

**COMPAL ELECTRONICS, INC.  
AND SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Three Months Ended March 31, 2024 and 2023**

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## Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8~10
(4) Summary of material accounting policies	10~19
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	20
(6) Explanation of significant accounts	20~57
(7) Related-party transactions	58~60
(8) Pledged assets	60
(9) Commitments and contingencies	61
(10) Losses due to major disasters	61
(11) Subsequent events	61
(12) Other	61
(13) Other disclosures	
(a) Information on significant transactions	62, 64~72
(b) Information on investees	62, 73~76
(c) Information on investment in mainland China	62, 77~78
(d) Major shareholders	63
(14) Segment information	63



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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 March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, 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 \$43,802,875 thousand and \$46,820,932 thousand, constituting 9.9% and 10.5% of consolidated total assets as of March 31, 2024 and 2023, respectively, total liabilities amounting to \$16,601,029 thousand and \$19,340,953 thousand, constituting 5.4% and 5.9% of consolidated total liabilities as of March 31, 2024 and 2023, respectively, and the absolute value of total comprehensive income (loss) amounting to \$14,270 thousand and \$(39,776) thousand, constituting 0.2% and 3.9% of consolidated total comprehensive income (loss) respectively.

### Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of COMPAL ELECTRONICS, INC. and its subsidiaries as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 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 Szu-Chuan Chien.



KPMG

Taipei, Taiwan (Republic of China)  
May 13, 2024

### Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
**Consolidated Balance Sheets**  
**March 31, 2024, December 31, 2023, and March 31, 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

Assets		March 31, 2024		December 31, 2023		March 31, 2023				March 31, 2024		December 31, 2023		March 31, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%		
<b>Current assets:</b>															
1100	Cash and cash equivalents (Note (6)(a))	\$ 84,446,451	19.1	72,479,480	16.6	86,323,615	19.3	2100	Short-term borrowings (Note (6)(l))	\$ 64,637,821	14.6	58,974,271	13.5	83,085,216	18.6
1110	Current financial assets at fair value through profit or loss (Note (6)(b))	7,107	-	52,062	-	3,206	-	2120	Current financial liabilities at fair value through profit or loss (Note (6)(b))	24,629	-	164,535	-	199,684	-
1135	Current financial assets for hedging (Note (6)(d))	7,235	-	-	-	5,759	-	2125	Current financial liabilities for hedging (Note (6)(d))	-	-	14,246	-	32,882	-
1170	Notes and accounts receivable, net (Note (6)(e))	171,609,254	38.8	187,280,320	42.9	169,763,119	37.9	2130	Current contract liabilities (Note (6)(u))	740,656	0.2	767,327	0.2	854,401	0.2
1180	Notes and accounts receivable due from related parties, net (Notes (6)(e) and (7))	4,091,244	0.9	6,434,296	1.5	4,029,755	0.9	2170	Notes and accounts payable	149,116,505	33.7	148,398,334	34.0	151,470,018	33.8
1200	Other receivables, net (Notes (6)(e) and (7))	3,603,820	0.8	2,372,980	0.5	2,220,895	0.5	2180	Notes and accounts payable to related parties (Note (7))	5,423,553	1.2	10,597,650	2.4	6,547,864	1.5
1310	Inventories (Notes (6)(f) and (8))	102,548,822	23.2	95,102,692	21.8	118,002,880	26.4	2200	Other payables (Note (7))	29,212,915	6.6	30,464,832	7.0	26,682,688	6.0
1470	Other current assets (Note (8))	6,381,829	1.4	5,202,467	1.1	4,760,167	1.1	2216	Dividends payable	6,268,430	1.4	34	-	6,202,962	1.4
		<u>372,695,762</u>	<u>84.2</u>	<u>368,924,297</u>	<u>84.4</u>	<u>385,109,396</u>	<u>86.1</u>	2230	Current tax liabilities	8,242,814	1.8	7,594,694	1.7	7,648,617	1.7
<b>Non-current assets:</b>								2250	Current provisions (Note (6)(o))	935,990	0.2	787,396	0.2	650,725	0.1
1550	Investments accounted for using equity method (Note (6)(g))	7,368,992	1.7	7,448,351	1.7	7,724,252	1.7	2280	Current lease liabilities (Note (6)(n))	2,036,131	0.5	2,001,766	0.5	1,873,287	0.4
1510	Non-current financial assets at fair value through profit or loss (Note (6)(b))	1,316,909	0.3	1,217,512	0.3	583,040	0.1	2300	Other current liabilities (Note (7))	3,640,082	0.8	2,528,809	0.6	3,805,241	0.8
1517	Non-current financial assets at fair value through other comprehensive income (Note (6)(c))	9,697,199	2.2	9,116,008	2.1	5,318,702	1.2	2365	Current refund liabilities	3,544,466	0.8	3,573,141	0.8	2,708,257	0.6
1600	Property, plant and equipment (Notes (6)(j), (6)(k) and (8))	30,229,187	6.8	29,040,525	6.7	29,002,188	6.5	2322	Long-term borrowings, current portion (Note (6)(m))	10,928,149	2.5	11,385,027	2.6	9,980,555	2.3
1755	Right-of-use assets (Notes (6)(k) and (8))	13,825,844	3.1	13,793,968	3.2	13,639,611	3.0		<u>284,752,141</u>	<u>64.3</u>	<u>277,252,062</u>	<u>63.5</u>	<u>301,742,397</u>	<u>67.4</u>	
1780	Intangible assets	2,011,900	0.4	1,462,162	0.3	1,693,485	0.4	2540	<b>Non-Current liabilities:</b>						
1840	Deferred tax assets	3,588,295	0.8	3,615,912	0.8	2,394,660	0.5	2570	Long-term borrowings (Note (6)(m))	15,205,798	3.4	15,285,590	3.5	13,320,921	3.0
1990	Other non-current assets (Note (8))	2,150,451	0.5	2,152,239	0.5	2,235,702	0.5	2580	Deferred tax liabilities	2,053,530	0.5	1,985,324	0.5	1,261,828	0.3
		<u>70,188,777</u>	<u>15.8</u>	<u>67,846,677</u>	<u>15.6</u>	<u>62,591,640</u>	<u>13.9</u>	2640	Non-current lease liabilities (Note (6)(n))	6,968,765	1.6	8,329,451	1.9	8,089,321	1.8
								2670	Non-current net defined benefit liability	645,915	0.1	651,272	0.1	644,759	0.1
									427,822	0.1	494,422	0.1	427,767	0.1	
									<u>25,301,830</u>	<u>5.7</u>	<u>26,746,059</u>	<u>6.1</u>	<u>23,744,596</u>	<u>5.3</u>	
									<u>310,053,971</u>	<u>70.0</u>	<u>303,998,121</u>	<u>69.6</u>	<u>325,486,993</u>	<u>72.7</u>	
									<b>Total liabilities</b>						
									<b>Equity:</b>						
									<b>Equity attributable to owners of parent (Note (6)(r)):</b>						
								3110	Ordinary share	44,071,466	10.0	44,071,466	10.1	44,071,466	9.8
								3200	Capital surplus	3,470,231	0.8	4,270,915	1.0	4,258,803	1.0
								3300	Retained earnings	70,031,501	15.8	72,548,155	16.6	66,955,034	15.0
								3400	Other equity interest	3,544,004	0.8	(387,294)	(0.1)	(2,621,289)	(0.6)
								3500	Treasury shares	(881,247)	(0.2)	(881,247)	(0.2)	(881,247)	(0.2)
									<u>120,235,955</u>	<u>27.2</u>	<u>119,621,995</u>	<u>27.4</u>	<u>111,782,767</u>	<u>25.0</u>	
								36XX	<b>Non-controlling interests</b>	<u>12,594,613</u>	<u>2.8</u>	<u>13,150,858</u>	<u>3.0</u>	<u>10,431,276</u>	<u>2.3</u>
									<b>Total equity</b>	<u>132,830,568</u>	<u>30.0</u>	<u>132,772,853</u>	<u>30.4</u>	<u>122,214,043</u>	<u>27.3</u>
<b>Total assets</b>		<u>\$ 442,884,539</u>	<u>100.0</u>	<u>436,770,974</u>	<u>100.0</u>	<u>447,701,036</u>	<u>100.0</u>		<b>Total liabilities and equity</b>	<u>\$ 442,884,539</u>	<u>100.0</u>	<u>436,770,974</u>	<u>100.0</u>	<u>447,701,036</u>	<u>100.0</u>

See accompanying notes to consolidated financial statements.

**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the three months ended March 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

		<b>For the three months ended March 31</b>			
		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Net sales revenue</b> (Notes (6)(u) and (7))	\$ 199,571,114	100.0	209,458,784	100.0
5000	<b>Cost of sales</b> (Notes (6)(f), (6)(p), (7) and (12))	<u>189,781,959</u>	<u>95.1</u>	<u>200,120,047</u>	<u>95.5</u>
	<b>Gross profit</b>	<u>9,789,155</u>	<u>4.9</u>	<u>9,338,737</u>	<u>4.5</u>
	<b>Operating expenses:</b> (Notes (6)(p) and (12))				
6100	Selling expenses	1,366,880	0.7	1,525,658	0.7
6200	Administrative expenses	1,303,379	0.7	1,174,354	0.6
6300	Research and development expenses	<u>4,281,067</u>	<u>2.1</u>	<u>4,384,698</u>	<u>2.1</u>
		<u>6,951,326</u>	<u>3.5</u>	<u>7,084,710</u>	<u>3.4</u>
	<b>Net operating income</b>	<u>2,837,829</u>	<u>1.4</u>	<u>2,254,027</u>	<u>1.1</u>
	<b>Non-operating income and expenses:</b>				
7100	Interest income (Note (6)(w))	1,038,405	0.5	1,150,097	0.5
7210	Other gains and losses, net (Notes (6)(w) and (6)(y))	267,242	0.2	39,422	-
7050	Finance costs (Note (6)(n))	(1,014,820)	(0.5)	(1,145,871)	(0.5)
7190	Other income (Note (6)(w))	87,329	-	54,295	-
7590	Miscellaneous disbursements	(2,546)	-	(20,857)	-
7770	Share of profit (loss) of associates and joint ventures accounted for using equity method (Note (6)(g))	<u>(241,527)</u>	<u>(0.1)</u>	<u>(120,089)</u>	<u>-</u>
	<b>Total non-operating income and expenses</b>	<u>134,083</u>	<u>0.1</u>	<u>(43,003)</u>	<u>-</u>
7900	<b>Profit from continuing operations before tax</b>	2,971,912	1.5	2,211,024	1.1
7950	<b>Less: Income tax expenses</b> (Note (6)(q))	<u>674,099</u>	<u>0.3</u>	<u>526,302</u>	<u>0.3</u>
	<b>Profit</b>	<u>2,297,813</u>	<u>1.2</u>	<u>1,684,722</u>	<u>0.8</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	(756)	-	8,409	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	481,302	0.2	(106,053)	-
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	(10,361)	-	2,265	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note (6)(q))	<u>90,143</u>	<u>-</u>	<u>1,690</u>	<u>-</u>
	Components of other comprehensive income that will not be reclassified to profit or loss	<u>380,042</u>	<u>0.2</u>	<u>(97,069)</u>	<u>-</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	3,390,524	1.7	(629,517)	(0.3)
8368	Gains (losses) on hedging instrument (Note (6)(x))	21,480	-	20,686	-
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	217,446	0.1	35,914	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note (6)(q))	<u>4,516</u>	<u>-</u>	<u>4,289</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss	<u>3,624,934</u>	<u>1.8</u>	<u>(577,206)</u>	<u>(0.3)</u>
8300	<b>Other comprehensive income (after tax)</b>	<u>4,004,976</u>	<u>2.0</u>	<u>(674,275)</u>	<u>(0.3)</u>
8500	<b>Total comprehensive income</b>	<u>\$ 6,302,789</u>	<u>3.2</u>	<u>1,010,447</u>	<u>0.5</u>
	<b>Profit, attributable to:</b>				
8610	Profit, attributable to owners of parent	\$ 1,890,833	1.0	1,393,250	0.7
8620	Profit, attributable to non-controlling interests	<u>406,980</u>	<u>0.2</u>	<u>291,472</u>	<u>0.1</u>
		<u>\$ 2,297,813</u>	<u>1.2</u>	<u>1,684,722</u>	<u>0.8</u>
	<b>Comprehensive income attributable to:</b>				
8710	Comprehensive income (loss), attributable to owners of parent	\$ 5,821,791	2.9	718,835	0.4
8720	Comprehensive income (loss), attributable to non-controlling interests	<u>480,998</u>	<u>0.3</u>	<u>291,612</u>	<u>0.1</u>
		<u>\$ 6,302,789</u>	<u>3.2</u>	<u>1,010,447</u>	<u>0.5</u>
	<b>Earnings per share</b> (Note (6)(t))				
9750	<b>Basic earnings per share</b>	<u>\$ 0.43</u>		<u>0.32</u>	
9850	<b>Diluted earnings per share</b>	<u>\$ 0.43</u>		<u>0.32</u>	

See accompanying notes to consolidated financial statements.

**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity**  
**For the three months ended March 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent						Total other equity interest					Total equity		
	Retained earnings						Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income							
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Others	Total other equity interest	Treasury shares	Total equity attributable to owners of parent		Non-controlling interests	
<b>Balance at January 1, 2023</b>	\$ 44,071,466	5,078,580	22,576,846	8,206,750	39,185,463	69,969,059	(1,469,711)	(461,103)	(12,290)	(1,943,104)	(881,247)	116,294,754	11,115,089	127,409,843
Profit for the three months ended March 31, 2023	-	-	-	-	1,393,250	1,393,250	-	-	-	-	-	1,393,250	291,472	1,684,722
Other comprehensive income	-	-	-	-	3,770	3,770	(580,059)	(103,583)	5,457	(678,185)	-	(674,415)	140	(674,275)
Total comprehensive income	-	-	-	-	1,397,020	1,397,020	(580,059)	(103,583)	5,457	(678,185)	-	718,835	291,612	1,010,447
Appropriation and distribution of retained earnings:														
Cash dividends of ordinary share	-	-	-	-	(4,407,147)	(4,407,147)	-	-	-	-	-	(4,407,147)	-	(4,407,147)
Cash dividends from capital surplus	-	(881,429)	-	-	-	-	-	-	-	-	-	(881,429)	-	(881,429)
Changes in ownership interests in subsidiaries	-	352	-	-	(1,443)	(1,443)	-	-	-	-	-	(1,091)	-	(1,091)
Changes in equity of associates and joint ventures accounted for using equity method	-	248	-	-	(2,455)	(2,455)	-	-	-	-	-	(2,207)	-	(2,207)
Adjustments of capital surplus for cash dividends received by subsidiaries	-	60,021	-	-	-	-	-	-	-	-	-	60,021	-	60,021
Others	-	1,031	-	-	-	-	-	-	-	-	-	1,031	-	1,031
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(975,425)	(975,425)
<b>Balance at March 31, 2023</b>	<b>\$ 44,071,466</b>	<b>4,258,803</b>	<b>22,576,846</b>	<b>8,206,750</b>	<b>36,171,438</b>	<b>66,955,034</b>	<b>(2,049,770)</b>	<b>(564,686)</b>	<b>(6,833)</b>	<b>(2,621,289)</b>	<b>(881,247)</b>	<b>111,782,767</b>	<b>10,431,276</b>	<b>122,214,043</b>
<b>Balance at January 1, 2024</b>	<b>\$ 44,071,466</b>	<b>4,270,915</b>	<b>23,313,701</b>	<b>1,943,104</b>	<b>47,291,350</b>	<b>72,548,155</b>	<b>(1,747,330)</b>	<b>1,363,472</b>	<b>(3,436)</b>	<b>(387,294)</b>	<b>(881,247)</b>	<b>119,621,995</b>	<b>13,150,858</b>	<b>132,772,853</b>
Profit for the three months ended March 31, 2024	-	-	-	-	1,890,833	1,890,833	-	-	-	-	-	1,890,833	406,980	2,297,813
Other comprehensive income	-	-	-	-	(340)	(340)	3,538,921	386,710	5,667	3,931,298	-	3,930,958	74,018	4,004,976
Total comprehensive income	-	-	-	-	1,890,493	1,890,493	3,538,921	386,710	5,667	3,931,298	-	5,821,791	480,998	6,302,789
Appropriation and distribution of retained earnings:														
Cash dividends of ordinary share	-	-	-	-	(4,407,147)	(4,407,147)	-	-	-	-	-	(4,407,147)	-	(4,407,147)
Cash dividends from capital surplus	-	(881,429)	-	-	-	-	-	-	-	-	-	(881,429)	-	(881,429)
Changes in ownership interests in subsidiaries	-	54	-	-	-	-	-	-	-	-	-	54	-	54
Changes in equity of associates and joint ventures accounted for using equity method	-	19,611	-	-	-	-	-	-	-	-	-	19,611	-	19,611
Adjustments of capital surplus for cash dividends received by subsidiaries	-	60,021	-	-	-	-	-	-	-	-	-	60,021	-	60,021
Others	-	1,059	-	-	-	-	-	-	-	-	-	1,059	-	1,059
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(1,037,243)	(1,037,243)
<b>Balance at March 31, 2024</b>	<b>\$ 44,071,466</b>	<b>3,470,231</b>	<b>23,313,701</b>	<b>1,943,104</b>	<b>44,774,696</b>	<b>70,031,501</b>	<b>1,791,591</b>	<b>1,750,182</b>	<b>2,231</b>	<b>3,544,004</b>	<b>(881,247)</b>	<b>120,235,955</b>	<b>12,594,613</b>	<b>132,830,568</b>

See accompanying notes to consolidated financial statements.

**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the three months ended March 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before tax</b>	\$ 2,971,912	2,211,024
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation and amortization	1,754,728	1,905,418
Expected credit loss	67,412	12,668
Net gain on financial assets or liabilities at fair value through profit or loss	(39,114)	(5,981)
Finance cost	1,014,820	1,145,871
Interest income	(1,038,405)	(1,150,097)
Dividend income	(4,039)	(3,253)
Compensation cost of share-based payments	822	(2,143)
Share of loss of associates and joint ventures accounted for using equity method	241,527	120,089
Gain on disposal of property, plant and equipment	(14,943)	(8,551)
Others	-	(7)
<b>Total adjustments to reconcile profit (loss)</b>	<b>1,982,808</b>	<b>2,014,014</b>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease (increase) in financial assets at fair value through profit or loss	44,955	(3,019)
Decrease in notes and accounts receivable	17,933,703	17,418,281
(Increase) decrease in other receivable	(1,006,031)	356,765
Increase in inventories	(7,446,130)	(6,408,896)
(Increase) decrease in other current assets	(1,151,262)	201,452
Decrease (increase) in other non-current assets	99,776	(161,183)
<b>Total changes in operating assets</b>	<b>8,475,011</b>	<b>11,403,400</b>
<b>Changes in operating liabilities:</b>		
(Decrease) Increase in financial liabilities at fair value through profit or loss	(139,906)	137,157
Decrease in notes and accounts payable	(4,455,926)	(3,820,216)
Decrease in other payables	(1,617,846)	(2,475,008)
(Decrease) Increase in refund liabilities	(28,675)	76,218
Increase (decrease) in provisions	148,594	(83,336)
(Decrease) Increase in contract liabilities	(26,671)	70,163
Increase in other current liabilities	1,111,273	452,676
Others	(6,113)	(6,823)
<b>Total changes in operating liabilities</b>	<b>(5,015,270)</b>	<b>(5,649,169)</b>
<b>Total changes in operating assets and liabilities</b>	<b>3,459,741</b>	<b>5,754,231</b>
<b>Total adjustments</b>	<b>5,442,549</b>	<b>7,768,245</b>
Cash inflow generated from operations	8,414,461	9,979,269
Interest received	915,555	1,141,807
Dividends received	4,039	3,253
Interest paid	(1,059,311)	(1,325,545)
Income taxes paid	(24,595)	(71,941)
<b>Net cash flows from operating activities</b>	<b>8,250,149</b>	<b>9,726,843</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through profit or loss and through other comprehensive income	(128,673)	(17,427)
Acquisition of property, plant and equipment	(1,414,751)	(1,616,012)
Proceeds from disposal of property, plant and equipment	102,121	42,075
Acquisition of intangible assets	(691,698)	(121,111)
(Increase) decrease in restricted assets	(36,441)	166,930
Others	(35,889)	96,711
<b>Net cash flows used in investing activities</b>	<b>(2,205,331)</b>	<b>(1,448,834)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	5,663,550	8,252,790
Proceeds from long-term borrowings	10,364,197	7,174,348
Repayments of long-term borrowings	(10,900,867)	(15,009,994)
Payment of lease liabilities	(1,573,531)	(1,562,472)
Others	(92,302)	(103,263)
<b>Net cash flows from (used) in financing activities</b>	<b>3,461,047</b>	<b>(1,248,591)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>2,461,106</b>	<b>(371,105)</b>
<b>Net increase in cash and cash equivalents</b>	<b>11,966,971</b>	<b>6,658,313</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>72,479,480</b>	<b>79,665,302</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 84,446,451</b>	<b>86,323,615</b>

See accompanying notes to consolidated financial statements.



**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****March 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)****(1) Company history**

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

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

These consolidated financial statements were authorized for issuance by the Board of Directors and issued on May 13, 2024.

**(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, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(Continued)

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

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

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

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>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.</p> <ul style="list-style-type: none"> <li>● 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.</li> <li>● 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.</li> <li>● 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.</li> </ul>	January 1, 2027

(Continued)

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

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS21 “Lack of Exchangeability”

**(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, 2023. For related information, please refer to note (4) of the consolidated financial statement for the year ended December 31, 2023.

**(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, 2023. For related information, please refer to note (4)(c) of the consolidated financial statement for the year ended December 31, 2023.

(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
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	Panpal Technology Corp. ("Panpal")	Investment	100%	100%	100%	Panpal held 31,648 thousand shares of the Company as of March 31, 2024, which represented 0.7% of the Company's outstanding shares. (Note 2 and 3)
"	Gempal Technology Corp. ("Gempal")	"	100%	100%	100%	Gempal held 18,369 thousand shares of the Company as of March 31, 2024, 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%	-	CMX was established in April 2023.
The Company	Rayonnant Technology Co., Ltd. ("Rayonnant Technology")	Manufacturing and sales of PCs, computer periphery devices, and electronic components	100%	100%	100%	
"	HengHao Technology Co., Ltd. ("HengHao")	Manufacturing of PCs, computer periphery devices, and electronic components	100%	100%	100%	
"	Ripal Optoelectronics Co., Ltd. ("Ripal")	Manufacturing of electric appliance and audiovisual electric products	100%	100%	100%	
"	Mactech Co., Ltd ("Mactech")	Manufacturing of equipment and lighting, retailing of equipment and international trading	53%	53%	53%	
"	General Life Biotechnology Co., Ltd. ("GLB")	Manufacturing and sales of medical equipment	50%	50%	50%	
"	Unicore BioMedical Co., Ltd. ("Unicore")	Management consulting services, rental and leasing business, wholesale and retail sale of medical equipment	100%	100%	100%	
"	Hippo Screen Neurotech Co., Ltd. ("Hippo Screen")	Management consulting services, rental and leasing business, wholesale and retail sale of precision instruments and international trading	91%	91%	91%	

(Continued)

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

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	Shennona Taiwan Co., Ltd. (“Shennona TW”)	Management consulting services, rental and leasing business, wholesale and retail sale of precision instruments and international trading	100%	100%	100%	
”	Aco Smartcare Co., Ltd. (“Aco Smartcare”)	Wholesale and retail sale of computer software, software design services, data processing services, wholesale and retail sale of electronic materials, wholesale and retail sale of precision instruments, and biotechnology services	71%	71%	52%	
”	Kinpo&Compal Group Assets Development Corporation (“Kinpo& Compal Group”)	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%	-	Compal Healthcare was established in December 2023.
”	Shennona Corporation (“Shennona”)	Medical care IOT business	100%	100%	100%	
”	Auscom Engineering Inc. (“Auscom”)	R&D of notebook PC related products and components	100%	100%	100%	
”	Just International Ltd. (“Just”)	Investment	100%	100%	100%	
”	Compal International Holding Co., Ltd. (“CIH”)	”	100%	100%	100%	
”	Compal Electronics (Holding) Ltd. (“CEH”)	”	100%	100%	100%	
”	Bizcom Electronics, Inc. (“Bizcom”)	Warranty services and marketing of monitors and notebook PCs	100%	100%	100%	(Note 2 and 3)
”	Flight Global Holding Inc. (“FGH”)	Investment	100%	100%	100%	(Note 2 and 3)
The Company and BSH	High Shine Industrial Corp. (“HSI”)	”	100%	100%	100%	
The Company	Compal Europe (Poland) Sp. z o.o. (“CEP”)	Maintenance and warranty services of notebook PCs	100%	100%	100%	
”	Big Chance International Co., Ltd. (“BCI”)	Investment	100%	100%	100%	
”	Compal Rayonnant Holdings Limited (“CRH”)	”	100%	100%	100%	

(Continued)

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

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	Core Profit Holdings Limited (“CORE”)	Investment	100%	100%	100%	
”	Compalead Electronics B.V. (“CPE”)	”	100%	100%	100%	
”	CGS Technology (Poland) Sp. z o.o. (“CGSP”)	Maintenance and warranty services of notebook PCs	100%	100%	100%	
Panpal	Compal Technologia Do Brasil Ltda. (“CTB”)	Manufacturing of notebook PCs	-	-	-	CTB was established in March 2024 and is not yet funded.
Panpal and Gempal	Compalead Eletronica do Brasil Industria e Comercio Ltda. (“CEB”)	Manufacturing of notebook PCs	100%	100%	100%	(Note 2 and 3)
”	Compal Electronics India Private Limited (“CEIN”)	Manufacturing and warranty service of mobile phones	100%	100%	100%	
”	Compal Smart Device India Private Limited (“CSIN”)	Sales (trade) of mobile phones	100%	-	-	CSIN was established in January 2024.
Panpal and CEB	Compal Electronica DA Amazonia Ltda. (“CEA”)	Manufacturing of notebook PCs	-	100%	100%	CEA was absorbed and merged by CEB in 2024. (Note 2 and 3)
Just	Compal Display Holding (HK) Limited (“CDH (HK)”)	Investment	100%	100%	100%	
”	Compal Electronics International Ltd. (“CII”)	”	100%	100%	100%	
”	Compal International Ltd. (“CPI”)	”	100%	100%	100%	
CDH (HK)	Compal Electronics (China) Co., Ltd. (“CPC”)	Manufacturing and sales of monitors	100%	100%	100%	
”	Compal Optoelectronics (Kunshan) Co., Ltd. (“CPO”)	Manufacturing and sales of LCD TVs	100%	100%	100%	
”	Compal System Trading (Kunshan) Co., Ltd. (“CST”)	International trade and distribution of computers and electronic components	100%	100%	100%	
CPC	Compal Smart Device (Chongqing) Co., Ltd. (“CSD”)	Research, manufacturing and sales of communication devices, mobile phones, electronic computer, smart watch, and providing related technical service	100%	100%	100%	
CSD	FIPOLL Electronics (Chongqing) Co., Ltd. (“FIP”)	Manufacturing of auto parts and accessories	60%	60%	-	FIP was established in December 2023.

(Continued)

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

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
CII	Smart International Trading Ltd. ("Smart")	Investment	100%	100%	100%	
"	Mexcom Electronics, LLC ("MEL")	Investment	100%	100%	100%	
"	Mexcom Technologies, LLC ("MTL")	"	100%	100%	100%	
"	Compal Americas (US) Inc. ("CUS")	Sales of automotive electronic products	100%	100%	-	CUS was established in April 2023.
"	Compal Electronics N.A. Inc. ("CNA")	"	100%	100%	-	CNA was established in April 2023.
CIH	Compal International Holding (HK) Limited ("CIH (HK)")	Investment	100%	100%	100%	
"	Jenpal International Ltd. ("Jenpal")	"	100%	100%	100%	
"	Prospect Fortune Group Ltd. ("PFG")	"	100%	100%	100%	
"	Fortune Way Technology Corp. ("FWT")	"	100%	100%	100%	
CIH (HK)	Compal Electronics Technology (Kunshan) Co., Ltd. ("CET")	Manufacturing of notebook PCs	100%	100%	100%	
"	Compal Information (Kunshan) Co., Ltd. ("CIC")	"	100%	100%	100%	
"	Compal Information Technology (Kunshan) Co., Ltd. ("CIT")	"	100%	100%	100%	
"	Kunshan Botai Electronics Co., Ltd. ("BT")	"	100%	100%	100%	
"	Compal Digital Technology (Kunshan) Co., Ltd. ("CDT")	Manufacturing and sales of notebook PCs, mobile phones, and digital products	100%	100%	100%	
BT	Compower Global Service Co., Ltd. ("CGS")	Maintenance and warranty service of notebook PCs	100%	100%	100%	
CDH (HK) and CIH (HK)	Compal Investment (Jiangsu) Co., Ltd. ("CIJ")	Investment	100%	100%	100%	
CIJ	Compal Display Electronics (Kunshan) Co., Ltd. ("CDE")	Manufacturing and sales of LCD TVs	100%	100%	100%	
The Company and Webtek	Etrade Management Co., Ltd. ("Etrade")	Investment	100%	100%	100%	
The Company	Webtek Technology Co., Ltd. ("Webtek")	"	100%	100%	100%	
"	Forever Young Technology Inc. ("Forever")	"	100%	100%	100%	
"	UniCom Global, Inc. ("UCGI")	Manufacturing and sales of computers and electronic components	100%	100%	100%	
"	Palcom International Corporation ("Palcom")	Sales of mobile phones	100%	100%	100%	

(Continued)

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

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	Poindus Systems Corp, Ltd. ("Poindus Systems")	Sales of PCs and computer periphery devices	56%	56%	56%	
Poindus Systems	Poindus Investment Co., Ltd. ("Poindus Investment")	Investment holding	100%	100%	100%	The Company had resolved its dissolution and liquidation on December 22, 2022.
"	QiJie Electronics (ShenZhen) Co., Ltd. ("QiJie")	Sales of PCs and computer periphery devices	100%	100%	100%	
"	Poindus Systems UK Limited ("Poindus UK")	Sales of PCs and computer periphery devices	100%	100%	100%	
"	Adasys GmbH Elektronische Komponenten ("Adasys")	"	100%	100%	100%	
Poindus Investment	Poindus Systems GmbH GroBhandel mit EDV. Oberursel ("Poindus GmbH")	"	100%	100%	100%	The Company had resolved its dissolution and liquidation on December 22, 2022.
GLB and Panpal	PT GLB Biotechnology Indonesia	Wholesale of medical devices	100%	100%	-	PT GLB Biotechnology Indonesia was established in December 2023.
CDH (HK) and Etrade	Compal Communication (Nanjing) Co., Ltd. ("CCI Nanjing")	Manufacturing and processing of mobile phones and tablet PCs	100%	100%	100%	
Etrade	Compal Digital Communication (Nanjing) Co., Ltd. ("CDCN")	"	100%	100%	100%	
"	Compal Wireless Communication (Nanjing) Co., Ltd. ("CWCN")	"	100%	100%	100%	
Forever	Hanhelt Communication (Nanjing) Co., Ltd. ("Hanhelt")	R&D and manufacturing of electronic communication equipment	100%	100%	100%	
"	Giant Rank Trading Ltd. ("GIA")	Sales of mobile phones	100%	100%	100%	
"	Compal Wise Electronic (Vietnam) Co., Ltd. ("CWV")	Manufacturing and sales of mobile phones, tablet PCs, smart watches, communication devices, other electronic devices and providing related technical service.	100%	100%	100%	
Arcadyan	Arcadyan Technology N.A. Corp. ("Arcadyan USA")	Technical support and sales of wireless network products	100%	100%	100%	
"	Arcadyan Germany Technology GmbH ("Arcadyan Germany")	Technical support and sales of wireless network products	100%	100%	100%	(Notes 2 and 3)
"	Arcadyan Technology Corporation Korea ("Arcadyan Korea")	Sales of wireless network products	100%	100%	100%	(Notes 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
			March 31, 2024	December 31, 2023	March 31, 2023	
Arcadyan	Arcadyan Holding (BVI) Corp. (“Arcadyan Holding”)	Investment	100%	100%	100%	
”	Arcadyan Technology Limited (“Arcadyan UK”)	Technical support of wireless network products	100%	100%	100%	(Notes 2 and 3)
”	Arcadyan Technology Australia Pty Ltd. (“Arcadyan AU”)	Sales of wireless network products	100%	100%	100%	(Notes 2 and 3)
”	Arcadyan Technology Corporation (Russia), LLC. (“Arcadyan RU”)	Sales of wireless network products	100%	100%	100%	(Notes 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%	
Arcadyan and Zhi-Bao	Arcadyan do Brasil Ltda. (“Arcadyan Brasil”)	Sales of wireless network products	100%	100%	100%	(Notes 2 and 3)
”	Arcadyan India Private Limited (“Arcadyan India”)	Sales of wireless network products	100%	100%	100%	(Notes 2 and 3)
The Company, Arcadyan and its subsidiaries	Compal Broadband Network Inc. (“CBN”)	R&D and sales of cable modem, digital set-up box, and other communication products	63%	63%	63%	
CBN	Compal Broadband Networks Belgium BVBA (“CBNB”)	Import and export business, technical support and consulting service of broadband networks	100%	100%	100%	
”	Compal Broadband Networks Netherlands B.V. (“CBNN”)	”	100%	100%	100%	
The Company and CBN	Starmems Semiconductor Corp. (“Starmems”)	R&D of MEMS technology of manufacturing process of semiconductor and manufacturing of electronic components	45%	45%	45%	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%	
”	Arch Holding (BVI) Corp. (“Arch Holding”)	Investment	100%	100%	100%	
Arch Holding	Compal Networking (Kunshan) Co., Ltd. (“CNC”)	Manufacturing of wireless network products	100%	100%	100%	
Sinoprime	Arcadyan Technology (Vietnam) Co., Ltd. (“Arcadyan Vietnam”)	Manufacturing of wireless network products	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
			March 31, 2024	December 31, 2023	March 31, 2023	
TTI	Quest International Group Co., Ltd. (“Quest”)	Investment	100%	100%	100%	
”	Tatung Technology of Japan Co., Ltd. (“TTJC”)	Sales of household digital electronic products	100%	100%	100%	
Quest	Exquisite Electronic Co., Ltd. (“Exquisite”)	Investment	100%	100%	100%	
Exquisite	Tatung Home Appliances (Wujiang) Co., Ltd. (“THAC”)	Manufacturing of household digital electronic products	100%	100%	100%	
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%	
Goal	Compal Development & Management (Vietnam) Co., Ltd. (“CDM”)	Construction of and investment in infrastructure in Ba-Thien industrial district of Vietnam	100%	100%	100%	
Rayonnant Technology and CRH	Allied Power Holding Corp. (“APH”)	Investment	100%	100%	100%	
APH	Primetek Enterprises Limited (“PEL”)	”	100%	100%	100%	
”	Rayonnant Technology (HK) Co., Ltd. (“Rayonnant Technology (HK)”)	”	100%	100%	100%	
Rayonnant Technology (HK)	Rayonnant Technology (Taicang) Co., Ltd. (“Rayonnant Technology (Taicang)”)	Manufacturing and sales of aluminum alloy and magnesium alloy products	100%	100%	100%	
HengHao	HengHao Holdings A Co., Ltd. (“HHA”)	Investment	100%	100%	100%	
HHA and BSH	HengHao Holdings B Co., Ltd. (“HHB”)	”	100%	100%	100%	
HHB	HengHao Optoelectronics Technology (Kunshan) Co., Ltd. (“HengHao Kunshan”)	Production of touch panels and related components	100%	100%	100%	
”	Lucom Display Technology (Kunshan) Limited (“Lucom”)	Manufacturing of touch panels and LCD TVs	100%	100%	100%	
”	HengHao Optoelectronics Technology (Zhejiang) Co., Ltd. (“HengHao Zhejiang”)	Production of touch panels and related components	100%	100%	-	HengHao Zhejiang was established in March 2023.
BCI	Center Mind International Co., Ltd. (“CMI”)	Investment	100%	100%	100%	
”	Prisco International Co., Ltd. (“PRI”)	”	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
			March 31, 2024	December 31, 2023	March 31, 2023	
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%	-	CEV was established in May 2023.

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

Note 2: The financial statements of the subsidiary as of March 31, 2024 have not been reviewed by CPA.

Note 3: The financial statements of the subsidiary as of March 31, 2023 have not been reviewed by CPA.

(Continued)

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

(c) Classification of current and non-current assets and liabilities

The Group classified the asset as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- (ii) It holds the asset primarily for the purpose of trading;
- (iii) It expects to realize within twelve months after the reporting period; or
- (iv) The asset is cash and cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non current.

- (i) It expects to settle the liability in its normal operating cycle;
- (ii) It holds the liability primarily for the purpose of trading;
- (iii) The liability is due to be settled within twelve months after the reporting period; or
- (iv) It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(d) 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.

(e) 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.

(Continued)

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

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

The preparation of the consolidated financial statements in conformity with Regulations and IFRSs Accounting Standards (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates, and assumptions 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, 2023.

**(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, 2023. Please refer to the note (6) of the consolidated financial statements for the year ended December 31, 2023 and for other related information.

(a) Cash and cash equivalents

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Cash on hand	\$ 17,931	17,687	18,130
Checking accounts and demand deposits	28,914,400	32,426,802	36,709,786
Time deposits	53,081,820	37,820,891	47,481,999
Cash equivalents	<u>2,432,300</u>	<u>2,214,100</u>	<u>2,113,700</u>
	<b><u>\$ 84,446,451</u></b>	<b><u>72,479,480</u></b>	<b><u>86,323,615</u></b>

Please refer to note (6)(y) 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>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<b>Financial assets mandatorily measured at fair value through profit or loss:</b>			
Non-derivative financial assets			
Stock unlisted in domestic markets	\$ 181,000	158,680	127,680
Fund in domestic or foreign markets	1,135,909	1,058,832	455,360
Derivative instruments not used for hedging			
Foreign exchange contracts	7,107	4,519	205
Swap contracts	<u>-</u>	<u>47,543</u>	<u>3,001</u>
Total	<b><u>\$ 1,324,016</u></b>	<b><u>1,269,574</u></b>	<b><u>586,246</u></b>

(Continued)

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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Current	\$ 7,107	52,062	3,206
Non-current	1,316,909	1,217,512	583,040
	<b>\$ 1,324,016</b>	<b>1,269,574</b>	<b>586,246</b>
	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<b>Financial liabilities held-for-trading:</b>			
Derivative instruments not used for hedging			
Foreign exchange contracts	\$ 18,591	164,535	199,684
Swap contracts	6,038	-	-
Total	<b>\$ 24,629</b>	<b>164,535</b>	<b>199,684</b>

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

<b>March 31, 2024</b>				
		<b>Contract amount (in thousands)</b>	<b>Currency</b>	<b>Maturity date</b>
<b>Derivative financial assets:</b>				
<b>Foreign exchange contracts:</b>				
Forward exchange sold	EUR	20,000	EUR to USD	April 12 ~ July 30, 2024
Forward exchange purchased	USD	6,027	USD to INR	April 12 ~ April 29, 2024
<b>Derivative financial liabilities:</b>				
<b>Foreign exchange contracts:</b>				
Forward exchange sold	USD	740	USD to TWD	April 9 ~ April 30, 2024
Forward exchange purchased	USD	83,500	USD to BRL	April 15 ~ June 11, 2024
<b>Swap contracts:</b>				
Currency swap	USD	10,600	USD to TWD	April 11 ~ April 29, 2024

(Continued)

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

	<b>December 31, 2023</b>		
	<b>Contract amount (in thousands)</b>	<b>Currency</b>	<b>Maturity date</b>
<b>Derivative financial assets:</b>			
<b>Foreign exchange contracts:</b>			
Forward exchange sold	USD 7,087	USD to TWD	January 5 ~ March 25, 2024
Forward exchange purchased	USD 3,609	USD to INR	January 30, 2024
<b>Swap contracts:</b>			
Currency Swap	USD 70,000	USD to TWD	January 26 ~ March 28, 2024
<b>Derivative financial liabilities:</b>			
<b>Foreign exchange contracts:</b>			
Forward exchange purchased	USD 124,500	USD to BRL	January 11 ~ May 31, 2024
Forward exchange purchased	USD 3,595	USD to INR	January 12, 2024
Forward exchange sold	EUR 17,000	EUR to USD	January 12 ~ April 12, 2024
	<b>March 31, 2023</b>		
	<b>Contract amount (in thousands)</b>	<b>Currency</b>	<b>Maturity date</b>
<b>Derivative financial assets:</b>			
<b>Foreign exchange contracts:</b>			
Forward exchange sold	EUR 3,000	EUR to USD	July 14, 2023
Forward exchange purchased	USD 764	USD to INR	June 14, 2023
<b>Swap contracts:</b>			
Currency swap	USD 10,000	USD to TWD	May 30, 2023
<b>Derivative financial liabilities:</b>			
<b>Foreign exchange contracts:</b>			
Forward exchange purchased	USD 128,900	USD to BRL	April 06 ~ June 16, 2023
Forward exchange purchased	USD 3,263	USD to INR	April 13 ~ May 30, 2023
Forward exchange sold	EUR 38,300	EUR to USD	April 14 ~ August 30, 2023

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

As of March 31, 2024, December 31 and March 31, 2023, the Group did not provide any aforementioned financial assets as collaterals for its loans.

(Continued)

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

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Equity investments at fair value through other comprehensive income:			
Stock listed in domestic markets	\$ 4,126,892	4,349,429	2,773,696
Stock listed in foreign markets	3,372,483	2,906,241	531,531
Stock unlisted in domestic markets	1,549,556	1,454,947	1,812,112
Stock unlisted in foreign markets	<u>648,268</u>	<u>405,391</u>	<u>201,363</u>
<b>Total</b>	<b><u>\$ 9,697,199</u></b>	<b><u>9,116,008</u></b>	<b><u>5,318,702</u></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.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the three months ended March 31, 2024 and 2023.

If there is an increase (decrease) in the market price by 5% on the reporting date of the equity securities hold by the Group, the increase (decrease) in other comprehensive income (pre-tax) for the three months ended March 31, 2024 and 2023, will be \$484,860 and \$265,935, 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)(y).

As of March 31, 2024, December 31 and March 31, 2023, 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:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<b>Cash flow hedge:</b>			
<b>Financial assets used for hedging:</b>			
Forward exchange contracts	\$ <u>7,235</u>	<u>-</u>	<u>5,759</u>
<b>Financial liabilities used for hedging:</b>			
Forward exchange contracts	<u>-</u>	<u>14,246</u>	<u>32,882</u>

(Continued)



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

(ii) Cash flow hedge

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

As of March 31, 2024, December 31 and March 31, 2023 the details related to the items designated as hedge instruments were as follows:

<b>March 31, 2024</b>				
	<b>Contract amount (in thousands)</b>	<b>Currency</b>	<b>Maturity period</b>	<b>Average strike price</b>
<b>Derivative financial liabilities used for hedging</b>				
<b>Foreign exchange contracts:</b>				
Forward exchange sold	EUR 12,000	EUR to USD	April 29 ~ June 27, 2024	1.0982
<b>December 31, 2023</b>				
	<b>Contract amount (in thousands)</b>	<b>Currency</b>	<b>Maturity period</b>	<b>Average strike price</b>
<b>Derivative financial liabilities used for hedging</b>				
<b>Foreign exchange contracts:</b>				
Forward exchange sold	EUR 32,000	EUR to USD	January 30 ~ June 27, 2024	1.0960
<b>March 31, 2023</b>				
	<b>Contract amount (in thousands)</b>	<b>Currency</b>	<b>Maturity period</b>	<b>Average strike price</b>
<b>Derivative financial assets used for hedging</b>				
<b>Foreign exchange contracts:</b>				
Forward exchange sold	EUR 49,000	EUR to USD	April 27 ~ June 29, 2023	1.0956
<b>Derivative financial liabilities used for hedging</b>				
Forward exchange sold	EUR 26,000	EUR to USD	April 27 ~ December 28, 2023	1.0511

(iii) For the three months ended March 31, 2024 and 2023, there were no ineffective portions of cash flow hedge recognized in profits (losses).

(Continued)

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

(iv) For the three months ended March 31, 2024 and 2023, 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)(x).

(e) Notes and accounts receivable

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Notes receivables from operating activities	\$ 15,403	44,525	27,097
Accounts receivables – measured at amortized cost	148,737,459	167,289,327	148,140,522
Accounts receivables – fair value through other comprehensive income	<u>31,005,859</u>	<u>30,358,572</u>	<u>29,559,365</u>
	179,758,721	197,692,424	177,726,984
Less: allowance for uncollectible accounts	<u>(4,058,223)</u>	<u>(3,977,808)</u>	<u>(3,934,110)</u>
	<b><u>\$ 175,700,498</u></b>	<b><u>193,714,616</u></b>	<b><u>173,792,874</u></b>
Notes and accounts receivable, net	<b><u>\$ 171,609,254</u></b>	<b><u>187,280,320</u></b>	<b><u>169,763,119</u></b>
Notes and accounts receivable – related parties, net	<b><u>\$ 4,091,244</u></b>	<b><u>6,434,296</u></b>	<b><u>4,029,755</u></b>

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.

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.

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

<b>March 31, 2024</b>				
<b>Credit rating</b>	<b>Carrying amount of notes and accounts receivable</b>	<b>Weighted- average ECL rate</b>	<b>Lifetime ECLs</b>	<b>Credit- impaired</b>
Level A	\$ 158,264,524	0%	-	No
Level B	10,836,723	2.13%	231,285	No
Level C	<u>3,790,493</u>	100%	<u>3,790,493</u>	Yes
	<b><u>\$ 172,891,740</u></b>		<b><u>4,021,778</u></b>	

(Continued)

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

**December 31, 2023**

<b>Credit rating</b>	<b>Carrying amount of notes and accounts receivable</b>	<b>Weighted- average ECL rate</b>	<b>Lifetime ECLs</b>	<b>Credit- impaired</b>
Level A	\$ 171,224,931	0%	-	No
Level B	12,850,108	1.14%	146,162	No
Level C	<u>3,790,493</u>	100%	<u>3,790,493</u>	Yes
	<b><u>\$ 187,865,532</u></b>		<b><u>3,936,655</u></b>	

**March 31, 2023**

<b>Credit rating</b>	<b>Carrying amount of notes and accounts receivable</b>	<b>Weighted- average ECL rate</b>	<b>Lifetime ECLs</b>	<b>Credit- impaired</b>
Level A	\$ 154,463,958	0%	-	No
Level B	11,262,183	0.96%	108,239	No
Level C	<u>3,790,493</u>	100%	<u>3,790,493</u>	Yes
	<b><u>\$ 169,516,634</u></b>		<b><u>3,898,732</u></b>	

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

**March 31, 2024**

<b>Credit rating</b>	<b>Carrying amount of notes and accounts receivable</b>	<b>Weighted- average ECL rate</b>	<b>Lifetime ECLs</b>	<b>Credit- impaired</b>
Level A	\$ 2,446,240	0%	-	No
Level B	3,096,824	0.10%	3,110	No
Level C	1,303,054	1.00%	12,472	No
Level D	-	-	-	-
Level E	<u>20,863</u>	100%	<u>20,863</u>	Yes
	<b><u>\$ 6,866,981</u></b>		<b><u>36,445</u></b>	

**December 31, 2023**

<b>Credit rating</b>	<b>Carrying amount of notes and accounts receivable</b>	<b>Weighted- average ECL rate</b>	<b>Lifetime ECLs</b>	<b>Credit- impaired</b>
Level A	\$ 3,377,894	0%	-	No
Level B	4,778,380	0.10%	4,832	No
Level C	1,650,599	1.00%	16,302	No
Level D	-	-	-	-
Level E	<u>20,019</u>	100%	<u>20,019</u>	Yes
	<b><u>\$ 9,826,892</u></b>		<b><u>41,153</u></b>	

(Continued)

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

**March 31, 2023**

<u>Credit rating</u>	<u>Carrying amount of notes and accounts receivable</u>	<u>Weighted- average ECL rate</u>	<u>Lifetime ECLs</u>	<u>Credit- impaired</u>
Level A	\$ 1,432,877	0%	-	No
Level B	5,766,095	0.10%	5,816	No
Level C	991,522	1.00%	9,706	No
Level D	-	-	-	-
Level E	19,856	100%	19,856	Yes
	<u>\$ 8,210,350</u>		<u>35,378</u>	

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Overdue 1 to 180 days	\$ 1,510,958	3,094,481	3,031,464
Overdue 181 to 365 days	78,154	135	6,859
Overdue 365 days	79,102	89,230	-
	<u>\$ 1,668,214</u>	<u>3,183,846</u>	<u>3,038,323</u>

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

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Balance at January 1	\$ 3,977,808	3,924,544
Impairment losses recognized (reversed)	79,827	12,771
Effect of changes in exchange rates	588	(3,205)
Balance at March 31	<u>\$ 4,058,223</u>	<u>3,934,110</u>

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**

The Group entered into accounts receivable factoring agreements with banks. As of March 31, 2024, December 31 and March 31, 2023, except for the amount used under the actual sales amount in accordance with certain agreements, the factoring amount granted by the banks was USD 2,215,000 thousand, USD 2,215,000 thousand and EUR 1,000 thousand, USD 1,737,000 thousand and EUR 1,000 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. As of March 31, 2024, December 31 and March 31, 2023, the factored accounts receivable with no advance amounting to \$0, \$200 and \$42,373, respectively, were accounted for as other receivables.

The Group, customers and banks signed the three-party contracts in which the banks purchase accounts receivable from the Group. The total amount of the accounts receivable should not exceed the facility limit provided by the banks to the Group's customers. Based on the contracts, the banks have no right to request the Group to repurchase the accounts receivable. Thus, this is a non-recourse accounts receivable transfer. As of March 31, 2024, December 31 and March 31, 2023, accounts receivable factored were recovered and derecognized since the conditions of derecognition were met.

As of March 31, 2024, December 31 and March 31, 2023, the details of the factored accounts receivable but unsettled were as follows:

March 31, 2024							
Purchaser	Accounts receivable factored (gross)	Amount advanced		Amount recognized in other receivable	Collateral	Amount derecognized	Interest rate
		Unpaid	Paid				
Financial Institution	\$ <u>2,878,692</u>	-	<u>2,878,692</u>	-	-	<u>2,878,692</u>	5.82%~5.98%
December 31, 2023							
Purchaser	Accounts receivable factored (gross)	Amount advanced		Amount recognized in other receivable	Collateral	Amount derecognized	Interest rate
		Unpaid	Paid				
Financial Institution	\$ <u>13,188,220</u>	-	<u>13,188,020</u>	<u>200</u>	-	<u>13,188,220</u>	2.75%~6.20%
March 31, 2023							
Purchaser	Accounts receivable factored (gross)	Amount advanced		Amount recognized in other receivable	Collateral	Amount derecognized	Interest rate
		Unpaid	Paid				
Financial Institution	\$ <u>4,932,308</u>	-	<u>4,889,935</u>	<u>42,373</u>	-	<u>4,932,308</u>	2.75%~5.81%

As of March 31, 2024, December 31 and March 31, 2023, the Group did not provide any aforementioned notes and accounts receivable as collaterals.

(Continued)

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

## (f) Inventories

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Finished goods	\$ 30,834,767	28,283,848	36,084,205
Work in progress	10,296,188	10,441,483	11,682,223
Raw materials	60,979,692	56,020,648	66,996,877
Raw materials in transit	<u>438,175</u>	<u>356,713</u>	<u>3,239,575</u>
	<b><u>\$ 102,548,822</u></b>	<b><u>95,102,692</u></b>	<b><u>118,002,880</u></b>

(i) For the three months ended March 31, 2024 and 2023, inventory cost recognized as cost of sales amounted to \$189,781,959 and \$200,120,047, respectively.

(ii) 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 \$264,476 for the three months ended March 31, 2024. The loss due to the write-down of inventories to net realizable value amounted to \$106,011 for the three months ended March 31, 2023.

(iii) As of March 31, 2024, December 31 and March 31, 2023, the Group provided part of its inventories as collaterals for its short-term borrowings. Please refer to note (8).

## (g) 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>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Associates	\$ 7,461,867	7,563,017	7,842,454
Joint venture	<u>6,121</u>	<u>6,144</u>	<u>1,633</u>
	7,467,988	7,569,161	7,844,087
Plus: credit balance of investments in equity method (recorded as other non-current liability)	26,761	-	-
Less: unrealized profits or losses	<u>(125,757)</u>	<u>(120,810)</u>	<u>(119,835)</u>
	<b><u>\$ 7,368,992</u></b>	<b><u>7,448,351</u></b>	<b><u>7,724,252</u></b>

(Continued)

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

## (i) Associates

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

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Allied Circuit Co., Ltd. (“Allied Circuit”)	\$ 2,401,767	2,659,099	2,264,523
Avalue Technology Inc. (“Avalue”)	<u>1,835,661</u>	<u>1,783,426</u>	<u>1,422,264</u>
	<u>\$ 4,237,428</u>	<u>4,442,525</u>	<u>3,686,787</u>

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

	<u>For the three months ended</u> <u>March 31,</u>	
	<u>2024</u>	<u>2023</u>
The Group’s share of the loss of associates	<u>\$ (241,251)</u>	<u>(135,774)</u>

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

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Carrying amount of individually immaterial associates	<u>\$ 7,461,867</u>	<u>7,563,017</u>	<u>7,842,454</u>

	<u>For the three months ended</u> <u>March 31,</u>	
	<u>2024</u>	<u>2023</u>
The Group’s share of the net income (loss) of associates:		
Loss from continuing operations		(241,251) (135,774)
Other comprehensive income		<u>207,085</u> <u>38,179</u>
Total comprehensive income		<u>(34,166)</u> <u>(97,595)</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. Moreover, in May 2014, the Group and another company established a jointly controlled entity, Zheng Ying Electronics (Chongqing) Co., Ltd., (“Zheng Ying”), and obtained an ownership interest of 51%. Zheng Ying’s actual paid-in capital amounted to USD 2,500 thousands. The liquidation of Zheng Ying had been completed in February 2023.

(Continued)

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

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

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
The carrying amount of the Group's interests in all individually insignificant joint ventures	<b>\$ 6,121</b>	<b>6,144</b>	<b>1,633</b>
		<b>For the three months ended March 31,</b>	
		<b>2024</b>	<b>2023</b>
The Group's share of the net income (loss) of joint ventures:			
Net (losses) income from continuing operations (also the total comprehensive income (losses))		<b>\$ (276)</b>	<b>15,685</b>

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

(iv) As of March 31, 2024, December 31 and March 31, 2023, the Group did not provide any investments accounted for using equity method as collaterals for its loans.

(h) Changes in subsidiaries' equity

There were no significant transactions for the three months ended March 31, 2024 and 2023. Please refer to note (6)(i) of the consolidated financial statement for the year ended December 31, 2023.

(i) Material non-controlling interests of subsidiaries

There were no significant transactions for the three months ended March 31, 2024 and 2023. Please refer to note (6)(j) of the consolidated financial statement for the year ended December 31, 2023.

(Continued)



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

(j) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the three months ended March 31, 2024 and 2023, were as follows:

	<u>Land</u>	<u>Buildings and building improvement</u>	<u>Machinery</u>	<u>Other equipment</u>	<u>Under construction and prepayment for purchase of equipment</u>	<u>Total</u>
Cost:						
Balance on January 1, 2024	\$ 2,485,703	23,946,957	35,821,879	13,224,939	3,327,703	78,807,181
Additions	-	-	92,132	290,570	1,442,469	1,825,171
Disposals and derecognitions	-	(54,752)	(667,591)	(334,152)	-	(1,056,495)
Reclassifications	-	207,106	409,165	35,593	(651,864)	-
Effect of movements in exchange rates	3,938	797,738	974,155	79,952	2,895	1,858,678
Balance on March 31, 2024	<u>\$ 2,489,641</u>	<u>24,897,049</u>	<u>36,629,740</u>	<u>13,296,902</u>	<u>4,121,203</u>	<u>81,434,535</u>
Balance on January 1, 2023	\$ 2,485,718	21,658,458	36,234,090	13,405,317	2,295,702	76,079,285
Additions	-	-	-	182,902	1,881,073	2,063,975
Disposals and derecognitions	-	(4,938)	(113,311)	(159,774)	-	(278,023)
Reclassifications	-	42,375	343,573	59,611	(445,559)	-
Effect of movements in exchange rates	(788)	186,375	(608,619)	(323,490)	(147,438)	(893,960)
Balance on March 31, 2023	<u>\$ 2,484,930</u>	<u>21,882,270</u>	<u>35,855,733</u>	<u>13,164,566</u>	<u>3,583,778</u>	<u>76,971,277</u>
Depreciation and impairments loss:						
Balance on January 1, 2024	\$ -	13,527,596	25,936,581	10,302,479	-	49,766,656
Depreciation for the period	-	329,824	784,530	269,163	-	1,383,517
Disposals and derecognitions	-	(54,751)	(586,113)	(328,453)	-	(969,317)
Effect of movements in exchange rates	-	314,148	748,404	(38,060)	-	1,024,492
Balance on March 31, 2024	<u>\$ -</u>	<u>14,116,817</u>	<u>26,883,402</u>	<u>10,205,129</u>	<u>-</u>	<u>51,205,348</u>
Balance on January 1, 2023	\$ -	12,555,957	24,546,694	10,168,423	-	47,271,074
Depreciation for the period	-	295,871	899,388	372,183	-	1,567,442
Disposals and derecognitions	-	(4,938)	(80,366)	(159,195)	-	(244,499)
Effect of movements in exchange rates	-	(53,287)	(394,095)	(177,546)	-	(624,928)
Balance on March 31, 2023	<u>\$ -</u>	<u>12,793,603</u>	<u>24,971,621</u>	<u>10,203,865</u>	<u>-</u>	<u>47,969,089</u>
Carrying amounts:						
Balance on January 1, 2024	<u>\$ 2,485,703</u>	<u>10,419,361</u>	<u>9,885,298</u>	<u>2,922,460</u>	<u>3,327,703</u>	<u>29,040,525</u>
Balance on March 31, 2024	<u>\$ 2,489,641</u>	<u>10,780,232</u>	<u>9,746,338</u>	<u>3,091,773</u>	<u>4,121,203</u>	<u>30,229,187</u>
Balance on January 1, 2023	<u>\$ 2,485,718</u>	<u>9,102,501</u>	<u>11,687,396</u>	<u>3,236,894</u>	<u>2,295,702</u>	<u>28,808,211</u>
Balance on March 31, 2023	<u>\$ 2,484,930</u>	<u>9,088,667</u>	<u>10,884,112</u>	<u>2,960,701</u>	<u>3,583,778</u>	<u>29,002,188</u>

As of March 31, 2024, December 31 and March 31, 2023, part of the Group's property, plant and equipment were provided as collateral for long-term borrowings. Please refer to note (8).

(Continued)

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

(k) Right-of-use assets

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

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Vehicles and other</u>	<u>Total</u>
Cost:					
Balance on January 1, 2024	\$ 12,177,457	4,008,099	51,551	39,730	16,276,837
Additions	50,584	195,041	-	2,014	247,639
Deductions	-	(428)	(1,174)	(5,982)	(7,584)
Effect of movements in exchange rates	40,076	12,407	1	120	52,604
Balance on March 31, 2024	<u>\$ 12,268,117</u>	<u>4,215,119</u>	<u>50,378</u>	<u>35,882</u>	<u>16,569,496</u>
Balance on January 1, 2023	\$ 12,180,851	3,320,227	51,104	72,553	15,624,735
Additions	-	172,033	-	7,508	179,541
Deductions	-	(5,785)	-	(6,792)	(12,577)
Effect of movements in exchange rates	(140,149)	59,381	383	12	(80,373)
Balance on March 31, 2023	<u>\$ 12,040,702</u>	<u>3,545,856</u>	<u>51,487</u>	<u>73,281</u>	<u>15,711,326</u>
Depreciation:					
Balance on January 1, 2024	\$ 486,415	1,948,133	23,563	24,758	2,482,869
Depreciation for the period	61,704	204,357	1,120	2,772	269,953
Disposals	-	1	(1,174)	(5,982)	(7,155)
Effect of movements in exchange rates	5,579	(7,671)	1	76	(2,015)
Balance on March 31, 2024	<u>\$ 553,698</u>	<u>2,144,820</u>	<u>23,510</u>	<u>21,624</u>	<u>2,743,652</u>
Balance on January 1, 2023	\$ 241,063	1,613,228	18,093	47,035	1,919,419
Depreciation for the period	61,346	182,207	1,210	5,399	250,162
Disposals	-	(4,567)	-	(6,792)	(11,359)
Effect of movements in exchange rates	(131,769)	44,819	422	21	(86,507)
Balance on March 31, 2023	<u>\$ 170,640</u>	<u>1,835,687</u>	<u>19,725</u>	<u>45,663</u>	<u>2,071,715</u>
Carrying amount:					
Balance on January 1, 2024	<u>\$ 11,691,042</u>	<u>2,059,966</u>	<u>27,988</u>	<u>14,972</u>	<u>13,793,968</u>
Balance on March 31, 2024	<u>\$ 11,714,419</u>	<u>2,070,299</u>	<u>26,868</u>	<u>14,258</u>	<u>13,825,844</u>
Balance on January 1, 2023	<u>\$ 11,939,788</u>	<u>1,706,999</u>	<u>33,011</u>	<u>25,518</u>	<u>13,705,316</u>
Balance on March 31, 2023	<u>\$ 11,870,062</u>	<u>1,710,169</u>	<u>31,762</u>	<u>27,618</u>	<u>13,639,611</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.

The related depreciation expenses of right-of-use assets amounting to \$56,341 and \$56,080 and the interest expenses of lease liabilities amounting to \$11,052 and \$11,021, which met the conditions for capitalization under property, plant and equipment at the rate of 1.5%, had been recognized as the cost of assets for the three months ended March 31, 2024 and 2023, respectively.

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

(Continued)

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

(l) Short-term borrowings

The details of short-term borrowings were as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Unsecured bank loans	\$ 64,628,926	58,965,354	83,076,238
Secured bank loans	8,895	8,917	8,978
Total	<u>\$ 64,637,821</u>	<u>58,974,271</u>	<u>83,085,216</u>
Unused credit line for short-term borrowings	<u>\$ 245,405,000</u>	<u>241,131,000</u>	<u>207,514,000</u>
Range of interest rates	<u>1.52%~8.71%</u>	<u>1.62%~8.78%</u>	<u>1.16%~8.57%</u>

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

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

(m) Long-term borrowings

The details of long-term borrowings were as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Unsecured bank loans	\$ 23,258,132	26,222,601	22,699,130
Secured bank loans	2,875,815	448,016	602,346
Less: current portion	<u>(10,928,149)</u>	<u>(11,385,027)</u>	<u>(9,980,555)</u>
Total	<u>\$ 15,205,798</u>	<u>15,285,590</u>	<u>13,320,921</u>
Unused credit line for long-term borrowings	<u>\$ 24,315,000</u>	<u>21,773,000</u>	<u>24,326,000</u>
Range of interest rates	<u>1.625%~5.8%</u>	<u>1.635%~6.1%</u>	<u>1.51%~5.28%</u>

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

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

(n) Lease liabilities

The details of leases liabilities were as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Current	<u>\$ 2,036,131</u>	<u>2,001,766</u>	<u>1,873,287</u>
Non-current	<u>\$ 6,968,765</u>	<u>8,329,451</u>	<u>8,089,321</u>

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

The amounts recognized in profit or loss were as follows:

(Continued)

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

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Interest on lease liabilities	\$ <b>13,682</b>	<b>9,281</b>
Expenses relating to leases of low-value assets or short-term leases	\$ <b>28,067</b>	<b>15,815</b>

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

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Total cash outflow for leases	\$ <b>1,615,280</b>	<b>1,587,568</b>

(i) Real estate leases

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

(ii) Other leases

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

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

(o) Provisions

There is no significant changes of provisions for the three months ended March 31, 2024 and 2023. Please refer to note (6)(q) of the consolidated financial statements for the year ended December 31, 2023 for related information.

(p) 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, 2023 and 2022.

(Continued)

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

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

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Cost of sales	\$ 245	274
Selling expenses	249	284
Administrative expenses	807	931
Research and development expenses	2,037	2,434
Total	<b>\$ 3,338</b>	<b>3,923</b>

(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 \$142,688 and \$126,315 for the three months ended March 31, 2024 and 2023, respectively. Payment was made to the Bureau of Labor Insurance.

Other subsidiaries recognized the pension expenses, basic endowment insurance expenses, and social welfare expenses amounting to \$179,437 and \$253,671 for the three months ended March 31, 2024 and 2023, respectively.

(q) 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:

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Current tax expense	<b>\$ 674,099</b>	<b>526,302</b>

(Continued)

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

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

	<b>For the three months ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
Remeasurement of the defined benefit liability	\$ (151)	1,682
Unrealized gains (losses) on equity instruments at fair value through other comprehensive income	90,294	8
	<b>\$ 90,143</b>	<b>1,690</b>
<b>Items that will be reclassified subsequently to profit or loss:</b>		
Foreign currency translation differences of foreign operations	\$ 220	152
Gains (losses) on hedging instrument	4,296	4,137
	<b>\$ 4,516</b>	<b>4,289</b>

- (iii) Examination and approval

The Company's tax returns for the year through 2021 were assessed by the tax authorities.

The ROC tax authorities have assessed the income tax return of Shennona TW, Panpal, Ripal, CBN, Zhi-Bao, GLB, Gempal, Hong Jinn, and Hippo Screen through 2022, of UCGI, Arcadyan, HengHao, Palcom, Hong Ji, Unicore, TTI, Mactech, Aco Healthcare, Starmems, Kinpo & Compal Group, Poindus Systems and Poindus Investment through 2021, of Rayonnant Technology through 2020.

- (iv) Global minimum top-up tax

Some countries that the Group operates in have enacted new legislation to implement the global minimum top-up tax. The Group is closely monitoring developments related to the implementation of the international tax reforms introducing a global minimum top-up tax in the countries which it operates in. As of March 31, 2024, the application of this new tax law was assessed to have no material impact on the Group. The Group recognizes the supplemental tax as current income tax when it is actually incurred, and the Group applies the temporary mandatory relief from deferred tax related to the supplemental tax.

(Continued)

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

(r) Capital and other equities

Except for the following disclosure, there was no significant change for capital and other equity for the periods from January 1 to March 31, 2024 and 2023. Please refer to note (6)(t) of the consolidated financial statement for the year ended December 31, 2023.

(i) Capital surplus

The balances of capital surplus were as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Additional paid-in capital	\$ 137,718	1,018,088	1,018,079
Treasury share transactions	2,842,010	2,781,989	2,781,989
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	158,339	158,285	156,424
Changes in equity of associates and joint ventures accounted for using equity method	<u>295,398</u>	<u>275,787</u>	<u>265,545</u>
	<b><u>\$ 3,470,231</u></b>	<b><u>4,270,915</u></b>	<b><u>4,258,803</u></b>

The Company's Board of Directors meeting held on March 15, 2023, approved to distribute the cash of \$881,429 (representing 0.2 New Taiwan Dollars per share), by using the additional paid-in capital.

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

(ii) Retained earnings

If there is any profit after closing of books in a given year, the Company shall first defray tax due, cover accumulated losses and set aside ten percent of it as legal reserve and then set aside or reverse a special reserve in accordance with laws and regulations. The balance of earnings available for distribution is composed of the remainder of the said profit and the unappropriated retained earnings of previous years. The Board of Directors may set aside a certain amount to cope with the business operation conditions, and shall prepare the proposal for distribution of the balance amount thereof after a resolution has been adopted and then allocated by the Board of Directors. The Company authorizes the Board of Directors to distribute all or part of the dividends and bonuses, capital surplus or legal reserve in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the General shareholders' meeting.

(Continued)

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

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 2023 and 2022 was approved in the Board of Directors meeting held on February 29, 2024 and March 15, 2023, respectively. The relevant information was as follows:

	2023		2022	
	Amount per share	Total amount	Amount per share	Total amount
Cash dividends distributed to common shareholders	\$ 1.0	<u><u>4,407,147</u></u>	1.0	<u><u>4,407,147</u></u>

(iii) Treasury stock

The subsidiaries of the Company did not sell the ordinary shares of the Company in the three months ended March 31, 2024 and 2023. As of March 31, 2024, 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 36.20, 39.85 and 25.25 New Taiwan dollars per share as of March 31, 2024, December 31 and March 31, 2023, respectively.

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

(Continued)



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

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

	Exchange differences on transaction of foreign operation financial statements	Unrealized gain (loss) from financial assets at fair value through other comprehensive income	Others	Total
Balance on January 1, 2024	\$ (1,747,330)	1,363,472	(3,436)	(387,294)
The Company	3,283,134	421,602	-	3,704,736
Subsidiaries	38,341	(24,531)	5,667	19,477
Associates	217,446	(10,361)	-	207,085
Balance on March 31, 2024	<u>\$ 1,791,591</u>	<u>1,750,182</u>	<u>2,231</u>	<u>3,544,004</u>
Balance on January 1, 2023	\$ (1,469,711)	(461,103)	(12,290)	(1,943,104)
The Company	(841,821)	(175,824)	-	(1,017,645)
Subsidiaries	225,848	69,976	5,457	301,281
Associates	35,914	2,265	-	38,179
Balance on March 31, 2023	<u>\$ (2,049,770)</u>	<u>(564,686)</u>	<u>(6,833)</u>	<u>(2,621,289)</u>

(s) Share-based payment

There were no significant changes in share-based payment during the three months ended March 31, 2024 and 2023. Please refer to note (6)(u) of the consolidated financial statements for the year ended December 31, 2023 for related information.

(t) Earnings per share

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

	For the three months ended March 31,	
	2024	2023
<b>Basic earnings per share:</b>		
Profit attributable to ordinary shareholders of the Company	<u>\$ 1,890,833</u>	<u>1,393,250</u>
Weighted-average number of outstanding ordinary shares (in thousands)	<u>4,357,130</u>	<u>4,357,130</u>
<b>Diluted earnings per share:</b>		
Profit attributable to ordinary shareholders of the Company (after adjustment of potential diluted ordinary shares)	<u>\$ 1,890,833</u>	<u>1,393,250</u>
Weighted-average number of outstanding ordinary shares of potential diluted ordinary shares		
Weighted-average number of outstanding ordinary shares (in thousands)	4,357,130	4,357,130
Effect of potential diluted common stock		
Employee compensation (in thousands)	<u>21,996</u>	<u>31,436</u>
Weighted-average number of ordinary shares (after adjustment of potential diluted ordinary shares) (in thousands)	<u>4,379,126</u>	<u>4,388,566</u>

(Continued)

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

## (u) Revenue from contracts with customers

## (i) Disaggregation of revenue

	<b>For the three months ended March 31, 2024</b>		
	<b>IT Product Segment</b>	<b>Strategically Integrated Product Segment</b>	<b>Total</b>
Primary geographical markets:			
United States	\$ 66,909,291	5,530,535	72,439,826
China	27,081,955	43,636	27,125,591
Netherlands	16,705,148	174,367	16,879,515
Germany	7,188,315	643,098	7,831,413
United Kingdom	8,115,335	1,262,370	9,377,705
Others	61,024,386	4,892,678	65,917,064
	<b><u>\$ 187,024,430</u></b>	<b><u>12,546,684</u></b>	<b><u>199,571,114</u></b>
Major products:			
5C related electronics products	\$ 186,525,677	12,311,670	198,837,347
Others	498,753	235,014	733,767
	<b><u>\$ 187,024,430</u></b>	<b><u>12,546,684</u></b>	<b><u>199,571,114</u></b>
	<b>For the three months ended March 31, 2023</b>		
	<b>IT Product Segment</b>	<b>Strategically Integrated Product Segment</b>	<b>Total</b>
Primary geographical markets:			
United States	\$ 85,995,299	4,084,336	90,079,635
China	23,308,296	36,086	23,344,382
Netherlands	13,262,101	323,200	13,585,301
Germany	8,933,335	905,451	9,838,786
United Kingdom	7,279,680	1,037,668	8,317,348
Others	59,658,935	4,634,397	64,293,332
	<b><u>\$ 198,437,646</u></b>	<b><u>11,021,138</u></b>	<b><u>209,458,784</u></b>
Major products:			
5C related electronics products	\$ 197,639,415	10,786,624	208,426,039
Others	798,231	234,514	1,032,745
	<b><u>\$ 198,437,646</u></b>	<b><u>11,021,138</u></b>	<b><u>209,458,784</u></b>

(Continued)

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

(ii) Contract balances

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Notes and accounts receivable (including related parties)	\$ 179,758,721	197,692,424	177,726,984
Less: allowance for impairment	<u>(4,058,223)</u>	<u>(3,977,808)</u>	<u>(3,934,110)</u>
Total	<b><u>\$ 175,700,498</u></b>	<b><u>193,714,616</u></b>	<b><u>173,792,874</u></b>
Contract liabilities	<b><u>\$ 740,656</u></b>	<b><u>767,327</u></b>	<b><u>854,401</u></b>

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

The amount of revenue recognized for the three months ended March 31, 2024 and 2023 that were included in the balance of contract liability at the beginning of the period was \$481,274 and \$336,720, 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.

(v) Employees' and directors' compensations

Based on the Company's 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 compensations to employees and directors, shall be distributed to employees as compensations in an amount of not less than two percent thereof and to directors as compensations in an amount of not more than two percent of such profits. In the event that the Company has accumulated losses, the Company shall reserve an amount to offset accumulated losses. The compensations to employees as mentioned above may be distributed in the form of stock or cash. Employees entitled to receive the said stock or cash may include the employees of the Company's subordinate companies pursuant to the Company Act.

The Company accrued and recognized its employee compensation of \$257,960 and \$149,037, and directors' compensation of \$13,758 and \$7,881 for the three months ended March 31, 2024 and 2023, 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 \$814,143 and \$750,945, and directors' compensation of \$43,051 and \$39,790 for the years ended December 31, 2023 and 2022, 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.

(Continued)

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

(w) Non-operating income and expenses

(i) Interest income

The details of interest income for the three months ended March 31, 2024 and 2023, were as follows:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Interest income from bank deposits	\$ 1,037,571	1,123,896
Other interest income	834	26,201
	<b><u>\$ 1,038,405</u></b>	<b><u>1,150,097</u></b>

(ii) Other income

The other incomes for the three months ended March 31, 2024 and 2023, were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Dividend revenue	\$ 4,039	3,253
Other revenue	83,290	51,042
	<b><u>\$ 87,329</u></b>	<b><u>54,295</u></b>

(iii) Other gains and losses

The other gains and losses for the three months ended March 31, 2024 and 2023, were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Gains (losses) on financial assets and liabilities at fair value through profit or loss, net	\$ 39,827	(199,900)
Foreign currency exchange gains, net	212,472	230,764
Gains on disposal of property, plant, and equipment, and intangible assets, net	14,943	8,551
Others	-	7
	<b><u>\$ 267,242</u></b>	<b><u>39,422</u></b>

(Continued)

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

(x) Reclassification of the components of other comprehensive income

The details of reclassification of the components of other comprehensive income for the three months ended March 31, 2024 and 2023, were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Cash flow hedge:		
Gains (losses) from current period	\$ 27,861	(12,985)
Less: reclassification of gains (losses) included in profit or loss	6,381	(33,671)
Profit recognized in other comprehensive income	<b>\$ 21,480</b>	<b>20,686</b>

(y) 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)(aa) of the consolidated financial statements for the year ended December 31, 2023 for related information.

(i) Credit risk

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

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, 2023.) Due to the counter parties and the performing parties of the Group's time deposits are financial institutions with investment grade and above, these time deposits are considered to have low credit risk.

The movements in the allowance for the three months ended March 31, 2024 and 2023 were as follows:

	<b>Other receivables</b>
Balance on January 1, 2024	\$ 14,548
Impairment losses recognized (reversed)	(12,415)
Balance on March 31, 2024	<b>\$ 2,133</b>
Balance on January 1, 2023	\$ 2,756
Impairment losses recognized (reversed)	(103)
Balance on March 31, 2023	<b>\$ 2,653</b>

(Continued)

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

(ii) Liquidity risk

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

	<u>Carrying Amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
<b>March 31, 2024</b>					
Non-derivative financial liabilities					
Secured borrowings	\$ 2,884,710	(2,884,710)	(203,912)	(166,667)	(2,514,131)
Unsecured borrowings	87,887,058	(87,887,058)	(75,362,058)	(5,556,250)	(6,968,750)
Lease liabilities— current and non-current	9,004,896	(10,320,360)	(2,125,313)	(2,033,783)	(6,161,264)
Notes and accounts payable	154,540,058	(154,540,058)	(154,540,058)	-	-
Other payables and dividends payable	35,481,345	(35,481,345)	(35,481,345)	-	-
Derivative financial liabilities					
Forward exchange contracts:	18,591				
Outflow		(2,714,154)	(2,714,154)	-	-
Inflow		2,695,629	2,695,629	-	-
Currency swap contracts:	6,038				
Outflow		(339,200)	(339,200)	-	-
Inflow		332,354	332,354	-	-
	<u>\$ 289,822,696</u>	<u>(291,138,902)</u>	<u>(267,738,057)</u>	<u>(7,756,700)</u>	<u>(15,644,145)</u>
<b>December 31, 2023</b>					
Non-derivative financial liabilities					
Secured borrowings	\$ 456,933	(456,933)	(175,584)	(207,616)	(73,733)
Unsecured borrowings	85,187,955	(85,187,955)	(70,183,714)	(3,500,000)	(11,504,241)
Lease liabilities— current and non-current	10,331,217	(11,643,155)	(2,092,118)	(5,657,702)	(3,893,335)
Notes and accounts payable	158,995,984	(158,995,984)	(158,995,984)	-	-
Other payables	30,464,866	(30,464,866)	(30,464,866)	-	-
Derivative financial liabilities					
Forward exchange contracts:	164,535				
Outflow		(4,660,904)	(4,660,904)	-	-
Inflow		4,497,428	4,497,428	-	-
Forward exchange contracts used for hedging:	14,246				
Outflow		(1,087,360)	(1,087,360)	-	-
Inflow		1,076,861	1,076,861	-	-
	<u>\$ 285,615,736</u>	<u>(286,922,868)</u>	<u>(262,086,241)</u>	<u>(9,365,318)</u>	<u>(15,471,309)</u>

(Continued)

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

	<u>Carrying Amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
<b>March 31, 2023</b>					
Non-derivative financial liabilities					
Secured borrowings	\$ 611,324	(611,324)	(207,145)	(204,467)	(199,712)
Unsecured borrowings	105,775,368	(105,775,368)	(92,858,626)	(4,612,501)	(8,304,241)
Lease liabilities – current and non-current	9,962,608	(11,236,231)	(1,946,701)	(1,896,935)	(7,392,595)
Notes and accounts payable	158,017,882	(158,017,882)	(158,017,882)	-	-
Other payables and dividends payable	32,885,650	(32,885,650)	(32,885,650)	-	-
Derivative financial liabilities					
Forward exchange contracts:	199,684				
Outflow		(5,473,155)	(5,473,155)	-	-
Inflow		5,282,660	5,282,660	-	-
Forward exchange contracts for hedging:	32,882				
Outflow		(859,560)	(859,560)	-	-
Inflow		832,305	832,305	-	-
	<u>\$ 307,485,398</u>	<u>(308,744,205)</u>	<u>(286,133,754)</u>	<u>(6,713,903)</u>	<u>(15,896,548)</u>

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

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

	<u>March 31, 2024</u>			<u>December 31, 2023</u>			<u>March 31, 2023</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign Currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>
Financial assets									
Monetary items									
USD to TWD	\$ 7,683,501	32	245,872,032	7,686,610	30.705	236,017,360	9,612,700	30.45	292,706,715
USD to CNY	14,028	7.2263	448,896	9,030	7.0953	277,266	9,479	6.8762	288,636
EUR to TWD	31,196	34.46	1,075,014	26,099	33.98	886,844	56,818	33.15	1,883,517
CNY to USD	3,161,327	0.1384	14,000,885	3,283,442	0.1409	14,205,268	3,349,589	0.1454	14,830,071
Non-monetary items									
THB to TWD	3,841,972	0.8778	3,372,483	3,237,791	0.8976	2,906,241	597,360	0.8898	531,531
Financial liabilities									
Monetary items									
USD to TWD	7,400,697	32	236,822,272	7,606,810	30.705	233,567,101	9,193,195	30.45	279,932,788
USD to CNY	1,223	7.2263	39,136	1,719	7.0953	52,782	1,861	6.8762	56,667
USD to BRL	193,933	4.9962	6,205,856	177,908	4.8413	5,462,665	196,384	5.0804	5,979,893
EUR to TWD	1,699	34.46	58,548	2,953	33.98	100,343	8,559	33.15	283,731
CNY to USD	3,369,542	0.1384	14,923,028	3,763,607	0.1409	16,282,623	3,570,275	0.1454	15,807,143

(Continued)

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

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable, and other payables that are denominated in foreign currency. Assuming all other variable factors remain constant, a strengthening (weakening) 5% of appreciation (depreciation) of the each major foreign currency against Group entities' functional currency as of March 31, 2024 and 2023, would have increased (decreased) the net profit before tax as follows for the three months ended March 31, 2024 and 2023. The analysis is performed on the same basis for both periods.

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
USD (against the TWD)		
Strengthening 5%	\$ 452,488	638,696
Weakening 5%	(452,488)	(638,696)
USD (against the CNY)		
Strengthening 5%	20,488	11,598
Weakening 5%	(20,488)	(11,598)
USD (against the BRL)		
Strengthening 5%	(310,293)	(298,995)
Weakening 5%	310,293	298,995
EUR (against the TWD)		
Strengthening 5%	50,823	79,989
Weakening 5%	(50,823)	(79,989)
CNY (against the USD)		
Strengthening 5%	(46,107)	(48,854)
Weakening 5%	46,107	48,854

3) Exchange gains and losses of monetary items

As the Group deals with diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. For the three months ended March 31, 2024 and 2023, the foreign exchange gains, including both realized and unrealized, amounted to \$212,472 and \$230,764, respectively.

(Continued)



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

(iv) Interest rate analysis

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

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

Assuming all other variable factors remaining constant, if the interest rate had increased or decreased by 0.25%, the impact to the net profit before tax would be as follows for the three months ended March 31, 2024 and 2023, which would be mainly resulted from the bank savings and borrowings with variable interest rates.

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Interest increased by 0.25%	\$ 10,382	12,833
Interest decreased by 0.25%	(10,382)	(12,833)

(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**

	March 31, 2024				
	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>					
Derivative financial assets for non-hedging	\$ 7,107	-	7,107	-	7,107
Non-derivative financial assets mandatorily measured at fair value through profit or loss	<u>1,316,909</u>	-	-	1,316,909	1,316,909
Subtotal	<u>1,324,016</u>				
<b>Derivative financial assets for hedging</b>					
	<u>7,235</u>	-	7,235	-	7,235
<b>Financial assets at fair value through other comprehensive income</b>					
Stocks listed in domestic markets	4,126,892	4,126,892	-	-	4,126,892
Stocks listed in foreign markets	3,372,483	3,372,483	-	-	3,372,483
Stocks unlisted in domestic markets	1,549,556	-	-	1,549,556	1,549,556
Stocks unlisted in foreign markets	648,268	-	-	648,268	648,268
Accounts receivable	<u>31,005,859</u>	-	31,005,859	-	31,005,859
Subtotal	<u>40,703,058</u>				
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	84,446,451	-	-	-	-
Notes and accounts receivable, net	140,603,395	-	-	-	-
Notes and accounts receivable due from related parties, net	4,091,244	-	-	-	-
Other receivables	3,603,820	-	-	-	-
Other current assets (restricted assets)	745,136	-	-	-	-
Refundable deposits	669,763	-	-	-	-
Other non-current assets (restricted assets)	<u>367,372</u>	-	-	-	-
Subtotal	<u>234,527,181</u>				
Total	<u><b>\$ 276,561,490</b></u>				
<b>Financial liabilities at fair value through profit or loss</b>					
Derivative financial liabilities for non-hedging	\$ <u>24,629</u>	-	24,629	-	24,629
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	64,637,821	-	-	-	-
Notes and accounts payable	149,116,505	-	-	-	-
Notes and accounts payable to related parties	5,423,553	-	-	-	-
Other payables and dividends payable	35,481,345	-	-	-	-
Lease liabilities—current and non-current	9,004,896	-	-	-	-
Long-term borrowings current portion	10,928,149	-	-	-	-
Long-term borrowings	15,205,798	-	-	-	-
Deposits received	<u>365,421</u>	-	-	-	-
Subtotal	<u>290,163,488</u>				
Total	<u><b>\$ 290,188,117</b></u>				

(Continued)

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

	December 31, 2023				
	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>					
Derivative financial assets for non-hedging	\$ 52,062	-	52,062	-	52,062
Non-derivative financial assets mandatorily measured at fair value through profit or loss	<u>1,217,512</u>	-	-	1,217,512	1,217,512
Subtotal	<u>1,269,574</u>				
<b>Financial assets at fair value through other comprehensive income</b>					
Stocks listed in domestic markets	4,349,429	4,349,429	-	-	4,349,429
Stocks listed in foreign markets	2,906,241	2,906,241	-	-	2,906,241
Stocks unlisted in domestic markets	1,454,947	-	-	1,454,947	1,454,947
Stocks unlisted in foreign markets	405,391	-	-	405,391	405,391
Accounts receivable	<u>30,358,572</u>	-	30,358,572	-	30,358,572
Subtotal	<u>39,474,580</u>				
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	72,479,480	-	-	-	-
Notes and accounts receivable, net	156,921,748	-	-	-	-
Notes and accounts receivable due from related parties, net	6,434,296	-	-	-	-
Other receivables	2,372,980	-	-	-	-
Other current assets (restricted assets)	717,036	-	-	-	-
Refundable deposits	636,632	-	-	-	-
Other non-current assets (restricted assets)	<u>359,031</u>	-	-	-	-
Subtotal	<u>239,921,203</u>				
Total	<u>\$ 280,665,357</u>				
<b>Financial liabilities at fair value through profit or loss</b>					
Derivative financial liabilities for non-hedging	\$ <u>164,535</u>	-	164,535	-	164,535
Derivative financial liabilities for hedging	<u>14,246</u>	-	14,246	-	14,246
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	58,974,271	-	-	-	-
Notes and accounts payable	148,398,334	-	-	-	-
Notes and accounts payable to related parties	10,597,650	-	-	-	-
Other payables	30,464,866	-	-	-	-
Lease liabilities—current and non-current	10,331,217	-	-	-	-
Long-term borrowings current portion	11,385,027	-	-	-	-
Long-term borrowings	15,285,590	-	-	-	-
Deposits received	<u>482,708</u>	-	-	-	-
Subtotal	<u>285,919,663</u>				
Total	<u>\$ 286,098,444</u>				

(Continued)

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

	March 31, 2023				
	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>					
Derivative financial assets for non-hedging	\$ 3,206	-	3,206	-	3,206
Non-derivative financial assets mandatorily measured at fair value through profit or loss	<u>583,040</u>	-	-	583,040	583,040
Subtotal	<u>586,246</u>				
<b>Derivative financial assets for hedging</b>	<u>5,759</u>	-	5,759	-	5,759
<b>Financial assets at fair value through other comprehensive income</b>					
Stocks listed in domestic markets	2,773,696	2,773,696	-	-	2,773,696
Stocks listed in foreign markets	531,531	531,531	-	-	531,531
Stocks unlisted in domestic markets	1,812,112	-	-	1,812,112	1,812,112
Stocks unlisted in foreign markets	201,363	-	-	201,363	201,363
Accounts receivable	<u>29,559,365</u>	-	29,559,365	-	29,559,365
Subtotal	<u>34,878,067</u>				
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	86,323,615	-	-	-	-
Notes and accounts receivable, net	140,203,754	-	-	-	-
Notes and accounts receivable due from related parties, net	4,029,755	-	-	-	-
Other receivables	2,220,895	-	-	-	-
Other current assets (restricted assets)	640,168	-	-	-	-
Refundable deposits	734,674	-	-	-	-
Other non-current assets (restricted assets)	<u>966,018</u>	-	-	-	-
Subtotal	<u>235,118,879</u>				
Total	<u><b>\$ 270,588,951</b></u>				
<b>Financial liabilities at fair value through profit or loss</b>					
Derivative financial liabilities for non-hedging	\$ <u>199,684</u>	-	199,684	-	199,684
<b>Derivative financial liabilities for hedging</b>	<u>32,882</u>	-	32,882	-	32,882
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	83,085,216	-	-	-	-
Notes and accounts payable	151,470,018	-	-	-	-
Notes and accounts payable to related parties	6,547,864	-	-	-	-
Other payables and dividends payable	32,885,650	-	-	-	-
Lease liabilities—current and non-current	9,962,608	-	-	-	-
Long-term borrowings current portion	9,980,555	-	-	-	-
Long-term borrowings	13,320,921	-	-	-	-
Deposits received	<u>416,045</u>	-	-	-	-
Subtotal	<u>307,668,877</u>				
Total	<u><b>\$ 307,901,443</b></u>				

(Continued)

**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.

(Continued)

**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 three months ended March 31, 2024 and 2023.

5) Changes in Level 3

The change in Level 3 at fair value in the three months ended March 31, 2024 and 2023, were as follows:

	<b>Financial assets at fair value through profit or loss</b>	<b>Financial assets at fair value through other comprehensive income</b>	<b>Total</b>
Balance on January 1, 2024	\$ 1,217,512	1,860,338	3,077,850
Total gains and losses recognized:			
In profit or loss	39,114	-	39,114
In other comprehensive income	-	237,597	237,597
Purchased	34,713	93,960	128,673
Effect of changes in exchange rates	25,570	5,929	31,499
Balance on March 31, 2024	<u>\$ 1,316,909</u>	<u>2,197,824</u>	<u>3,514,733</u>
Balance on January 1, 2023	\$ 558,909	2,048,900	2,607,809
Total gains and losses recognized:			
In profit or loss	5,981	-	5,981
In other comprehensive income	-	(34,269)	(34,269)
Purchased	17,427	-	17,427
Effect of changes in exchange rates	723	(1,156)	(433)
Balance on March 31, 2023	<u>\$ 583,040</u>	<u>2,013,475</u>	<u>2,596,515</u>

For the three months ended March 31, 2024 and 2023, 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:

(Continued)

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

	<b>For the three months ended</b>	
	<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>
Total gains and losses recognized:		
In profit or loss before tax (as “other gains and losses”)	\$ <u>39,114</u>	<u>5,981</u>
In other comprehensive income (as “unrealized gains and losses from equity instruments at fair value through other comprehensive income”)	\$ <u>237,597</u>	<u>(34,269)</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, 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 (1.70~2.86, 0.75~2.09 and 1.35~2.86, respectively, on March 31, 2024, December 31 and March 31, 2023)  Multiples of earnings (14.77, 14.33 and 14.91, respectively, on March 31, 2024, December 31 and March 31, 2023)  Lack-of-Marketability discount rate (All are 40%~65% on March 31, 2024, December 31 and March 31, 2023)	The higher the multiple is, the higher the fair value will be.  The higher the multiple is, the higher the fair value will be.  The higher the Lack-of-Marketability discount rate is, the lower the fair value will be.

(Continued)

**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>
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

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:

	<u>Input</u>	<u>Move up or down</u>	<u>Other comprehensive income</u>	
			<u>Favorable change</u>	<u>Unfavorable change</u>
<b>March 31, 2024</b>				
Financial assets at fair value through other comprehensive income	Price-Book ratio multiples	5%	\$ <u>16,483</u>	<u>17,723</u>
	Multiples of earnings	5%	\$ <u>1,530</u>	<u>1,501</u>
	Lack-of-Marketability discount rate	5%	\$ <u>8,692</u>	<u>7,481</u>
<b>December 31, 2023</b>				
Financial assets at fair value through other comprehensive income	Price-Book ratio multiples	5%	\$ <u>14,588</u>	<u>15,144</u>
	Multiples of earnings	5%	\$ <u>1,486</u>	<u>1,500</u>
	Lack-of-Marketability discount rate	5%	\$ <u>8,633</u>	<u>8,063</u>

(Continued)



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

	Input	Move up or down	Other comprehensive income	
			Favorable change	Unfavorable change
<b>March 31, 2023</b>				
Financial assets at fair value through other comprehensive income	Price-Book ratio multiples	5%	\$ <u>17,422</u>	<u>17,426</u>
	Multiples of earnings	5%	\$ <u>2,935</u>	<u>2,955</u>
	Lack-of-Marketability discount rate	5%	\$ <u>8,912</u>	<u>8,889</u>

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>March 31, 2024</b>			
<b>Financial assets that are offset which have an exercisable master netting arrangement or similar agreement</b>			
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)
Cash/ Short-term borrowings	\$ <u>446,528,896</u>	<u>446,528,896</u>	-
	(USD <u>13,954,028</u> )	(USD <u>13,954,028</u> )	

<b>December 31, 2023</b>			
<b>Financial assets that are offset which have an exercisable master netting arrangement or similar agreement</b>			
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)
Cash/ Short-term borrowings	\$ <u>378,545,272</u>	<u>378,545,272</u>	-
	(USD <u>12,328,457</u> )	(USD <u>12,328,457</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.	An associate
Therapeutics Co., Ltd. (“ARCE”)	An associate
Raypal Biomedical Co., Ltd. (“Raypal”)	An associate
Hong Ya Technology Co., Ltd. (“Hong Ya”)	An associate
Kinpo Group Management Service Company (“Kinpo Group Management Service”)	An associate
Acbel Polytech Inc. and its subsidiaries (“Acbel”)	The Chairman of the Board is the first degree of kinship of the Chairman of the Company
Cal-Comp Electronics (Thailand) Public Company Limited and its subsidiaries (“Cal-Comp”)	The same Chairman of the Board with the Company
Kinpo	The same Chairman of the Board with the Company

(b) Transactions with key management personnel

Key management personnel remunerations comprised:

	<b>For the three months ended</b>	
	<b>March 31,</b>	
	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 211,882	175,156
Post-employment benefits	2,011	1,881
Share-based payments	<u>331</u>	<u>621</u>
	<b><u>\$ 214,224</u></b>	<b><u>177,658</u></b>

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

(Continued)

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

(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 March 31,</b>	
	<b>2024</b>	<b>2023</b>
Associates	\$ 30,209	43,819
Other related parties	22	79
	<b><u>\$ 30,231</u></b>	<b><u>43,898</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 March 31,</b>	
	<b>2024</b>	<b>2023</b>
Associates	\$ 497,383	660,641
Other related parties	8,075,578	8,670,217
	<b><u>\$ 8,572,961</u></b>	<b><u>9,330,858</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.

(iii) Receivables due from relate 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>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Notes and accounts receivable	Associates	\$ 36,200	26,613	45,322
Notes and accounts receivable	Other related parties	4,055,044	6,407,683	3,984,433
Other receivables	Associates	1,231	1,514	1,214
Other receivables	Other related parties	46	64	-
		<b><u>\$ 4,092,521</u></b>	<b><u>6,435,874</u></b>	<b><u>4,030,969</u></b>

(Continued)

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

(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:

<u>Account</u>	<u>Related party categories</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes and accounts payable	Associates	\$ 518,512	609,875	671,148
Notes and accounts payable	Other related parties	4,905,041	9,987,775	5,876,716
Other payables	Associates	245	137	26
Other payables	Other related parties	116,460	21,788	103,394
Other current liabilities	Other related parties— Cal-Comp	-	-	830,899
		<u>\$ 5,540,258</u>	<u>10,619,575</u>	<u>7,482,183</u>

(8) Pledged assets:

The carrying values of pledged assets were as follows:

<u>Pledged Assets</u>	<u>Subject</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Inventories	Bank loans	\$ 43,491	43,949	48,773
Other current assets	Customs deposit	-	-	534,153
Other current assets	Pledged deposit	745,136	717,036	106,015
Property, plant, and equipment	Bank loans	458,417	463,806	479,973
Right-of-use assets	Bank loans	7,897,935	-	-
Other non-current assets	Customs deposit	800	800	800
Other non-current assets	Pledged deposit	366,572	358,231	965,218
		<u>\$ 9,512,351</u>	<u>1,583,822</u>	<u>2,134,932</u>

(Continued)

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

**(9) Commitments and contingencies:**

The details of commitments and contingencies were as follows:

- (a) In August 2019, Inventec Corporation filed a lawsuit to the Taiwan Taipei District Prosecutor Office against the Group concerning its former employees who joined the Group. This is deemed as an act of violation according to the Trade Secret Law and Copyright Law. The Group engaged lawyers to defend its right on this matter. Currently, the case is still in progress in Taipei District Court; therefore, the Group cannot make any reasonable estimation regarding the possible impact on its business operation.
- (b) The Group entered into various patent license agreements with third parties, and was required to make royalty payments of a predetermined amount periodically.
- (c) As of March 31, 2024, December 31 and March 31, 2023, the Group's signed commitments to purchase property, plant and equipment amounted to \$2,897,503, \$3,346,545 and \$625,399, respectively.

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

**(11) Subsequent events: None**

**(12) Other:**

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

By function	Three months ended March 31, 2024			Three months ended March 31, 2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	2,552,527	4,145,851	6,698,378	3,094,692	4,062,580	7,157,272
Labor and health insurance	222,194	294,581	516,775	251,271	276,957	528,228
Pension	149,942	175,521	325,463	214,803	169,106	383,909
Others	621,159	183,656	804,815	689,289	169,250	858,539
Depreciation	1,333,377	263,752	1,597,129	1,459,953	301,571	1,761,524
Amortization	6,135	151,464	157,599	15,895	127,999	143,894

- (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 three months ended March 31, 2024:

- (i) Loans to other parties: Please refer to Table 1
- (ii) Guarantees and endorsements for other parties: Please refer to Table 2
- (iii) Securities held as of March 31, 2024 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3
- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vi) Disposals of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vii) 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
- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Please refer to Table 5
- (ix) Trading in derivative instruments: Please refer to notes (6)(b) and (6)(d)
- (x) 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

(Continued)

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

(d) Major shareholders:

Shareholder's Name	Shareholding	
	Shares	Percentage
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	307,299,000	6.97 %

Note 1: The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculation basis.

Note 2: If shares are entrusted, the above information regarding such shares will be revealed by each trustors of individual trust account. The shareholders holding more than 10% of the total shares of the company should declare insider's equity according to Securities and Exchange Act. The numbers of the shares declared by the insider include the shares of the trust assets which the insider has discretion over use. For details of the insider's equity announcement please refer to the TWSE website.

**(14) Segment information:**

	<b>Three months ended March 31, 2024</b>			
	<b>Information technology product segment</b>	<b>Strategically integrated product segment</b>	<b>Adjustment and elimination</b>	<b>Total</b>
<b>Revenue:</b>				
Revenue from external customers	\$ 187,024,430	12,546,684	-	199,571,114
Revenue from segments	<u>676,734</u>	<u>-</u>	<u>(676,734)</u>	<u>-</u>
<b>Total revenue</b>	<b><u>\$ 187,701,164</u></b>	<b><u>12,546,684</u></b>	<b><u>(676,734)</u></b>	<b><u>199,571,114</u></b>
<b>Reportable segment profit</b>	<b><u>\$ 2,148,247</u></b>	<b><u>823,665</u></b>	<b><u>-</u></b>	<b><u>2,971,912</u></b>
	<b>Three months ended March 31, 2023</b>			
	<b>Information technology product segment</b>	<b>Strategically integrated product segment</b>	<b>Adjustment and elimination</b>	<b>Total</b>
<b>Revenue:</b>				
Revenue from external customers	\$ 198,437,646	11,021,138	-	209,458,784
Revenue from segments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total revenue</b>	<b><u>\$ 198,437,646</u></b>	<b><u>11,021,138</u></b>	<b><u>-</u></b>	<b><u>209,458,784</u></b>
<b>Reportable segment profit</b>	<b><u>\$ 1,543,355</u></b>	<b><u>667,669</u></b>	<b><u>-</u></b>	<b><u>2,211,024</u></b>



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

**Table 1 Loans to other parties:**

(March 31, 2024)

(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			
0	The Company	UCGI	Other receivables	Y	230,000	230,000	230,000	2.19%	Short-term financing	-	Operating demand	-	-	-	24,047,191	48,094,382	(Note 1)
0	The Company	HengHao	Other receivables	Y	200,000	200,000	200,000	2.19%	Short-term financing	-	Operating demand	-	-	-	24,047,191	48,094,382	(Note 1)
0	The Company	CEB	Other receivables	Y	4,800,000	4,000,000	2,560,000	6.03%~6.13%	Short-term financing	-	Operating demand	-	-	-	24,047,191	48,094,382	(Note 1)
0	The Company	Kinpo & Compal Group Assets Development Corporation	Other receivables	Y	550,000	550,000	-	2.29%	Short-term financing	-	Operating demand	-	-	-	4,555,884	48,094,382	(Note 1)
0	The Company	CTB	Other receivables	Y	1,280,000	1,280,000	320,000	6.03%	Short-term financing	-	Operating demand	-	-	-	24,047,191	48,094,382	(Note 1)
0	The Company	CEP	Other receivables	Y	64,000	64,000	64,000	6.03%	Short-term financing	-	Operating demand	-	-	-	24,047,191	48,094,382	(Note 1)
0	The Company	CSIN	Other receivables	Y	320,000	320,000	-	6.03%	Short-term financing	-	Operating demand	-	-	-	24,047,191	48,094,382	(Note 1)
2	CPC	CIC	Other receivables	Y	440,800	440,800	440,800	2.10%	Short-term financing	-	Operating demand	-	-	-	2,832,493	2,832,493	(Note 2)
3	CIT	CCI Nanjing	Other receivables	Y	2,240,000	2,240,000	1,856,000	6.49%	Short-term financing	-	Operating demand	-	-	-	27,565,296	27,565,296	(Note 3)
3	CIT	HengHao Kunshan	Other receivables	Y	960,000	960,000	960,000	6.49%	Short-term financing	-	Operating demand	-	-	-	27,565,296	27,565,296	(Note 3)
3	CIT	CEB	Other receivables	Y	320,000	320,000	320,000	6.03%	Short-term financing	-	Operating demand	-	-	-	27,565,296	27,565,296	(Note 3)
4	CPO	CIT	Other receivables	Y	661,200	661,200	661,200	2.10%	Short-term financing	-	Operating demand	-	-	-	3,111,110	3,111,110	(Note 4)
4	CPO	CEB	Other receivables	Y	960,000	960,000	960,000	6.03%	Short-term financing	-	Operating demand	-	-	-	3,111,110	3,111,110	(Note 4)
5	CET	BT	Other receivables	Y	264,480	220,400	132,240	2.20%	Short-term financing	-	Operating demand	-	-	-	5,045,678	5,045,678	(Note 5)
6	Panpal	Kinpo & Compal Group Assets Development Corporation	Other receivables	Y	1,000,000	1,000,000	1,000,000	2.19%~2.29%	Short-term financing	-	Operating demand	-	-	-	2,373,840	2,373,840	(Note 6)
6	Panpal	HengHao	Other receivables	Y	600,000	600,000	600,000	2.19%	Short-term financing	-	Operating demand	-	-	-	2,373,840	2,373,840	(Note 6)
7	CIC	HengHao Kunshan	Other receivables	Y	1,760,000	1,760,000	1,760,000	6.49%	Short-term financing	-	Operating demand	-	-	-	10,930,282	10,930,282	(Note 7)
7	CIC	CEB	Other receivables	Y	320,000	320,000	320,000	6.03%	Short-term financing	-	Operating demand	-	-	-	10,930,282	10,930,282	(Note 7)
8	BSH	Compal USA (Indiana), Inc	Other receivables	Y	528,000	528,000	352,000	6.49%	Short-term financing	-	Operating demand	-	-	-	8,255,369	8,255,369	(Note 8)
9	Gempal	Ray-Kwong Medical Management Consulting	Other receivables	Y	5,000	5,000	5,000	2.19%	Short-term financing	-	Operating demand	-	-	-	13,749	964,832	(Note 9)
9	Gempal	CEP	Other receivables	Y	224,000	224,000	-	6.03%	Short-term financing	-	Operating demand	-	-	-	964,832	964,832	(Note 9)
10	CGSP	CEP	Other receivables	Y	64,000	64,000	-	6.49%	Short-term financing	-	Operating demand	-	-	-	92,753	92,753	(Note 10)
11	Hong Ji	Kinpo & Compal Group Assets Development Corporation	Other receivables	Y	450,000	450,000	430,000	2.29%	Short-term financing	-	Operating demand	-	-	-	477,167	477,167	(Note 11)
12	Hong Jin	Hippo Screen	Other receivables	Y	35,000	35,000	35,000	2.19%	Short-term financing	-	Operating demand	-	-	-	154,819	154,819	(Note 12)
13	Arcadyan	Arcadyan Brasil	Other receivables	Y	64,000	64,000	44,800	5.50%	Short-term financing	-	Operating financing	-	-	-	2,798,371	5,596,742	(Note 13)
13	Arcadyan	Arcadyan Vietnam	Other receivables	Y	315,700	-	-	5.50%	Transaction for business between two parties	20,416,000	-	-	-	-	2,798,371	5,596,742	(Note 13)
14	Arcadyan Holding	CNC	Other receivables	Y	1,894,200	-	-	5.50%	Short-term financing	-	Operating financing	-	-	-	2,142,030	2,142,030	(Note 14)
15	Poindus Systems	Adasys GmbH Elektronische Komponenten	Long-term receivables	Y	22,399	22,399	22,399	4.76%	Transaction for business between two parties	75,130	-	-	-	-	53,455	213,820	(Note 15)
15	Poindus Systems	Poindus Systems UK Limited	Long-term receivables	Y	26,104	26,104	26,104	1.00%	Transaction for business between two parties	47,344	-	-	-	-	53,455	213,820	(Note 15)

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

(Continued)

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

**Table 1 Loans to other parties:**

(March 31, 2024)

- Note 2 : According to CPC's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of CPC. When a short-term financing facility with CPC is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of CPC's total amount of capital lent, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to the ultimate parent company's 100% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two aforesaid restrictions, but the maximum amount shall not exceed the net worth of CPC, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.
- Note 3 : According to CIT's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of CIT. When a short-term financing facility with CIT is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of CIT's total amount of capital lent, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to the ultimate parent company's 100% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two aforesaid restrictions, but the maximum amount shall not exceed the net worth of CIT, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.
- Note 4 : According to CPO's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of CPO. When a short-term financing facility with CPO is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of CPO's total amount of lendable capital, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to the ultimate parent company's 100% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two aforesaid restrictions, but the maximum amount shall not exceed the net worth of CPO, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.
- Note 5 : According to CET's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of CET. When a short-term financing facility with CET is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of CET's total amount of lendable capital, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to the ultimate parent company's 100% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two aforesaid restrictions, but the maximum amount shall not exceed the net worth of CET, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.
- Note 6 : According to Panpal's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of Panpal. When a short-term financing facility with Panpal is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of Panpal's total amount of lendable capital, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to the total amount lendable to 50% directly or indirectly owned subsidiaries by Panpal, or the ultimate parent company's 50% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two aforesaid restrictions of 80%, but the maximum amount shall not exceed Panpal's total amount of lendable capital, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.
- Note 7 : According to CIC's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of CIC. When a short-term financing facility with CIC is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of CIC's total amount of lendable capital, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to the ultimate parent company's 100% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two aforesaid restrictions, but the maximum amount shall not exceed the net worth of CIC, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.
- Note 8 : According to BSH's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of BSH. When a short-term financing facility with BSH is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of BSH's total amount of lendable capital, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to the ultimate parent company's 100% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two aforesaid restrictions, but the maximum amount shall not exceed the net worth of BSH, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.
- Note 9 : According to Gempal's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of Gempal. When a short-term financing facility with Gempal is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of Gempal's total amount of lendable capital, and shall be combined with the Gempal's endorsements/guarantees for calculation. In addition, when lending to indirectly owned overseas subsidiaries or the ultimate parent company's 100% directly, the total amount of loans is not limited by 80% of two aforesaid restrictions, but the maximum amount shall not exceed the total amount of lendable capital of Gempal, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.
- Note 10 : According to CGSP's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of CGSP. When a short-term financing facility with CGSP 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 CGSP'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 CGSP, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.
- Note 11 : According to Hong Ji's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of Hong Ji. When a short-term financing facility with Hong Ji is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of Hong Ji's total amount of lendable capital, and shall be combined with the Hong Ji's endorsements/guarantees for calculation. In addition, when lending to indirectly owned overseas subsidiaries or the ultimate parent company's 100% directly, the total amount of loans is not limited by 80% of two aforesaid restrictions, but the maximum amount shall not exceed the total amount of lendable capital of Hong Ji, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.
- Note 12 : According to Hong Jin'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 Jin. When a short-term financing facility with Hong Jin 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 Jin's total amount of lendable capital, and shall be combined with the Hong Jin's endorsements/guarantees for calculation. In addition, when lending to indirectly owned overseas subsidiaries or the ultimate parent company's 100% directly, the total amount of loans is not limited by 80% of two aforesaid restrictions, but the maximum amount shall not exceed the total amount of lendable capital of Hong Jin, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.
- Note 13 : According to Arcadyan's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of Arcadyan. To borrowers having business relationship with Arcadyan, the total amount for lending the borrower shall not exceed 80% of the transaction amount in the last fiscal year or the expecting amount for the current year, nor shall it exceed 20% of the net worth of Arcadyan. Also, the amount shall be combined with the Arcadyan's endorsements/guarantees for the borrower when calculating. When a short-term financing facility is necessary, the borrower should be Arcadyan's investee. The total amount for lending the borrower shall not exceed 80% of the net worth of the borrower, nor shall it exceed 20% of the net worth of Arcadyan, and shall be combined with the Arcadyan's endorsements/guarantees for the borrower when calculating.
- Note 14 : According to Arcadyan Holding's Procedures of Lending Funds to Other Parties, the total amount of loans to others shall not exceed the net worth of Arcadyan Holding. When a short-term financing facility is necessary, the borrower should be Arcadyan Holding's investee. The total amount for lending the borrower shall not exceed the net worth of Arcadyan Holding, and shall be combined with the Arcadyan Holding's endorsements/guarantees for the borrower when calculating.
- Note 15 : According to Poindus Systems' Procedures for Lending Funds to Other parties, 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 and 10% of the net worth of the company's latest financial statements, with the total limit of 40% of the net worth of the company's latest financial statements.
- Note 16 : The transactions had been eliminated in the consolidated financial statements.

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

**Table 2 Guarantees and endorsements for other parties:**  
(March 31, 2024)

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 1 + 2 and 3)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	CEP	(Note 3)	30,058,988	14,883	7,575	7,575	-	0.01%	60,117,977	Y	-	-
0	The Company	CEB	(Note 4)	30,058,988	433,600	433,600	433,600	-	0.36%	60,117,977	Y	-	-
0	The Company	HengHao Kunshan	(Note 4)	30,058,988	26,448	26,448	26,448	-	0.02%	60,117,977	Y	-	Y
0	The Company	CTB	(Note 4)	30,058,988	382,400	382,400	382,400	-	0.32%	60,117,977	Y	-	-
1	Arcadyan	Arcadyan AU	(Note 4)	1,865,580	240,000	240,000	-	-	1.72%	5,596,742	Y	-	-

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

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

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

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

(Continued)

Notes to Consolidated Financial Statements

Table 3 Securities held as of March 31, 2024 (excluding investment in subsidiaries, associates and joint ventures):

(March 31, 2024)

(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	Taiwan Mobile	-	Financial assets at fair value through other comprehensive income-non-current	3,197	329,321	-	329,321	
	Kinpo	The same chairman of the Company	Financial assets at fair value through other comprehensive income-non-current	124,044	1,885,465	8%	1,885,465	
	Cal-Comp	The same chairman of the Company	Financial assets at fair value through other comprehensive income-non-current	1,554,139	3,372,483	15%	3,372,483	
	HWA VI Venture Capital Corp.	-	Financial assets at fair value through other comprehensive income-non-current	48	13,260	10%	13,260	
	HWA Chi Venture Capital Corp.	-	Financial assets at fair value through other comprehensive income-non-current	53	14,304	11%	14,304	
	mProbe Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	4,000	8,320	3%	8,320	
	AcBel	The Chairman of the Board is the first degree of kinship of the Chairman of the Company	Financial assets at fair value through other comprehensive income-non-current	6,685	259,044	1%	259,044	
	Chen Feng Optoelectronics	-	Financial assets at fair value through other comprehensive income-non-current	6,685	101,676	7%	101,676	
	PrimeSensor Technology Inc.	-	Financial assets at fair value through other comprehensive income-non-current	868	12,093	1%	12,093	
	Ganzin Technology, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	2,000	36,000	7%	36,000	
	Airoha Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	215	133,085	-	133,085	
	ITH Corporation	-	Financial assets at fair value through other comprehensive income-non-current	8,000	235,520	2%	235,520	
	EXO IMAGING INC.	-	Financial assets at fair value through other comprehensive income-non-current	1,024	192,000	1%	192,000	
	MEDICALTEK CO., LTD.	-	Financial assets at fair value through other comprehensive income-non-current	1,070	29,960	8%	29,960	
	Clean Energy Fund	-	Financial assets at fair value through profit or loss-non-current	-	231,869	2%	231,869	
	IIH Biomedical Venture Fund	-	Financial assets at fair value through profit or loss-non-current	5,000	97,000	8%	97,000	
	Phoenix Innovation Investment Corporation.	-	Financial assets at fair value through profit or loss-non-current	6,000	84,000	19%	84,000	
	Others		Financial assets at fair value through profit or loss and other comprehensive income		119,989		119,989	
	Total				<u>7,155,389</u>			
Panpal	Compal Electronics, Inc.	The parent company	Financial assets at fair value through other comprehensive income-non-current	31,648	1,145,661	1%	1,145,661	(Note 1)
	Kinpo	The same chairman of the Company	Financial assets at fair value through other comprehensive income-non-current	69,370	1,054,419	5%	1,054,419	
	CDIB Partners Investment Holding Corp.	-	Financial assets at fair value through other comprehensive income-non-current	54,000	894,240	5%	894,240	
	AcBel	The Chairman of the Board is the first degree of kinship of the Chairman of the Company	Financial assets at fair value through other comprehensive income-non-current	11,332	439,111	2%	439,111	
	Lian Hong Art. Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	2,291	68,993	6%	68,993	
	Taiwan Biotech Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	8,680	167,786	3%	167,786	

(Continued)

Notes to Consolidated Financial Statements

Table 3 Securities held as of March 31, 2024 (excluding investment in subsidiaries, associates and joint ventures):

(March 31, 2024)

(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
Panpal	Others	-	Financial assets at fair value through other comprehensive income-non-current		9,334		9,334	
	Total				<u>3,779,544</u>			
Gempal	Compal Electronics, Inc.	The parent company	Financial assets at fair value through other comprehensive income-non-current	18,369	664,970	-	664,970	(Note 1)
	Lian Hong Art. Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	2,291	68,973	6%	68,973	
	Others	-	Financial assets at fair value through other comprehensive income-non-current		1,095		1,095	
	Total				<u>735,038</u>			
Hong Ji	SUYIN Optronics Co., Ltd. ("SUYIN Optronics")	-	Financial assets at fair value through other comprehensive income-non-current	380	-	1%	-	(Note 2)
Hong Jin	SUYIN Optronics	-	Financial assets at fair value through other comprehensive income-non-current	332	-	1%	-	(Note 2)
Arcadyan	GeoThings Inc.	-	Financial assets at fair value through profit or loss-non-current	200	-	4%	-	(Note 2)
	AirHop Communication Inc.	-	Financial assets at fair value through profit or loss-non-current	1,152	-	5%	-	(Note 2)
	Adant Technologies Inc.	-	Financial assets at fair value through profit or loss-non-current	349	-	5%	-	(Note 2)
	IOT EYE, Inc.	-	Financial assets at fair value through profit or loss-non-current	60	-	14%	-	(Note 2)
	TIEF FUND L.P.	-	Financial assets at fair value through profit or loss-non-current	-	49,676	7%	49,676	
	Chimei Motor Electronics Co., LTD	-	Financial assets at fair value through other comprehensive income-non-current	1,650	26,120	6%	26,120	
	Golden Smarhome Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	1,229	-	2%	-	(Note 2)
	Total				<u>75,796</u>			
Mactech	Taichung International Golf Country Club	-	Financial assets at fair value through other comprehensive income-non-current	-	<u>12,180</u>	-	12,180	
HHB	HWALLAR OPTRONICS (Fuzhou) CO., LTD.	-	Financial assets at fair value through profit or loss-non-current	-	-	19%	-	(Note 2)
Mithera	Beyond Limits, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	873	<u>144,000</u>	-	144,000	
BT	Suzhou Genki Fuhong Health Management Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	-	<u>4,428</u>	17%	4,428	
CIT	Kunqiao Phase II (Suzhou) Emerging Industry Venture Capital Partnership Fund	-	Financial assets at fair value through profit or loss-non-current	-	<u>504,937</u>	-	504,937	
BSH	Achi Capital Partners Fund LP	-	Financial assets at fair value through profit or loss-non-current	-	72,131	-	72,131	
	ABG Capital PartnersV, LP	-	Financial assets at fair value through profit or loss-non-current	-	277,296	-	277,296	
	Rivos Inc.	-	Financial assets at fair value through other comprehensive income-non-current	-	64,000	-	64,000	
	Total				<u>413,427</u>			

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

Note 2 : The carrying value is the remaining amount after deducting accumulated impairment.

(Continued)

## Notes to Consolidated Financial Statements

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

(For the three months ended March 31, 2024)

(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	The Company's subsidiaries	Sale	(135,078)	(0.1)%	Net 60 days from the end of the month of delivery	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	322,543	1.3%	(Note 2)
	CEA	Subsidiaries wholly owned by the Company	Sale	(1,017,706)	(0.6)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	1,028,647	4.0%	(Note 2)
	CIH and its subsidiaries	Subsidiaries wholly owned by the Company	Purchase	19,102,645	9.7%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(41,558,996)	(55.5)%	(Note 2)
	Just and its subsidiaries	Subsidiaries wholly owned by the Company	Purchase	5,725,317	2.9%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(1,880,095)	(2.5)%	(Note 2)
	HSI and its subsidiaries	Subsidiaries wholly owned by the Company	Purchase	18,305,958	9.3%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(10,202,003)	(13.6)%	(Note 2)
	BCI and its subsidiaries	Subsidiaries wholly owned by the Company	Purchase	6,249,615	3.2%	120 days	Markup based on BCI and its subsidiaries' cost	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(6,224,988)	(8.3)%	(Note 2)
	Kinpo	The same chairman of the Company	Purchase	7,905,293	4.0%	Net 35 days from the end of the month	Similar to non-related parties	There is no significant difference.	(4,592,912)	(6.1)%	
Just and its subsidiaries	Compal Electronic, Inc.	Parent company	Sale	(5,725,317)	(97.6)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	1,880,095	96.0%	(Note 2)
CIH and its subsidiaries	Compal Electronic, Inc.	Parent company	Sale	(19,102,645)	(91.4)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	41,558,996	86.4%	(Note 2)
	Rayonnant Technology and its subsidiaries	With the same ultimate parent company	Purchase	154,207	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.	(90,623)	(0.2)%	(Note 2)
	HSI and its subsidiaries	With the same ultimate parent company	Sale	(2,190,895)	(7.4)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	10,120,345	12.5%	(Note 2)
	HSI and its subsidiaries	With the same ultimate parent company	Purchase	130,320	0.2%	120 days	Similar to non-related parties	Adjustments will be made based on demand for funding.	(105,775)	(0.1)%	(Note 2)
	CPM	An associate	Purchase	377,981	0.4%	120 days	Similar to non-related parties	There is no significant difference.	(384,370)	(0.7)%	
BCI and its subsidiaries	Compal Electronic, Inc.	Parent company	Sale	(6,249,615)	(95.5)%	120 days	Markup based on BCI and its subsidiaries' cost	Adjustments will be made based on demand for funding.	6,224,988	84.6%	(Note 2)
	HSI and its subsidiaries	With the same ultimate parent company	Sale	(324,417)	(3.4)%	120 days	According to markup pricing	Adjustments will be made based on demand for funding.	1,610,071	8.2%	(Note 2)
CEA	Compal Electronic, Inc.	Parent company	Purchase	1,017,706	63.9%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(1,028,647)	(71.0)%	(Note 2)
Rayonnant Technology and its subsidiaries	CIH and its subsidiaries	With the same ultimate parent company	Sale	(154,207)	(67.5)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	90,623	62.5%	(Note 2)
HSI and its subsidiaries	Compal Electronic, Inc.	Parent company	Sale	(18,305,958)	(95.4)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	10,202,003	96.7%	(Note 2)
	CIH and its subsidiaries	With the same ultimate parent company	Sale	(130,320)	(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.	105,775	0.4%	(Note 2)

(Continued)

## Notes to Consolidated Financial Statements

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

(For the three months ended March 31, 2024)

(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)
HSI and its subsidiaries	Arcadyan	With the same ultimate parent company	Sale	(541,656)	(3.9)%	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.	551,163	2.8%	(Note 2)
	CIH and its subsidiaries	With the same ultimate parent company	Purchase	2,190,895	12.0%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(10,120,345)	(20.6)%	(Note 2)
	BCI and its subsidiaries	With the same ultimate parent company	Purchase	324,417	1.6%	120 days	Similar to non-related parties	There is no significant difference.	(1,610,071)	(3.3)%	(Note 2)
Arcadyan	Arcadyan USA	Arcadyan's subsidiary	Sale	(5,644,456)	(50.0)%	Net 120 days from delivery	-	-	2,051,423	30.0%	(Note 2)
	Arcadyan AU	Arcadyan's subsidiary	Sale	(136,690)	(1.0)%	Net 60 days from the end of the month of delivery	-	-	44,076	1.0%	(Note 2)
	Compal Electronic, Inc.	Parent company	Purchase	137,159	1.0%	Net 60 days from the end of the month of delivery	-	-	(322,543)	(1.0)%	(Note 2)
	CNC	Arcadyan's subsidiary	Purchase	254,043	1.0%	Net 120 days from delivery	According to markup pricing	-	(1,307,314)	(5.0)%	(Note 1&2)
	Arcadyan Vietnam	Arcadyan's subsidiary	Purchase	2,090,914	11.0%	Net 180 days from the end of the month of delivery	According to markup pricing	-	(Note 3)	- %	(Note 1&2)
CNC	Arcadyan	With the same ultimate parent company	Sale	(254,043)	(100.0)%	Net 120 days from delivery	According to markup pricing	-	1,307,314	98.0%	(Note 1&2)
Arcadyan Vietnam	Arcadyan	With the same ultimate parent company	Sale	(2,090,914)	(100.0)%	Net 180 days from the end of the month of delivery	According to markup pricing	-	(Note 3)	- %	(Note 1&2)
	HSI and its subsidiaries	With the same ultimate parent company	Purchase	541,656	6.0%	Net 60 days from the end of the month of delivery	-	-	(551,163)	(3.0)%	(Note 2)
Arcadyan USA	Arcadyan	With the same ultimate parent company	Purchase	5,644,456	100.0%	Net 120 days from delivery	-	-	(2,051,423)	(100.0)%	(Note 2)
Arcadyan AU	Arcadyan	With the same ultimate parent	Purchase	136,690	100.0%	Net 60 days from the end of the month of	-	-	(44,076)	(100.0)%	(Note 2)

Note 1: The remaining balance is the net value of commissioned processing and sales of raw material.

Note 2: The transactions had been eliminated in the consolidated financial statements.

Note 3: The amount of other receivables on March 31, 2024 is 1,574,493 thousand dollars.

(Continued)

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

**Table 5 Receivables from related parties with amounts exceeding the lower of NTS100 million or 20% of the capital stock:**  
(March 31, 2024)

(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	The Company's subsidiary	322,543	1.07	-	-	243,404 (Note 1)	-
The Company	Just and its subsidiaries	The Company's subsidiary	4,925,767 (Note 3)	(Note 3)	-	-	-	(Note 1)
The Company	Arcadyan	The Company's subsidiary	1,028,647	7.91	-	-	-	(Note 1)
The Company	Cal-Comp	The same chairman of the Company	4,054,672 (Note 3)	(Note 3)	-	-	2,271,221 (Note 1)	-
Just and its subsidiaries	Compal Electronic, Inc.	Parent company	1,880,095	11.59	-	-	764,803 (Note 1)	-
CIH and its subsidiaries	Compal Electronic, Inc.	Parent company	41,558,996	1.67	-	-	39,106,125 (Note 1)	-
CIH and its subsidiaries	HSI and its subsidiaries	With the same ultimate parent company	10,120,345	0.99	-	-	-	(Note 1)
BCI and its subsidiaries	Compal Electronic, Inc.	Parent company	6,224,988	3.18	-	-	6,224,988 (Note 1)	-
BCI and its subsidiaries	HSI and its subsidiaries	With the same ultimate parent company	1,610,071	0.90	-	-	-	(Note 1)
HSI and its subsidiaries	Compal Electronic, Inc.	Parent company	10,202,003	8.06	-	-	5,426,507 (Note 1)	-
HSI and its subsidiaries	CIH and its subsidiaries	With the same ultimate parent company	105,775	5.33	-	-	-	(Note 1)
HSI and its subsidiaries	Arcadyan	With the same ultimate parent company	551,163	7.86	-	-	-	(Note 1)
Arcadyan	Arcadyan USA	Arcadyan's subsidiary	2,051,423	8.22	-	-	2,051,423 (Note 2)	-
Arcadyan	Arcadyan Vietnam	Arcadyan's subsidiary	1,574,493 (Note 3)	(Note 3)	-	-	-	(Note 2)
Arcadyan	Arcadyan Germany	Arcadyan's subsidiary	157,571	0.86	-	-	3,516 (Note 2)	-
CNC	Arcadyan	With the same ultimate parent company	1,307,314 (Note 4)	0.49	-	-	144,644 (Note 2)	-

Note 1: Balance as of May 7, 2024.

Note 2: Balance as of April 19, 2024.

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

Note 3: Accounts receivables due to processing raw material.

(Continued)



Notes to Consolidated Financial Statements

Table 6 Business relationships and significant intercompany transactions:

(For the three months ended March 31, 2024)

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company name	Counter party	Relationship (Note 2)	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Accounts name	Amount	Terms	
0	The Company	Arcadyan	1	Sales Revenue	135,078	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	322,543	"	0.1%
0	The Company	CEA	1	Sales Revenue	1,017,706	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	0.5%
				Accounts Receivable	1,028,647	"	0.2%
1	JUST and its subsidiaries	The Company	2	Sales Revenue	5,725,317	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	2.9%
				Accounts Receivable	1,880,095	"	0.4%
2	CIH and its subsidiaries	The Company	2	Sales Revenue	19,102,645	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	9.6%
				Accounts Receivable	41,558,996	"	9.4%
2	CIH and its subsidiaries	HSI and its subsidiaries	3	Sales Revenue	2,190,895	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	1.1%
				Accounts Receivable	10,120,345	"	2.3%
3	BCI and its subsidiaries	The Company	2	Sales Revenue	6,249,615	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.	3.1%
				Accounts Receivable	6,224,988	"	1.4%
3	BCI and its subsidiaries	HSI and its subsidiaries	3	Sales Revenue	324,417	The price is based on the operating cost. The credit period is net 120 days, and will be adjusted if necessary.	0.2%
				Accounts Receivable	1,610,071	"	0.4%
4	Rayonnant and its subsidiaries	CIH and its subsidiaries	3	Sales Revenue	154,207	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	-
				Accounts Receivable	90,623	"	-
5	HSI and its subsidiaries	The Company	2	Sales Revenue	18,305,958	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	9.2%
				Accounts Receivable	10,202,003	"	2.3%
5	HSI and its subsidiaries	CIH and its subsidiaries	3	Sales Revenue	130,320	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	105,775	"	-
5	HSI and its subsidiaries	Arcadyan	3	Sales Revenue	541,656	There is no significant difference of price to non-related parties. The credit period is net 60 days from delivery, and will be adjusted if necessary.	0.3%
				Accounts Receivable	551,163	"	0.1%
6	Arcadyan	Arcadyan Germany	3	Sales Revenue	39,314	There is no significant difference of price to non-related parties. The credit period is net 150 days from delivery.	-
				Accounts Receivable	157,571	"	-
6	Arcadyan	Arcadyan USA	3	Sales Revenue	5,644,456	There is no significant difference of price to non-related parties. The credit period is net 120 days from delivery.	2.8%
				Accounts Receivable	2,051,423	"	0.5%
6	Arcadyan	Arcadyan AU	3	Sales Revenue	136,690	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	44,076	"	-
6	Arcadyan	Arcadyan Vietnam	3	Other Receivable	1,574,493	The credit period is net 180 days from the end of the month of delivery and depended on funding demand.	0.4%
7	CNC	Arcadyan	3	Processing Revenue	254,043	The price is based on the operating cost. The credit period is net 120 days from the end of the month of delivery and depended on funding demand.	0.1%
				Accounts Receivable	1,307,314	"	0.3%
8	Arcadyan Vietnam	Arcadyan	3	Processing Revenue	2,090,914	The credit period is net 180 days from the end of the month of delivery and depended on funding demand.	1.0%

Note 1: The numbers filled in as follows:

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

Note 2: Transactions labeled as follows:

1. represents transactions between the parent company and its subsidiaries.
2. represents transactions between the subsidiaries and the parent company.
3. represents transactions between subsidiaries.

(Continued)

Notes to Consolidated Financial Statements

Table 7 The information on investees for the three months ended March 31, 2024 (excluding information on investees in Mainland China):  
(March 31, 2024)

(In Thousands of New Taiwan Dollars/ shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Ending Balance			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Value			
The Company	Kinpo & Compal Group Assets Development Corporation	Taipei City	Real estate development leasing and related management business	4,025,000	4,025,000	402,500	70%	3,988,858	3,510	2,457	(Note 2)
	Bizcom	Milpitas, USA	Warranty services and marketing of LCD TVs and notebook PCs	36,369	36,369	100	100%	488,896	2,643	5,710	(Note 2)
	Just	British Virgin Islands	Investment	1,480,509	1,480,509	48,010	100%	11,086,115	110,901	110,901	(Note 2)
	CIH	British Virgin Islands	Investment	1,787,680	1,787,680	53,001	100%	47,511,038	527,232	527,232	(Note 2)
	Panpal	Taipei City	Investment	5,171,837	5,171,837	500,000	100%	4,636,822	(102,762)	(140,740)	(Note 2)
	Gempal	Taipei City	Investment	900,036	900,036	90,000	100%	1,783,927	51,848	29,805	(Note 2)
	Kinpo Group Management	Taipei City	Consultation, training services, etc.	3,000	3,000	300	38%	5,066	66	21	
	Ripal	Tainan City	Manufacturing of electric appliance and Management & Consultant, rental and leasing business and wholesale and retail of medical equipments	60,000	60,000	6,000	100%	118,335	3,875	3,875	(Note 2)
	Unicore	Taipei City	Manufacturing of electric appliance and Management & Consultant, rental and leasing business and wholesale and retail of medical equipments	200,000	200,000	20,000	100%	65,636	(1,604)	(1,604)	(Note 2)
	Lead-Honor	Taoyuan City	Manufacturing of electric appliance and audiovisual electric products	42,000	42,000	2,772	42%	-	-	-	
	CEH	British Virgin Islands	Investment	34	34	1	100%	3,771,172	-	-	(Note 2)
	Shennona Taiwan	Taipei City	Management & Consultant, rental and leasing business, wholesale and retail sale of precision instruments and international trade	20,000	20,000	2,000	100%	19,561	1,702	1,702	(Note 2)
	Allied Circuit	Taoyuan City	Production and sales of PCB boards	395,388	395,388	10,158	20%	412,367	37,050	7,350	
	Poindus Systems	Taipei City	Design and manufacture of PCs and peripheral equipment	353,046	353,046	11,768	56%	332,974	7,001	3,036	(Note 2)
	Aco Smartcare	Hsinchu City	Wholesale and retail sale of computer software, software design services, data processing services, wholesale and retail sale of electronic materials, wholesale and retail sale of precision instruments, and biotechnology services	159,083	159,083	330,276	71%	57,010	(11,417)	(8,159)	(Note 2)
	LIPO	Cayman Islands	Investment	489,450	489,450	98	49%	(20,015)	(129,939)	(63,670)	
	CPE	The Netherlands	Investment	197,463	197,463	6,427	100%	948,624	12,350	12,350	(Note 2)
	Starmems	Hsinchu County	R&D of MEMS microphone related products	35,000	35,000	3,500	35%	10,158	(6,003)	(2,101)	(Note 2)
	Crownpo	Taipei City	Manufacturing, processing, and selling resistor chips, networking chips, diodes, multilayer ceramic capacitors, semiconductor devices, and selling electronic products	149,547	149,547	3,739	33%	(6,746)	(22,241)	(7,391)	
	Hong Ji	Taipei City	Investment	1,000,000	1,000,000	100,000	100%	1,226,261	28,720	28,720	(Note 2)
	Hong Jin	Taipei City	Investment	295,000	295,000	29,500	100%	402,435	13,091	13,091	(Note 2)
	Mactech	Taichung City	Manufacturing of equipment and lighting, retailing of equipment and international trading	219,601	219,601	21,756	53%	273,313	239	126	(Note 2)
	Auscom	Austin, TX USA	R&D of notebook PC related products and components	101,747	101,747	3,000	100%	163,840	3,094	3,094	(Note 2)
	Arcadyan	Hsinchu City	R&D, manufacturing and sales of wireless network, integrated household electronics, and mobile office products	1,325,132	1,325,132	41,305	19%	2,703,045	622,373	116,661	(Note 2)
	FGH	British Virgin Islands	Investment	2,754,741	2,754,741	89,755	100%	4,152,409	(157,041)	(157,041)	(Note 2)
	Shennona	Delaware, USA	Medical care IOT business	48,210	48,210	-	100%	7,366	-	(9,380)	(Note 2)
	HSI	British Virgin Islands	Investment	1,346,814	1,346,814	42,700	54%	408,227	107,512	57,605	(Note 2)
	CEP	Poland	Maintenance and warranty services of notebook PCs	90,156	90,156	136	100%	(28,255)	(3,076)	(3,076)	(Note 2)
	CGSP	Poland	Maintenance and warranty services of notebook PCs	89,669	89,669	-	100%	96,337	1,720	(323)	(Note 2)
	Raypal	Taipei City	Cancerous immunocyte therapy and regenerative medicine	209,076	209,076	4,646	30%	161,750	(20,479)	(6,144)	
	ARCE	Taipei City	Biotechnology services, research & development services, intellectual property rights, wholesale of animal medication, retail sale and management advisory	158,160	158,160	44,540	23%	96,863	(32,582)	(7,423)	
	Hippo Screen	Taipei City	Management & Consultant, rental and leasing business, wholesale and retail sale of precision instruments and international trade	112,000	112,000	9,100	91%	4,976	(6,149)	(5,595)	(Note 2)
	Infino	Hsinchu County	Manufacturing of electronic components, wholesale and retail sale of precision instruments and electronic materials	127,026	127,026	4,648	28%	23,714	(4,100)	(1,137)	
	HengHao	Taipei City	Manufacturing of PCs, computer periphery devices, and electronic components	5,729,757	5,729,757	20,015	100%	(770,104)	34,819	39,475	(Note 2)
	BCI	British Virgin Islands	Investment	2,636,051	2,636,051	90,820	100%	9,552,423	38,489	38,489	(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%	451,819	(40,842)	(17,547)	(Note 2)
	Rayonant Technology	Taipei City	Manufacturing and sales of PCs, computer periphery devices, and electronic components	295,000	295,000	29,500	100%	228,429	3,778	3,778	(Note 2)
	CRH	British Virgin Islands	Investment	377,328	377,328	12,500	100%	324,153	4,477	4,477	(Note 2)

(Continued)

Notes to Consolidated Financial Statements

Table 7 The information on investees for the three months ended March 31, 2024 (excluding information on investees in Mainland China):  
(March 31, 2024)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Ending Balance			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Value			
The Company	Acendant Private Equity Investment Ltd.	British Virgin Islands	Investment	943,922	943,922	31,253	35%	1,542,470	(77,421)	(26,971)	
	Etrade	British Virgin Islands	Investment	1,532,029	1,532,029	46,900	65%	(360,389)	(113,120)	(78,294)	(Note 2)
	Webtek	British Virgin Islands	Investment	3,340	3,340	100	100%	594,898	(36,554)	(36,554)	(Note 2)
	Forever	British Virgin Islands	Investment	1,575	1,575	50	100%	1,600,234	(8,295)	(8,295)	(Note 2)
	UCGI	Taipei City	Manufacturing and retail sale of computers and electronic components	689,997	689,997	20,000	100%	78,308	(4,159)	(4,159)	(Note 2)
	Palcom	Taipei City	Selling of mobile phones	100,000	100,000	10,000	100%	98,561	409	409	(Note 2)
	Avalue	New Taipei City	Manufacturing, processing, and import and export business of industrial motherboards	547,595	547,595	14,924	21%	737,961	84,531	17,508	
	CORE	British Virgin Islands	Investment	4,318,860	4,318,860	147,000	100%	8,315,041	291	291	(Note 2)
	Compal Ruifang	New Taipei City	Investing and developing businesses, such as public construction and specific zones	300,000	300,000	30,000	100%	301,219	741	741	(Note 2)
	GLB	New Taipei City	Manufacturing and wholesale of medical	247,560	247,560	15,035	50%	392,262	26,576	12,552	(Note 2)
	Compal Healthcare	Taipei City	Information software services, data processing services, and electronic information supply services	20,000	20,000	4,000	100%	20,053	50	50	(Note 2)
	CMX	Mexico	Production of automotive electronic products	77,997	77,997	-	100%	96,745	192	192	(Note 2)
									<u>108,106,162</u>		<u>456,094</u>
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%	580,873	622,373	Investment gain (losses) recognized by Panpal	(Note 2)
	Allied Circuit	Taoyuan City	Production and selling of PCB boards	148,263	148,263	2,927	6%	118,827	37,050	Investment gain (losses) recognized by Panpal	(Note 2)
	PT GLB Biotechnology Indonesia	Indonesia	Manufacturing and wholesale of medical equipment	894	894	-	1%	835	(956)	Investment gain (losses) recognized by Panpal	(Note 1)
	Others							(905,270)			
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%	682,956	622,373	Investment gain (losses) recognized by Gempal	(Note 2)
	Allied Circuit	Taoyuan City	Production and selling of PCB boards	53,645	53,645	3,220	6%	130,710	37,050	Investment gain (losses) recognized by Gempal	(Note 2)
	Others							88,572			(Note 2)
Hong Ji	Arcadyan	Hsinchu City	Telecommunication equipment and apparatus manufacturing, electronic parts and components manufacturing, restrained telecom radio frequency equipment and materials import and manufacturing	306,655	306,655	9,279	4%	682,956	622,373	Investment gain (losses) recognized by Hong Ji	(Note 2)
	Allied Circuit	Taoyuan City	Production and selling of PCB boards	10,389	10,389	851	2%	29,674	37,050	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%	324,239	622,373	Investment gain (losses) recognized by Hong Jin	(Note 2)
Just	CDH (HK)	Hong Kong	Investment	1,993,520	1,993,520	62,298	100%	8,418,410	99,344	Investment gain (losses) recognized by Just	(Note 2)
	CII	British Virgin Islands	Investment	407,840	407,840	12,745	100%	420,087	(20,974)	Investment gain (losses) recognized by Just	(Note 2)
	CPI	British Virgin Islands	Investment	16,000	16,000	500	100%	15,704	60	Investment gain (losses) recognized by Just	(Note 2)
CII	Smart	British Virgin Islands	Investment	32	32	1	100%	392	(1)	Investment gain (losses) recognized by CII	(Note 2)
	MEL	U.S.A	Investment	263,488	263,488	-	100%	218,417	3	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	80,000	80,000	2,500	100%	81,859	1,826	Investment gain (losses) recognized by CII	(Note 2)
	CUS	U.S.A	Sales of automotive electronic products	240,000	80,000	2,500	100%	116,325	(22,802)	Investment gain (losses) recognized by CII	(Note 2)
	CIH	CIH (HK)	Hong Kong	Investment	2,393,680	2,393,680	74,803	100%	46,584,582	498,803	Investment gain (losses) recognized by CIH
CIH	Jenpal	British Virgin Islands	Investment	235,200	235,200	7,350	100%	124,124	1,698	Investment gain (losses) recognized by CIH	(Note 2)
	PFG	British Virgin Islands	Investment	32	32	1	100%	112,723	23,099	Investment gain (losses) recognized by CIH	(Note 2)
	FWT	British Virgin Islands	Investment	476,800	476,800	14,900	100%	476,799	-	Investment gain (losses) recognized by CIH	(Note 2)
	CCM	British Virgin Islands	Investment	163,200	163,200	5,100	51%	6,121	(541)	Investment gain (losses) recognized by CIH	(Note 2)
HSI	IUE	British Virgin Islands	Investment	2,144,000	2,144,000	67,000	100%	1,233,189	109,959	Investment gain (losses) recognized by HSI	(Note 2)
	Goal	British Virgin Islands	Investment	406,400	406,400	12,700	100%	345,570	(2,447)	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	2,144,000	2,144,000	67,000	100%	1,233,189	109,959	Investment gain (losses) recognized by IUE	(Note 2)
Goal	CDM	Vietnam	Construction of and investment in infrastructure in Ba-Thien industrial district of Vietnam	406,400	406,400	12,700	100%	302,467	(2,447)	Investment gain (losses) recognized by Goal	(Note 2)
BCI	CMI	British Virgin Islands	Investment	2,586,240	2,586,240	80,820	100%	5,908,469	(56,461)	Investment gain (losses) recognized by BCI	(Note 2)
	PRI	British Virgin Islands	Investment	320,000	320,000	10,000	100%	3,643,955	94,951	Investment gain (losses) recognized by BCI	(Note 2)

(Continued)

Notes to Consolidated Financial Statements

Table 7 The information on investees for the three months ended March 31, 2024 (excluding information on investees in Mainland China):  
(March 31, 2024)

(In Thousands of New Taiwan Dollars/ shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Ending Balance			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Value			
CORE	BSH	British Virgin Islands	Investment	4,704,000	4,704,000	147,000	100%	8,315,041	291	Investment gain (losses) recognized by CORE	(Note 2)
BSH	Mithera	Cayman Islands	Investment	161,600	161,600	-	99%	142,704	-	Investment gain (losses) recognized by BSH	(Note 2)
	CIN	U.S.A.	Manufacturing	260,160	260,160	1	100%	250,018	13,883	Investment gain (losses) recognized by BSH	(Note 2)
	HSI	British Virgin Islands	Investment	1,184,000	1,184,000	37,000	46%	961,209	107,512	Investment gain (losses) recognized by BSH	(Note 2)
	HHB	British Virgin Islands	Investment	192,000	192,000	9,000	16%	268,064	(28,396)	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	1,920,000	1,728,000	-	100%	1,970,792	12,769	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	64,000	64,000	-	100%	90,990	(11,790)	Investment gain (losses) recognized by Forever	(Note 2)
Webtek	Etrade	British Virgin Islands	Investment	800,000	800,000	25,000	35%	(205,765)	(113,120)	Investment gain (losses) recognized by Webtek	(Note 2)
Arcadyan	Arcadyan Holding	British Virgin Islands	Investment	1,071,027	1,071,027	47,780	100%	1,984,961	(193,521)	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%	(6,564)	23,246	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan Germany	Germany	Technology support and sales of wireless network products	1,125	1,125	1	100%	100,466	6	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan Korea	Korea	Sales of wireless network products	2,879	2,879	20	100%	35,206	5	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Zhi-Bao	Hsinchu City	Investment	48,000	48,000	34,980	100%	335,869	(7,599)	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%	149,038	(7,613)	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan UK	UK	Technical support of wireless network products	1,988	1,988	50	100%	5,891	122	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan AU	Australia	Sales of wireless network products	1,161	1,161	50	100%	76,595	2,814	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan RU	Russia	Sales of wireless network products	7,672	7,672	-	100%	3,185	(18)	Investment gain (losses) recognized by Arcadyan	(Note 2)
	CBN	Hsinchu County	Sales of communication and electronic components	11,925	11,925	533	1%	8,746	(40,842)	Investment gain (losses) recognized by Arcadyan	(Note 2)
Arcadyan and Zhi-Bao	Arcadyan Brasil	Brazil	Sales of wireless network products	81,593	81,593	968	100%	(48,214)	(2,173)	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%	37,005	(14,492)	Investment gain (losses) recognized by Arcadyan and Zhi-Bao	(Note 2)
Arcadyan Holding	Sinoprime	British Virgin Islands	Investment	929,600	929,600	29,050	100%	1,514,912	(130,069)	Investment gain (losses) recognized by Arcadyan Holding	(Note 2)
	Arch Holding	British Virgin Islands	Investment	352,352	352,352	35	100%	582,720	(65,192)	Investment gain (losses) recognized by Arcadyan Holding	(Note 2)
TTI	Quest	Samoa	Investment	38,400	38,400	1,200	100%	10,189	(366)	Investment gain (losses) recognized by TTI	(Note 2)
	TTJC	Japan	Sales of household digital electronic products	9,626	9,626	0.7	100%	2,553	(69)	Investment gain (losses) recognized by TTI	(Note 2)
Quest	Exquisite	Samoa	Investment	37,440	37,440	1,170	100%	9,312	(377)	Investment gain (losses) recognized by Quest	(Note 2)
Sinoprime	Arcadyan Vietnam	Vietnam	Manufacturing of wireless network products	928,000	928,000	-	100%	1,510,048	(130,100)	Investment gain (losses) recognized by Sinoprime	(Note 2)
Zhi-Bao	CBN	Hsinchu County	Produces and sales of communication and electronic components	36,272	36,272	13,140	19%	215,518	(40,842)	Investment gain (losses) recognized by Zhi-Bao	(Note 2)
Arcadyan and Zhi-Bao	Arcadyan India Private Limited	India	Sales of wireless network products	76,952	76,952	19,800	100%	37,005	(14,492)	Investment gain (losses) recognized by Arcadyan and Zhi-Bao	(Note 2)
Rayonnant Technology	APH	British Virgin Islands	Investment	257,454	257,454	8,651	41%	312,318	7,575	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	400,000	400,000	12,500	59%	324,153	7,575	Investment gain (losses) recognized by CRH	(Note 2)
APH	PEL	British Virgin Islands	Investment	100,832	100,832	3,151	100%	47,978	489	Investment gain (losses) recognized by APH	(Note 2)
	Rayonnant (HK)	Hong Kong	Investment	576,000	576,000	18,000	100%	485,741	7,086	Investment gain (losses) recognized by APH	(Note 2)
HHT	HHA	British Virgin Islands	Investment	1,429,235	1,429,235	46,882	100%	(1,393,960)	(23,740)	Investment gain (losses) recognized by HHT	(Note 2)
HHA	HHB	British Virgin Islands	Investment	1,500,225	1,500,225	46,882	84%	(1,653,346)	(28,396)	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%	5,328	13	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%	6,315	(10)	Investment gain (losses) recognized by CBN	(Note 2)
	Starmems	Taiwan	R&D of MEMS microphone related products	10,000	10,000	1,000	10%	2,902	(6,003)	Investment gain (losses) recognized by CBN	(Note 2)
FGH	Wah Yuen Technology Holding Ltd. and its subsidiaries	Mauritius	Investment	2,872,176	2,872,176	95,862	37%	4,225,171	(429,524)	Investment gain (losses) recognized by FGH	(Note 2)

(Continued)

Notes to Consolidated Financial Statements

Table 7 The information on investees for the three months ended March 31, 2024 (excluding information on investees in Mainland China):  
(March 31, 2024)

(In Thousands of New Taiwan Dollars/ shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Ending Balance			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Value			
GLB	PT GLB Biotechnology Indonesia	Indonesia	Manufacturing and wholesale of medical equipment	88,506	88,506	42	99%	82,740	(956)	Investment gain (losses) recognized by GLB	(Note 2)
Mactech	Taiwan Intelligent Robotics Company, Ltd.	Taipei City	Manufacturing of equipment and lighting	43,200	43,200	2,160	15%	4,538	(4,654)	Investment gain (losses) recognized by Mactech	
Poindus Systems	Poindus Investment	Taipei City	Investment holding	4,100	4,100	(Note 3)	100%	497	-	Investment gain (losses) recognized by Poindus Systems	(Note 2)
	Poindus UK	UK	Sales of PCs and peripherals	14,297	14,297	300	100%	(14,441)	(1,158)	Investment gain (losses) recognized by Poindus Systems	(Note 2)
	Adasys	Germany	Sales of PCs and peripherals	57,712	57,712	0.002	100%	757	(3,348)	Investment gain (losses) recognized by Poindus Systems	(Note 2)
Poindus Investment	Poindus GmbH	Germany	Sales of PCs and peripherals	1,721	1,721	(±3)	100%	71	-	Investment gain (losses) recognized by Poindus Investment	(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.

Notes to Consolidated Financial Statements

Table 8 Information on investment in Mainland China:

(March 31, 2024)

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

(In Thousands of New Taiwan Dollars / shares)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 4)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
CPC	Manufacturing and sales of monitors	1,184,000	(Note 1)	1,184,000	-	-	1,184,000	61,138	100%	61,138	2,978,794	-
CDT	Manufacturing and sales of notebook PCs, mobile phones, and Digital products	640,000	(Note 2)	640,000	-	-	640,000	9,412	100%	9,412	154,039	-
CET	Manufacturing of notebook PCs	384,000	(Note 2)	384,000	-	-	384,000	(123,467)	100%	(123,467)	5,141,235	-
CSD	Research, manufacture and sales of communication devices, mobile phones, electronic computer, smart watch, and provide related technology service	265,696	(Note 2)	(Note 3)	-	-	-	83,376	100%	83,376	505,148	-
FIP	Manufacturing of auto parts and accessories	309,979	(Note 2)	(Note 3)	-	-	-	(2,739)	60%	(1,643)	263,159	-
BT	Manufacturing of notebook PCs	32,000	(Note 2)	32,000	-	-	32,000	(9,924)	100%	(9,924)	(112,918)	-
CGS	Maintenance and warranty service of notebook PCs	8,857	(Note 2)	(Note 3)	-	-	-	(6,628)	100%	(6,628)	(21,359)	-
LIZ Electronics (Kunshan) Co., Ltd.	Production and processing chip resistors, ceramic capacitors, diodes, and other latest electronic components and related precision electronic equipment; selling self-produced products	1,024,000	(Note 1)	426,560	-	-	426,560	(100,907)	43%	(43,572)	(15,008)	-
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	640,000	(Note 1)	47,040	-	-	47,040	(125,469)	48%	(59,723)	(11,840)	-
CIC	Manufacturing of notebook PCs	384,000	(Note 2)	384,000	-	-	384,000	133,740	100%	133,740	11,527,438	-
CPO	Manufacturing and sales of LCD TVs	387,200	(Note 1)	387,200	-	-	387,200	46,968	100%	46,968	3,231,114	-
CIT	Manufacturing of notebook PCs	768,000	(Note 2)	768,000	-	-	768,000	491,665	100%	491,665	29,228,459	-
CST	International trade and distribution of computers and electronic components	44,800	(Note 2)	44,800	-	-	44,800	(628)	100%	(628)	45,614	-
Sheng Bao Precision Electronics (Taicang) Co., Ltd.	Research & development, and manufacturing latest electronic components, precision cavity mold, design and manufacturing for standard parts for molds, and selling self-produced products	320,000	(Note 2)	163,200	-	-	163,200	(541)	51%	(276)	12,013	-
CJ	Investment and consulting services	499,200	(Note 2)	499,200	-	-	499,200	(10,756)	100%	(10,756)	2,648,448	-
CDE	Manufacturing and sales of LCD TVs	480,000	(Note 2)	(Note 3)	-	-	-	(10,458)	100%	(10,458)	2,612,326	-
CIS	Outward investment and consulting services	2,586,240	(Note 1)	2,586,240	-	-	2,586,240	(56,461)	100%	(56,461)	5,908,469	-
CEC	R&D and manufacturing of notebook PCs, tablet PCs, digital products, network switches, wireless AP, and automobile electronic products	2,560,000	(Note 2)	(Note 3)	-	-	-	(56,165)	100%	(56,165)	5,875,728	-
CMC	Corporate management consulting, financial and tax consulting, investment consulting, and investment management consulting services	25,600	(Note 2)	(Note 3)	-	-	-	(277)	100%	(277)	26,074	-
CEQ	R&D, manufacturing and sales of notebook PCs and related components. Also provides related maintenance and warranty services	320,000	(Note 1)	320,000	-	-	320,000	94,951	100%	94,951	3,643,955	-
Compal Precision Module (Jiangsu) Co., Ltd.	Manufacturing and selling of magnesium alloy injection molding	13,440,000	(Note 2)	2,644,064	-	-	2,644,064	(221,153)	37%	(80,986)	5,272,973	-
Changbao Electronic Technology (Chongqing) Co., Ltd.	Production and marketing of magnesium alloy molding	1,920,000	(Note 2)	366,592	-	-	366,592	(179,638)	37%	(65,783)	578,407	-

(Continued)

Notes to Consolidated Financial Statements

Table 8 Information on investment in Mainland China:

(March 31, 2024)

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

(In Thousands of New Taiwan Dollars / shares)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 4)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Rayonnant (Taicang)	Manufacturing and sales of aluminum alloy and magnesium alloy products	576,000	(Note 2)	400,000	-	-	400,000	7,086	100%	7,086	486,366	-
CCI Nanjing	Manufacturing and processing of mobile phones and tablet PCs	864,000	(Note 1)	704,000	-	-	704,000	(31,241)	100%	(31,241)	(1,399,776)	-
CDCN	Manufacturing and processing of mobile phones and tablet PCs	185,600	(Note 1)	185,600	-	-	185,600	(3,300)	100%	(3,300)	82,624	-
CWCN	Manufacturing and processing of mobile phones and tablet PCs	1,568,000	(Note 1)	608,000	-	-	608,000	(79,109)	100%	(79,109)	688,832	-
Hanhelt	R&D and manufacturing of electronic communication equipment	64,000	(Note 1)	64,000	-	-	64,000	31	100%	31	2,528	-
<b>Arcadyan</b>												
SVA Arcadyan	R&D and sales of wireless network products	259,200	(Note 1)	429,440	-	-	429,440	1,730	100%	1,730	43,840	-
CNC	Manufacturing and wireless network products	398,400	(Note 1)	352,352	-	-	352,352	(65,192)	100%	(65,192)	582,688	-
THAC	Manufacturing of household electronics products	387,360	(Note 1 - 9 - 10)	36,800	-	-	36,800	(1,101)	100%	(1,101)	26,528	-
<b>HengHao</b>												
HengHao Kunshan	Production of touch panels and related components	1,280,000	(Note 1)	1,273,696	-	-	1,273,696	(11,484)	100%	(11,484)	(1,551,935)	-
HengHao Zhejiang	Production of touch panels and related components	288,000	(Note 2)	(Note 3)	-	-	-	(16,637)	100%	(16,637)	269,693	-
Lucom	Manufacturing of notebook PCs and related modules	480,000	(Note 2)	207,969	-	-	207,969	(273)	100%	(273)	147,480	-
<b>Poindus Systems</b>												
Qijie	Sales of PCs and peripherals	32,000	(Note 1)	32,000	-	-	32,000	(1,343)	100%	(1,343)	8,391	-

(ii) Limitation on investment in Mainland China:

(In Thousands of USD)

Names of Company	Accumulated Investment in Mainland China as of December 31, 2023	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	17,361,184 (US\$542,537) (Note 5)	25,243,168 (US\$788,849)	(Note 6)
Arcadyan	818,592 (US\$25,581)	1,098,752 (US\$34,336)	8,395,113
HengHao	1,499,904 (US\$46,872)	1,499,904 (US\$46,872)	(Note 13)
Poindus Systems	32,000 (US\$1,000)	32,000 (US\$1,000)	320,730

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

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

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

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

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

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

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

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

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

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

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

Note 12 : The Company had an accumulated investment amounting to US\$7,350 thousand in the previous years. In the first half of 2014, HengHao paid the Company and LG US\$3,184 thousand and US\$3,315 thousand, respectively, for organization restructure, to obtain 100% ownership of Lucom.

Note 13 : The net equity of HengHao is negative at March 31, 2024.

(iii) Significant transactions:

For the three months ended March 31, 2024, 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".