGI                                              | Taipei City            | Manufacturing and retail sale of computers and electronic components                                                                                                                        | 689,997                    | 689,997           | 20,000         | 100%                    | 19,589             | (18,867)                        | (18,914)                                              | (Note 2) |
|                  | Palcom                                            | Taipei City            | Selling of mobile phones                                                                                                                                                                    | 100,000                    | 100,000           | 10,000         | 100%                    | 111,318            | 2,046                           | 2,046                                                 | (Note 2) |
|                  | Avalue                                            | New Taipei City        | Manufacturing, processing, and import and export business of industrial motherboards                                                                                                        | 547,595                    | 547,595           | 14,924         | 21%                     | 824,282            | 285,918                         | 58,401                                                |          |
|                  | CORE                                              | British Virgin Islands | Investment                                                                                                                                                                                  | 4,318,860                  | 4,318,860         | 147,000        | 100%                    | 9,214,713          | 171,924                         | 171,924                                               | (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%                    | 300,431            | (1,627)                         | (1,628)                                               | (Note 2) |
|                  | GLB                                               | New Taipei City        | Manufacturing and wholesale of medical equipment                                                                                                                                            | 247,560                    | 247,560           | 15,035         | 50%                     | 426,576            | 37,720                          | 20,139                                                | (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%                     | 137,526            | (26,321)                        | (14,018)                                              |          |
|                  | Genki Compal Long-Term Care Corporation Aggregate | New Taipei City        | Residential elderly care services                                                                                                                                                           | 21,915                     | 21,915            | -              | 49%                     | 21,915             | -                               | -                                                     |          |
|                  | CMX                                               | Mexico                 | Production of automotive electronic products                                                                                                                                                | 77,997                     | 77,997            | -              | 100%                    | 87,225             | 12,621                          | 12,608                                                | (Note 2) |
|                  | Precisely Printed Medical Ltd.                    | Kaohsiung City         | Biotechnology services, research & development services                                                                                                                                     | 10,000                     | 10,000            | 1,000          | 30%                     | 6,309              | (2,066)                         | (881)                                                 |          |
|                  | Fusionite                                         | Taipei City            | R&D, manufacturing and sales of servers products                                                                                                                                            | 10,000                     | 10,000            | 1,000          | 100%                    | 9,969              | (2)                             | (2)                                                   | (Note 2) |
|                  | CUS                                               | U.S.A                  | Manufacturing and sales of servers, notebook PCs, and automotive electronic products                                                                                                        | 890,880                    | 890,880           | -              | 79%                     | 850,592            | (37,918)                        | (56,309)                                              | (Note 2) |
|                  | CUH                                               | U.S.A                  | Investment                                                                                                                                                                                  | 7,025,250                  | 2,304,750         | 225,000        | 100%                    | 6,869,449          | (257,211)                       | (257,211)                                             | (Note 2) |
|                  | Trifecta                                          | U.S.A                  | Investment                                                                                                                                                                                  | 443,135                    | -                 | 14             | 100%                    | 364,044            | (81,247)                        | (81,247)                                              | (Note 2) |
|                  | Vernus AI                                         | Taipei City            | AI-driven pharmaceutical manufacturing process optimization platform                                                                                                                        | 110,549                    | -                 | 13,000         | 42%                     | 110,549            | -                               | -                                                     |          |
|                  |                                                   |                        |                                                                                                                                                                                             |                            |                   |                |                         | <b>128,824,888</b> | <b>1,364,512</b>                |                                                       |          |
| CUH              | CUT                                               | U.S.A                  | R&D, manufacturing and sales of servers products                                                                                                                                            | 7,025,250                  | 2,304,750         | 225,000        | 100%                    | 6,869,449          | (257,211)                       | 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%                     | 30,017             | -                               | 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%                      | 672,475            | 1,432,548                       | Investment gain (losses) recognized by Panpal         | (Note 2) |
|                  | Allied Circuit                                    | Taoyuan City           | Production and selling of PCB boards                                                                                                                                                        | 171,229                    | 171,229           | 3,157          | 5%                      | 185,355            | 402,917                         | Investment gain (losses) recognized by Panpal         |          |
|                  | PT GLB Biotechnology Indonesia                    | Indonesia              | Manufacturing and wholesale of medical equipment                                                                                                                                            | 894                        | 894               | -              | 1%                      | 592                | (8,550)                         | Investment gain (losses) recognized by Panpal         | (Note 2) |
|                  | Others                                            |                        |                                                                                                                                                                                             |                            |                   |                |                         | (1,761,433)        |                                 |                                                       | (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%                      | 786,713            | 1,432,548                       | 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%                      | 203,891            | 402,917                         | Investment gain (losses) recognized by Gempal         |          |
|                  | Others                                            |                        |                                                                                                                                                                                             |                            |                   |                |                         | 107,864            | -                               |                                                       | (Note 2) |

(Continued)

## Notes to Consolidated Financial Statements

Table 7 The information on investees for the year ended June 30, 2026 (excluding information on investees in Mainland China):

(June 30, 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     |
|------------------|------------------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------|----------------|-------------------------|----------------|---------------------------------|-------------------------------------------------|----------|
|                  |                  |                        |                                                                                                                                                                                             | June 30, 2026              | December 31, 2025 | Shares         | Percentage of Ownership | Carrying Value |                                 |                                                 |          |
| 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%                      | 786,713        | 1,432,548                       | Investment gain (losses) recognized by Hong Ji  | (Note 2) |
|                  | Allied Circuit   | Taoyuan City           | Production and selling of PCB boards                                                                                                                                                        | 17,066                     | 17,066            | 918            | 1%                      | 49,015         | 402,917                         | Investment gain (losses) recognized by Hong Ji  | (Note 2) |
| 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%                      | 375,780        | 1,432,548                       | Investment gain (losses) recognized by Hong Jin | (Note 2) |
| Just             | CDH (HK)         | Hong Kong              | Investment                                                                                                                                                                                  | 1,984,175                  | 1,984,175         | 62,298         | 100%                    | 8,593,005      | 131,797                         | Investment gain (losses) recognized by Just     | (Note 2) |
|                  | CII              | British Virgin Islands | Investment                                                                                                                                                                                  | 405,928                    | 405,928           | 12,745         | 100%                    | 374,860        | 7,357                           | Investment gain (losses) recognized by Just     | (Note 2) |
|                  | CPI              | British Virgin Islands | Investment                                                                                                                                                                                  | 15,925                     | 15,925            | 500            | 100%                    | 15,499         | (100)                           | Investment gain (losses) recognized by Just     | (Note 2) |
| CII              | Smart            | British Virgin Islands | Investment                                                                                                                                                                                  | 32                         | 32                | 1              | 100%                    | 384            | (1)                             | Investment gain (losses) recognized by CII      | (Note 2) |
|                  | MEL              | U.S.A                  | Investment                                                                                                                                                                                  | 262,253                    | 262,253           | -              | 100%                    | 223,447        | 933                             | 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                                                                                                                                                     | 79,625                     | 79,625            | 2,500          | 100%                    | 67,453         | 20,983                          | Investment gain (losses) recognized by CII      | (Note 2) |
|                  | CUS              | U.S.A                  | Manufacturing and sales of servers, notebook PCs, and automotive electronic products                                                                                                        | 238,875                    | 238,875           | -              | 21%                     | 80,621         | (37,918)                        | Investment gain (losses) recognized by CII      | (Note 2) |
| CIH              | CIH (HK)         | Hong Kong              | Investment                                                                                                                                                                                  | 2,382,460                  | 2,382,460         | 74,803         | 100%                    | 51,670,475     | 1,283,490                       | Investment gain (losses) recognized by CIH      | (Note 2) |
|                  | Jenpal           | British Virgin Islands | Investment                                                                                                                                                                                  | 234,098                    | 234,098           | 7,350          | 100%                    | 137,279        | 2,665                           | Investment gain (losses) recognized by CIH      | (Note 2) |
|                  | PFG              | British Virgin Islands | Investment                                                                                                                                                                                  | 32                         | 32                | 1              | 100%                    | 294,162        | 35,428                          | Investment gain (losses) recognized by CIH      | (Note 2) |
|                  | FWT              | British Virgin Islands | Investment                                                                                                                                                                                  | 474,565                    | 474,565           | 14,900         | 100%                    | 474,564        | -                               | Investment gain (losses) recognized by CIH      | (Note 2) |
|                  | CCM              | British Virgin Islands | Investment                                                                                                                                                                                  | 162,435                    | 162,435           | 5,100          | 51%                     | 5,471          | 24                              | Investment gain (losses) recognized by CIH      | (Note 2) |
| HSI              | IUE              | British Virgin Islands | Investment                                                                                                                                                                                  | 2,133,950                  | 2,133,950         | 67,000         | 100%                    | 3,089,289      | 569,053                         | Investment gain (losses) recognized by HSI      | (Note 2) |
|                  | Goal             | British Virgin Islands | Investment                                                                                                                                                                                  | 404,495                    | 404,495           | 12,700         | 100%                    | 346,829        | 9,323                           | 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                                                                            | 2,133,950                  | 2,133,950         | 67,000         | 100%                    | 3,089,289      | 569,053                         | Investment gain (losses) recognized by IUE      | (Note 2) |
| Goal             | CDM              | Vietnam                | Construction of and investment in infrastructure in Ba-Thien industrial district of Vietnam                                                                                                 | 404,495                    | 404,495           | 12,700         | 100%                    | 303,928        | 9,323                           | Investment gain (losses) recognized by Goal     | (Note 2) |
| BCI              | CMI              | British Virgin Islands | Investment                                                                                                                                                                                  | 2,574,117                  | 2,574,117         | 80,820         | 100%                    | 6,322,876      | 3,236                           | Investment gain (losses) recognized by BCI      | (Note 2) |
|                  | PRI              | British Virgin Islands | Investment                                                                                                                                                                                  | 318,500                    | 318,500           | 10,000         | 100%                    | 3,901,577      | 66,082                          | Investment gain (losses) recognized by BCI      | (Note 2) |
| CORE             | BSH              | British Virgin Islands | Investment                                                                                                                                                                                  | 4,681,950                  | 4,681,950         | 147,000        | 100%                    | 9,214,713      | 171,924                         | Investment gain (losses) recognized by CORE     | (Note 2) |
| BSH              | Mithera          | Cayman Islands         | Investment                                                                                                                                                                                  | 160,843                    | 160,843           | -              | 99%                     | 134,165        | (291)                           | Investment gain (losses) recognized by BSH      | (Note 2) |
|                  | CIN              | U.S.A                  | Manufacturing                                                                                                                                                                               | 577,441                    | 577,441           | 1              | 100%                    | 187,825        | (125,600)                       | Investment gain (losses) recognized by BSH      | (Note 2) |
|                  | HSI              | British Virgin Islands | Investment                                                                                                                                                                                  | 1,178,450                  | 1,178,450         | 37,000         | 46%                     | 1,945,685      | 578,687                         | Investment gain (losses) recognized by BSH      | (Note 2) |
|                  | HHB              | British Virgin Islands | Investment                                                                                                                                                                                  | 191,100                    | 191,100           | 9,000          | 16%                     | 218,724        | 17,999                          | 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    | 1,911,000                  | 1,911,000         | -              | 100%                    | 2,003,687      | 12,056                          | 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                                                                            | -                          | 63,700            | -              | -%                      | -              | (10,394)                        | Investment gain (losses) recognized by Forever  | (Note 2) |
| Webtek           | Etrade           | British Virgin Islands | Investment                                                                                                                                                                                  | 796,250                    | 796,250           | 25,000         | 35%                     | (353,158)      | (16,205)                        | Investment gain (losses) recognized by Webtek   | (Note 2) |

(Continued)

## Notes to Consolidated Financial Statements

Table 7 The information on investees for the year ended June 30, 2026 (excluding information on investees in Mainland China):

(June 30, 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     |
|----------------------|-------------------------------------------------------|------------------------|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------|----------------|-------------------------|----------------|---------------------------------|-------------------------------------------------------------|----------|
|                      |                                                       |                        |                                                                                                                                          | June 30, 2026              | December 31, 2025 | Shares         | Percentage of Ownership | Carrying Value |                                 |                                                             |          |
| Arcadyan             | Arcadyan Holding                                      | British Virgin Islands | Investment                                                                                                                               | 1,375,362                  | 1,375,362         | 37,780         | 100%                    | 953,001        | (1,421,287)                     | 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%                    | 258,014        | 47,304                          | 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%                    | 127,868        | 7,639                           | Investment gain (losses) recognized by Arcadyan             | (Note 2) |
|                      | Arcadyan Korea                                        | Korea                  | Sales of wireless network products                                                                                                       | 2,879                      | 2,879             | 20             | 100%                    | 31,654         | 125                             | Investment gain (losses) recognized by Arcadyan             | (Note 2) |
|                      | Zhi-Bao                                               | Hsinchu City           | Investment                                                                                                                               | 48,000                     | 48,000            | 34,980         | 100%                    | 264,145        | (27,937)                        | 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%                     | 138,410        | (1,276)                         | Investment gain (losses) recognized by Arcadyan             | (Note 2) |
|                      | Arcadyan UK                                           | UK                     | Technical support of wireless network products                                                                                           | 1,988                      | 1,988             | 50             | 100%                    | 8,213          | 1,013                           | Investment gain (losses) recognized by Arcadyan             | (Note 2) |
|                      | Arcadyan AU                                           | Australia              | Sales of wireless network products                                                                                                       | 1,161                      | 1,161             | 50             | 100%                    | 141,967        | 18,735                          | Investment gain (losses) recognized by Arcadyan             | (Note 2) |
|                      | Arcadyan RU                                           | Russia                 | Sales of wireless network products                                                                                                       | 7,672                      | 7,672             | -              | 100%                    | 205            | (204)                           | Investment gain (losses) recognized by Arcadyan             | (Note 2) |
|                      | Arcadyan Turkey                                       | Turkey                 | Sales of wireless network products                                                                                                       | 61,268                     | 61,268            | 6,200          | 100%                    | 52,665         | 3,237                           | Investment gain (losses) recognized by Arcadyan             | (Note 2) |
|                      | Arcadyan Japan                                        | Japan                  | Sales of wireless network products                                                                                                       | 2,008                      | 2,008             | 1              | 100%                    | 834            | (1,152)                         | Investment gain (losses) recognized by Arcadyan             | (Note 2) |
|                      | Arcadyan Brasil                                       | Brazil                 | Sales of wireless network products                                                                                                       | 81,593                     | 81,593            | 968            | 100%                    | (59,208)       | 1,387                           | 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%                    | 24,002         | (13,306)                        | Investment gain (losses) recognized by Arcadyan and Zhi-Bao | (Note 2) |
| Arcadyan Holding     | CBN                                                   | Hsinchu County         | Sales of communication and electronic components                                                                                         | 48,197                     | 48,197            | 13,673         | 20%                     | 155,754        | (132,969)                       | Investment gain (losses) recognized by Arcadyan and Zhi-Bao | (Note 2) |
|                      | Sinoprime                                             | British Virgin Islands | Investment                                                                                                                               | 925,678                    | 925,678           | 29,050         | 100%                    | 936,003        | (1,384,851)                     | Investment gain (losses) recognized by Arcadyan Holding     | (Note 2) |
|                      | Arch Holding                                          | British Virgin Islands | Investment                                                                                                                               | 32,216                     | 32,216            | 1              | 100%                    | 126,408        | (62,849)                        | Investment gain (losses) recognized by Arcadyan Holding     | (Note 2) |
| TTI                  | Quest                                                 | Samoa                  | Investment                                                                                                                               | 38,238                     | 38,238            | 1,200          | 100%                    | 8,184          | (295)                           | Investment gain (losses) recognized by TTI                  | (Note 2) |
| Quest                | Exquisite                                             | Samoa                  | Investment                                                                                                                               | 37,282                     | 37,282            | 1,170          | 100%                    | 7,297          | (285)                           | Investment gain (losses) recognized by Quest                | (Note 2) |
| Sinoprime            | Arcadyan Vietnam                                      | Vietnam                | Manufacturing of wireless network products                                                                                               | 924,085                    | 924,085           | -              | 100%                    | 931,127        | (1,384,914)                     | Investment gain (losses) recognized by Sinoprime            | (Note 2) |
| Rayonnant Technology | APH                                                   | British Virgin Islands | Investment                                                                                                                               | 257,454                    | 257,454           | 8,651          | 41%                     | 142,529        | (57,735)                        | 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                                                                                                                               | 398,125                    | 398,125           | 12,500         | 59%                     | 205,881        | (57,735)                        | Investment gain (losses) recognized by CRH                  | (Note 2) |
| APH                  | PEL                                                   | British Virgin Islands | Investment                                                                                                                               | 100,359                    | 100,359           | 3,151          | 100%                    | 51,191         | 573                             | Investment gain (losses) recognized by APH                  | (Note 2) |
|                      | Rayonnant (HK)                                        | Hong Kong              | Investment                                                                                                                               | 573,300                    | 573,300           | 18,000         | 100%                    | 284,187        | (56,609)                        | Investment gain (losses) recognized by APH                  | (Note 2) |
| HHT                  | HHA                                                   | British Virgin Islands | Investment                                                                                                                               | 1,429,235                  | 1,429,235         | 46,882         | 100%                    | (1,640,340)    | 15,099                          | Investment gain (losses) recognized by HHT                  | (Note 2) |
| HHA                  | HHB                                                   | British Virgin Islands | Investment                                                                                                                               | 1,493,193                  | 1,493,193         | 46,882         | 84%                     | (1,423,939)    | 17,999                          | 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%                    | 4,735          | (180)                           | 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%                    | 6,433          | (15)                            | Investment gain (losses) recognized by CBN                  | (Note 2) |
|                      | Starmems                                              | Taiwan                 | R&D of MEMS microphone related products                                                                                                  | 16,300                     | 16,300            | 1,630          | 10%                     | 4,308          | (7,817)                         | Investment gain (losses) recognized by CBN                  | (Note 2) |
| FGH                  | Wah Yuen Technology Holding Ltd. and its subsidiaries | Mauritius              | Investment                                                                                                                               | 2,858,713                  | 2,858,713         | 95,862         | 37%                     | 3,134,617      | (1,470,460)                     | Investment gain (losses) recognized by FGH                  | (Note 2) |
| GLB                  | PT GLB Biotechnology Indonesia                        | Indonesia              | Manufacturing and wholesale of medical equipment                                                                                         | 84,590                     | 84,590            | 42             | 99%                     | 51,438         | (8,550)                         | 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          | 14%                     | 288            | (9,146)                         | Investment gain (losses) recognized by Mactech              | (Note 2) |

(Continued)

## Notes to Consolidated Financial Statements

Table 7 The information on investees for the year ended June 30, 2026 (excluding information on investees in Mainland China):

(June 30, 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     |
|------------------|--------------------|-------------|------------------------------|----------------------------|-------------------|----------------|-------------------------|----------------|---------------------------------|--------------------------------------------------------|----------|
|                  |                    |             |                              | June 30, 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 | 25,748                     | 14,297            | 570            | 100%                    | 568            | (380)                           | Investment gain (losses) recognized by Poindus Systems | (Note 2) |
|                  | Adasys             | Germany     | Sales of PCs and peripherals | 57,712                     | 57,712            | 0.002          | 100%                    | (10,569)       | (2,604)                         | Investment gain (losses) recognized by Poindus Systems | (Note 2) |
|                  | Varlink            | UK          | Sales of PCs and peripherals | 61,590                     | 61,590            | 140            | 100%                    | 44,800         | 1,418                           | 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 | 443,135                    | -                 | 14             | 100%                    | 364,044        | (81,247)                        | 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)

## Notes to Consolidated Financial Statements

**Table 8 Information on investment in Mainland China:**  
(June 30, 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 June 30, 2026 | 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                                                                                                                                                                                                                                                                               | 1,178,450                       | (Note 1)             | 1,178,450                                                           | -                | -      | 1,178,450                                                         | 191,561                             | 100%                    | 191,561                             | 3,130,077  | -                                                    |
| CDT                                         | Manufacturing and sales of notebook PCs, mobile phones, and Digital products                                                                                                                                                                                                                                      | 637,000                         | (Note 2)             | 637,000                                                             | -                | -      | 637,000                                                           | 162,764                             | 100%                    | 162,764                             | 506,617    | -                                                    |
| CET                                         | Manufacturing of notebook PCs                                                                                                                                                                                                                                                                                     | 382,200                         | (Note 2)             | 382,200                                                             | -                | -      | 382,200                                                           | 60,922                              | 100%                    | 60,922                              | 5,220,057  | -                                                    |
| CSD                                         | Research, manufacture and sales of communication devices, mobile phones, electronic computer, smart watch, and provide related technology service                                                                                                                                                                 | 281,539                         | (Note 2)             | (Note 3)                                                            | -                | -      | -                                                                 | 154,669                             | 100%                    | 154,669                             | 896,417    | -                                                    |
| FIP                                         | Manufacturing of auto parts and accessories                                                                                                                                                                                                                                                                       | 422,308                         | (Note 2)             | (Note 3)                                                            | -                | -      | -                                                                 | (63,280)                            | 60%                     | (37,968)                            | 335,676    | -                                                    |
| JIT                                         | AI application software development                                                                                                                                                                                                                                                                               | 46,923                          | (Note 2)             | (Note 3)                                                            | -                | -      | -                                                                 | 35,518                              | 100%                    | 35,518                              | 79,920     | -                                                    |
| BT                                          | Manufacturing of notebook PCs                                                                                                                                                                                                                                                                                     | 31,850                          | (Note 2)             | 31,850                                                              | -                | -      | 31,850                                                            | 19,541                              | 100%                    | 19,541                              | (94,863)   | -                                                    |
| CGS                                         | Maintenance and warranty service of notebook PCs                                                                                                                                                                                                                                                                  | 9,385                           | (Note 2)             | (Note 3)                                                            | -                | -      | -                                                                 | 11,309                              | 100%                    | 11,309                              | (10,688)   | -                                                    |
| 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                                                                                                                           | -                               | (Note 1)             | 424,561<br>(Note 15)                                                | -                | -      | 424,561                                                           | (2,862)                             | -%                      | (1,236)                             | -          | -                                                    |
| 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 | 2,006,626                       | (Note 1&3)           | 46,820                                                              | -                | -      | 46,820                                                            | (249,936)                           | 44%                     | (110,772)                           | 218,555    | -                                                    |
| CIC                                         | Manufacturing of notebook PCs                                                                                                                                                                                                                                                                                     | 382,200                         | (Note 2)             | 382,200                                                             | -                | -      | 382,200                                                           | 45,477                              | 100%                    | 45,477                              | 12,279,992 | -                                                    |
| CPO                                         | Manufacturing and sales of LCD TVs                                                                                                                                                                                                                                                                                | 385,385                         | (Note 1)             | 385,385                                                             | -                | -      | 385,385                                                           | (8,152)                             | 100%                    | (8,152)                             | 3,565,708  | -                                                    |
| CIT                                         | Manufacturing of notebook PCs                                                                                                                                                                                                                                                                                     | 764,400                         | (Note 2)             | 764,400                                                             | -                | -      | 764,400                                                           | 1,013,019                           | 100%                    | 1,013,019                           | 33,189,960 | -                                                    |
| CST                                         | International trade and distribution of computers and electronic components                                                                                                                                                                                                                                       | 44,590                          | (Note 2)             | 44,590                                                              | -                | -      | 44,590                                                            | 7,391                               | 100%                    | 7,391                               | 56,046     | -                                                    |
| CIJ                                         | Investment and consulting services                                                                                                                                                                                                                                                                                | 496,860                         | (Note 2)             | 496,860                                                             | -                | -      | 496,860                                                           | (74,809)                            | 100%                    | (74,809)                            | 2,329,976  | -                                                    |
| CDE                                         | Manufacturing and sales of LCD TVs                                                                                                                                                                                                                                                                                | 477,750                         | (Note 2)             | (Note 3)                                                            | -                | -      | -                                                                 | (75,436)                            | 100%                    | (75,436)                            | 2,292,453  | -                                                    |
| CIS                                         | Outward investment and consulting services                                                                                                                                                                                                                                                                        | 2,574,117                       | (Note 1)             | 2,574,117                                                           | -                | -      | 2,574,117                                                         | 3,236                               | 100%                    | 3,236                               | 6,322,876  | -                                                    |
| CEC                                         | R&D and manufacturing of notebook PCs, tablet PCs, digital products, network switches, wireless AP, and automobile electronic products                                                                                                                                                                            | 2,548,000                       | (Note 2)             | (Note 3)                                                            | -                | -      | -                                                                 | 2,883                               | 100%                    | 2,883                               | 6,288,482  | -                                                    |
| CMC                                         | Corporate management consulting, financial and tax consulting, investment consulting, and investment management consulting services                                                                                                                                                                               | 25,480                          | (Note 2)             | (Note 3)                                                            | -                | -      | -                                                                 | 318                                 | 100%                    | 318                                 | 27,736     | -                                                    |
| CEQ                                         | R&D, manufacturing and sales of notebook PCs and related components. Also provides related maintenance and warranty services                                                                                                                                                                                      | 318,500                         | (Note 1)             | 318,500                                                             | -                | -      | 318,500                                                           | 66,082                              | 100%                    | 66,082                              | 3,901,577  | -                                                    |
| Compal Precision Module (Jiangsu) Co., Ltd. | Manufacturing and selling of magnesium alloy injection molding                                                                                                                                                                                                                                                    | 13,377,000                      | (Note 2)             | 2,631,670                                                           | -                | -      | 2,631,670                                                         | (802,830)                           | 37%                     | (293,996)                           | 4,956,247  | -                                                    |

(Continued)

## Notes to Consolidated Financial Statements

**Table 8 Information on investment in Mainland China:**  
(June 30, 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 June 30, 2026 | 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 |                                                                   |                                     |                         |                                     |             |                                                      |
| Changhao Electronic Technology (Chongqing) Co., Ltd. | Production and marketing of magnesium alloy molding                                                                             | 1,911,000                       | (Note 2)             | 364,874                                                             | -                | -      | 364,874                                                           | (203,725)                           | 37%                     | (74,604)                            | 457,460     | -                                                    |
| Rayonnant (Taicang)                                  | Manufacturing and sales of aluminum alloy and magnesium alloy products                                                          | 573,300                         | (Note 2)             | 398,125                                                             | -                | -      | 398,125                                                           | (55,927)                            | 100%                    | (55,927)                            | 285,500     | -                                                    |
| Ruixingfu                                            | Wholesale of hardware products, wholesale and manufacturing of electronic components. Also provides related technical services. | 23,462                          | (Note 2)             | (Note 3)                                                            | -                | -      | -                                                                 | 2,624                               | 100%                    | 2,624                               | 27,803      | -                                                    |
| CCI Nanjing                                          | Manufacturing and processing of mobile phones and tablet PCs                                                                    | 859,950                         | (Note 1)             | 700,700                                                             | -                | -      | 700,700                                                           | (10,685)                            | 100%                    | (10,685)                            | (156,829)   | -                                                    |
| CDCN                                                 | Manufacturing and processing of mobile phones and tablet PCs                                                                    | -                               | (Note 1)             | 184,730<br>(Note 16)                                                | -                | -      | 184,730                                                           | (5,090)                             | -%                      | (5,090)                             | -           | -                                                    |
| CWCN                                                 | Manufacturing and processing of mobile phones and tablet PCs                                                                    | 1,560,650                       | (Note 1)             | 605,150                                                             | -                | -      | 605,150                                                           | (11,539)                            | 100%                    | (11,539)                            | (1,289,384) | -                                                    |
| Hanhelt                                              | R&D and manufacturing of electronic communication equipment                                                                     | -                               | (Note 1)             | 63,700<br>(Note 16)                                                 | -                | -      | 63,700                                                            | 1,106                               | -%                      | 1,106                               | -           | -                                                    |
| <b>Arcadyan</b>                                      |                                                                                                                                 |                                 |                      |                                                                     |                  |        |                                                                   |                                     |                         |                                     |             |                                                      |
| SVA Arcadyan                                         | R&D and sales of wireless network products                                                                                      | 258,107                         | (Note 1)             | 427,628<br>(Note 7)                                                 | -                | -      | 427,628                                                           | 3,256                               | 100%                    | 3,256                               | 62,424      | -                                                    |
| CNC                                                  | Manufacturing and wireless network products                                                                                     | 78,069                          | (Note 1&11)          | 32,216<br>(Note 8)                                                  | -                | -      | 32,216                                                            | (62,849)                            | 100%                    | (62,849)                            | 257,565     | -                                                    |
| THAC                                                 | Manufacturing of household electronics products                                                                                 | 385,726                         | (Note 1&9&10)        | 36,645                                                              | -                | -      | 36,645                                                            | (917)                               | 100%                    | (917)                               | 20,362      | -                                                    |
| <b>HengHao</b>                                       |                                                                                                                                 |                                 |                      |                                                                     |                  |        |                                                                   |                                     |                         |                                     |             |                                                      |
| HengHao Zhejiang                                     | Production of touch panels and related components                                                                               | 1,560,650                       | (Note 2)             | (Note 13)                                                           | -                | -      | -                                                                 | 16,565                              | 100%                    | 16,565                              | (1,593,003) | -                                                    |
| <b>Poindus Systems</b>                               |                                                                                                                                 |                                 |                      |                                                                     |                  |        |                                                                   |                                     |                         |                                     |             |                                                      |
| Qijie                                                | Sales of PCs and peripherals                                                                                                    | 29,630                          | (Note 1)             | 29,630                                                              | -                | -      | 29,630                                                            | 820                                 | 100%                    | 820                                 | 7,142       | -                                                    |

(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      | 17,279,803 (US\$542,537)<br>(Note 5)                          | 25,185,897 (US\$790,766)                                                               | (Note 6)                                                                                            |
| Arcadyan         | 496,489 (US\$15,581)                                          | 775,467 (US\$24,336)                                                                   | 9,873,556                                                                                           |
| HengHao          | 1,492,873 (US\$46,872)                                        | 1,492,873 (US\$46,872)                                                                 | (Note 12)                                                                                           |
| Poindus Systems  | 29,630 (US\$1,000)                                            | 29,630 (US\$1,000)                                                                     | 336,311                                                                                             |

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 LIZ Electronics (Kunshan) Co., Ltd., CDCN and Hanhelt.

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 on June 26, 2025.

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

Note 15 : The disposal of equity in LIZ Electronics (Kunshan) Co., Ltd. was completed on May 14, 2026, the effective date of the equity transfer.

Note 16 : The liquidation procedures of CDCN and Hanhelt were completed in June 2026.

(iii) Significant transactions:

For the three months ended June 30, 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".

(Continued)