I. Spokesperson
Spokesperson: Ching-Hsiung Lu/Vice President
Deputy Spokesperson: Cheng-Chiang Wang /Vice President of Accounting Dept.
Tel: 886-2-8797-8588
E-mail: Investor@compal.com

II. Headquarters, Branches and Plant
Headquarters
Address: No.581 and 581-1, Ruiguang Rd., Neihu District, Taipei, Taiwan
Tel: 886-2- 8797-8588
Manufacturing Site
Address: No. 8, South East Rd., Pingzhen City, Taoyuan City
Tel: 886-3-439-1707
Kaohsiung Branch
Address: No. 189, Linsen 4th Rd., Qianzhen Dist., Kaohsiung City, Taiwan
Tel: 886-7-535-3855

III. Share Administration Agency
Chinatrust Transfer Agent
Address: 5F, No. 83, Sec 1, Chung Ching Nan Road, Taipei, Taiwan
Tel: 886-2-6636-5566
Website: https://www.ctbcbank.com

IV. Auditors
CPA Firm: KPMG Taiwan
Auditors: Kuo,Kuan Ying and Chien, Szu Chuan
Address: 68F, No. 7, Sec. 5, Xinyi Road, Taipei, Taiwan
Tel.: 886-2-8101-6666
Website: http://www.kpmg.com.tw

V. Overseas Securities Exchange
Luxembourg Stock Exchange: http://www.bourse.lu
London Stock Exchange http://www.londonstockexchange.com

VI. Corporate Website
http://www.compal.com
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I. Letter to Shareholders

Dear Shareholders,

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

Financial and Business Results

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

Business Development and Layout

Under the economic momentum slowdown and geopolitical development, the entire industry and even Compal are going through an important transformation period. It is necessary to differentiate through emerging applications and specific products, and promote regional development to sustain our growth momentum. Therefore, AI, Cloud Server, Auto Electronics, Communication and MedTech are the big Five important emerging industries that we define. Compal has invested resources, actively made deployments, and gradually seen results. In the future, we will make it our important development goal to gain a leading position in new business fields.

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

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

**Progress of Corporate Sustainability**

On the corporate sustainability, Compal continues to improve its various ESG work. In terms of the environment, we have introduced digital tools with upgraded the air conditioning and power systems in the factories, and introduced smart meter settings and energy intelligence monitoring platforms to further help achieving the carbon reduction goals. In the green supply chain project, we assist suppliers in establishing carbon management information platforms in a "big-leading-small" manner to help the quantification and integration of supply chain carbon information. In terms of the society, Compal has launched the DEI project, committed to establishing the workplace awareness of Diversity, Equity and Inclusion, and creating a diverse and happy workplace. As for social feedback, Compal has long collaborated with Hsu Chauing Social Welfare Charity Foundation to invest in cultural education and public welfare, which has been highly recognized by the outside world. In 2023, we were honored to receive the "Social Education Contribution Award" from the Ministry of Education and the "Social Service Award" from the Library Association of the Republic of China. In terms of corporate governance enhancement, Compal amended its Corporate Governance Best Practice Principles in 2023, added a diversity policy for the composition of the board of directors, and appointed external professional independent institutions to conduct external evaluations of board performance. We have comprehensively promoted the issue of corporate sustainability, allowing Compal to significantly improve its sustainability performance in the evaluations of external ESG organizations (such as S&P CSA, MSCI ESG, ISS ESG and Sustainalytics ESG Risk). In 2023, Compal was once again selected by the Taiwan Institute for Sustainable Energy as one of the "Top 100 Model Sustainable Enterprises in Taiwan", which is a recognition of Compal’s continued investment in sustainability work.

**Future Outlook and Plans**

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

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

Finally, we would like to once again thank all shareholders for your long-term support to Compal, and we wish you all peace and good health, and prosperity in everything!

Chairman: Sheng-Hsiung Hsu (Rock Hsu)

CEO: Chung-Pin Wong (Martin Wong)

Head of Accounting: Cheng-Chiang Wang (Jack Wang)
II. Company Profile

2.1 Date of Incorporation: June 1, 1984

2.2 Company History

- **Company history in the past two years:**
  
  **2022**
  - Won 8 awards at the 2022 “iF Design Awards”, ranked 10 in the iF Global Innovation Companies Ranking.
  - Selected into the “TIP Customized Environmental Sustainability Dividend +Index”.
  - Selected to take part in the CDP climate change program for 9 consecutive years (2014-2022). In 2022, received a score of B in the CDP climate change and were rated at the management level for the water questionnaire.
  - Ranked among the top 21%-35% in the TWSE-listed companies in the 8th round of “Corporate Governance Evaluation” organized by Taiwan Stock Exchange and Taipei Exchange.
  - Ranked 4th in CommonWealth Magazine’s “Top-2000 Manufacturers”.
  - Selected into the FTSE4GOOD Index and the FTSE4GOOD TIP Taiwan ESG Index.
  - Selected as a constituent stock of “Taiwan High Salary 100 Index” and “Taiwan Employment 99 Index”.
  - Ranked 317th on the Fortune Global 500.
  - Ranked the Gold Award in the Technology R&D of 2022 Happiness Enterprise online voting by 1111.
  - The Company acquired Poindus Systems Corp. (Poindus) through tender offer to expand Industrial PC business.
  - The Company signed the contract of “New Taipei City RuiFang District Medical & Long-Term Care Facility BOT+BTO” with New Taipei City Government.
  - The Company obtained the land use rights of 40 ha (hectare) located in the Thai Binh province, Vietnam to further expand the production in Vietnam.
  - The Company’s share capital reached TWD 44.1 billion in 2022.
  - The Company’s consolidated revenue reached TWD 1,073.2 billion in 2022.

**2023**
- Kinpo-Compal Group Headquarter, located in Beitou Shilin Technology Park, was officially ground breaking in February 2023.
- Selected into the FTSE4GOOD Index and the FTSE4GOOD TIP Taiwan ESG Index.
- Selected as a constituent stock of “Taiwan High Salary 100 Index” and “Taiwan Employment 99 Index”.

7
• Won 17 awards at the 2023 “iF Design Awards”.
• Selected into the “Taiwan Tech High Dividend Index”.
• Ranked among the top 21%-35% in the TWSE-listed companies in the 9th round of “Corporate Governance Evaluation” organized by Taiwan Stock Exchange and Taipei Exchange.
• Ranked 6th in CommonWealth Magazine’s “Top-2000 Manufacturers”.
• Ranked 420th on the Fortune Global 500.
• Ranked the Gold Award in the Technology R&D of 2023 Happiness Enterprise online voting by 1111.
• Selected to take part in the CDP climate change program for 10 consecutive years (2014-2023). In 2023, received a score of B in the CDP climate change and were rated at the management level for the water questionnaire.
• The Compal Sustainability report in 2023 won the Platinum Medal of Taiwan Corporate Sustainability Report Award of TCSA and Taiwan Top 100 Sustainability Award..
• Social Education Contribution Awards by Ministry of Education Republic of China (Taiwan) and Ministry of Education Kaohsiung respectively.
• Welfare Service Award by Library Association of the Republic of China (Taiwan) in 2023.
• The Company’s share capital reached TWD 44.1 billion in 2023.
• The Company’s consolidated revenue reached TWD 9,467 billion in 2023.

2024
• Won 20 awards at the 2024 “iF Design Awards”.
• Selected into the FTSE4GOOD Index and the FTSE4GOOD TIP Taiwan ESG Index.
• Selected as a constituent stock of “Taiwan High Salary 100 Index” and “Taiwan Employment 99 Index”.
• Selected into the “Taiwan Tech High Dividend Index”.

Any changes to the management rights, significant changes of the management mode or business content, and other important matters that can affect shareholders' equity and their impact on the Company in the most recent year and up to the date of printing of the annual report: None.
III. Corporate Governance Report

3.1 Organization

3.1.1 Organizational Chart (As of March 1st, 2024)
### 3.1.2 Major Corporate Functions

<table>
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<th>Department</th>
<th>Functions</th>
</tr>
</thead>
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<td>President’s Office</td>
<td>Responsible for the Company’s operations</td>
</tr>
<tr>
<td>Risk Management Committee</td>
<td>Implements risk management related affairs</td>
</tr>
<tr>
<td>Sustainability Committee</td>
<td>Promotes and executes sustainability-related plans</td>
</tr>
<tr>
<td>Auditing Office</td>
<td>Conducts internal audits</td>
</tr>
<tr>
<td>Investment Planning and Management Office</td>
<td>Responsible for investment-related activities</td>
</tr>
<tr>
<td>Legal Affairs Office</td>
<td>Handles the Company’s legal affairs</td>
</tr>
<tr>
<td>Insider Trading Prevention Office</td>
<td>Implements preventive measures against insider trading</td>
</tr>
<tr>
<td>Digital Transformation Office</td>
<td>Promotes and executes digital transformation projects</td>
</tr>
<tr>
<td>ESG Office</td>
<td>Promotes and executes ESG-related affairs</td>
</tr>
<tr>
<td>Occupational Safety and Health Office</td>
<td>Implementing a comprehensive occupational health and safety program</td>
</tr>
<tr>
<td>PCBG</td>
<td>Responsible for the R&amp;D, production, quality control and sale of PCs and other related products</td>
</tr>
<tr>
<td>GOBG</td>
<td>Responsible for production, quality control, and worldwide operation affairs</td>
</tr>
<tr>
<td>SDBG</td>
<td>Responsible for the R&amp;D, production, quality control, and the sale of smart devices</td>
</tr>
<tr>
<td>Accounting Group</td>
<td>Handles accounting, share administration, and funding affairs</td>
</tr>
<tr>
<td>Financial Group</td>
<td>Responsible for the Company’s financial planning, capital scheduling, and payment controlling.</td>
</tr>
<tr>
<td>HR and Administration Group</td>
<td>Responsible for human resources, training, education, employee relations, general affairs, and building management</td>
</tr>
</tbody>
</table>
### 3.2 Directors and Management Team

#### 3.2.1 Directors

<p>| Title/Name/ Nationality (Note 1, 2) | Gender/ Age | Elected Date | Term | First Elected Date | Shareholding at the election date | Current shareholding | Shares held by spouse and underage children | Shares held by proxy | Major career/academic achievements | Selected Current Position at COMPAI and Other Companies | Spouse or relatives of second degree or closer acting as Directors, Supervisors, or department heads |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Chairman Sheng-Hsiung Hsu | Male 81-90 | 2021.8.27 | 3 years | 1984.04.16 | 8,975,401 0.20% | 8,975,401 0.20% | 17,107,025 0.39% | 0 0.00% | Co-Founder of Compal Electronics, Inc. Honorary Doctorate, National Taiwan Normal University Chair of Kinpo Electronics, Inc. | (Note 5) Director Director Sheng-Chieh Hsu Chieh-Li Hsu | Brother’s father and son |
| Vice-Chairman Jui-Tsung Chen | Male 66-80 | 2021.8.27 | 3 years | 1992.04.30 | 35,352,587 0.80% | 35,352,587 0.80% | 1,069,405 0.02% | 0 0.00% | Honorary Doctorate, National Cheng Kung University Chair of Arcadyan Technology Corp. | (Note 5) N/A N/A | N/A |
| Director Binpal Investment Co., Ltd. | - | 2021.8.27 | 3 years | 2018.6.22 | 5,000,000 0.11% | 5,000,000 0.11% | 0 0.00% | 0 0.00% | Co-Founder of Compal Electronics, Inc. National Tao-Yuan Sr. Vocational Agricultural and Industrial School Director of BAGTEK, Inc. | (Note 5) N/A N/A | N/A |
| Representative: Wen-Being Hsu | Male 81-90 | 2018.8.14 | 3 years | 1984.04.16 | 5,000,000 0.11% | 5,000,000 0.11% | 0 0.00% | 0 0.00% | | (Note 5) N/A N/A | N/A |
| Director Kinpo Electronics, Inc. | - | 2021.8.27 | 3 years | 1990.06.22 | 151,628,692 3.44% | 151,628,692 3.44% | 0 0.00% | 0 0.00% | Master of International Business, Waseda University, Japan Chair and President of AcBel Polytech Inc. | (Note 5) Chairman Sheng-Hsiung Hsu | Father and son |
| Representative: Chieh-Li Hsu | Male 36-50 | 2020.07.21 | 3 years | 2018.8.14 | 4,117,569 0.09% | 4,117,569 0.09% | 631 0.00% | 0 0.00% | | (Note 5) N/A N/A | N/A |
| Director Chang-Chyi Ko | Male 81-90 | 2021.8.27 | 3 years | 1984.04.16 | 7,896,967 0.18% | 7,896,967 0.18% | 30,645 0.00% | 0 0.00% | Co-Founder of Compal Electronics, Inc. Bachelor of Business Dept., National Taiwan University PhD, Lincoln University, USA Chair of Taiwan Biotech Co., Ltd. | (Note 5) N/A N/A | N/A |</p>
<table>
<thead>
<tr>
<th>Title/ Name/ Nationality (Note 1, 2)</th>
<th>Gender/ Age</th>
<th>Elected Date</th>
<th>Term</th>
<th>First Elected Date</th>
<th>Shareholding at the election date</th>
<th>Current shareholding</th>
<th>Shares held by spouse and underage children</th>
<th>Shares held by proxy</th>
<th>Major career/academic achievements</th>
<th>Selected Position at COMPAL and Other Companies</th>
<th>Spouse or relatives of second degree or closer acting as Directors, Supervisors, or department heads</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director Sheng-Chieh Hsu</td>
<td>Male 66-80</td>
<td>2021.8.27</td>
<td>3 years</td>
<td>1997.05.29</td>
<td>9,204,201 0.21%</td>
<td>9,204,201 0.21%</td>
<td>8,152,928 0.18% (Note 4)</td>
<td>(Note 4) 0.00%</td>
<td>Bachelor of Architectural Dept., Tam- Kang University Director of Kinpo Electronics Inc.</td>
<td>(Note 5) Chairman</td>
<td>Sheng-Hsiung Hsu Brothers</td>
</tr>
<tr>
<td>Director Yen-Chia Chou</td>
<td>Male 66-80</td>
<td>2021.8.27</td>
<td>3 years</td>
<td>1987.06.13</td>
<td>8,022,874 0.18%</td>
<td>8,022,874 0.18%</td>
<td>2,502,768 0.06% 0.00%</td>
<td>0.00%</td>
<td>Bachelor of Geology Dept. National Taiwan University Director of Kinpo Electronics Inc.</td>
<td>(Note 5) N/A N/A N/A</td>
<td></td>
</tr>
<tr>
<td>Director Chung-Pin Wong</td>
<td>Male 51-65</td>
<td>2021.8.27</td>
<td>3 years</td>
<td>2007.06.15</td>
<td>6,618,618 0.15%</td>
<td>6,618,618 0.15%</td>
<td>1,398 0.00% 0.00%</td>
<td>0.00%</td>
<td>Master of Management Science, National Chiao-Tung University Chair of Compal Broadband Networks, Inc.</td>
<td>(Note 5) N/A N/A N/A</td>
<td></td>
</tr>
<tr>
<td>Director Chung-Chi Hsu</td>
<td>Male 51-65</td>
<td>2021.8.27</td>
<td>3 years</td>
<td>1994.04.23</td>
<td>2,117,731 0.05%</td>
<td>2,117,731 0.05%</td>
<td>30,000 0.00% 0.00%</td>
<td>0.00%</td>
<td>Master of Golden Gate University, San Francisco, USA Director of I PAO Bearing Co., Ltd.</td>
<td>(Note 5) N/A N/A N/A</td>
<td></td>
</tr>
<tr>
<td>Director Ming-Chih Chang</td>
<td>Male 51-65</td>
<td>2021.8.27</td>
<td>3 years</td>
<td>2018.6.22</td>
<td>1,919,489 0.04%</td>
<td>1,919,489 0.04%</td>
<td>0 0.00% 0.00%</td>
<td>0.00%</td>
<td>Electrical Engineering Dept., Ming Chi Institute of Technology Director of Mactech Co., Ltd.</td>
<td>(Note 5) N/A N/A N/A</td>
<td></td>
</tr>
<tr>
<td>Director Anthony Peter Bonadero</td>
<td>Male 51-65</td>
<td>2021.8.27</td>
<td>3 years</td>
<td>2018.6.22</td>
<td>0 0.00%</td>
<td>0 0.00%</td>
<td>0 0.00% 0.00%</td>
<td>0.00%</td>
<td>Texas A&amp;M University Executive Vice-President of Auscom Engineering Inc.</td>
<td>(Note 5) N/A N/A N/A</td>
<td></td>
</tr>
<tr>
<td>Director Sheng-Hua Peng</td>
<td>Male 51-65</td>
<td>2021.8.27</td>
<td>3 years</td>
<td>2018.6.22</td>
<td>835,000 0.02%</td>
<td>835,000 0.02%</td>
<td>0 0.00% 0.00%</td>
<td>0.00%</td>
<td>Master of Electronics Engineering, National Taiwan University Director of Arcadyan Technology Corp.</td>
<td>(Note 5) N/A N/A N/A</td>
<td></td>
</tr>
<tr>
<td>Independent Director Min-Chih Hsuan</td>
<td>Male 66-80</td>
<td>2021.8.27</td>
<td>3 years</td>
<td>2012.6.22</td>
<td>0 0.00%</td>
<td>0 0.00%</td>
<td>0 0.00% 0.00%</td>
<td>0.00%</td>
<td>Bachelor of Electrical Engineering Dept., National Chiao Tung University Chair and President of United Microelectronics Corp.</td>
<td>(Note 5) N/A N/A N/A</td>
<td></td>
</tr>
<tr>
<td>Title/Name/Nationality (Note 1, 2)</td>
<td>Gender/Age</td>
<td>Elected Date</td>
<td>Term</td>
<td>First Elected Date</td>
<td>Shareholding at the election date</td>
<td>Shareholding at the election date</td>
<td>Current shareholding</td>
<td>Shares held by spouse and underage children</td>
<td>Shares held by proxy</td>
<td>Major career/academic achievements</td>
<td>Selected Current Position at COMPAL and Other Companies</td>
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<tr>
<td>Independent Director Duei Tsai</td>
<td>Male 66-80</td>
<td>2021.8.27</td>
<td>3 years</td>
<td>2012.6.22</td>
<td>0</td>
<td>0.00%</td>
<td>0</td>
<td>0.00%</td>
<td>0</td>
<td>0.00%</td>
<td>0</td>
</tr>
<tr>
<td>Independent Director Wen-Chung Shen</td>
<td>Male 66-80</td>
<td>2021.8.27</td>
<td>3 years</td>
<td>1998.4.8</td>
<td>2,836,000</td>
<td>0.06%</td>
<td>2,836,000</td>
<td>0.06%</td>
<td>2,315,000</td>
<td>0.05%</td>
<td>0</td>
</tr>
</tbody>
</table>

Note: 1. Except for Director Anthony Peter Bonadero, who is a US citizen, the rest of the directors are ROC nationals.
2. The Chairman, Chief Strategy Officer and President of the Company are not the same person, spouses, or related to each other.
3. Wen-Chung Shen served as Director from April 22, 1998 to June 22, 2018.
4. Director Sheng-Chieh Hsu held 2,578,000 shares (0.06%) through proxies.

5. Selected Current Positions as below:

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Selected Current Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td>Name</td>
<td>Selected Current Positions</td>
</tr>
<tr>
<td>-------</td>
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<td>---------------------------</td>
</tr>
<tr>
<td><strong>Group CEO:</strong></td>
<td>Kinpo Electronics, Inc.</td>
<td></td>
</tr>
<tr>
<td><strong>President:</strong></td>
<td>Kinpo Group Management Consultant Company, Cal-Comp Precision Holding Co., Ltd.</td>
<td></td>
</tr>
<tr>
<td><strong>Other:</strong></td>
<td>Honorary Chair of Chinese National Federation of Industries, Honorary Chair of Importers and Exporters Association of Taipei, Honorary Chair of The Third Wednesday Club, Policy Consultant of Taiwan Electrical and Electronic Manufacturers’ Association, Chair of China Productivity Center, Vice Chair of Straits Exchange Foundation, Vice-Chair of Sinocon Industrial Standards Foundation</td>
<td></td>
</tr>
<tr>
<td><strong>Independent Director:</strong></td>
<td>Powertech Technology Inc.</td>
<td></td>
</tr>
<tr>
<td><strong>Audit Committee Member:</strong></td>
<td>Powertech Technology Inc.</td>
<td></td>
</tr>
<tr>
<td><strong>Chief Strategy Officer:</strong></td>
<td>Compal Electronics, Inc.</td>
<td></td>
</tr>
<tr>
<td><strong>Other:</strong></td>
<td>Director of Chengdian Culture and Education Foundation</td>
<td></td>
</tr>
<tr>
<td><strong>Chairman:</strong></td>
<td>Binpal Investment Co., Ltd., Yuanbao Investment Co., Ltd.</td>
<td></td>
</tr>
<tr>
<td><strong>Director:</strong></td>
<td>Liu Pao Trading Co., Ltd.</td>
<td></td>
</tr>
</tbody>
</table>

**Vice Chairman**

Jui-Tsung Chen

**Chairman:**


**Director:**


**Independent Director:**

Powertech Technology Inc.

**Audit Committee Member:**

Powertech Technology Inc.

**Chief Strategy Officer:**

Compal Electronics, Inc.

**Other:**

Director of Chengdian Culture and Education Foundation

**Chairman:**

Binpal Investment Co., Ltd., Yuanbao Investment Co., Ltd.

**Director:**

Liu Pao Trading Co., Ltd.
<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Selected Current Positions</th>
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</thead>
<tbody>
<tr>
<td>Title</td>
<td>Name</td>
<td>Selected Current Positions</td>
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<tr>
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<td></td>
<td><strong>Vice-Chairman:</strong> OmniHealth Group, Inc.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Director:</strong> Kinpo Electronics, Inc., Chang Yao Technology Inc., Genhealth Pharma Co., Ltd., All Information Inc., Taiwan Carefor Home Pharmacy Co., Ltd., Gold Precision Ltd., KKKC Integrated Management Holding (CYPRUS) Ltd., Optics Lab Inc., Synpharm, Inc.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Supervisor:</strong> Teleport Access Services, Inc., Sunny Special Dyeing &amp; Finishing Co., Ltd.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Other:</strong> Chair of Yang Bi Li Education Foundation of Management, Director of Health, Welfare &amp; Environment Foundation, Managing Supervisor of Cross-Strait Health Care and Leisure Activities Association</td>
</tr>
<tr>
<td>Director</td>
<td>Sheng-Chieh Hsu</td>
<td><strong>Chairman:</strong> Integrate Investment Corp.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Director:</strong> Cal-Comp Electronics (Thailand) Public Company Limited, Cal-Comp Electronics and communications Co., Ltd., Kinpo&amp;Compal Group Assets Development Corporation, Kinpo Electronics (China) Co., Ltd., Kinpo International Ltd.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Supervisor:</strong> Gempal Technology Corp., Panpal Technology Corp., Hong Ji Capital Co., Ltd., Hong Jin Investment Co., Ltd.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Chairman of Development Executive Committee:</strong> Kinpo&amp;Compal Group Assets Development Corporation</td>
</tr>
<tr>
<td>Director</td>
<td>Yen-Chia Chou</td>
<td><strong>Chairman:</strong> Sceptre Industry Co., Ltd.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Director:</strong> Micro Metal Electronics Co., Ltd.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Supervisor:</strong> Full Power Investment Co., Ltd.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>President:</strong> Sceptre Industry Co., Ltd.</td>
</tr>
<tr>
<td>Director</td>
<td>Chung-Pin Wong</td>
<td><strong>Chairman:</strong> Compal Broadband Networks, Inc., Poindus System Corp., Starmems semiconductor Corp., Compal Healthcare and Technology Ltd., HengHao Technology Co. Ltd., Rayannon Technology Co. Ltd., HippoScreen Neurotech Corp., Shennona Co., Ltd., UNICOM GLOBAL, INC., Compal USA (Indiana), Inc., Wah Yuen Technology Holding Ltd.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Executive Director:</strong> Compower Global Service Co., Ltd.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Supervisor:</strong> Hong Ya Technology Corporation</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>President:</strong> Compal Electronics, Inc., Gempal Technology Corp., Panpal Technology Corp., Hong Ji Capital Co., Ltd., Hong Jin Investment Co., Ltd.</td>
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<td></td>
<td></td>
<td><strong>Sustainability Committee Member:</strong> Compal Electronics, Inc.</td>
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<td></td>
<td><strong>Risk Management Committee Member:</strong> Compal Electronics, Inc.</td>
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<tr>
<td></td>
<td></td>
<td><strong>Branch Manager:</strong> Compal Electronics, Inc. Kaohsiung Branch</td>
</tr>
<tr>
<td>Title</td>
<td>Name</td>
<td>Selected Current Positions</td>
</tr>
<tr>
<td>--------------</td>
<td>--------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Director     | Chiung-Chi Hsu                 | **Chairman:** E-Bow Bearing Co., Ltd., Full Power Investment Co., Ltd.  
**Director:** Juan Hsin Bao Hardware co., Ltd., Jin Yongxiang co., Ltd.  
**Chairman:** FIPOLL Electronics (Chongqing) Co., Ltd.  
**Director:** Mactech Co., Ltd., Panpal Technology Corp., Kunshan Botai Electronics Co., Ltd., CGS Technology (Poland) Sp. z o.o., Compal Europe (Poland) Sp. z o.o.  
**Executive Vice-President:** Compal Electronics, Inc. |
| Director     | Ming-Chih Chang                | **Chairman:** FIPOLL Electronics (Chongqing) Co., Ltd.  
**Director:** Mactech Co., Ltd., Panpal Technology Corp., Kunshan Botai Electronics Co., Ltd., CGS Technology (Poland) Sp. z o.o., Compal Europe (Poland) Sp. z o.o.  
**Executive Vice-President:** Compal Electronics, Inc. |
| Director     | Anthony Peter Bonadero        | **Executive Vice-President:** Auscom Engineering Inc.  
**Chief Sustainability Officer of ESG Office:** Compal Electronics, Inc. |
| Director     | Sheng-Hua Peng                 | **Chairman:** Compal Wireless Communications (Nanjing) Co., Ltd., Compal Digital Communications (Nanjing) Co., Ltd., HANHELT Communications (Nanjing) Co., Ltd., Compal Communications (Nanjing) Co., Ltd.  
**Supervisor:** General Life Biotechnology Co., Ltd.  
**President:** Palcom International Corporation, Compal Investment (Jiangsu) Co., Ltd., Compal Display Electronics (Kunshan) Co., Ltd., HANHELT Communications (Nanjing) Co., Ltd., Compal Smart Device (Chongqing) Co., Ltd.  
**Executive Vice-President:** Compal Electronics, Inc. |
| Independent Director | Min Chih Hsu                  | **Chairman:** Clientron Corp., Taiwan Memory Company, Fusionvax, Inc., TC-1 Culture Fund, Zhi Cheng Retro-style EV-mobility Design Co., Ltd., Vital First Investment Corporation, Maxima Ventures II, Inc.  
**Director:** SIPP, Inc., Meribank Biotech Co., Ltd., Meridigen Biotech Co., Ltd., Htsensortek co., Ltd., Allied Focus Holding Corporation (Seychelles), Angeluca Science Ltd. (Republic of Seychelles), Bohe Biopharma Global Corporation (Cayman), Moral Express Holding Corporation (Seychelles), Orilitia Biopharma Limited (Hong Kong), Pacgen Biopharmaceuticals Corporation (Canada)  
**Remuneration Committee Member:** Compal Electronics, Inc.  
**Audit Committee Member:** Compal Electronics, Inc.  
**Risk Management Committee Member:** Compal Electronics, Inc. |
| Independent Director | Duei Tsai                     | **Director:** Daai Satellite TV Co., Ltd.  
**Independent Director:** Taiwan High Speed Rail Corporation, TTY Biopharm Company Ltd.  
**Independent Director for Public Welfare:** Starlux Airlines Co., Ltd.  
**Remuneration Committee Member:** Compal Electronics, Inc., Taiwan High Speed Rail Corporation, TTY Biopharm Company Ltd., Starlux Airlines Co., Ltd.  
**Audit Committee Member:** Compal Electronics, Inc., Taiwan High Speed Rail Corporation, TTY Biopharm Company Ltd., Starlux Airlines Co., Ltd.  
**Sustainability Committee Member:** Compal Electronics, Inc., TTY Biopharm Company Ltd. |
<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Selected Current Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Director</td>
<td>Wen-Chung Shen</td>
<td><strong>Risk Management Committee Member:</strong> Compal Electronics, Inc.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Nomination Committee Member:</strong> Taiwan High Speed Rail Corporation,</td>
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<td></td>
<td></td>
<td><strong>Corporate Governance Committee Member:</strong> Taiwan High Speed Rail Corporation,</td>
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<td></td>
<td></td>
<td>Chairman: Her Tuo Co., Ltd.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Remuneration Committee Member:</strong> Compal Electronics, Inc.</td>
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<td></td>
<td></td>
<td><strong>Audit Committee Member:</strong> Compal Electronics, Inc.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Sustainability Committee Member:</strong> Compal Electronics, Inc.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Risk Management Committee Member:</strong> Compal Electronics, Inc.</td>
</tr>
</tbody>
</table>
### Major shareholders of the Company’s corporate shareholders

<table>
<thead>
<tr>
<th>Name of corporate shareholder</th>
<th>Major shareholders of the corporate shareholder (Note)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kinpo Electronics, Inc.</td>
<td>Compal Electronics, Inc. (8.26%), Panpal Technology Corp. (4.62%), GEBO Limited (3.00%), Ho Bao Investment Co., Ltd. (2.00%), Ruey Shinn Co., Ltd. (1.87%), Li Chu Tsai (1.44%), UBS Taipei Branch is subject to Li Chu Tsai trust property account (1.33%), Lai Shun Shen Tsai (1.28%), JPMorgan Chase Bank Taipei Branch is entrusted with the safekeeping of Van Gard Emerging Market Stock Index Fund investment account of the manager of Van Gard Group (1.24%), JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (1.21%)</td>
</tr>
</tbody>
</table>

Note: If the major shareholder is also a corporate entity, please refer to the following table.

### Major shareholders of the Company’s major corporate shareholders

<table>
<thead>
<tr>
<th>Name of corporate shareholder</th>
<th>Major shareholders of corporate shareholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panpal Technology Corporation</td>
<td>Compal Electronics, Inc. (100%)</td>
</tr>
<tr>
<td>GEBO Limited</td>
<td>Li-Chu Tsai (95.39%), Chieh-Li Hsu (1.77%), Chun-Chi Hsu (1.42%), Yung-Hsu Hsu (1.42%)</td>
</tr>
<tr>
<td>Ho Bao Investment Co., Ltd.</td>
<td>Chieh-Li Hsu (45.76%), Li-Chu Tsai (20.06%), Chun-Chi Hsu (17.09%), Yung-Hsu Hsu (17.09%)</td>
</tr>
<tr>
<td>Ruey Shinn Co., Ltd.</td>
<td>Hsin Chung Chen (33.34%), Hsin Tso Chen (33.33%), Hsin Yu Chen (33.33%)</td>
</tr>
<tr>
<td>Name</td>
<td>Conditions</td>
</tr>
<tr>
<td>------</td>
<td>------------</td>
</tr>
<tr>
<td>Chairman Sheng-Hsiung Hsu</td>
<td>Department of Chinese, Honorary Doctorate, National Taiwan Normal University Chairman of Kinpo Electronics Inc. and Cal-Comp Electronics (Thailand) Public Company Limited The Chairman possesses more than 30 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30.</td>
</tr>
<tr>
<td>Vice Chairman Jui-Tsung Chen</td>
<td>Department of Electrical Engineering, Honorary Doctorate, National Cheng Kung University Chairman of Arcadyan Technology Corp. and Compal Communication Inc., and Chief Strategy Officer of Compal The Vice Chairman possesses more than 40 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30.</td>
</tr>
<tr>
<td>Director Representative of Binpal Investment Co., Ltd.: Wen-Being Hsu</td>
<td>National Tao-Yuan Sr. Vocational Agricultural and Industrial School Director of BAOTEX, Inc. The Director possesses more than 30 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30.</td>
</tr>
<tr>
<td>Director Representative of Kinpo Electronics Inc.: Chieh-Li Hsu</td>
<td>IMBA, Waseda Business School Chairman and President of AcBel Polytech Inc. The Director possesses more than 20 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30.</td>
</tr>
<tr>
<td>Director Chang-Chyi Ko</td>
<td>Department of Business, National Taiwan University and Doctorate Degree, University of Lincoln Director of Kinpo Electronics Inc. and Chairman of Taiwan Biotech Co., Ltd. The Director possesses more than 30 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30.</td>
</tr>
<tr>
<td>Director Sheng-Chieh Hsu</td>
<td>Department of Architecture, Tam-Kang University Director of Kinpo Electronics Inc. and Cal-Comp Electronics (Thailand) Public Company Limited The Director possesses more than 30 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30.</td>
</tr>
<tr>
<td>Director Yen-Chia Chou</td>
<td>Department of Geosciences, National Taiwan University Director of Kinpo Electronics Inc. The Director possesses more than 30 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30.</td>
</tr>
<tr>
<td>Name</td>
<td>Conditions</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Director Chung-Pin Wong   | Master of Management Science, National Chiao Tung University Chairman of Compal Broadband Networks, Inc. and Poindus Systems Corp., and President of Compal  
The Director possesses more than 30 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30. |                                                                                                                                                                                                                                                                                                           | N/A                                           |                                                                     |
| Director Chiung-Chi Hsu   | Master’s Degree, Golden Gate University, San Francisco, USA Director of Eb-Bow-Bearing Co., Ltd.  
The Director possesses more than 20 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30. |                                                                                                                                                                                                                                                                                                           | N/A                                           |                                                                     |
| Director Ming-Chih Chang  | Department of Electrical Engineering, Ming Chi University of Technology Director of Mactech Co., Ltd., Executive Vice President of Compal and President of LCFC (HeFei) Electronics Technology Co., Ltd.  
The Director possesses more than 30 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30. |                                                                                                                                                                                                                                                                                                           | N/A                                           |                                                                     |
| Director Anthony Peter Bonadero | Texas A&M University Executive Vice President of Auscom Engineering Inc.  
The Director possesses more than 30 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30. |                                                                                                                                                                                                                                                                                                           | N/A                                           |                                                                     |
| Director Sheng-Hua Peng   | Master of Science in Electrical Engineering, National Taiwan University Director of Arcadyan Technology Corp., Executive Vice President of Compal and Senior Vice President of Compal Communications, Inc.  
The Director possesses more than 20 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30. |                                                                                                                                                                                                                                                                                                           | N/A                                           |                                                                     |
<table>
<thead>
<tr>
<th>Name</th>
<th>Conditions</th>
<th>Professional Qualification &amp; Experience</th>
<th>Independence Status of Independent Directors</th>
<th>No. of concurrent independent directorships of other public firms held</th>
</tr>
</thead>
</table>
| Independent Director  |                                                                                                                                             | Honorary Doctorate, Department of Electrical Engineering, National Chiao Tung University Chairman, Vice Chairman, CEO, President and Honorary Vice Chairman of United Microelectronics Corp. Chairman of Faraday Technology Corp., Clientron Corp. The Director possesses more than 30 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30. | ● Compliance with independence criteria (note)  
   ● Number of shares of the Company and shareholding ratio of the person or their spouse or relatives within the second degree of kinship (or in the name of others): 0 shares, 0% |                                                                              |
| Min Chih Hsuan        |                                                                                                                                             |                                                                                                                                                                                                       |                                               |                                                                              |
| Independent Director  | PhD, Graduate Institute of Electrical Engineering, National Taiwan University Independent Director of Taiwan High Speed Rail Corporation, TTY Biopharm Company Ltd. and Independent Director for Public Welfare of Starlux Airlines Co., Ltd. Part-time professor-level professional and technical personnel in the Department of Electrical Engineering, National Taipei University of Technology and the Department of Digital Multimedia Design, Kainan University; Adjunct professor at the Department of Electronics, National Taiwan University of Science and Technology and the Department of Electronics, Yuanzhi University. Government positions such as Minister of Transportation and Director of the Civil Aviation Bureau of the Ministry of Transportation. The Director possesses more than 30 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30. | ● Compliance with independence criteria (note)  
   ● Number of shares of the Company and shareholding ratio of the person or their spouse or relatives within the second degree of kinship (or in the name of others): 0 shares, 0% | 3                                                               |
| Duei Tsai             |                                                                                                                                             |                                                                                                                                                                                                       |                                               |                                                                              |
| Independent Director  | Department of Electrical Engineering, National Taiwan University Chairman of Her Tuo Co., Ltd., and Director and Executive Vice President of Compal The Director possesses more than 30 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30. |                                                                                                                                                                                                       | ● Compliance with independence criteria (note)  
   ● Number of shares of the Company and shareholding ratio of the person or their spouse or relatives within the second degree of kinship (or in the name of others): 5,151,000 shares, 0.11% |                                                                              |
| Wen-Chung Shen        |                                                                                                                                             |                                                                                                                                                                                                       |                                               |                                                                              |

Note: Independent Directors shall indicate the fulfillment of independence criteria.
• These criteria include but are not limited to the following: the Director or the Director’s spouse or relatives within the second degree of kinship have not worked as directors, supervisors or employees of the Company or its affiliated enterprises;
• The Director has not assumed a position as a director, supervisor or employee of any company in a specified relationship with the Company (Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, Article 3, Paragraph 1, Sub-paragraphs 5 to 8).
• The Director has not received remuneration for providing business, legal, financial, accounting, or other services to the Company or its affiliates in the last 2 years.
• Number of shares of the Company and shareholding ratio of the person or their spouse or relatives within the second degree of kinship (or in the name of others).
The Diversity & Independence of the Board of Directors:

1. The Diversity of the Board of Directors:

   (1) In accordance with the Company’s Corporate Governance Best-Practice Principles, the composition of the board of directors shall be determined by taking diversity into account. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated.

   All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

   1. Ability to make operational judgments.
   2. Ability to perform accounting and financial analysis.
   3. Ability to conduct management administration.
   4. Ability to conduct crisis management.
   5. Knowledge of the industry.
   6. An international market perspective.
   7. Ability to lead.
   8. Ability to make policy decisions.
## Status of board member diversification:

<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Core items for diversification</th>
<th>Employee Status (Note 1)</th>
<th>Operation management</th>
<th>Leadership and decision-making</th>
<th>Knowledge of the industry</th>
<th>International market perspective</th>
<th>Risk Management</th>
<th>Finance and accounting</th>
<th>Investment M&amp;A</th>
<th>Communications and network</th>
<th>Architecture</th>
<th>Industry Experience (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheng-Hsiung Hsu</td>
<td></td>
<td>V</td>
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<td>V</td>
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<td>V</td>
<td>Information Technology</td>
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<tr>
<td>Jui-Tsung Chen</td>
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<td>V</td>
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<td>V</td>
<td>Information Technology</td>
<td></td>
</tr>
<tr>
<td>Representative of Binpal Investment Co., Ltd.: Wen-Being Hsu</td>
<td></td>
<td>V</td>
<td>V</td>
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<td>V</td>
<td>V</td>
<td>Consumer Discretionary</td>
<td></td>
</tr>
<tr>
<td>Representative of Kinpo Electronics Inc.: Chieh-Li Hsu</td>
<td></td>
<td>V</td>
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<td>V</td>
<td>Information Technology</td>
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<tr>
<td>Chang-Chyi Ko</td>
<td></td>
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<td>V</td>
<td>V</td>
<td>V</td>
<td>Healthcare</td>
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<tr>
<td>Sheng-Chieh Hsu</td>
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<td>Industrial</td>
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<td>Yen-Chia Chou</td>
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<td>Information Technology</td>
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<td>Chung-Pin Wong</td>
<td></td>
<td>V</td>
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<td>V</td>
<td>V</td>
<td>V</td>
<td>Information Technology</td>
<td></td>
</tr>
<tr>
<td>Chiung-Chi Hsu</td>
<td></td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>Materials</td>
<td></td>
</tr>
<tr>
<td>Ming-Chih Chang</td>
<td></td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>Information Technology</td>
<td></td>
</tr>
<tr>
<td>Anthony Peter Bonadero</td>
<td></td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>Information Technology</td>
<td></td>
</tr>
<tr>
<td>Sheng-Hua Peng</td>
<td></td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>Information Technology</td>
<td></td>
</tr>
<tr>
<td>Min-Chih Hsuan</td>
<td></td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>Information Technology</td>
<td></td>
</tr>
<tr>
<td>Duei Tsai</td>
<td></td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>Industrial</td>
<td></td>
</tr>
<tr>
<td>Wen-Chung Shen</td>
<td></td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>V</td>
<td>Information Technology</td>
<td></td>
</tr>
</tbody>
</table>

Note: 1. Directors Jui-Tsung Chen, Chung-Pin Wong, Ming-Chih Chang and Sheng-Hua Peng have the status of employees of the company, and directors Chieh-Li Hsu and Anthony Peter Bonadero have the status of employees of the subsidiaries.

<table>
<thead>
<tr>
<th>Item</th>
<th>Director</th>
<th></th>
<th>Independent Director</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of people</td>
<td>%</td>
<td>Number of people</td>
<td>%</td>
</tr>
<tr>
<td>Age</td>
<td>36 ~ 50 years old</td>
<td>1</td>
<td>7%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>51~65 years old</td>
<td>5</td>
<td>33%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>65 years or older</td>
<td>6</td>
<td>40%</td>
<td>3</td>
</tr>
<tr>
<td>Gender</td>
<td>Male</td>
<td>12</td>
<td>80%</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>0</td>
<td>0%</td>
<td>0</td>
</tr>
<tr>
<td>Country of Citizenship</td>
<td>Republic of China</td>
<td>11</td>
<td>73%</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>U.S.A.</td>
<td>1</td>
<td>7%</td>
<td>0</td>
</tr>
<tr>
<td>Employee Status</td>
<td>The company</td>
<td>4</td>
<td>27%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>The companies' subsidiaries</td>
<td>2</td>
<td>13%</td>
<td>0</td>
</tr>
<tr>
<td>shareholder</td>
<td>The company</td>
<td>11</td>
<td>73%</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>The companies' subsidiaries</td>
<td>1</td>
<td>7%</td>
<td>2</td>
</tr>
<tr>
<td>Seniority of Independent Directors</td>
<td>Less than 3 years</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>More than 9 years</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
</tbody>
</table>

The current Board of Directors is comprised of 15 Directors. The management goals and implementation status of the diversity policy of the Board are as follows:

<table>
<thead>
<tr>
<th>Management goal</th>
<th>Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The number of Directors holding concurrent positions as the Company Managers does not exceed one-third of the Board seats.</td>
<td>Implemented</td>
</tr>
<tr>
<td>At least four Directors possess expertise in the computer industry, sales and technology.</td>
<td>Implemented</td>
</tr>
<tr>
<td>At least two Directors possess expertise in law, finance, accounting and technology.</td>
<td>Implemented</td>
</tr>
</tbody>
</table>

When the company plans to re-elect the next term of directors, the number of independent directors shall not be less than 1/3 of all directors and more than half of the independent directors shall serve no more than three consecutive terms.

In addition, at least one female director shall serve, helping achieve the specific goal of diversification of the company's directors members.
2. Independence of the Board of Directors:

The current Board of Directors comprises 15 Directors, including Independent Directors (constituting 20% of the Board members). The establishment of Independent Directors and their roles are compliant with the provisions of the Securities and Exchange Act, and “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.”

Apart from Sheng-Hsiun Hsu (Chairman), Sheng-Chieh Hsu (Director) and Chieh-Li Hsu (representative of juristic person Director, Kinpo Electronics Inc.) who are relatives within the second degree of kinship, the rest of the Directors do not have spousal or familial relationships within the second degree of kinship. As such, the Directors are not persons of conditions listed in the Securities and Exchange Act, Articles 26-3 and 26-4. In conclusion, the Board of Directors of the Company is deemed independent.
### 3.2.2 Management Team

<table>
<thead>
<tr>
<th>Title</th>
<th>Name/Gender</th>
<th>Date elected</th>
<th>Shares held</th>
<th>Shares held by spouse and underage children</th>
<th>Total shares held in the names of others</th>
<th>Major career/academic achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Strategy Officer</td>
<td>Jui-Tsung Chen</td>
<td>2018.07.04</td>
<td>35,352,587</td>
<td>1,069,405</td>
<td>0</td>
<td>Honorary Doctorate, National Cheng Kung University Chair of Arcadyan Technology Corp.</td>
</tr>
<tr>
<td>President</td>
<td>Chung-Pin Wong</td>
<td>2018.07.04</td>
<td>6,618,618</td>
<td>1,398</td>
<td>0</td>
<td>Master of Management Science, National Chiao-Tung University Chair of Compal Broadband Networks, Inc.</td>
</tr>
<tr>
<td>Executive Vice-President</td>
<td>Ming-Chih Chang</td>
<td>2018.07.04</td>
<td>1,919,489</td>
<td>0</td>
<td>0</td>
<td>Electrical Engineering Dept., Ming Chi University of Technology Director of Mactech Co., Ltd.</td>
</tr>
<tr>
<td>Executive Vice-President</td>
<td>Sheng-Hua Peng</td>
<td>2018.07.04</td>
<td>835,000</td>
<td>0</td>
<td>0</td>
<td>Master of Electronics Engineering, National Taiwan University Director of Arcadyan Technology Corp.</td>
</tr>
<tr>
<td>Executive Vice-President</td>
<td>Chen-Chang Hsu</td>
<td>2011.08.31</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>National Chiao Tung University EMBA Vice-Chair of HengHao Technology Co. Ltd.</td>
</tr>
<tr>
<td>Senior Vice-President</td>
<td>Chun-Te Shen</td>
<td>2007.01.01</td>
<td>2,953,700</td>
<td>900,000</td>
<td>0</td>
<td>Master of Electrical Engineering, National Taiwan University Director of Kinpo Electronics Inc.</td>
</tr>
<tr>
<td>Senior Vice-President</td>
<td>Kuo-Chuan Chen</td>
<td>2007.01.01</td>
<td>685,823</td>
<td>10,924</td>
<td>0</td>
<td>Bachelor of Physics Dept., Chung Yuan Christian University Senior Vice-President of Compal Communication Inc.</td>
</tr>
<tr>
<td>Senior Vice-President</td>
<td>Chyou-Jui Wei</td>
<td>2010.03.18</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Master of Business Administration, University of Washington, USA Director of General Life Biotechnology Co.</td>
</tr>
<tr>
<td>Senior Vice-President</td>
<td>Wen-Da Hsu</td>
<td>2014.02.27</td>
<td>1,333,000</td>
<td>0</td>
<td>0</td>
<td>Media Administration Dept., Shih Hsin University Senior Vice-President of Compal Communication Inc.</td>
</tr>
<tr>
<td>Title</td>
<td>Name/ Nationality/ Gender (Note 1, 2)</td>
<td>Date elected/appointed</td>
<td>Shares held</td>
<td>Shares held by spouse and underage children</td>
<td>Subsidiary shareholding</td>
<td>Total shares held in the names of others</td>
</tr>
<tr>
<td>-----------------------</td>
<td>----------------------------------------</td>
<td>------------------------</td>
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<td>---------------------------------------------</td>
<td>--------------------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td>Senior Vice-President</td>
<td>Shi-Kuan Chen</td>
<td>2017.02.08</td>
<td>0</td>
<td>0.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Vice-President</td>
<td>Chi-Wai Wan</td>
<td>2017.05.10</td>
<td>0</td>
<td>0.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Vice-President</td>
<td>Min-Tung Weng</td>
<td>2018.12.01</td>
<td>623,786</td>
<td>0.01%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Senior Vice-President</td>
<td>Lo-Chun Lee</td>
<td>2018.12.01</td>
<td>420,000</td>
<td>0.01%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Senior Vice-President</td>
<td>Sheng-Hung Li</td>
<td>2019.11.11</td>
<td>285,574</td>
<td>0.01%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Senior Vice-President</td>
<td>Bor-Heng Chen</td>
<td>2020.05.13</td>
<td>280,010</td>
<td>0.01%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Senior Vice-President</td>
<td>Chung-Hsing Tan</td>
<td>2020.08.12</td>
<td>5,320</td>
<td>0.00%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Senior Vice-President</td>
<td>Ta-Chun Wang</td>
<td>2016.06.29</td>
<td>4,119</td>
<td>0.00%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Vice-President</td>
<td>Chih-Chuan Cheng</td>
<td>2003.01.01</td>
<td>51,194</td>
<td>0.00%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Vice-President</td>
<td>Ching-Hsiung Lu</td>
<td>2003.01.01</td>
<td>650,000</td>
<td>0.01%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Chief Information</td>
<td>Po-Tang Wang</td>
<td>2007.07.10</td>
<td>486</td>
<td>0.00%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Title</td>
<td>Name/ Nationality/ Gender (Note 1, 2)</td>
<td>Date elected/appointed</td>
<td>Shares held</td>
<td>Shares held by spouse and underage children Subsidiary shareholding</td>
<td>Total shares held in the names of others Shares held</td>
<td>Major career/academic achievements</td>
</tr>
<tr>
<td>-------------------------------</td>
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<td>---------------------------------------------------------------------</td>
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</tr>
<tr>
<td>and Vice-President</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vice-President</td>
<td>Tzong-Ming Wang</td>
<td>2009.07.16</td>
<td>263,184</td>
<td>0</td>
<td>0.01%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Vice-President</td>
<td>Yong-Ho Su</td>
<td>2011.07.01</td>
<td>410,401</td>
<td>0</td>
<td>0.01%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Vice-President</td>
<td>Jyh-Shyan Liang</td>
<td>2011.10.31</td>
<td>58,000</td>
<td>0</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Vice-President</td>
<td>Yi-Yun Chang</td>
<td>2014.08.13</td>
<td>85,246</td>
<td>0</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Vice-President</td>
<td>Hsin-Kung Mao</td>
<td>2014.11.13</td>
<td>500,714</td>
<td>0</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Vice-President</td>
<td>Shih-Hong Huang</td>
<td>2016.02.24</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Vice-President</td>
<td>Yi-Chiang Chiu</td>
<td>2016.02.24</td>
<td>280,000</td>
<td>0</td>
<td>0.01%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Vice-President</td>
<td>Jui-Chun Shyur</td>
<td>2016.05.11</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Chief Legal Officer and Vice-President</td>
<td>Peng-Hong Chan</td>
<td>2018.05.09.</td>
<td>0</td>
<td>0</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Corporate Governance &amp;</td>
<td>Cheng-Chiang Wang</td>
<td>2018.07.04 2019.05.13</td>
<td>955,808</td>
<td>30</td>
<td>0.02%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Title</td>
<td>Name/Nationality/Gender (Note 1, 2)</td>
<td>Date elected/appointed</td>
<td>Shares held</td>
<td>Shares held by spouse and underage children</td>
<td>Shares held in the names of others</td>
<td>Major career/academic achievements</td>
</tr>
<tr>
<td>-----------------------------</td>
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<td>------------------------</td>
<td>-------------</td>
<td>---------------------------------------------</td>
<td>-----------------------------------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td>Accounting Officer and Vice-President</td>
<td>Cheng-Hui Su</td>
<td>2018.12.01</td>
<td>105,000</td>
<td>0</td>
<td>0</td>
<td>Master of Business Administration, Tulane University</td>
</tr>
<tr>
<td>Vice-President</td>
<td>Chuan-Fan Tu</td>
<td>2018.12.01</td>
<td>593,081</td>
<td>62,105</td>
<td>0</td>
<td>Vanung University, Vanung University</td>
</tr>
<tr>
<td>Financial Officer and Vice-President</td>
<td>Guo-Dung Yu</td>
<td>2020.08.12</td>
<td>60,000</td>
<td>0</td>
<td>0</td>
<td>Master of Accounting, George Washington University Financial officer of Arcadyan Technology Corp.</td>
</tr>
<tr>
<td>Vice-President</td>
<td>Peng Kuee Lau</td>
<td>2020.08.12</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Bachelor of Science and Technology Dept., IOWA State University</td>
</tr>
<tr>
<td>Vice-President</td>
<td>Wu-Ching Chi</td>
<td>2022.02.10</td>
<td>8,000</td>
<td>0</td>
<td>0</td>
<td>Master of Computer Engineering, NCTU</td>
</tr>
<tr>
<td>Financial Officer and Vice-President</td>
<td>Hsin-Chung Chen</td>
<td>2022.02.10</td>
<td>10,662,383</td>
<td>10,000</td>
<td>0</td>
<td>Master of Electrical Engineering, Columbia University, NY Director of Raypal Biomedical Co., Ltd.</td>
</tr>
<tr>
<td>Vice-President</td>
<td>Jue-Teng Chang</td>
<td>2022.02.10</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Master of EMBA, National Central University</td>
</tr>
<tr>
<td>Vice-President</td>
<td>Choo-Tain Chiu</td>
<td>2022.02.10</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Master of Business Administration, Nanyang Technological University, Singapore</td>
</tr>
<tr>
<td>Vice-President</td>
<td>Wei-Chia Wang</td>
<td>2024.02.29</td>
<td>120,000</td>
<td>0</td>
<td>0</td>
<td>Chung Yuan Christian University, Electrical Engineering Vice President of AAC Technologies Pte. LTD</td>
</tr>
<tr>
<td>Internal Audit Officer</td>
<td>Hui Chun Yu</td>
<td>2024.03.12</td>
<td>4,000</td>
<td>0</td>
<td>0</td>
<td>MA International Economic Management of University of Birmingham UK Audit Office Project Director r of Walsin Lihwa Corp.</td>
</tr>
</tbody>
</table>

Note: 1. Except for Senior Vice-President Peng Kuee Lau, a Malaysian national, all managers are ROC nationals; except for Senior Vice-President Chyou-Jui Wei, Internal Audit Officer Hui Chun Yu, all managers are male.
2. The Chairman, Chief Strategy Officer, and President of the Company are not the same person, spouses, or related to each other.
3. Vice Presidents Jen-Liang Lin transferred and Hou-Chun Liu resigned in 2023, Vice Presidents Chang-Chieh Tien and Fu-Chuan Chang retired, Internal Audit Officer Chenyi Li transferred in 2024.
4. Concurrent positions in other companies:
<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Selected Current Positions</th>
</tr>
</thead>
</table>
| Executive Vice-President     | Chen-Chang Hsu              | **Chairman:** HengHong Optoelectronics Technology (Kunshan) Co., Ltd., Henghao Optoelectronics Technology (Zhejiang) Co., LTD., LUCOM Display Technology (KunShan) Ltd.  
**Vice-Chairman:** HengHao Technology Co. Ltd.  
**President:** HengHao Technology Co. Ltd., HengHong Optoelectronics Technology (Kunshan) Co., Ltd., Henghao Optoelectronics Technology (Zhejiang) Co., LTD., LUCOM Display Technology (KunShan) Ltd. |
| Senior Vice-President        | Chun-Te Shen               | **Director:** Hipposcreen Neurotech Corp., Auscom Engineering Inc., Shennona Corporation                                                                                                                                                                                                                                                                                             |
**President:** Compal RuiFang Health Assets Development Corporation  
**Independent Director:** SYnergy ScienTech Corp., Visco Vision Inc.  
**Remuneration Committee Member:** SYnergy ScienTech Corp., Visco Vision Inc.  
**Audit Committee Member:** SYnergy ScienTech Corp., Visco Vision Inc. |
| Senior Vice-President        | Wen-Da Hsu                 | **Director:** HANHELT Communications (Nanjing) Co., Ltd.                                                                                                                                                                                                                                                                                                                          |
| Senior Vice-President        | Shi-Kuan Chen              | **Director:** Rayonnant Technology Co., Ltd., Rayonnant Technology (Taicang) Co., Ltd.                                                                                                                                                                                                                                                                                            |
| Senior Vice-President        | Min-Tung Weng              | **Director:** Auscom Engineering Inc.  
**President:** Auscom Engineering Inc.                                                                                                                                                                                                                                                                                                                                     |
| Senior Vice-President        | Sheng-Hung Li              | **Deputy Sustainability Officer of ESG Office:** Compal Electronics, Inc.                                                                                                                                                                                                                                                                                                          |
| Senior Vice-President        | Chung-Hsing Tan            | **Director:** Compal Wireless Communications (Nanjing) Co., Ltd., Compal Digital Communications (Nanjing) Co., Ltd., HANHELT Communications (Nanjing) Co., Ltd., Compal Communications (Nanjing) Co., Ltd.                                                                                                                                                                                                 |
| Senior Vice-President        | Ta-Chun Wang               | **Director:** Compal USA (Indiana), Inc., Compal Americas (US) Inc., Compal Electronics N.A. Inc.  
**President:** Compal USA (Indiana), Inc., Compal Americas (US) Inc., Compal Electronics N.A. Inc.                                                                                                                                                                                                                                                                  |
| Vice-President               | Ching-Hsiung Lu            | **Director:** Zhi-Bao Technology Corporation, Arcadyan Technology (Shanghai) Corp.  
<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Selected Current Positions</th>
</tr>
</thead>
</table>
| CISO and Vice-President                    | Po-Tang Wang              | Director: Bizcom Electronics, Inc., CGS Technology (Poland) Sp. z o.o., Compal Europe (Poland) Sp. z o.o.  
Independent Director: Galaxy Software Services Corporation  
Remuneration Committee Member: Galaxy Software Services Corporation  
Audit Committee Member: Galaxy Software Services Corporation  
Information Security Committee Member: Galaxy Software Services Corporation |
| Vice-President                             | Jyh-Shyan Liang           | Supervisor: HANHELT Communications (Nanjing) Co., Ltd.                                                                                                   |
| Vice-President                             | Hsin-Kung Mao             | Chairman: Chia Dah Knitting Co., Ltd.  
Vice-Chairman: Poindus System Corp.  
Director: Avalue Technology Inc., UNICOM GLOBAL, INC., Ruixing Investment Co., Ltd., Compalead Electronics B.V., Mexcom Electronics, LLC,  
Mecom Technologies, LLC  
Chief Operating Officer: Poindus Systems Corp. |
Deputy Sustainability Officer of ESG Office: Compal Electronics, Inc. |
| Financial Officer and Vice-President       | Guo-Dung Yu               | Chairman: Compal Electronics India Private Limited  
President: Compal Electronics India Private Limited |
| Vice-President                             | Hsin-Chung Chen           | Chairman: Ruey Shinn Industrial Co., Ltd.  
Director: Raypal Biomedical Co., Ltd., River Regeneration and Rejuvenation Biotechnology Co. Ltd. |
### 3.2.3 Remuneration of Directors, Independent Directors, President and Vice-Presidents

#### 1. Remuneration of Directors and Independent Directors

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Remuneration (A)</th>
<th>Pension (B)</th>
<th>Remuneration from earnings appropriation (C)</th>
<th>Business department implementation fees for services rendered (D)</th>
<th>The sum of A, B, C and D as a percentage of after-tax profits</th>
<th>Salaries, bonuses, special allowances, etc (E)</th>
<th>Retirement pension (F)</th>
<th>Share of profits as an employee (G)</th>
<th>Remuneration as an employee</th>
<th>Remuneration from ventures other than subsidiaries or from the parent company (H)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Sheng-Hsiung Hsu</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Vice-Chairman</td>
<td>Jui-Tsung Chen</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Director</td>
<td>Representative of Binpal Investment Co., Ltd. Wen-Hing Hsiu</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Director</td>
<td>Representative of Kinpo Electronics Inc.: Chia-Li Hsu</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Director</td>
<td>Chang-Chyi Ko</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Director</td>
<td>Sheng-Chia Hsu</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Director</td>
<td>Yen-Chia Chou</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Director</td>
<td>Chung-Pin Wang</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</tr>
<tr>
<td>Director</td>
<td>Ming-Chih Chang</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Director</td>
<td>Anthony Peter Bonadero</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Director</td>
<td>Sheng-Hsu Pei</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Min-Chih Hsuun</td>
<td>7,200</td>
<td>7,200</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Duei Tsai</td>
<td>7,200</td>
<td>7,200</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Wen-Chung Shen</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Note: 1. In 2023, the Company made pension contributions totaling TWD 794 (including TWD 324 under the new system and TWD 470 under the old system) for Directors who also assumed managerial roles as employees; Meanwhile, all companies reported in the financial statements had made pension contributions totaling TWD 899 (including TWD 429 under the new system and TWD 470 under the old system).

2. The distribution of directors' remuneration was approved by the Board of Directors meeting on February 29, 2024. The remuneration amount of the aforementioned Directors is not determined fully until authorized by a meeting of the Board of Directors.
## Table of Remuneration Ranges

<table>
<thead>
<tr>
<th>Range of Remuneration</th>
<th>Total of (A+B+C+D)</th>
<th>Total of (A+B+C+D+E+F+G+H)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The Company</td>
<td>Companies in the consolidated financial statements</td>
</tr>
<tr>
<td>Under TWD 1,000,000</td>
<td>2 (Note 1)</td>
<td>2 (Note 5)</td>
</tr>
<tr>
<td>TWD 1,000,000 - TWD 2,000,000 (exclusive)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TWD 2,000,000 - TWD 3,500,000 (exclusive)</td>
<td>11 (Note 2)</td>
<td>11 (Note 6)</td>
</tr>
<tr>
<td>TWD 3,500,000 - TWD 5,000,000 (exclusive)</td>
<td>3 (Note 3)</td>
<td>2 (Note 7)</td>
</tr>
<tr>
<td>TWD 5,000,000 - TWD 10,000,000 (exclusive)</td>
<td>1 (Note 4)</td>
<td>2 (Note 8)</td>
</tr>
<tr>
<td>TWD 10,000,000 - TWD 15,000,000 (exclusive)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TWD 15,000,000 - TWD 30,000,000 (exclusive)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TWD 30,000,000- TWD 50,000,000 (exclusive)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TWD 50,000,000 - TWD 100,000,000 (exclusive)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over TWD 100,000,000 (inclusive)</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td></td>
<td>17</td>
<td>17</td>
</tr>
</tbody>
</table>

**Note:**
1. Wen-Being Hsu, Chieh-Li Hsu - 2 positions
2. Sheng-Chieh Hsu, Yen-Chia Chou, Chung-Pin Wong, Chiung-Chi Hsu, Ming-Chih Chang, Sheng-Hua Peng, Min Chih Hsuan, Duei Tsai, Wen-Chung Shen, Anthony Peter Bonadero, Kinpo Electronics, Inc.-11 positions
4. Sheng-Hsiung Hsu-1 position
5. Wen-Being Hsu, Chieh-Li Hsu-2 positions
6. Sheng-Chieh Hsu, Yen-Chia Chou, Chung-Pin Wong, Chiung-Chi Hsu, Ming-Chih Chang, Sheng-Hua Peng, Min Chih Hsuan, Duei Tsai, Wen-Chung Shen, Anthony Peter Bonadero, Kinpo Electronics, Inc.-11 positions
7. Charng-Chyi Ko, Binpal Investment Co., Ltd.-2 positions
8. Sheng-Hsiung Hsu. Jui-Tsung Chen-2 position
9. Wen-Being Hsu, Chieh-Li Hsu-2 positions
10. Sheng-Chieh Hsu, Yen-Chia Chou, Chiung-Chi Hsu, Min Chih Hsuan, Duei Tsai, Wen-Chung Shen, Anthony Peter Bonadero, Kinpo Electronics, Inc.-8 positions
11. Charng-Chyi Ko, Binpal Investment Co., Ltd.-2 positions
12. Sheng-Hsiung Hsu-1 position
13. Ming-Chih Chang, Sheng-Hua Peng -2 positions
14. Jui-Tsung Chen, Chung-Pin Wong -2 positions
15. Wen-Being Hsu-1 position
16. Yen-Chia Chou, Chiung-Chi Hsu, Min Chih Hsuan, Duei Tsai, Wen-Chung Shen, Kinpo Electronics, Inc.-6 positions
2. Remuneration of Supervisors: Not Applicable (The Company adopts an Audit Committee system)

3. Remuneration of the President and Vice-Presidents

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Salary (A)</th>
<th>Pension (B)</th>
<th>Bonus and special allowances (C)</th>
<th>Share of profits as an employee (D)</th>
<th>Sum of A, B, C and D as a percentage of after-tax profits (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>The Company</td>
<td>All companies included in the financial statements</td>
<td>The Company</td>
<td>All companies included in the financial statements</td>
<td>The Company</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>All companies included in the financial statements</td>
<td></td>
<td>Cash Amount</td>
<td>Stock Amount</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>126,717</td>
<td>132,251</td>
<td>5,711</td>
<td>255,177</td>
<td>255,679</td>
</tr>
<tr>
<td></td>
<td>Employees, including CEO Jui-Tsung Chen (Note1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: 1. Managers’ titles and names
- Chief Strategy Officer: Jui-Tsung Chen - 1 position
- President: Chung-Pin Wong - 1 position
- Executive Vice-Presidents: Ming-Chih Chang, Shen-Hua Peng, and Chen-Chang Hsu - 3 positions
- Senior Vice-Presidents: Chun-Te Shen, Kuo-Chuan Chen, Chyou-Jui Wei, Wen-Da Hsu, Shi-Kuan Chen, Chi-Wai Wan, Min-Tung Weng, Lo-Chun Lee, Sheng-Hung Li, Bor-Heng Chen, Chung-Hsing Tan, and Ta-Chun Wang - 12 positions

2. In 2023, the Company made pension contributions totaling TWD 5,711 (including TWD 3,976 under the new system and TWD 1,735 under the old system). In contrast, all companies reported in the financial statements made pension contributions totaling TWD 5,711 (including TWD 3,976 under the new system and TWD 1,735 under the old system).

3. Employees’ compensation appropriation was approved by the Board of Directors at the meeting on February 29, 2024. The compensations of the aforementioned managers were not yet final and will be reviewed prior to the date of distribution.

2. In 2023, the Company made pension contributions totaling TWD 5,711 (including TWD 3,976 under the new system and TWD 1,735 under the old system). In contrast, all companies reported in the financial statements made pension contributions totaling TWD 5,711 (including TWD 3,976 under the new system and TWD 1,735 under the old system).

3. Employees’ compensation appropriation was approved by the Board of Directors at the meeting on February 29, 2024. The compensations of the aforementioned managers were not yet final and will be reviewed prior to the date of distribution.
<table>
<thead>
<tr>
<th>Range of Remuneration</th>
<th>Number of President and Vice-Presidents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The Company</td>
</tr>
<tr>
<td>Under TWD 1,000,000</td>
<td>1 (Note 1)</td>
</tr>
<tr>
<td>TWD 1,000,000 - TWD 2,000,000 (exclusive)</td>
<td>1 (Note 2)</td>
</tr>
<tr>
<td>TWD 2,000,000 - TWD 3,500,000 (exclusive)</td>
<td>1 (Note 3)</td>
</tr>
<tr>
<td>TWD 3,500,000 - TWD 5,000,000 (exclusive)</td>
<td>2 (Note 4)</td>
</tr>
<tr>
<td>TWD 5,000,000 - TWD 10,000,000 (exclusive)</td>
<td>20 (Note 5)</td>
</tr>
<tr>
<td>TWD 10,000,000 - TWD 15,000,000 (exclusive)</td>
<td>11 (Note 6)</td>
</tr>
<tr>
<td>TWD 15,000,000 - TWD 30,000,000 (exclusive)</td>
<td>5 (Note 7)</td>
</tr>
<tr>
<td>TWD 30,000,000- TWD 50,000,000 (exclusive)</td>
<td>2 (Note 8)</td>
</tr>
<tr>
<td>TWD 50,000,000 - TWD 100,000,000 (exclusive)</td>
<td>43</td>
</tr>
</tbody>
</table>

**Note:**
1. Jen-Liang Lin - 1 position
2. Hou-Chun Liu - 1 position
3. Wei-Chia Wang - 1 position
4. Ching-Hsiung Lu, Fu-Chuan Chang - 2 positions
6. Chyou-Jui Wei, Min-Tung Weng, Lo-Chun Lee, Sheng-Hung Li, Bor-Heng Chen, Chung-Hsiong Tan, Ta-Chun Wang, Yong-Ho Su, Shih-Hong Huang, Yi-Chiang Chiu, Hsin-Chung Chen - 11 positions
7. Ming-Chih Chang, Sheng-Hua Peng, Chen-Chang Hsu, Shi-Kuan Chen, Chi-Wai Wan - 5 positions
8. Jui-Tsung Chen, Chung-Pin Wong - 2 positions
9. Jen-Liang Lin - 1 positions
10. Hou-Chun Liu - 1 position
11. Wei-Chia Wang - 1 position
12. Ching-Hsiung Lu, Fu-Chuan Changr - 2 positions
14. Chyou-Jui Wei, Min-Tung Weng, Lo-Chun Lee, Sheng-Hung Li, Bor-Heng Chen, Chung-Hsiong Tan, Ta-Chun Wang, Yong-Ho Su, Shih-Hong Huang, Yi-Chiang Chiu, Hsin-Chung Chen - 11 positions
15. Ming-Chih Chang, Sheng-Hua Peng, Chen-Chang Hsu, Shi-Kuan Chen, Chi-Wai Wan-5 positions
16. Jui-Tsung Chen, Chung-Pin Wong - 2 positions

**Employee profits sharing granted to the management team**

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Stock dividends</th>
<th>Cash dividends</th>
<th>Total</th>
<th>Total as a percentage of after-tax profits (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>39 employees, including CSO Jui-Tsung Chen (Note 1)</td>
<td>0</td>
<td>98,870</td>
<td>98,870</td>
<td>1.28944%</td>
<td></td>
</tr>
</tbody>
</table>

Note: 1. Managers’ titles and names
   - Chief Strategy Officer: Jui-Tsung Chen - 1 position
   - President: Chung-Pin Wong - 1 position
   - Executive Vice-Presidents: Ming-Chih Chang, Shen-Hua Peng, and Chen-Chang Hsu – 3 positions
   - Senior Vice-Presidents: Chun-Te Shen, Kuo-Chuan Chen, Chyou-Jui Wei, Wen-Da Hsu, Shi-Kuan Chen, Chi-Wai Wan, Min-Tung Weng, Lo-Chun Lee, Sheng-Hung Li, Bor-Heng Chen, Chung-Hsing Tan, and Ta-Chun Wang – 12 positions.

2. Vice Presidents Jen-Liang Lin transferred and Hou-Chun Liu resigned in 2023, Vice Presidents Chang-Chieh Tien and Fu-Chuan Chang retired in 2024
3. Employees’ compensation appropriation was approved by the Board of Directors at the February 29, 2024 meeting. The compensations of the aforementioned managers have not been finalized and will be reviewed prior to the date of distribution.
### Comparison of Remuneration for Directors, Supervisors, Presidents and Vice-Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, Presidents, and Vice-Presidents

The percentage of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to Directors, supervisors, presidents, and vice presidents of the Company, relative to net income.

<table>
<thead>
<tr>
<th>Analysis</th>
<th>2023 Amount</th>
<th>2022 (Note)</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>%</td>
<td>Amount</td>
</tr>
<tr>
<td>Directors</td>
<td>596,583</td>
<td>7.78%</td>
<td>541,037</td>
</tr>
<tr>
<td>CSO, Presidents, and Vice-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Presidets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>7,667,627</td>
<td></td>
<td>7,288,292</td>
</tr>
</tbody>
</table>

Note: 2022 is the actual amount.

The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and correlation with business performance.

- Remuneration paid by the Company to Directors has been made in accordance with the Articles of Association. When the Company makes a profit in a year, no more than 2% of the Company’s pre-tax profits (not including remuneration for employees and Directors) shall be paid to Directors as remuneration along with reasonable compensation based on other factors such as the Company’s operational performance and the individual Director’s personal contribution to the Company’s performance taken into consideration.

- The Company's directors and independent directors receive a transportation allowance. Independent directors receive fixed remuneration and do not participate in the distribution of directors' remuneration, and the remaining directors do not receive fixed remuneration, but participate in the distribution of directors' remuneration. Based on the analysis of performance evaluation results, the Remuneration Committee will report to the Board of Directors and make extra recommendations, which will serve as a reference for the remuneration of individual directors.

- The Company’s remuneration policy for Managers has been established based on various factors, including the Company’s wage policy, the average wage offered by competitors for the same position, education/experience, professional ability, the duties and responsibilities for the position in question, and the Manager’s comprehensive performance indexes. Moreover the remuneration system of directors and managers is reviewed timely in accordance with the actual operating conditions, relevant laws and regulations. Managers’ performance indexes include financial indexes (such as revenue, gross margin, net profit, return on assets, and return on equities), and non-financial indexes (such as leading internal transformation, driving sustainable development, and managing operational risk).
• The Company’s procedure for determining remuneration not only takes into account the Company’s overall operational performance but is also based on managers’ performance (about 70% based on financial indexes, about 30% based on non-financial indexes). Relevant salaries and compensations are reviewed by the Remuneration Committee and resolved by the Board of Directors. The Company will also be keeping a close eye on the latest developments in the global economy, international financial environment, and state of the industry in order to predict its operational development, profits status, operational risks and changes in pertinent regulations in the near future in order to review the compensation system, thereby striving for an ideal balance between the Company’s sustainable operation and relevant risk control.
3.3 Implementation of Corporate Governance

3.3.1 Board of Directors

- The term of the 14th committee ran from August 27, 2021 to August 26, 2024.
- There were seven Board meetings during 2023 (A). Director’s attendance records are as shown below:

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Attendance in Person (B)</th>
<th>By Proxy</th>
<th>Attendance Rate (%) [B/A]</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Sheng-Hsiung Hsu</td>
<td>7</td>
<td>0</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Vice Chairman</td>
<td>Jui-Tsung Chen</td>
<td>5</td>
<td>2</td>
<td>71.43%</td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td>Binpal Investment Co., Ltd. Representative: Wen-Being Hsu</td>
<td>5</td>
<td>2</td>
<td>71.43%</td>
<td>Note 1</td>
</tr>
<tr>
<td>Director</td>
<td>Kinpo Electronics, Inc. Representative: Chieh-Li Hsu</td>
<td>7</td>
<td>0</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td>Chiang-Chyi Ko</td>
<td>7</td>
<td>0</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td>Sheng-Chieh Hsu</td>
<td>6</td>
<td>1</td>
<td>85.71%</td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td>Yen-Chia Chou</td>
<td>5</td>
<td>1</td>
<td>71.43%</td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td>Chung-Pin Wong</td>
<td>7</td>
<td>0</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td>Chiung-Chi Hsu</td>
<td>7</td>
<td>0</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td>Ming-Chih Chang</td>
<td>7</td>
<td>0</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td>Anthony Peter Bonadero</td>
<td>5</td>
<td>2</td>
<td>71.43%</td>
<td>Note 2</td>
</tr>
<tr>
<td>Director</td>
<td>Sheng-Hua Peng</td>
<td>7</td>
<td>0</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Independent Director</td>
<td>Min-Chih Hsuan</td>
<td>4</td>
<td>3</td>
<td>57.14%</td>
<td></td>
</tr>
<tr>
<td>Independent Director</td>
<td>Duei Tsai</td>
<td>7</td>
<td>0</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Independent Director</td>
<td>Wen-Chung Shen</td>
<td>7</td>
<td>0</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Note: 1. Due to health reasons, director Wen-Being Hsu was not present for 2 of 7 board meetings.
   2. Foreign director Anthony Peter Bonadero was not present for 2 of 7 board meetings due to scheduling and timezone differences.

- Independent Director’s attendance records for 2023:

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>1st Meeting</th>
<th>2nd Meeting</th>
<th>3rd Meeting</th>
<th>4th Meeting</th>
<th>5th Meeting</th>
<th>6th Meeting</th>
<th>7th Meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Director</td>
<td>Min-Chih Hsuan</td>
<td>⚫</td>
<td>⚫</td>
<td>⭐</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Duei Tsai</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Wen-Chung Shen</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
</tr>
</tbody>
</table>

Note: ⚫: Attendance in Person; ⭐: By Proxy; ◎: Absent

Other notes:
1. For Board of Directors meetings that meet any of the following descriptions, state the date, session, the discussed topics, Independent Directors' opinions, and how the Company has responded to such opinions:
   (1) Conditions described in Article 14-3 of the Securities and Exchange Act: Not applicable (the Company has an Audit Committee rather than supervisors)
   (2) Any other documented objections or qualified opinions raised by Independent Directors against board resolutions in relation to matters other than those described above: None.
<table>
<thead>
<tr>
<th>Board of Directors Meeting</th>
<th>The agendas, the nature of conflicting interests, and the voting outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>9th Meeting</td>
<td>• Approved fund loan to 70% owned subsidiary Kinpo&amp;Compal Group Assets Development Corporation &lt;br&gt;Chairman Sheng-Hsiung Hsu asked the Independent Director Min Chih Hsuan to act as a deputy chairman to preside at this meeting to discuss and vote on this proposal. Directors of the Company, Jui-Tsung Chen, Chung-Pin Wong, Sheng-Chieh Hsu, and Chieh-Li Hsu are also acting as Directors of Kinpo&amp;Compal Group Assets Development Corporation. In addition, Sheng-Hsiung Hsu and Sheng-Chieh Hsu are second cousins (brothers), Sheng-Hsiung Hsu and Chieh-Li Hsu are first cousins (father and son). To avoid conflict of interest, they recuse and exclude themselves from discussion and voting on this proposal in accordance with the Company’s Regulations Governing the Proceedings of Board of Directors Meetings. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.</td>
</tr>
<tr>
<td>10th Meeting</td>
<td>• Approved the first mid-year employees’ bonus of the year 2023 &lt;br&gt;In accordance with the Company’s Regulations Governing the Proceedings of Board of Directors Meetings, an interested party relationship exists between any Directors and any agenda proposals, such Directors shall excuse themselves during discussion of and voting on those proposals. Accordingly, to avoid conflict of interest, Directors Jui-Tsung Chen, Chung-Pin Wong, Ming-Chih Chang and Sheng-Hua Peng, who are also acting as managerial officers of Compal, avoided discussion and voting on this proposal. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.</td>
</tr>
<tr>
<td></td>
<td>• Approved the appointment of the 1st term Risk Management Committee members &lt;br&gt;An interested party relationship exists between Director Chung-Pin Wong and Independent Directors Min Chih Hsuan (attended by proxy of Duei Tsai), Duei Tsai, and Wen-Chung Shen. In order to avoid conflict of interest, these Independent Directors excused themselves from discussion and voting on this proposal. Upon solicitation of comments by the Chairman of the meeting, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.</td>
</tr>
<tr>
<td></td>
<td>• Approved the release of non-competition restrictions for the managers &lt;br&gt;An interested party relationship existed with Director Jui-Tsung Chen. In order to avoid a conflict of interest, this Director excused himself from discussion and voting on this proposal. Upon solicitation of comments by the Chairman of the meeting, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.</td>
</tr>
<tr>
<td></td>
<td>• Approved employees’ salary adjustment for the year 2023 &lt;br&gt;In accordance with the Company’s Regulations Governing the Proceedings of Board of Directors Meetings, an interested party relationship exists between any Directors and any agenda proposals, such Directors shall excuse themselves during discussion of and voting on those proposals. Accordingly, to avoid conflict of interest, Directors Jui-Tsung Chen, Chung-Pin Wong, Ming-Chih Chang and Sheng-Hua Peng, who are also acting as managerial officers of Compal, avoided discussion and voting on this proposal. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.</td>
</tr>
<tr>
<td></td>
<td>• Approved to obtain newly issued shares of ARCE Therapeutics, Inc. by participating in the capital injection by cash. &lt;br&gt;Chairman Sheng-Hsiung Hsu asked Independent Director Duei Tsai to act as a deputy chairman to preside at this meeting to discuss and vote on this proposal. To avoid conflict of interest, Directors Directors Jui-Tsung Chen, Chieh-Li Hsu, Chung-Pin Wong are also acting as Directors of the ARCE. Director Sheng-Hsiung Hsu, the Father-son relationship, who is...</td>
</tr>
<tr>
<td>Board of Directors Meeting</td>
<td>The agendas, the nature of conflicting interests, and the voting outcome</td>
</tr>
<tr>
<td>---------------------------</td>
<td>----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>11th Meeting (14th Term)</td>
<td><strong>Approved to obtain newly issued shares of AcBel Polytech Inc. by participating in the capital injection by cash.</strong> Chairman Sheng-Hsiung Hsu asked Independent Director Min-Chih Hsuan to act as a deputy chairman to preside at this meeting to discuss and vote on this proposal. To avoid conflict of interest, Director Chieh-Li Hsu who is also acting as Director of the AcBel, Sheng-Hsiung Hsu and Chieh-Li Hsu are first cousins (father and son), Sheng-Hsiung Hsu and Sheng-Chieh Hsu are second cousins (brothers), recuse and exclude themselves from discussion and voting on this proposal in accordance with the Company’s Regulations Governing the Proceedings of Board of Directors Meetings. Upon solicitation of comments by the deputy chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.</td>
</tr>
<tr>
<td>12th Meeting (14th Term)</td>
<td><strong>Approved the Directors’ Remuneration for the year 2022</strong> Chairman Sheng-Hsiung Hsu asked the Independent Director Min-Chih Hsuan to act as a deputy chairman to preside at this meeting to discuss and vote on this proposal. Since an interested party relationship exists, the Directors (i.e., Sheng-Hsiung Hsu, Jui-Tsung Chen, Wen Being Hsu, Chieh-Li Hsu, Chiang-Chyi Ko, Sheng-Chieh Hsu, Yen-Chia Chou, Chung-Pin Wong, Chiung-Chi Hsu, Ming-Chih Chang, Sheng-Hua Peng and Anthony Peter Bonadero) recuse and exclude themselves from discussion and voting on this proposal to avoid conflict of interest. Upon solicitation of comments by the deputy chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.</td>
</tr>
<tr>
<td>13th Meeting (14th Term)</td>
<td><strong>Approved to obtain newly issued shares of Cal-Comp Electronics (Thailand) Public Company Limited. by participating in the capital injection by cash.</strong> Chairman Sheng-Hsiung Hsu asked Independent Director Min-Chih Hsuan to act as a deputy chairman to preside at this meeting to discuss and vote on this proposal. To avoid conflict of interest, Directors Sheng-Hsiung Hsu, Chieh-Li Hsu, Sheng-Chieh Hsu, who are also acting as Director of the CCET, recuse and exclude themselves from discussion and voting on this proposal in accordance with the Company’s Regulations Governing the Proceedings of Board of Directors Meetings. Upon solicitation of comments by the deputy chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.</td>
</tr>
<tr>
<td>14th Meeting (14th Term)</td>
<td><strong>Approved the compensation of Employees’ bonus in cash for 2022</strong> In accordance with the Company’s Regulations Governing the Proceedings of Board of Directors Meetings, an interested party relationship exists between any Directors and any agenda proposals, such Directors shall excuse themselves during discussion of and voting on those proposals. Accordingly, to avoid conflict of interest, Directors Jui-Tsung Chen, Chung-Pin Wong, Ming-Chih Chang and Sheng-Hua Peng, who are also acting as managerial officers of Compal, avoided discussion and voting on this proposal. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.</td>
</tr>
<tr>
<td>Board of Directors Meeting</td>
<td>The agendas, the nature of conflicting interests, and the voting outcome</td>
</tr>
<tr>
<td>----------------------------</td>
<td>-------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.</td>
</tr>
<tr>
<td></td>
<td><strong>Approved the proposal for the 2023 year-end employees’ bonus</strong></td>
</tr>
<tr>
<td></td>
<td>In accordance with the Company's Regulations Governing the Proceedings of Board of Directors Meetings, an interested party relationship exists between any Directors and any agenda proposals, such Directors shall excuse themselves during discussion of and voting on those proposals. Accordingly, to avoid conflict of interest, Directors Jui-Tsung Chen, Chung-Pin Wong, Ming-Chih Chang and Sheng-Hua Peng, who are also acting as managerial officers of Compal, avoided discussion and voting on this proposal. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.</td>
</tr>
<tr>
<td></td>
<td><strong>Approved to obtain newly issued shares of Kinpo&amp;Compal Group Assets Development Corporation.</strong> by participating in the capital injection by cash. Chairman Sheng-Hsiung Hsu asked the Independent Director Wen-Chung Shen to act as a deputy chairman to preside at this meeting to discuss and vote on this proposal. Directors of the Company, Jui-Tsung Chen, Chung-Pin Wong, Sheng-Chieh Hsu, and Chieh-Li Hsu are also acting as Directors of Kinpo&amp;Compal Group Assets Development Corporation. In addition, Sheng-Hsiung Hsu and Sheng-Chieh Hsu are second cousins (brothers), Sheng-Hsiung Hsu and Chieh-Li Hsu are first cousins (father and son). To avoid conflict of interest, they recuse and exclude themselves from discussion and voting on this proposal in accordance with the Company’s Regulations Governing the Proceedings of Board of Directors Meetings. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.</td>
</tr>
</tbody>
</table>
3. Self-Evaluation of the Board of Directors:

### Performance Evaluation of the Board of Directors

<table>
<thead>
<tr>
<th>Evaluation cycles</th>
<th>Once a year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluation periods</td>
<td>From June 1, 2022 to May 31, 2023</td>
</tr>
<tr>
<td>Scope of evaluation</td>
<td>Board of Directors, Functional Committees (Including Audit Committee, Remuneration Committee), individual Directors</td>
</tr>
<tr>
<td>Method of evaluation</td>
<td>Internal self-evaluation of the Board of Directors and Functional Committees (Including Audit Committee, Remuneration Committee), Self-evaluation of individual Directors</td>
</tr>
</tbody>
</table>
| Content of evaluation | ◆ Criteria for evaluating the performance of the Board of Directors, which should cover the following five aspects:  
1. Participation in the operation of the Company;  
2. Improvement of the quality of the Board of Directors' decision-making;  
3. Composition and structure of the Board of Directors;  
4. Election and continuing education of the Directors; and  
5. Internal control.  
◆ Criteria for evaluating the performance of the Functional Committees, which should cover the following five aspects:  
1. Participation in the operation of the Company;  
2. Awareness of the duties of the Functional Committee;  
3. Improvement of quality of decisions made by the Functional Committee;  
4. Makeup of the Functional Committee and election of its members; and  
5. Internal control.  
◆ Criteria for evaluating the performance of the individual Directors, which should cover the following six aspects:  
1. Alignment with the goals and mission of the Company;  
2. Awareness of the duties of a Director;  
3. Participation in the operation of the Company;  
4. Management of internal relationships and communication;  
5. The Director's professionalism and continuing education; and  
6. Internal control. |

### External performance evaluation of the Board of Directors

<table>
<thead>
<tr>
<th>Evaluation cycles</th>
<th>once every three years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluation periods</td>
<td>From January 1, 2023 to December 31, 2023</td>
</tr>
<tr>
<td>Scope of evaluation</td>
<td>Board of Directors, Functional Committees (Including Audit Committee, Remuneration Committee), individual Directors</td>
</tr>
<tr>
<td>Method of evaluation</td>
<td>Methodology incorporated the application of questionnaires, conducting interviews, and performing document reviews and analyses.</td>
</tr>
</tbody>
</table>
| Content of evaluation | ◆ The company entrusted Ernst & Young Business Consulting Services Co., Ltd. to conduct a performance evaluation of Compal Electronics, Inc.'s Board of Directors, which includes three dimensions, the structure, members, and processes and information of the Board, and eight evaluation items covering structure and processes of the Board, composition of the Board, corporate and organizational structure, roles and responsibilities, behavior and culture, training and development of the Board, risk management oversight, oversight of report/disclosure and performance.  
◆ The reason for the independence of the external professional organization: Ernst & Young Management Consulting Co., Ltd. is not an affiliate of the Company, nor
does it have a business relationship that could affect its independence. The personnel
and their immediate family members have not held positions of significant influence in
the Company, nor do they have a direct or indirect financial interest or have received
any gifts from the Company.

4. Enhance the valuation regarding the target achievement and execution by the Board of
Directors in the current and most recent year:

- The Company established a “Remuneration Committee” in 2011. During the election of the 11th
  Board of Directors and Supervisors at the 2012 annual shareholders’ meeting, three (3)
  Independent Directors were elected and appointed as committee members of the Remuneration
  Committee.
- Supervisor positions were replaced with the Audit Committee after the 12th Board of Directors
  was elected at the 2015 annual shareholders’ meeting.
- In 2019, the “Rules and Procedures for Board of Directors Meetings” was amended in accordance
  with the “Taiwan Stock Exchange Corporation Operation Directions for Compliance with the
  Establishment of Board of Directors by TWSE Listed Companies and the Board’s Exercise of Powers”
  and “Company Act,” and the Company shall appoint a chief corporate governance officer to
  execute corporate governance matters.
- In 2020, to implement corporate governance, enhance the function of the Board of Directors and
  set performance targets, the “Rules of Self-Evaluation of the Board of Directors and Functional
  Committees Performance” were adopted to strengthen their operation efficiency. The
  performance of evaluation results for the year 2022, submitted to the Remuneration Committee
  for analytical review and reported to the Board of Directors for discussion and improvement, shall
  be used as a reference in determining individual Director’s compensation and their nomination for
  a next office term. The performance evaluation results have been published on the Company's
  website.
- In 2022, to fulfill the company's commitment to sustainable development and improve the
  company's overall capacity in ESG risk management, Compal Electronics established a
  Sustainability Committee.
- In 2023, in order to strengthen corporate governance and risk management functions, it is to set
  up a Risk Management Committee. In addition, in conjunction with the added external
  performance evaluation mechanism in “Board of Directors Self-Assessment of Performance,”
  passed by the Board on November 10, 2023, and the Company commissioned an external
  independent professional organization to conduct an external performance evaluation of the
  overall Board of Directors for the first time in 2023.
### Duties of the Audit Committee

The Audit Committee exists as an enhancement to the Company’s supervisory and management function. It assists the Board of Directors in various decisions such as review of financial statements, internal control policies, internal audits, accounting policies and procedures, major asset transactions, appointment/dismissal/independence/suitability of certified public accountants, appointment/dismissal of the chief accountant and chief auditor, etc., thereby ensuring that the Company operates in compliance with the competent authority's instructions and relevant laws.

### The powers of the Committee are as follows:

1. The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
4. Matters in which a Director is an interested party.
5. Asset transactions or derivatives trading of a material nature.
6. Loans of funds, endorsements, or provision of guarantees of a material nature.
7. The offering, issuance, or private placement of equity-type securities.
8. The hiring or dismissal of a certified public accountant or their compensation.
9. The appointment or discharge of a financial, accounting, or internal audit officer.
10. Annual financial reports, which are signed or sealed by the Chairman, managerial officer, and accounting officer.
12. Other material matters as may be required by this Corporation or by the competent authority.

### Professional Qualifications and Experience of Audit Committee Members

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Professional Qualifications and Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convener</td>
<td>Min-Chih Hsuan</td>
<td>Honorary Doctorate, Department of Electrical Engineering, National Chiao Tung University Chairman, Vice Chairman, CEO, President and Honorary Vice Chairman of United Microelectronics Corp. Chairman of Faraday Technology Corp., Clientron Corp. The individual has rich knowledge and adequate experience in business operations, performance evaluation, investment, and corporate merger/acquisition, which is extremely helpful to the company’s development. The Independent Director possesses more than 30 years of work experience required for the Company's business.</td>
</tr>
<tr>
<td>Committee Member</td>
<td>Duei Tsai</td>
<td>PhD, Graduate Institute of Electrical Engineering, National Taiwan University Independent Director of Taiwan High Speed Rail Corporation, TTY Biopharm Company Ltd. and Independent Director for Public Welfare of Starlux Airlines Co., Ltd. Part-time professor-level professional and technical personnel in the Department of Electrical Engineering, National Taipei University of Technology and the Department of Digital Multimedia Design, Kainan University; Adjunct professor at the Department of Electronics, National Taiwan University of Science and Technology and the Department of Electronics, Yuanzhi University. Government positions such as Minister of Transportation and Director of the Civil Aviation Bureau of the Ministry of Transportation. The individual has professional capability in the communications network</td>
</tr>
</tbody>
</table>
Committee Member  Wen-Chung Shen
Department of Electrical Engineering, National Taiwan University
Chairman of Her Tuo Co., Ltd., and Director and Executive Vice President of Compal
The individual has rich knowledge and adequate experience in the electronics industry, business operations, and risk management, which is extremely helpful to the company’s development. The Independent Director possesses more than 30 years of work experience required for the Company's business.

### Attendance of Members at Audit Committee Meetings
- The Company’s Audit Committee is composed of three independent directors.
- The term of the 3rd committee ran from August 27, 2021 to August 26, 2024.
- There were six Audit Committee meetings during 2023 (A). The attendance records of the Independent Directors are as follows:

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Attendance in Person (B)</th>
<th>By Proxy</th>
<th>Attendance Rate (%) [B/A]</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convener</td>
<td>Min-Chih Hsuan</td>
<td>4</td>
<td>2</td>
<td>66.67%</td>
<td>-</td>
</tr>
<tr>
<td>Committee Member</td>
<td>Duei Tsai</td>
<td>6</td>
<td>0</td>
<td>100%</td>
<td>-</td>
</tr>
<tr>
<td>Committee Member</td>
<td>Wen-Chung Shen</td>
<td>6</td>
<td>0</td>
<td>100%</td>
<td>-</td>
</tr>
</tbody>
</table>

### The major audit items of the Audit Committee in 2023 are as follows:
1. Annual and interim financial reports, Business reports, and Proposals for distribution of profits.
2. To evaluate the CPAs’ independence and competence in performing the financial report audit.
3. Matters in which a Director is an interested party.
4. A material monetary loan and providing of Corporate Guaranty Letter.
5. A material asset transaction.
6. Assessment of the design and operation effectiveness of the internal control system.
7. The defects, irregularities, and the status of corrections in the internal control system.
8. Annual audit plan for 2024.
9. Compliance with the relevant laws and regulations by the Corporation.

### Other notes:
1. The Company should record the date of the Board of Directors’ meeting, the term, content of discussion, the result of the Audit Committee’s decision and the actions the Company has taken in response should any of the following situations arise in the operation of the Audit Committee:

<table>
<thead>
<tr>
<th>Board of Directors Meeting</th>
<th>Content of discussion and actions taken in response</th>
<th>Matters listed in Item 5, Article 14 of the Security Act</th>
<th>Not approved by the Audit Committee but had the consent of more than two-thirds of all directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>8th Meeting (14th Term) 2023.3.15</td>
<td>1. To approve the Audited Consolidated Financial Report and Parent Company Only Financial Report for the year 2022</td>
<td>V</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>2. To approve the Business Report for the year 2022</td>
<td>V</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>3. To approve the proposal for the Distribution of Earnings for the year 2022</td>
<td>V</td>
<td>None</td>
</tr>
<tr>
<td>Board of Directors Meeting</td>
<td>Content of discussion and actions taken in response</td>
<td>Matters listed in Item 5, Article 14 of the Security Act</td>
<td>Not approved by the Audit Committee but had the consent of more than two-thirds of all directors</td>
</tr>
<tr>
<td>---------------------------</td>
<td>--------------------------------------------------</td>
<td>--------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>4. To approve fund loan to 100% owned subsidiary Compalead Eletrônica do Brasil Indústria e Comércio Ltda.</td>
<td>V</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>5. To approve fund loan to 100% owned subsidiary Compal Eletrônica Da Amazônia Ltda.</td>
<td>V</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>6. To approve fund loan to 70% owned subsidiary Kinpo&amp;Compal Group Assets Development Corporation</td>
<td>V</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>7. To approve the “Non-Assurance Service Pre-Approval Policy - General Policy”</td>
<td>V</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>8. To evaluate CPAs’ independence and competence in performing financial report audits.</td>
<td>V</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>9. To approve the Internal Control System Statement for the year 2022</td>
<td>V</td>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>

▲ Resolution adopted by the Audit Committee (2023.3.15):
Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present.

▲ Action taken by the Company in response to the opinion of the Audit Committee:
- Except for motion 6
  Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present.
- Motion 6
  Chairman Sheng-Hsiung Hsu asked the Independent Director Min Chih Hsuan to act as a deputy chairman to preside at this meeting to discuss and vote on this proposal. Directors of the Company, Jui-Tsung Chen, Chung-Pin Wong, Sheng-Chieh Hsu, and Chieh-Li Hsu are also acting as Directors of Kinpo&Compal Group Assets Development Corporation. In addition, Sheng-Hsiung Hsu and Sheng-Chieh Hsu are first cousins (brothers), Sheng-Hsiung Hsu and Chieh-Li Hsu are first cousins (father and son). To avoid conflict of interest, they recuse and exclude themselves from discussion and voting on this proposal in accordance with the Company’s Regulations Governing the Proceedings of Board of Directors Meetings. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.

| 1. To approve the 1Q 2023 Consolidated Financial Review Report | V | None |
| 2. To approve the release of non-competition restrictions for the managers | V | None |
| 3. To approve to obtain newly issued shares of ARCE Therapeutics, Inc. by participating in the capital injection by cash. | V | None |
| 4. To approve the proposal for providing Corporate Guaranty Letter to Quanta Computer Inc. | V | None |

▲ Resolution adopted by the Audit Committee (2023.5.8):
Upon solicitation of comments by the Chairman, no objection was addressed and the resolution was adopted unanimously by the Committee Members present.

▲ Action taken by the Company in response to the opinion of the Audit Committee:
- Except for motions 2 and 3
  Upon solicitation of comments by the Chairman, no objection was addressed and the resolution was adopted unanimously by the Committee Members present.
- Motion 2
  An interested party relationship existed with Director Jui-Tsung Chen. In order to avoid a conflict of interest, this Director excused himself from discussion and voting on this proposal. Upon solicitation of comments by the Chairman of the meeting, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.
- Motion 3
  Chairman Sheng-Hsiung Hsu asked Independent Director Duei Tsai to act as a deputy chairman
<table>
<thead>
<tr>
<th>Board of Directors Meeting</th>
<th>Content of discussion and actions taken in response</th>
<th>Matters listed in Item 5, Article 14 of the Security Act</th>
<th>Not approved by the Audit Committee but had the consent of more than two-thirds of all directors.</th>
</tr>
</thead>
<tbody>
<tr>
<td>13th Meeting (14th Term) 2023.11.10</td>
<td>1. To approve the 3Q 2023 Consolidated Financial Report</td>
<td>V</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>2. To approve obtaining newly issued shares of Kinpo&amp;Compal Group Assets Development Corporation. by participating in the capital injection by cash.</td>
<td>V</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>3. To approve fund loan to 100% owned subsidiary COMPAL EUROPE (POLAND) Sp. z o.o</td>
<td>V</td>
<td>None</td>
</tr>
<tr>
<td>12th Meeting (14th Term) 2023.9.07</td>
<td>1. To approve obtaining newly issued shares of Cal-Comp Electronics (Thailand) Public Company Limited. by participating in the capital injection by cash.</td>
<td>V</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td><strong>Resolution adopted by the Audit Committee (2023.9.07):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Action taken by the Company in response to the opinion of the Audit Committee:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chairman Sheng-Hsiung Hsu asked Independent Director Min-Chih Hsuuan to act as a deputy chairman to preside at this meeting to discuss and vote on this proposal. To avoid conflict of interest, Directors Directors Jui-Tsung Chen, Chieh-Li Hsu, Chung-Pin Wong, who is also acting as Director of the ARCE Director Sheng-Hsiung Hsu, the Father-son relationship, who are relatives within first degree kinship of Director Chieh-Li Hsu of ARCE, recused and excluded themselves from discussion and voting on this proposal in accordance with the Company’s Regulations Governing the Proceedings of Board of Directors Meetings. Upon solicitation of comments by the deputy chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11th Meeting (14th Term) 2023.8.11</td>
<td>1. To approve the 1H 2023 Consolidated Financial Review Report</td>
<td>V</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>2. To approve a loan to Henghao Technology Co. Ltd.</td>
<td>V</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>3. To approve a loan to Unicom Global, Inc.</td>
<td>V</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td><strong>Resolution adopted by the Audit Committee (2023.8.11):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Action taken by the Company in response to the opinion of the Audit Committee:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Upon solicitation of comments by the Chairman, no objection was addressed and the resolution was adopted unanimously by the Committee Members present.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10th Meeting (14th Term) 2023.7.18</td>
<td>1. To approve obtaining newly issued shares of AcBel Polytex Inc. by participating in the capital injection by cash.</td>
<td>V</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td><strong>Resolution adopted by the Audit Committee (2023.7.18):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Action taken by the Company in response to the opinion of the Audit Committee:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chairman Sheng-Hsiung Hsu asked Independent Director Min-Chih Hsuuan to act as a deputy chairman to preside at this meeting to discuss and vote on this proposal. To avoid conflict of interest, Director Chieh-Li Hsu who is also acting as Director of the AcBel, Sheng-Hsiung Hsu and Chieh-Li Hsu are first cousins (father and son), Sheng-Hsiung Hsu and Sheng-Chieh Hsu are second cousins (brothers), recuse and exclude themselves from discussion and voting on this proposal in accordance with the Company’s Regulations Governing the Proceedings of Board of Directors Meetings. Upon solicitation of comments by the deputy chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Upon solicitation of comments by the Chairman, no objection was addressed and the resolution was adopted unanimously by the Committee Members present.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

50
Board of Directors Meeting | Content of discussion and actions taken in response | Matters listed in Item 5, Article 14 of the Security Act | Not approved by the Audit Committee but had the consent of more than two-thirds of all directors.
---|---|---|---
4. To propose approval of the annual audit plan for year 2024 | V | None

▲Resolution adopted by the Audit Committee (2023.11.10): Upon solicitation of comments by the Chairman, no objection was addressed and the resolution was adopted unanimously by the Committee Members present.

▲Action taken by the Company in response to the opinion of the Audit Committee:
- **Except for motion 2**
  Upon solicitation of comments by the Chairman, no objection was addressed and the resolution was adopted unanimously by the Committee Members present.
- **Motion 2**
  Chairman Sheng-Hsiung Hsu asked the Independent Director Wen-Chung Shen to act as a deputy chairman to preside at this meeting to discuss and vote on this proposal. Directors of the Company, Jui-Tsung Chen, Chung-Pin Wong, Sheng-Chieh Hsu, and Chieh-Li Hsu are also acting as Directors of Kinpo&Compal Group Assets Development Corporation. In addition, Sheng-Hsiung Hsu and Sheng-Chieh Hsu are second cousins (brothers), Sheng-Hsiung Hsu and Chieh-Li Hsu are first cousins (father and son). To avoid conflict of interest, they recuse and exclude themselves from discussion and voting on this proposal in accordance with the Company’s Regulations Governing the Proceedings of Board of Directors Meetings. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.

(2) With the exception of the aforementioned matters, other matters not approved by the Audit Committee but receiving the consent of more than two-thirds of all Directors: None.

2. Actions of the Independent Directors with respect to the avoidance of conflict of interest should be disclosed, including the name of the Independent Director, the matter, the reasons for the avoidance, and the voting and attendance status: None.

3. Status of communication between Independent Directors, Internal Audit Officer, and CPA:
   (1) Method of communication between Independent Directors, the Internal Audit Officer, and CPA:
   - After the Internal Audit Officer has submitted an audit report and follow-up report, he/she should provide the completed audited items to the Independent Directors for their review by the end of the following month. Should the Independent Directors require clarification of the audit and follow-up, they should contact the internal audit supervisor. The internal auditor shall report the audit results to the Audit Committee on a quarterly basis and discuss the relevant matters in person with the committee.
   - The Independent Directors must communicate with the CPA on a yearly basis through the Audit Committee or Board of Directors’ Meeting. The CPA shall report to the Independent Directors on the results of the financial statement audit and other pertinent legal requirements while the Audit Committee shall also evaluate the selection, independence, and fitness of the CPA engaged by the Company.

(2) Summary of the communications between Independent Directors and Internal Audit Officer:

<table>
<thead>
<tr>
<th>Audit Committee</th>
<th>Content of discussion</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>8th Meeting (3rd Term) 2023.3.15</td>
<td>1. Report on the operational status of the internal audit activities</td>
<td>The report was reviewed by the Audit Committee, and independent directors raised no objections or further instructions.</td>
</tr>
<tr>
<td></td>
<td>2. To approve the Internal Control</td>
<td>The proposal was approved by the Audit Committee</td>
</tr>
<tr>
<td>Audit Committee</td>
<td>Content of discussion</td>
<td>Results</td>
</tr>
<tr>
<td>-----------------</td>
<td>-----------------------</td>
<td>---------</td>
</tr>
<tr>
<td>System Statement for the year 2022</td>
<td>Committee and will be resolved by the Board of Directors</td>
<td></td>
</tr>
<tr>
<td>9th Meeting (3rd Term) 2023.5.8</td>
<td>1. Report on the operational status of the internal audit activities</td>
<td>The report was reviewed by the Audit Committee whereupon independent directors raised no objection or further instruction.</td>
</tr>
<tr>
<td>11th Meeting (3rd Term) 2023.8.11</td>
<td>1. Report on the operational status of the internal audit activities</td>
<td>The report was reviewed by the Audit Committee whereupon independent directors raised no objection or further instruction.</td>
</tr>
<tr>
<td>13th Meeting (3rd Term) 2023.11.10</td>
<td>2. To propose for approval of annual audit plan for year 2024</td>
<td>The proposal was approved by the Audit Committee and will be resolved by the Board of Directors.</td>
</tr>
<tr>
<td>14th Meeting (3rd Term) 2024.2.29</td>
<td>1. Report on the operational status of the internal audit activities</td>
<td>The report was reviewed by the Audit Committee whereupon independent directors raised no objection or further instruction.</td>
</tr>
<tr>
<td>15th Meeting (3rd Term) 2024.3.12</td>
<td>1. Report on the operational status of the internal audit activities</td>
<td>The report was reviewed by the Audit Committee whereupon independent directors raised no objection or further instruction.</td>
</tr>
<tr>
<td></td>
<td>2. To approve the Internal Control System Statement for the year 2023</td>
<td>The proposal was approved by the Audit Committee and will be resolved by the Board of Directors.</td>
</tr>
</tbody>
</table>
(3) Summary of the communications between the Independent Directors and CPA:

<table>
<thead>
<tr>
<th>Audit Committees Meeting</th>
<th>Content of discussion</th>
<th>Results</th>
</tr>
</thead>
</table>
| 8th Meeting (3rd Term) 2023.3.15 | 1. To approve the 2022 Audited Consolidated Financial Statements and Parent Company Only Financial Statements  
• Declaration of Independence  
• The responsibility of auditors in auditing financial statements.  
• The types of audit opinion  
• The audit scope (including Explanation of key audit items)  
• The audit Findings | The proposal was approved by the Audit Committee and will be resolved by the Board of Directors |
| 14th Meeting (3rd Term) 2024.2.29 | 1. To approve the 2023 Audited Consolidated Financial Statements and Parent Company Only Financial Statements  
• Declaration of Independence  
• The responsibility of auditors in auditing financial statements.  
• The audit scope  
• The audit Findings and Conclusions  
• Communication on Audit Firm Quality Management System | The proposal was approved by the Audit Committee and will be resolved by the Board of Directors |

4. Status of individual communication between independent directors, internal audit supervisor and CPA:

<table>
<thead>
<tr>
<th>Forum</th>
<th>Object</th>
<th>Communication focus</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023.11.10</td>
<td>Internal Audit Officer</td>
<td>1. The risk assessment model used by the internal audit office when formulating the annual audit plan.</td>
<td>Agree with the current assessment method of the internal audit office.</td>
</tr>
</tbody>
</table>
|             | CPA             | 1. Annual audit plan  
2. Audit Quality Indicators in 2022                                               | The independent directors have no issue with the content of communication |
### 3.3.3 Corporate Governance Implementation and Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”

<table>
<thead>
<tr>
<th>Assessment criteria</th>
<th>Actual governance</th>
<th>Deviation and causes of deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Has the Company established and disclosed its corporate governance principles based on the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?”</td>
<td>Yes</td>
<td>The Company’s corporate governance principles were approved by the Board of Directors on November 10, 2023, and have been disclosed on its official website and MOPS.</td>
</tr>
<tr>
<td>II. Shareholding structure and shareholders’ interests</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Has the Company implemented a set of internal procedures to handle shareholders’ suggestions, queries, disputes, and litigation?</td>
<td>Yes</td>
<td>The Company has a spokesperson and acting spokesperson that represent the interests of the shareholders and a unit that specializes in addressing shareholders’ suggestions, queries, disputes, and litigation.</td>
</tr>
<tr>
<td>2. Is the Company constantly informed of the identities of its major shareholders and the ultimate controller?</td>
<td>Yes</td>
<td>The Company keeps track of the identities of its ultimate beneficiaries by monitoring insider shareholding positions (including Directors, supervisors, managers, and shareholders with more than 10% ownership interest), with the shareholder registry held by the share administration agency.</td>
</tr>
<tr>
<td>3. Has the Company established and implemented risk management practices and firewalls for companies it is affiliated with?</td>
<td>Yes</td>
<td>The Company has an “Internal Control Policy - Non-trade Activities - Supervision and Management of Subsidiaries,” “Internal Control Policy - Trade Activities – Investment Management,” and “Guidelines on Financial and Business Dealings Between Affiliated Enterprises” to set up and execute firewalls and risk controls over related parties.</td>
</tr>
<tr>
<td>4. Has the Company established internal policies that prevent insiders from trading securities against non-public information?</td>
<td>Yes</td>
<td>To prevent insider trading, the “CO10 Insider Trading Prevention Management” and “Insider Trading Prevention Procedures” have been included as part of the internal control of the Company and details are published on the intranet and linked to the TWSE website to which employees have access. Both policies have been included as part of the compulsory e-Learning courses for departmental heads, and eCSA questionnaires are issued on a yearly basis to facilitate self-assessment. Insiders such as Directors, supervisors, and managers are given a copy of the TWSE “Directions Concerning Securities Market Regulatory Matters for TWSE Listed Companies and Their</td>
</tr>
</tbody>
</table>
### Assessment criteria

<table>
<thead>
<tr>
<th>Assessment criteria</th>
<th>Actual governance</th>
<th>Deviation and causes of deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summary description</td>
<td>Directors, Supervisors, and Major Shareholders” when they come aboard to make them aware of the company insider rules. In accordance with the 'Key Points for Managing Insider Trading Prevention,' when the company becomes aware of significant internal information, it must not trade in the company's or its invested businesses' stocks, other securities with equity characteristics, or non-equity corporate bonds, whether in its own name or in the name of others, until the information is clarified and remains unpublished, or within eighteen hours after it has been made public. The directors of the company are not allowed to trade their stocks during the closed period of 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report. The company also reminded directors by email seven days before the closure that they are prohibited from buying and selling the company's stocks.</td>
<td>No deviations were found</td>
</tr>
<tr>
<td>1. Has the board devised and implemented policies to ensure the diversity of its members?</td>
<td><strong>Yes</strong> The Company has rules in place such as the “Corporate Governance Guidelines” and “Rules for Director Elections” to ensure a diversified board member composition in addition to drafting suitable guidelines for diversification based on the Board’s operation, the Company’s operating format, and its needs and developments. These rules and regulations are formulated and include, without being limited to, the following two general standards: 1. Basic requirements and values: Gender, age, nationality and culture; 2. Professional knowledge and skills. As such, board members are required to possess the required knowledge, skills, and character in order to accomplish the goal of ideal corporate governance. For more information on the diversification of board members, please refer to page 25.</td>
<td>No deviations were found</td>
</tr>
<tr>
<td>2. Apart from the Remuneration Committee and Audit Committee, has the Company assembled other functional committees at its own discretion?</td>
<td><strong>Yes</strong> Apart from the Remuneration and Audit Committees, the Company also has a Sustainability Committee headed by President and member Chung-Pin Wong. The Sustainability Committee is responsible for taking point in explaining company policies and positions externally, defining goals and directions internally, integrating resources, reviewing action plans, monitoring execution progress and reporting results to the board of directors on a yearly basis. In order to strengthen corporate governance and risk management functions, the Company has established a &quot;Risk Management Committee&quot; and reports regularly (at least once a year) to the</td>
<td>No deviations were found</td>
</tr>
<tr>
<td>Assessment criteria</td>
<td>Actual governance</td>
<td>Deviation and causes of deviation</td>
</tr>
<tr>
<td>---------------------</td>
<td>-------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
<td>Summary description</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Board of Directors to review the implementation of risk management and make necessary recommendations for improvement.</td>
</tr>
<tr>
<td>3. Has the Company established performance evaluation measures and methods for the Board of Directors, conducted performance evaluation annually and regularly, reported the results of performance evaluation to the Board of Directors and applied them to the reference of salary and remuneration of individual Directors and for nomination and renewal?)</td>
<td>Yes</td>
<td>The Board of Directors adopted the “Rules of Self-Evaluation of the Board of Directors and Functional Committees Performance” on March 30, 2020. The performance evaluation scope covers the evaluation of the Board as a whole, as well as individual Directors and Functional Committees. Methods of evaluation included the Self-Evaluation of the Board of Directors and Functional Committees, self-evaluation by individual board members, or other appropriate methods. The evaluation results, being submitted to the Remuneration Committee for analytical review and reported to the Board of Directors for discussion and improvement, shall be used as a reference in determining individual Director’s compensation and their nomination for the next office term. In order to implement corporate governance and enhance the functions of the company's board of directors, the Board of Directors amended the “Rules for Performance Evaluation of the Board of Directors and Functional Committees” on November 10, 2023. The Company shall appoint an external independent professional institution or a panel of external experts and scholars to conduct a performance evaluation at least once every three years. The external board performance evaluations shall be completed before the end of the first quarter of the following year, and the evaluation results shall be reported to the Board of Directors.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Items</th>
<th>Total average</th>
<th>Evaluation level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual board members</td>
<td>4.61</td>
<td>Good</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>4.80</td>
<td>Good</td>
</tr>
<tr>
<td>Audit Committee</td>
<td>5.00</td>
<td>Excellent</td>
</tr>
<tr>
<td>Assessment criteria</td>
<td>Actual governance</td>
<td>Deviation and causes of deviation</td>
</tr>
<tr>
<td>---------------------</td>
<td>-------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

External performance evaluation of the Board of Directors and Functional Committees in 2023

The company has appointed EY Business Advisory Services Inc. ("EY") to conduct a performance evaluation of the board of directors for the first time in November 2023. EY's methodology incorporated the application of questionnaires, conducting interviews, and performing document reviews and analyses. EY executed a performance evaluation of the board of directors between January 1 and December 31, 2023.

According to the evaluation, Compal's performance in the structure, members, and information processes of the board of directors is deemed advanced. Suggestions are presented below to continuously optimize and refine the operation of the board of directors. According to the evaluation, Compal's performance in the structure, members, and information processes of the board of directors is deemed advanced (Note). Suggestions are presented below to continuously optimize and refine the operation of the board of directors. The evaluation result was reported to the Board of Directors on February 29, 2024 and disclosed on the company’s website for investors’ reference.

Note: The evaluation result will be divided into as follows:
- Basics: Comply with the basic requirements of the competent authority and relevant laws and regulations.
- Advanced: Comply with the basic requirements of the competent authorities and relevant laws and regulations, and have a set of established and effective practices, or actively improve the performance of this aspect.
- Benchmark: Not only is it better than the basic requirements of the competent authority and relevant laws and regulations, but the practice is equivalent to a benchmark model.

4. Is the independence of external auditors assessed on a regular basis? Yes

The Company evaluates the independence and competence of the CPA at least once a year, in accordance with Article 47 of the Certified Public Accountant Act and No. 10 of the Professional Ethics for Certified Public Accountants of the Republic of China. The CPA cannot be a Director, supervisor, or shareholder of the company. No deviations were found.
<table>
<thead>
<tr>
<th>Assessment criteria</th>
<th>Actual governance</th>
<th>Deviation and causes of deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company and may not receive payroll or be a related party to the Company. The Company requests the “Evaluation Form of the CPA’s Independence and Competence” along with “the CPA’s Independent Confirmation” and the “Audit Quality Indicators (AQIs)” from the CPA. The company also evaluates the independence of the CPA in accordance with the items listed (please refer to page 62) as well as 13 indicators of AQIs. After evaluation, the CPA has no other financial interests or joint investment relationship with the Company except for the service fees due from audit, financial and tax cases. The CPA's family members do not violate the independence requirements, and the experience in auditing, professional support, and training hours of the CPA and his/her firm are all better than the average of the peer industry by referring to the AQIs. The latest evaluation of the independence and competence of CPA will be approved by the Audit Committee held on April 16, 2024, and will be resolved by the Board of Directors held on April 16, 2024. The same evaluation applies to the condition whenever there is an internal rotation within the CPA firm.</td>
<td>No deviations were found</td>
<td></td>
</tr>
</tbody>
</table>

IV. Is the listed or OTC Company equipped with competent and sufficient corporate governance personnel and is its designated corporate governance Director responsible for corporate governance related matters (including but not limited to providing information required by Directors and supervisors to carry out business, assisting Directors and supervisors in complying with laws and regulations, managing related matters of the Board of Directors’ meeting and shareholders' meeting in accordance with laws, taking minutes of the Board of Directors’ meeting Yes | Vice-President Cheng-Chiang Wang was appointed to lead and supervise affairs pertaining to corporate governance in accordance with the Company’s “Corporate Governance Guidelines,” while the Board of Directors secretariat was assigned as the Company’s responsible unit to handle corporate governance affairs. Vice-President Cheng-Chiang Wang and the designated personnel responsible for corporate governance have more than 25 years of experience in stock affairs and meeting-related management for publicly traded companies. They are primarily responsible for handling corporate governance affairs, such as handling matters relating to board meetings and shareholders meetings according to the laws, producing minutes of board meetings and shareholders meetings, assisting in onboarding and continuous development of Directors, reviewing the legality of Independent Director qualifications, conduct matter related to Director change, furnishing information required for duty execution by Directors and members of the audit committee, ensuring legal compliance and taking other matters set out in the articles or corporation or contracts, periodically examining and revising the Company's corporate governance guidelines and relevant procedures, improving disclosure transparency, safeguarding shareholder rights and promoting better corporate governance. For more information on the status of Compal’s corporate governance operations for 2023, refer to page 62. | No deviations were found |
<table>
<thead>
<tr>
<th>Assessment criteria</th>
<th>Actual governance</th>
<th>Deviation and causes of deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>and shareholders' meeting, etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>V. Has the Company provided proper communication channels and created dedicated sections on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers, and suppliers)?</td>
<td>Yes The Company addresses its stakeholder relations on its corporate website, Sustainability report, and Compal ESG website. Separate contact persons, phone numbers, and e-mail addresses have been provided for each type of stakeholder relation to ensure that queries are directed to the relevant departments. In addition, an online “Material Aspects” questionnaire was also created for stakeholders to identify issues that are of significant concern. The Company will address stakeholders’ responses properly and take their suggestions as part of the Company’s goals.</td>
<td>No deviations were found</td>
</tr>
<tr>
<td>VI. Does the Company engage a share administration agency to handle shareholder meeting affairs?</td>
<td>Yes The Chinatrust Commercial Bank – Securities Trust has been appointed as the share administration agency responsible for handling shareholder affairs and meetings and for providing share administration services.</td>
<td>No deviations were found</td>
</tr>
<tr>
<td>VII. Information disclosure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Has the Company established a website that discloses financial, business and corporate governance-related information?</td>
<td>Yes The Company website at (<a href="http://www.compal.com">www.compal.com</a>) is regularly updated with information such as financial performance, corporate governance and shareholder meetings.</td>
<td>No deviations were found</td>
</tr>
<tr>
<td>2. Has the Company adopted other means to disclose information (e.g. an English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system,</td>
<td>Yes • The Company website has both Chinese and English pages. The information is gathered and disclosed by a dedicated department. • The Company also has a spokesperson and an acting spokesperson. • Investor conferences are held regularly and whenever deemed necessary. The proceedings are posted on the Company’s website and also broadcast on the TWSE platform (at https: /www.compal.com/investor-relations/financial-release/).</td>
<td>No deviations were found</td>
</tr>
<tr>
<td>Assessment criteria</td>
<td>Actual governance</td>
<td>Deviation and causes of deviation</td>
</tr>
<tr>
<td>---------------------</td>
<td>-------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>broadcasting of investor conferences via the Company website?</td>
<td>Yes</td>
<td>The Company’s CSR to publicly disclose the Company’s ESG actions. (URL: <a href="https://www.facebook.com/compalCSR">https://www.facebook.com/compalCSR</a>).</td>
</tr>
<tr>
<td>3. Does the Company announce and declare an annual financial report within two months after the end of the fiscal year and announce and declare the first, second, and third quarter financial reports and the operation of each month ahead of the required time limit?</td>
<td>Yes</td>
<td>The Company’s financial reports have been announced and filed within two months after the end of the fiscal year since fiscal year 2023. In addition, the Company’s announcement and filing of financial reports for the year and the first, second and third quarters, as well as business operational results for each month, were ahead of the required time limit.</td>
</tr>
<tr>
<td>VIII. Does the Company offer other vital information (including but not limited to employee rights, employee care, investor relationships, supplier relationships, stakeholders’ interests, continuing education of Directors/supervisors, risk management policies, risk assessment standard implementation status, implementation status of customer policies, insuring against liabilities of Company Directors and supervisors) that would enable a better understanding of the Company’s corporate governance practices?</td>
<td>Yes</td>
<td>• Employee rights and care for employees (please refer to page 63)  • Code of Conduct for Directors, managers, and employees (please refer to page 64)  • Investor relations (please refer to pages 64)  • Supplier relations and operation status of customer policy (please refer to page 64-65)  • Stakeholders’ interests (please refer to page 65)  • Risk management practice and framework (please refer to pages 65-68), Risk analysis (please refer to pages 214)  • Purchasing liability coverage for the Company’s Directors &amp; Supervisors (please refer to page 70)  • Continuing education for Directors and managers (please refer to pages 70-72)  • Succession plan for Board members and key Management team (please refer to page 72)  • Acquisition of certificate(s) by the Company’s personnel related to the transparency of financial information (please refer to page 73)</td>
</tr>
</tbody>
</table>
IX. State the improvements that have been made with regard to the results of the latest Corporate Governance Evaluation conducted by TWSE in the most recent year. For items that have yet to be improved upon, state the Company’s priorities and measures for improvement.

- With regard to the further education of Directors (including Independent Directors), Compal has encouraged its Directors to take part in courses on the pertinent regulations offered by the subsidiary Kinpo Group Management Consultant Company or training provided by external professional organizations. In 2023, members of the Board of Directors completed a total of 107 hours of training.


- In 2023, EY Business Advisory Services Inc., an external professional and independent organization, was appointed to conduct the performance evaluation of the Board of Directors.

- The corporate governance unit irregularly gave referrals for relevant training information from the competent authorities, external professional institutions, and Kinpo Group Management Consultant Company from time to time. The company and Kinpo Electronics, Inc. also regularly hold refresher courses.

- We uploaded the Chinese and English Annual Report of shareholders’ meeting 18 days before the shareholders’ meeting.

- In 2023, the "Corporate Governance Best-Practice Principles " and the " Main Point of Insiders Trading Prevention Management " were revised to prohibit directors and other insiders from using undisclosed information in the market to buy and sell securities. The content includes that directors are not allowed to trade securities thirty days before the announcement of the annual financial report, and trade its stocks during the closed period of 15 days before the announcement of each quarterly financial report.
### Items to evaluate the independence of the CPA:

<table>
<thead>
<tr>
<th>Item</th>
<th>Evaluation result</th>
<th>Meets independence or not</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whether or not the CPA has a direct or material indirect financial interest in the Company</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td>Whether or not the CPA has a joint investment relationship with the Company or its affiliates or has shares in financial gains therewith with the Company or its affiliates</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td>Whether or not the CPA holds any share of the Company and its affiliates, or the CPA lends or borrows funds to or from the Company and its affiliates</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td>Whether or not the CPA has any improper relationship with the Company, or is currently employed by the Company to perform routine work for which the CPA receives a fixed salary</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td>Whether or not the CPA participates in the Company’s management and operational decision-making</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td>Whether or not the CPA is a spouse, lineal relative, direct relative by marriage, or a collateral relative within the second degree of kinship of any responsible person or managerial officer of the Company</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td>Whether or not the CPA provides management consulting or other non-attestation services that may affect the CPA’s independence</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td>Whether or not the CPA permits others to practice under his/her name</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td>Whether or not the CPA accepts commission related to his/her business</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td>As for the latest attestation work, whether or not the CPA remains unchanged over seven years</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td>Whether or not the CPA has received any sanction or has any circumstances which affect his/her independence</td>
<td>NO</td>
<td>YES</td>
</tr>
</tbody>
</table>

### The results of Compal’s corporate governance unit operations for 2023 are as follows:

- Compile and prepare relevant documents in need for the Audit Committee and the Board of Directors’ Meetings in accordance with pertinent regulations and operational/financial request; and be responsible for coordination with proposal making relevant units.
- The performance evaluation of directors and independent directors, the Board of Directors, the audit committee, and the remuneration committee are submitted to the Board of Directors.
- EY Business Advisory Services Inc., an external professional and independent organization, was appointed to conduct the performance evaluation of the Board of Directors.
• Planned the communication meeting between Independent Directors, Internal Audit Supervisors and CPA to have the Audit Committee determine the independence and fitness of the CPA engaged by the Company, as well as to ensure sound corporate governance. For the records of the communication meetings, please see page 51.

• Pursuant to “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies”, Compal has advocated and encouraged Directors to take part in the courses. In addition, the corporate governance unit irregularly gave referrals relevant training information from the competent authorities, external professional institutions, and Kinpo Group Management Consultant Company from time to time. The company and Kinpo Electronics, Inc. also regularly hold refresher courses.

• The Company disclosed and announced important financial and operational information in conjunction with the events of the Board of Directors Meetings and Shareholders Meetings. In addition, the Company has held financial result announcement conferences at least twice a year and was invited to participate in domestic/foreign brokers’ investor forums on a quarterly basis to help investors understand the Company’s financial and operational results.

• Registered the date for Shareholder Meetings as required by law; prepared meeting notifications within the scheduled deadline, meeting handbook, and meeting minutes and filing; coordinated relevant units, agents for stock affairs, CPA, attorneys, and so forth.

• Edit contents on the chapter on corporate governance in the Annual Report – responsible for the collection of data, compilation of stock affairs data, and coordination of different units and editing.

• Corporate governance evaluation – responsible for the collection of data, plan setting, compilation of stock affairs data, coordination of different units and website maintenance.

• The Company has offered liability coverage for directors, supervisors and managers. The amount for their liability insurance in 2023 came to USD 50,000 thousand, which was roughly equivalent to TWD 1,582,000 thousand. Vital information relating to their liability insurance was reported to the Board of Directors at the latest meeting of the Board of Directors.

• The Corporate Governance Officer took 12 hours of continuing education. For the exact education program, please see page 72.

X. Other vital information on the operating status of corporate governance:

- Employees' rights and care for employees

  Compal respects employees' rights and tends to their needs. Internal policies are updated constantly to reflect the latest labor regulations and published to ensure employees understand and comply. Compal's subsidiaries in the USA, China, Brazil, and Vietnam have all established employment guidelines in accordance with local labor regulations, and all terms of employment are compliant with the laws of the local countries and regions.

  The Company's support for equal work opportunities and respect for employees' freedom of association has led to the assembly of a union at the Kunshan Factory. Employees are offered equal compensation for equal work, whereas salary details are approved based on the nature of work involved and individual performance. The Company has nursery rooms available throughout the organization. It actively prevents and resolves workplace unlawful infringement incidents, grants workers the breaks and overtime pay they deserve, purchases social insurance coverage, and contributes to employees' pension funds.

  Compal is committed to creating communication platforms where employees may exchange opinions and information. We set up the employees' opinions mailbox and the anti-violence mailbox. Moreover, A “Sunshine Group” and hotlines have been set up at all plant sites and are run by compassionate people who promptly respond to employees' thoughts. By providing employees with the means to express feelings and complaints, the Company is able to help employees resolve difficulties in a timely manner. In an attempt to create a joyful work environment where talents are assigned to suitable positions, Compal publishes recruitment information.
internally and offers employees the freedom to choose or transfer to positions they consider suitable, and thereby assuring satisfaction across the workforce and protecting employees’ interests.

Compal provides employees with the following health-related facilities and services outside of work:
- **Common dining:** Employee dining facilities have been made available to serve nutritious and healthy foods.
- **Recreation centers:** Places where employees may hold club activities, exercise, and socialize.
- **Spiritual, health, and arts seminars:** The Company organizes health seminars, spiritual seminars, musical performances, and art exhibitions from time to time, and uses them as a means of stress relief to cater to employees’ physical and mental health.
- **Infirmary and stationed physicians:** Employees may consult physicians and access timely medical assistance for themselves and their family members.
- **Employee assistance services are available.** Employees can consult with consultants on work, family, relationships, physical and mental health, mental illness, finance, legal, and management issues through a dedicated line or E-mail.

### Code of conduct for Directors, managers, and employees

Compal has established an ethics policy as described below to enforce business integrity and to guide employees toward complying with laws and ethics for the protection of Compal's and stakeholders' assets, interests, and reputation:
- Comply with government regulations.
- Protect the interests of employees, customers, shareholders, suppliers, communities, and relevant organizations.
- Uphold business integrity and the principles of fair trade, fair advertising, and fair competition. Refrain from making illicit gains. Make information transparent to stakeholders while at the same time respecting intellectual property rights, privacy, and identity protection. Prohibit retaliation and make responsible purchases of minerals.
- Continually improve, execute, and convey the Company's ethics policy to relevant organizations.

In addition to implementing an ethics policy, Compal has also established a Human Resource Management Policy, Director and Manager Code of Conduct, and Employee Code of Conduct not only in the employees' best interest, but also to communicate with stakeholders about the moral standards and behavioral guidelines that employees are bound to obey when carrying out their duties. All employees are required to sign a "Confidentiality Pledge" when coming on board, which is a declaration to abide by the Company's rules, the Human Resources Management Policy and to maintain the confidentiality of the Company's business secrets.

### Investor relations

The Company has an Investor Relations Department, which handles shareholders' recommendations. The department bridges communication between the Company and its investors. In addition to hosting investor seminars on a regular and ad-hoc basis, the department has also created an Investor Relations section on the Company's website to facilitate complete and fair disclosure of Compal's latest progress, and thereby provide investors with a full understanding of the Company's business performance and long-term goals.

In 2023, Compal proactively participated in online investor forums and investor conference calls, hosted by either local or foreign brokers every quarter, 13 events in total, to regularly update its financial results and business progress to shareholders and investors, which to enhance investors' understanding for the Company operation and increase the communication and engagements.

### Supplier relations and execution of customer policy

The Company signs contracts with all suppliers and customers not only to protect the interests of both parties, but also to maintain a strong working relationship.
The Company maintains close cooperation with suppliers via systematic method in order to implement effective communication, follow-up and management. Since 2015, Compal has established the Supplier Opinion on the Compal Procurement System (CPS) platform to provide improved communication channel with suppliers. In 2023, Compal further planned the upgrade of the supplier management system of “Vendor Integration Portal”, such that through system platform upgrade and integration, the Company is able to satisfy the due diligence operation on various management policies of ESG sustainable supply chain more efficiency, and to also demonstrate the commitment in achieving sustainable operation with suppliers jointly.

Each year, the Procurement Center and Safety Regulation and Environmental Protection Affairs Department organizes the Supplier Conference jointly. For 2020~2021, due to the impact of COVID-19 pandemic, the meeting convention method was changed to online meeting. In 2022, third party consulting company was also invited to participate in the Supplier Conference, and contents related to global green product regulatory updates and implementation guidelines, RBA VAP v7.0 updates, conflict minerals, introduction to Compal’s supplier management system and environmental education in the supply chain were explained to 205 suppliers attending the Supplier Conference. In 2023, to accelerate supply chain’s participation in net zero emissions and carbon reduction, Compal invited 34 key suppliers to join Compal’s ONE+N electronic industry supply chain net zero acceleration program, and a physical Supplier Conference was also held on September 13, 2023. Compal continues to communicate the latest trend of sustainable supply chain to suppliers through the Supplier Conference and also works with suppliers to improve the ESG performance continuously.

Compal is committed to providing customer service while also prioritizing customer privacy and confidentiality. We sign confidentiality agreements with our customers to ensure the security of their confidential information. Additionally, we require employees to adhere to intellectual property protection policies, gradually strengthening confidential management and establishing a data classification system. We have implemented various measures, including the introduction of cloud virtual desktops and centralized data backup management systems, the establishment of internal and external email inspection systems, the implementation of electronic storage device tracking controls, and the management of filming behaviors within the factory premises. We require project teams to sign confidentiality agreements based on the level of confidentiality and strengthen procedures for managing departing employees to meet the highest standards of information security in the industry. In 2023, there were no penalties imposed due to appeals from customers or regulatory authorities, demonstrating our rigorous protection of confidential customer information and strengthening customer confidence in Compal. We collect quarterly performance evaluation scores from major OEM customer partners, which account for ninety percent of the total revenue, to assess achievement and execution efficiency. The customer satisfaction score in 2023 was 89.10%, maintaining a customer satisfaction level of over 89% for four consecutive years, solidifying Compal’s good partnership with its customers.

### Stakeholders' interests

Interested parties are able to communicate with and make suggestions to the Company for the protection of their interests. The Company provides safe and high-quality products along with complete and accurate product information to customers. Customers' complaints are addressed immediately.

### Risk management

1. Risk management practice

   The Company has established a risk management policy, which was approved by the Board of Directors on March 15, 2022. The core values of the policy are complying with the laws and regulations of the place where it operates, and setting up the risk control procedures in accordance with the international standard systems. The Company expects that the policy can identify the operation risk in advance. Therefore, the
Company can adopt appropriate assessments and actions to transform, reduce or prevent the risks.

(1) Comply with the policies and regulations of the country in which it operates:

The Company has its own financial, sales, and accounting system, and a system for monitoring the financial and business information of its subsidiaries in accordance with "Regulations Governing the Establishment of Internal Control Systems by Public Companies". The Company also has guidelines in place for supplier management, customer relations, R&D, human resources, financial affairs, credit/endorsement/ guarantee arrangements with affiliated businesses, and acquisition/disposal of key assets. These policies, risk assessment standards, and procedures serve as guidelines by which employees may abide for risk assessment and management. Dedicated personnel have been appointed in every department to manage, control, minimize, and prevent Company risks. Follow the local policies and regulations of important production bases. For example: the relevant guidelines of the "The Basic Norms of Enterprise Internal Control" issued by the Ministry of Finance of the People's Republic of China in conjunction with the China Securities Regulatory Commission, the National Audit Office, the China Banking Regulatory Commission and the China Insurance Regulatory Commission.

(2) Establish the risk control procedures in accordance with the international standard systems.

In accordance with the methodology of ISO 31000, the Company performs the identification, analysis, and evaluation processes to confirm the risk issues, then compile the risk issues in five major areas: strategy, finance, operations, legal compliance, and environment. Finally, the Company uses the "Risk Analysis Matrix" to prioritize risk management by considering the Company's resources. The internal control system was developed by the company to consider the organization's structures, authorization, and control points of operation procedure, and it has been distinguished between the overall level and operation level. Five elements (Control Environment, Risk Assessment, Control Operation, Information and Communication, Supervision) have been incorporated into each transaction cycle at the operation level. The Company achieves the goal of implementing internal control through the internal control self-assessment and performance assessment. Besides, the company has referred to the Three Lines of Defense (TLD) model for risk management issued by the IIA, and the company operates practices to set up organization and procedures for risk management.

(3) From the implementation perspective, all the divisions of the Company evaluate various business risks to make contingency plans, while preparing the annual budget and work plan. At the same time, the internal audit office drafts the annual audit plans for the coming year based on the risk assessment of operating activities. The annual audit plan is implemented after approval by the Board of Directors, and the execution status is also reported to the Board of Directors. Given the Company's role as an ODM for 5C electronics, we review and assess business risks on an annual basis, and reflect our findings in the financial statements under accounts such as allowance for doubtful debts, warranty reserves, and royalties. All provisioning policies are submitted to the CPA for review whenever adjustments are made. This is to ensure that financial reports present a fair view of the Company's operations. Furthermore, the Company has dedicated personnel appointed to monitor and control exchange rate risks, and take hedging measures as necessary (please refer to page 215).
(4) If an important operating activity is identified with a potential urgent risk, it can be reported to the supervisor immediately for proper prevention. Extremely important matters, such as investments or engineering project bidding, will be jointly reviewed by relevant departments. Audits will be performed on a regular or irregular basis.

(5) The future plan of risk management in the following five years.
   a. Continue to manage the "new type of risk" refer to the GRPS research report issued by WEF. According to the Global Risks Perception Survey carried out by the World Economic Forum every year, we evaluate key issues such as economy, geopolitics, environment, society and technology, from the "likelihood" and "impact" of the event, and we also take new types of risks into management scope such as climate change or contagious disease.
   b. Digital transformation to enhance corporate governance
      As business models become more complex, manual post-checks become outdated. We use the information system continuously to save labor costs, enhance the effectiveness of the Three Lines of Defense (TLD) model through IT techniques and, most importantly to achieve the goal of warning in advance.
## 2. Risk management framework

<table>
<thead>
<tr>
<th>Key risk areas</th>
<th>Front line unit (Business organizer) (Level 1)</th>
<th>Risk review and control (Executive management meeting) (Level 2)</th>
<th>Board of Directors, Audit Committee, Risk Management Committee, Auditing Office (Level 3)</th>
</tr>
</thead>
</table>
| • Interest rate, exchange rate, inflation and financial risks  
• High-risk or highly leveraged investment, loan to third party, endorsement, guarantee, trading of derivatives and treasury investment | Finance Group  
| | Operation Team | - Auditing Office: Risk inspection, evaluation, supervision, improvement and reporting  
- Board of Directors, Audit Committee, Risk Management Committee  
- Decision-making and ultimate control over risk evaluation |
| • R&D planning  
• Changes in policy and law  
• Changes in technology and industry  
• Changes in corporate image  
• Investment, subsidiary and M&A benefits | Business departments/centers (Note 1)  
- Common departments (Note 3) | Corporate investment review  
- Executive management meeting  
- Subsidiaries monitoring and management report |  
| | | | |
| • Expansion of factory, production site and equipment  
• Centralized purchase or sale | Business departments/centers (Note 1)  
- Common departments (Note 3) | Monthly operating meeting  
- Production and marketing meeting | |
| • Equity transfer involving Directors, supervisors, and major shareholders  
• Change of management | Share administration affairs  
- Board of Directors | Share administration affairs  
- Head of Finance/Accounting | |
| • Litigation and non-contentious cases  
• Handling of product safety incidents  
• Other operational affairs | Product risk management  
- Managers of all levels | Legal affairs  
- Business groups/centers (Note 2) | |
| • Personnel behavior, ethics, and conduct | Managers of all levels  
- HR and Administration | Personnel Evaluation Committee | |
| • Rules (including SOPs), internal control system and compliance with regulations | Managers of all levels | Legal Affairs Office  
- Investment Planning and Management Office  
- Finance  
- Accounting  
- HR and Administration  
- IT | |
| • Board of Directors Meetings | Share administration affairs  
- Secretary of the Board of Directors | Legal Affairs Office | |
| • Prevention of insider trading | Managers of all levels | Insider Trading Prevention Office | |
| • Information security management | Managers of all levels | Information Security (ISMS) Committee  
- Information Security Team | |

Notes: 1. Business departments/centers: America/Europe, Asia Pacific, Operations, Enterprise Products, Auto Electronics, Creativity, Quality Assurance, Procurement, R&D, Manufacturing, and Sales, etc.  
2. Business groups/centers: PCBG, Worldwide PC Sub.BG, Global Operations & Quality Sub. BG, GOBG, SD Operation Sub. BG, SDBG, etc.  
3. Common departments: Finance, Accounting, HR and Administration, Investment Planning and Management Office, Legal Affairs Office, etc.
3. The actual performance of risk management in 2023

(1) Committee Appointment

On May 8, 2023, Compal established the Risk Management Committee with the approval of the Board of Directors. According to the regulations, the first session of the Risk Management Committee consists of all independent directors Min Chih Hsuan, Duei Tsai, Wen-Chung Shen and director Chung-Pin Wong. Independent director Min Chih Hsuan was elected by all members as the convener and chairman of the meeting.

(2) Attendance of Members at Risk Management Committee Meetings:

- The term of the 1st committee is from May 8, 2023 to August 26, 2024.
- In 2023, the Risk Management Committee held two meetings (A) and the qualifications and attendance of Committee members are as follows:

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Major</th>
<th>Actual attendance (B)</th>
<th>Number of delegated attendances</th>
<th>Attendance Rate (%) [B/A]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convener</td>
<td>Min Chih Hsuan</td>
<td>Business Management, Performance Management,</td>
<td>0</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Investment, Mergers and Acquisitions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Committee Member</td>
<td>Duei Tsai</td>
<td>Operation Management, Information Security</td>
<td>2</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>Committee Member</td>
<td>Wen-Chung Shen</td>
<td>Business Management, Risk Management</td>
<td>2</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>Committee Member</td>
<td>Chung-Pin Wong</td>
<td>Business Management, Performance Management,</td>
<td>2</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Risk Management</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(3) Management System:


(4) Reporting Process:

On November 10, 2023, Compal reported the annual risk management performance to the Risk Management Committee and submitted it to the Board of Directors for review.

(5) Risk Evaluation Mechanism:

Compal has established a risk evaluation mechanism to analyze and summarize the risk appetite and then set related action plans.
## Purchasing liability coverage for the Company’s Directors, supervisors, and managers

Since 2002, the Company has purchased liability insurance for its Directors, supervisors, and managers. The summary of the insurance policies purchased in 2023 is listed as follows:

<table>
<thead>
<tr>
<th>Insured Individuals</th>
<th>Insured amount</th>
<th>Insured Period</th>
<th>Date of submission to the Board of Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors, Supervisors and Managers</td>
<td>USD 50,000,000 (Equivalent to TWD 1,582,000,000)</td>
<td>From: 2023.11.21 To: 2024.11.21</td>
<td>2024.02.29</td>
</tr>
</tbody>
</table>

## Continuing education for Directors and managers

All Directors and managers possess relevant professional knowledge and skills. In addition to offering relevant information both on a regular and intermittent basis to Directors and managers, the Company would also organize seminars and workshops when deemed necessary. Training completed by Directors and managers in 2023 includes:

### Continuing education for directors

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Date of training</th>
<th>Organized by</th>
<th>Course title</th>
<th>Hours of training</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Sheng-Hsiung Hsu</td>
<td>2023.05.15</td>
<td>Securities and Futures Institute</td>
<td>Competitiveness VS Viability, ESG trends and strategies</td>
<td>3</td>
</tr>
<tr>
<td>Chairman</td>
<td>Sheng-Hsiung Hsu</td>
<td>2023.11.10</td>
<td>Taiwan Corporate Governance Association</td>
<td>Global trends and business opportunities for low-carbon economy and corporate low-carbon innovation in 2023</td>
<td>3</td>
</tr>
<tr>
<td>Chairman</td>
<td>Sheng-Hsiung Hsu</td>
<td>2023.11.14</td>
<td>Taiwan Corporate Governance Association</td>
<td>Trends and risk management of digital technology and artificial intelligence</td>
<td>3</td>
</tr>
<tr>
<td>Vice Chairman</td>
<td>Jui-Tsung Chen</td>
<td>2023.07.14</td>
<td>Compal Electronics, Inc.</td>
<td>Global Economic Outlook for the Second Half Year of 2023</td>
<td>1</td>
</tr>
<tr>
<td>Vice Chairman</td>
<td>Jui-Tsung Chen</td>
<td>2023.09.08</td>
<td>Taiwan Institute of Directors</td>
<td>ESG rating analysis in the capital market and the business implications of sustainability evaluation</td>
<td>3</td>
</tr>
<tr>
<td>Vice Chairman</td>
<td>Jui-Tsung Chen</td>
<td>2023.10.12</td>
<td>Taiwan Institute of Directors</td>
<td>Legal Risks of Enterprise Investment and Financing</td>
<td>3</td>
</tr>
<tr>
<td>Vice Chairman</td>
<td>Jui-Tsung Chen</td>
<td>2023.11.10</td>
<td>Taiwan Corporate Governance Association</td>
<td>Global trends and business opportunities for low-carbon economy and corporate low-carbon innovation in 2023</td>
<td>3</td>
</tr>
<tr>
<td>Director</td>
<td>Wen-Being Hsu</td>
<td>2023.11.10</td>
<td>Taiwan Corporate Governance Association</td>
<td>Global trends and business opportunities for low-carbon economy and corporate low-carbon innovation in 2023</td>
<td>3</td>
</tr>
<tr>
<td>Director</td>
<td>Chieh-Li Hsu</td>
<td>2023.02.22</td>
<td>Taiwan Institute of Directors</td>
<td>Centennial Enterprise Strategy Turning Point Series-2 Innovation Wheel</td>
<td>3</td>
</tr>
<tr>
<td>Director</td>
<td>Chieh-Li Hsu</td>
<td>2023.11.10</td>
<td>Taiwan Corporate Governance Association</td>
<td>Global trends and business opportunities for low-carbon economy and corporate low-carbon innovation in 2023</td>
<td>3</td>
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<td>Director</td>
<td>Chieh-Li Hsu</td>
<td>2023.11.14</td>
<td>Taiwan Corporate Governance Association</td>
<td>Trends and risk management of digital technology and artificial intelligence</td>
<td>3</td>
</tr>
<tr>
<td>Director</td>
<td>Charng-Chyi Ko</td>
<td>2023.05.15</td>
<td>Securities and Futures Institute</td>
<td>Competitiveness VS Viability, ESG trends and strategies</td>
<td>3</td>
</tr>
<tr>
<td>Director</td>
<td>Charng-Chyi Ko</td>
<td>2023.05.26</td>
<td>Kinpo Group Management Consultant Company</td>
<td>Challenges and responses of Taiwanese companies under global risks in 2023</td>
<td>2</td>
</tr>
<tr>
<td>Director</td>
<td>Charng-Chyi Ko</td>
<td>2023.11.10</td>
<td>Taiwan Corporate Governance Association</td>
<td>Global trends and business opportunities for low-carbon economy and corporate low-carbon innovation in 2023</td>
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</tr>
<tr>
<td>Director</td>
<td>Charng-Chyi Ko</td>
<td>2023.11.14</td>
<td>Taiwan Corporate Governance Association</td>
<td>Trends and risk management of digital technology and artificial intelligence</td>
<td>3</td>
</tr>
<tr>
<td>Director</td>
<td>Sheng-Chieh Hsu</td>
<td>2023.07.04</td>
<td>Taiwan Stock Exchange Corporation</td>
<td>2023 Cathay Sustainable Finance and Climate Change Summit Forum</td>
<td>6</td>
</tr>
<tr>
<td>Title</td>
<td>Name</td>
<td>Date of training</td>
<td>Organized by</td>
<td>Course title</td>
<td>Hours of training</td>
</tr>
<tr>
<td>---------------</td>
<td>----------------------------</td>
<td>------------------</td>
<td>--------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Director</td>
<td>Sheng-Chieh Hsu</td>
<td>2023.11.10</td>
<td>Taiwan Corporate Governance Association</td>
<td>Global trends and business opportunities for low-carbon economy and corporate low-carbon innovation in 2023</td>
<td>3</td>
</tr>
<tr>
<td>Director</td>
<td>Yen-Chia Chou</td>
<td>2023.11.10</td>
<td>Taiwan Corporate Governance Association</td>
<td>Global trends and business opportunities for low-carbon economy and corporate low-carbon innovation in 2023</td>
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<td>Director</td>
<td>Chung-Pin Wong</td>
<td>2023.11.10</td>
<td>Taiwan Corporate Governance Association</td>
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</tr>
<tr>
<td>Director</td>
<td>Chung-Pin Wong</td>
<td>2023.11.24</td>
<td>Taiwan Institute of Directors</td>
<td>Things to be noted in corporate IPO planning: General company and group spin-offs</td>
<td>3</td>
</tr>
<tr>
<td>Director</td>
<td>Chiung-Chi Hsu</td>
<td>2023.11.10</td>
<td>Taiwan Corporate Governance Association</td>
<td>Global trends and business opportunities for low-carbon economy and corporate low-carbon innovation in 2023</td>
<td>3</td>
</tr>
<tr>
<td>Director</td>
<td>Ming-Chih Chang</td>
<td>2023.11.10</td>
<td>Taiwan Corporate Governance Association</td>
<td>Global trends and business opportunities for low-carbon economy and corporate low-carbon innovation in 2023</td>
<td>3</td>
</tr>
<tr>
<td>Director</td>
<td>Sheng-Hua Peng</td>
<td>2023.04.13</td>
<td>Taiwan Institute of Directors</td>
<td>KPMG Taiwan 2023 Business Leader Academy Forum: Business Opportunities and Challenges Under the Net Zero Spotlight</td>
<td>3</td>
</tr>
<tr>
<td>Director</td>
<td>Sheng-Hua Peng</td>
<td>2023.05.26</td>
<td>Kinpo Group Management Consultant Company</td>
<td>Challenges and responses of Taiwanese companies under global risks in 2023</td>
<td>2</td>
</tr>
<tr>
<td>Director</td>
<td>Sheng-Hua Peng</td>
<td>2023.07.14</td>
<td>Compal Electronics, Inc.</td>
<td>Global Economic Outlook for the Second Half Year of 2023</td>
<td>1</td>
</tr>
<tr>
<td>Director</td>
<td>Sheng-Hua Peng</td>
<td>2023.11.10</td>
<td>Taiwan Corporate Governance Association</td>
<td>Global trends and business opportunities for low-carbon economy and corporate low-carbon innovation in 2023</td>
<td>3</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Min Chih Hsuan</td>
<td>2023.01.13</td>
<td>Taiwan Corporate Governance Association</td>
<td>Explanation and case introduction of directors and supervisors’ responsibilities under corporate governance</td>
<td>3</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Min Chih Hsuan</td>
<td>2023.12.27</td>
<td>Taiwan Corporate Governance Association</td>
<td>Enterprise resilience-oriented information security management and risk control</td>
<td>3</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Duei Tsai</td>
<td>2023.04.13</td>
<td>Taiwan Institute of Directors</td>
<td>KPMG Taiwan 2023 Business Leader Academy Forum: Business Opportunities and Challenges Under the Net Zero Spotlight</td>
<td>3</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Duei Tsai</td>
<td>2023.05.16</td>
<td>Securities and Futures Institute</td>
<td>Global future risks and opportunities for sustainable transformation</td>
<td>3</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Duei Tsai</td>
<td>2023.05.26</td>
<td>Kinpo Group Management Consultant Company</td>
<td>Challenges and responses of Taiwanese companies under global risks in 2023</td>
<td>2</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Duei Tsai</td>
<td>2023.08.09</td>
<td>Securities and Futures Institute</td>
<td>Kindness. True beauty. Charity. Doing it right. Doing it well is good business.</td>
<td>3</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Duei Tsai</td>
<td>2023.10.13</td>
<td>Taiwan Corporate Governance Association</td>
<td>Trends and risk management of digital technology and artificial intelligence</td>
<td>3</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Duei Tsai</td>
<td>2023.11.10</td>
<td>Taiwan Corporate Governance Association</td>
<td>Global trends and business opportunities for low-carbon economy and corporate low-carbon innovation in 2023</td>
<td>3</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Wen-Chung Shen</td>
<td>2023.04.13</td>
<td>Taiwan Institute of Directors</td>
<td>KPMG Taiwan 2023 Business Leader Academy Forum: Business Opportunities</td>
<td>3</td>
</tr>
</tbody>
</table>
### Continuing education for managers

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Date of training</th>
<th>Organized by</th>
<th>Course title</th>
<th>Hours of training</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vice President</td>
<td>Cheng-Chiang Wang</td>
<td>2023.07.14</td>
<td>Compal Electronics, Inc.</td>
<td>Global Economic Outlook for the Second Half of 2023</td>
<td>1</td>
</tr>
<tr>
<td>Vice President</td>
<td>Guo-Dung Yu</td>
<td>2023.07.14</td>
<td>Compal Electronics, Inc.</td>
<td>Global Economic Outlook for the Second Half of 2023</td>
<td>1</td>
</tr>
<tr>
<td>Corporate Governance Officer</td>
<td>Cheng-Chiang Wang</td>
<td>2023.04.18</td>
<td>Accounting Research and Development Foundation</td>
<td>Corporate Ethics and Sustainable Development</td>
<td>3</td>
</tr>
<tr>
<td>Corporate Governance Officer</td>
<td>Cheng-Chiang Wang</td>
<td>2023.05.18</td>
<td>Accounting Research and Development Foundation</td>
<td>To Correctly Understand the Corporate Governance Evaluation</td>
<td>3</td>
</tr>
<tr>
<td>Corporate Governance Officer</td>
<td>Cheng-Chiang Wang</td>
<td>2023.05.19</td>
<td>Accounting Research and Development Foundation</td>
<td>Analysis of the latest corporate governance policies and laws and common deficiencies</td>
<td>3</td>
</tr>
<tr>
<td>Corporate Governance Officer</td>
<td>Cheng-Chiang Wang</td>
<td>2023.09.15</td>
<td>Taiwan Corporate Governance Association</td>
<td>Board Meetings: Common Board Meeting Mistakes for Listed Companies</td>
<td>3</td>
</tr>
<tr>
<td>Accounting Officer</td>
<td>Cheng-Chiang Wang</td>
<td>2023.10.16-2023.10.17</td>
<td>Accounting Research and Development Foundation</td>
<td>“Training program for the new Accounting Officer” The class for the new Accounting Officer was requested due to the company’s share exchange/transaction being in a public place.</td>
<td>12</td>
</tr>
<tr>
<td>Audit Chief Executive</td>
<td>Chenyi Li</td>
<td>2023.12.08</td>
<td>Accounting Research and Development Foundation</td>
<td>Practical measures to improve the “Three Lines of Defense of Internal Control”</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2024.01.11</td>
<td>Accounting Research and Development Foundation</td>
<td>Common internal control management deficiencies in enterprises and analysis of practical cases</td>
<td>6</td>
</tr>
</tbody>
</table>

### Succession plan for Board members and key Management team

Compal launched the succession plan for Board members and the key management team in 2018. The former President Jui-Tzung Chen, was promoted to the position of Vice-Chairman and Chief Strategy Officer of the Company, responsible for the Company’s long-term strategy development and implementation. The President’s position was taken by Executive Vice-President Chung-Pin Wong, who joined Compal in 1989 and has over 30 years of experience in various positions, such as marketing, procurement, sales, etc. In addition, Anthony Peter Bonadero, Sheng-Hua Peng, and Ming-Chih Chang were promoted from Senior Vice-President to Executive Vice-President Positions and were appointed to lead the three business groups: PCBG, SDBG, and GOBG, respectively. They were also elected to serve on the 13th Board of Directors in 2018. Compal has successfully completed the succession of its board members and key management team, which symbolizes the transition to a new generation. The abovementioned top management of the Company was re-elected as the 14th term of the Board of Directors at the 2021 Annual General Shareholders Meeting.
In response to the future growth, the Company will continue to invest in the talents and promote the key management team’s experience sharing and inheritance through the arrangement of the regular “Group General Managers Meetings” and “Executive Management Meetings.” This plan and mechanism will enable the Company to achieve its long-term sustainability goals.

### Certificate and qualification acquisition status for personnel involved in financial information transparency

<table>
<thead>
<tr>
<th>Name of certificate</th>
<th>No. of persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPA qualification</td>
<td>5 persons</td>
</tr>
<tr>
<td>USCPA qualification</td>
<td>2 persons</td>
</tr>
<tr>
<td>Senior Securities Specialist</td>
<td>11 persons</td>
</tr>
<tr>
<td>Securities Specialist</td>
<td>4 persons</td>
</tr>
<tr>
<td>Futures Specialist</td>
<td>4 persons</td>
</tr>
<tr>
<td>Securities Investment Trust and Consulting Professional</td>
<td>5 persons</td>
</tr>
<tr>
<td>Chartered Financial Analyst</td>
<td>1 person</td>
</tr>
<tr>
<td>Certificate In ESG Investing</td>
<td>1 person</td>
</tr>
<tr>
<td>Investor Relations Charter (IRC®)</td>
<td>1 person</td>
</tr>
<tr>
<td>Certified Internal Auditor - Taiwan</td>
<td>3 persons</td>
</tr>
<tr>
<td>Certified Internal Auditor</td>
<td>3 persons</td>
</tr>
<tr>
<td>Certified Information Systems Auditor</td>
<td>1 person</td>
</tr>
<tr>
<td>Information Security Management Lead Auditor</td>
<td>1 person</td>
</tr>
<tr>
<td>Certified Basic Proficiency for credit officers</td>
<td>1 person</td>
</tr>
</tbody>
</table>
### 3.3.4 Composition, Responsibilities, and Operations of the Remuneration Committee

1. Professional Qualifications and Independence Analysis of Remuneration Committee Members

<table>
<thead>
<tr>
<th>Identity</th>
<th>Name</th>
<th>Conditions</th>
<th>Professional Qualifications and Experience</th>
<th>Independence Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convener</td>
<td>Wen-Chung Shen</td>
<td>Bachelor of Electrical Engineering Dept., National Taiwan University Chair of Hetuo Investment Co., Ltd. Director &amp; Executive Vice-President of Compal Electronics, Inc. Possesses 30 or more years of work experience required for the Company's business, and not been a person of any conditions defined in Article 30 of the Company Law.</td>
<td>• Compliance with independence requirement (note) • The person him/herself or his/her spouse or relatives within the second degree (or in the name of others) hold 5,151,000 shares of the Company at a ratio of 0.11%.</td>
<td></td>
</tr>
<tr>
<td>Independent</td>
<td>Min Chih Hsuan</td>
<td>Honorary Doctorate, National Chiao Tung University Bachelor of Electrical Engineering Dept., National Chiao Tung University Chairman, Vice Chairman, CEO, President and Honorary Vice Chairman of United Microelectronics Corp. Chairman of Faraday Technology Corp., Clientron Corp. Possesses 30 or more years of work experience required for the Company's business, and not been a person of any conditions defined in Article 30 of the Company Law.</td>
<td>• Compliance with independence requirement (note) • The person him/herself or his/her spouse or relatives within the second degree (or in the name of others) hold 0 shares of the Company at a ratio of 0%.</td>
<td></td>
</tr>
</tbody>
</table>
| Independent Director | Duei Tsai | Ph.D., Electrical Engineering, National Taiwan University | Independent Director of Taiwan High Speed Rail Corporation, TTY Biopharm Company Ltd. and Independent Director for Public Welfare of Starlux Airlines Co., Ltd. Part-time professor-level professional and technical personnel in the Department of Electrical Engineering, National Taipei University of Technology and the Department of Digital Multimedia Design, Kainan University; Adjunct professor at the Department of Electronics, National Taiwan University of Science and Technology and the Department of Electronics, Yuanzhi University. Government positions such as Minister of Transportation and Director of the Civil Aviation Bureau of the Ministry of Transportation. Possesses 30 or more years of work experience required for the Company's business, and not been a person of any conditions defined in Article 30 of the Company Law. | • Compliance with independence requirement (note)  
• The person him/herself or his/her spouse or relatives within the second degree (or in the name of others) hold 0 shares of the Company at a ratio of 0%. |

Note: Compliance with independence requirement: State whether the members of the Remuneration Committee meet the independence requirement.

- Including but not limited to that the person him/herself or his/her spouse or relatives within the second degree have not worked as the directors, supervisors or employees of the Company or its affiliated enterprises;
- Have not worked as a director, supervisor or employee of a company that has a specific relationship (per the provisions of subparagraphs 5~8, paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange) with the Company;
- Have not received remuneration by providing business, legal, financial, accounting and other services to the Company or its affiliates in the last 2 years;
- Number of shares of the Company and shareholding ratio of the person him/herself or his/her spouse or relatives within the second degree (or in the name of others).

2. Responsibility of the Remuneration Committee

- Formulate and regularly review the policies, systems, standards and results for the performance evaluation and remuneration of directors (including independent directors) and managers.
- Regularly evaluate and determine the remuneration of directors (including independent directors) and managers.

The salary and remuneration mentioned above include cash remuneration, stock options, dividends, retirement benefits or severance payments, various allowances and other measures with substantial incentives.
3. Attendance of Members at Remuneration Committee Meetings
   • The Company’s Remuneration Committee is composed of three Independent Directors.
   • The term of the 5th committee ran from August 27, 2021 to August 26, 2024.
   • There were four Remuneration Committee meetings during 2023(A) and the committee member qualifications and attendance records are as follows:

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Attendance in Person (B)</th>
<th>By Proxy</th>
<th>Attendance Rate (%) [B/A]</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convener</td>
<td>Wen-Chung Shen</td>
<td>4</td>
<td>0</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Committee Member</td>
<td>Min-Chih Hsuan</td>
<td>2</td>
<td>2</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Committee Member</td>
<td>Duei Tsai</td>
<td>4</td>
<td>0</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

The discussion of the Remuneration Committee and the resolution, as well as the actions the Company has taken in response to any opinions arising from the Remuneration Committee.

<table>
<thead>
<tr>
<th>Board of Directors Meeting</th>
<th>Resolution Adopted by the Remuneration Committee</th>
</tr>
</thead>
</table>
| 9th Meeting (14th Term) 2023.3.15 | 1. To approve the proposal for the distribution of compensation to employees and directors for the year 2022  
2. To approve the first mid-year employees’ bonus of the year 2023  
▲ Resolution Adopted by the Remuneration Committee (2023.3.15): The Board will resolve to approve the proposal after the Committee’s approval.  
▲ Action taken by the Company in Response to the opinion of the Remuneration Committee:  
  • Motion 1: Upon solicitation of comments by the Chairman, no objection was addressed and the resolution was adopted unanimously by the Directors present.  
  • Motion 2: In accordance with the Company’s Regulations Governing the Proceedings of Board of Directors Meetings, an interested party relationship exists between any Directors and any agenda proposals, such Directors shall excuse themselves during discussion of and voting on those proposals. Accordingly, to avoid conflict of interest, Directors Jui-Tsung Chen, Chung-Pin Wong, Ming-Chih Chang and Sheng-Hua Peng, who are also acting as managerial officers of Compal, avoided discussion and voting on this proposal. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present. |

| 10th Meeting (14th Term) 2023.5.08 | 1. To approve the proposal for the appropriated percentage for the remuneration of employees and Directors of the year 2023  
2. To approve employees’ salary adjustment for the year 2023  
▲ Resolution Adopted by the Remuneration Committee (2023.5.08): The Board will resolve to approve the proposal after the Committee’s approval.  
▲ Action taken by the Company in Response to the opinion of the Remuneration Committee:  
  • Motion 1: Upon solicitation of comments by the Chairman, no objection was addressed and the resolution was adopted unanimously by the Directors present.  
  • Motion 2: In accordance with the Company’s Regulations Governing the Proceedings of Board of Directors Meetings, an interested party relationship exists between any Directors and any agenda proposals, such Directors shall excuse themselves during discussion of and voting on those proposals. Accordingly, to avoid conflict of interest, Directors |
<table>
<thead>
<tr>
<th>Board of Directors Meeting</th>
<th>Resolution Adopted by the Remuneration Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jui-Tsung Chen, Chung-Pin Wong, Ming-Chih Chang and Sheng-Hua Peng, who are also acting as managerial officers of Compal, avoided discussion and voting on this proposal. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.</td>
<td></td>
</tr>
</tbody>
</table>

| 12th Meeting (14th Term) 2023.8.11 | 1. To approve the Directors’ Remuneration for the year 2022  
2. To approve 2nd mid-year employees’ bonus for the year 2023  
▲Resolution Adopted by the Remuneration Committee (2023.8.11):  
The Board will resolve to approve the proposal after the Committee’s approval.  
▲Action taken by the Company in Response to the opinion of the Remuneration Committee:  
• Motion 1:  
Chairman Sheng-Hsiung Hsu asked the Independent Director Min-Chih Hsuan to act as a deputy chairman to preside at this meeting to discuss and vote on this proposal. Since an interested party relationship exists, the Directors (i.e., Sheng-Hsiung Hsu, Jui-Tsung Chen, Wen Being Hsu, Chieh-Li Hsu, Chum-Chyi Ko, Sheng-Chieh Hsu, Yen-Chia Chou, Chung-Pin Wong, Chiung-Chi Hsu, Ming-Chih Chang, Sheng-Hua Peng and Anthony Peter Bonadero) recuse and exclude themselves from discussion and voting on this proposal to avoid conflict of interest. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.  
• Motion 2:  
In accordance with the Company’s Regulations Governing the Proceedings of Board of Directors Meetings, an interested party relationship exists between any Directors and any agenda proposals, such Directors shall recuse and exclude themselves during discussion of and voting on those proposals. Accordingly, to avoid conflict of interest, Directors Jui-Tsung Chen, Chung-Pin Wong, Ming-Chih Chang and Sheng-Hua Peng, who are also acting as managerial officers of Compal, avoided discussion and voting on this proposal. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present. |

| 14th Meeting (14th Term) 2023.11.10 | 1. To approve the compensation of Employee bonuses in cash for 2022  
2. To approve the proposal for the 2023 year-end employees’ bonus  
▲Resolution Adopted by the Remuneration Committee (2023.11.10):  
The Board will resolve to approve the proposal after the Committee’s approval.  
▲Action taken by the Company in Response to the opinion of the Remuneration Committee:  
• Motion 1 and 2:  
In accordance with the Company’s Regulations Governing the Proceedings of Board of Directors Meetings, an interested party relationship exists between any Directors and any agenda proposals, such Directors shall recuse and exclude themselves during discussion of and voting on those proposals. Accordingly, to avoid conflict of interest, Directors Jui-Tsung Chen, Chung-Pin Wong, Ming-Chih Chang and Sheng-Hua Peng, who are also acting as managerial officers of Compal, avoided discussion and voting on this proposal. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present. |
Other notes:

1. If the Board of Directors declines to adopt or modify a recommendation of the remuneration committee, it should specify the date of the meeting, the session, the nature of the motion, the resolution made by the Board of Directors, and the Company’s response to the remuneration committee’s opinion (e.g., if the amount of remuneration passed by the Board of Directors exceeds the remuneration committee’s recommended amount, the circumstances and cause for the difference shall be specified): None.

2. If resolutions of the remuneration committee are objected to by members or become subject to a qualified opinion, which has been recorded or declared in writing, then the date of the meeting, the session, the nature of the motion, all members’ opinions and the response to members’ opinions should be specified: None.
### 3.3.5 Corporate Sustainability Development

<table>
<thead>
<tr>
<th>Assessment criteria</th>
<th>Actual governance</th>
<th>Deviation and causes of deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Does the Company conduct risk assessments on environmental, social, and corporate governance issues related to the Company's operation in accordance with the principle of materiality and formulate relevant risk management policies or strategies?</td>
<td>Yes</td>
<td>No deviations were found</td>
</tr>
<tr>
<td></td>
<td>To fulfill the company's commitment to sustainable development and improve the company's overall capacity in ESG risk management, Compal Electronics established a Sustainability Committee (the “Committee”) with the approval of the board of directors in March 2022. Composed of three members appointed by the board of directors, more than half (two) of the members of the Committee are independent directors, and the member Chung-Pin Wong is elected by all Committee members as the chairperson. Holding at least one meeting a year, the Committee is responsible for taking point in explaining company policies and positions externally, defining goals and directions internally, integrating resources, reviewing action plans, monitoring execution progress, and reporting results to the board of directors. Composition, Responsibilities, and Operations of the Sustainability Committee, Board of Directors’ Supervision of the Sustainability Committee. Please refer to page 98-99. For the 2023 Sustainable Development operation and implementation, please refer to page 100-102, the targets and plans of 2024 Sustainable Development please refer to page 103-104. The results of implementation are also disclosed in our Annual Report, Sustainability Report, and on our corporate website/Compal ESG.</td>
<td></td>
</tr>
<tr>
<td>2. Has the Company set up a full-time (or part-time) unit to promote corporate social responsibility, which is authorized by the Board of Directors to be handled by the senior management and reported to the Board of Directors?</td>
<td>Yes</td>
<td>No deviations were found</td>
</tr>
<tr>
<td></td>
<td>■ The Group performs risk identification, assessment and analysis, response and management at least once a year.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>■ The scope of execution includes parent company and subsidiary company.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Risk identification:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Collect environmental, social and corporate governance issues that stakeholders are concerned about, and refer to analysis reports on international situations and industry trends, then classify risk issues into &quot;Strategy,&quot; &quot;Finance,&quot; &quot;Operation,&quot; and &quot;Legal Compliance&quot;, &quot;Environment&quot;.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Risk assessment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Through a risk analysis matrix, the likelihood and impact of risk issues are evaluated</td>
<td></td>
</tr>
</tbody>
</table>
### Assessment criteria

<table>
<thead>
<tr>
<th>Actual governance</th>
<th>Deviation and causes of deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summary description</strong></td>
<td>respectively, and ranked by the result of the evaluation. Among them, &quot;supply chain material interruption risk&quot;, &quot;risk of overseas factory expansion&quot; and &quot;infectious disease spread &quot; were rated as the top three risk issues.</td>
</tr>
</tbody>
</table>

#### 3. Risk response and management

1. **Supply chain material interruption risk**
   - The Company's revenue continues to grow, and it is highly dependent on the stable supply of key components. In order to reduce the risk of sluggish materials and increase profits, the Company implements real-time production and precise control of inventory management. However, the conflict between Russia and Ukraine could lead to shortages of semiconductor-related raw materials, and Covid-19 continues to rage, causing energy shortages in various countries. The risk of material outage and production stoppage arising from the model of precise inventory management is also increasing day by day. Under this circumstance, the Company intends to take the following countermeasures
   - a. Continue to strengthen the supply chain information system and improve the platform's management mechanisms such as demand forecasting, inventory inquiry and delivery instructions.
   - b. Strengthen the strategic partnership of key component manufacturers.
   - c. Big data analysis to grasp the changing trend of the raw material market.
   - d. In response to the impact of Covid-19, plan and promote online bidding (inquiry and price negotiation) and the modularization of the procurement system.

2. **Risk of overseas factory expansion**
   - Due to the changes in the international situation such as the China-United States trade war, the demand for international strategic planning of customers, as well as the fact that multinational factory operations can strengthen the company's flexible and efficient management model and build the advantage of continuous and uninterrupted operations, the demand for overseas expansion of operating bases is increasing. However, factors such as geopolitics and infectious diseases may affect the smoothness...
<table>
<thead>
<tr>
<th>Assessment criteria</th>
<th>Actual governance</th>
<th>Deviation and causes of deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
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</table>

3. Environmental issues.

<p>| (1) Has the Company established an appropriate environmental management system according | Yes | Compal has established environmental sustainability policies, and each plant has its own responsible personnel. Each month, they collect and transfer relevant laws and regulations on environment, safety and health to relevant personnel, and designate personnel to review the | No deviations were found |</p>
<table>
<thead>
<tr>
<th>Assessment criteria</th>
<th>Actual governance</th>
<th>Deviation and causes of deviation</th>
</tr>
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<tr>
<td>to its industrial characteristics?</td>
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<td>operations and methods related to laws, and to amend the operations and methods that do not conform to the regulations. If there is a major change in laws and regulations, it is necessary to change the Company's relevant policies, objectives and targets, and amendments should be proposed at any time.</td>
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<td></td>
<td>In order to grasp the possible operational challenges faced by Compal in terms of environment, we are gradually building, managing and implementing the environmental management system, Taiwan, China and Vietnam factories have adopted ISO 14001, ISO14064-1, and ISO 45001, conduct internal audits every year, and obtain third-party verification to ensure the effective operation of the management system, effectively tracking and controlling various environmental performance, actively practicing waste reduction, promoting zero landfill of regulation update waste, providing various complaint pipelines, and continuously and stably providing products and services recognized by stakeholders. All production processes and products of Compal shall comply with the requirements of environmental protection laws and regulations. We shall continue to improve and effectively manage our operation. In 2023, no violation of the environmental laws or regulations has occurred.</td>
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<tr>
<td>(2) Is the Company committed to improving the efficiency of resource utilization and using recycled materials with a low impact on the environment?</td>
<td>Yes</td>
<td>No deviations were found</td>
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<td></td>
<td>Throughout the &quot;product lifecycle,&quot; we consider the environmental impacts of raw material procurement, manufacturing, transportation and distribution, consumer use and disposal, etc., at the beginning of product design. In addition to focusing on user needs, functionality and added value, the R&amp;D team is more focused on product development and design from the perspective of &quot;environmental load minimization&quot; at each stage, covering at least the three core directions of &quot;green materials,&quot; &quot;energy efficiency,&quot; and &quot;ease of dis-assembly/recycling.&quot;</td>
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<td>Improve production line yield and energy efficiency, develop and use recycled materials stably, design energy-saving products to reduce energy consumption during reuse, and increase the recoverable proportion of waste entering the waste phase.</td>
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<td>In 2023, recycled materials will be fully introduced into commercial laptops, and the weight ratio of recycled materials for each model must be more than 5%. A total of 36 laptop projects meet the</td>
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<td>Assessment criteria</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>Does the Company assess the risks and opportunities of climate change for the enterprise now and in the future and take measures to deal with climate-related issues?</td>
<td>Yes</td>
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<tr>
<td>Yes</td>
<td>No</td>
<td>Summary description</td>
</tr>
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</table>
| | | increase recycling.  
| | | Actively develop and introduce recycled plastics and biodegradable plastics in electronic products to meet international trends and meet customer expectations.  
| | | Risk 2. In response to external requirements, the increase in the use of renewable energy will increase operating costs.  
| | | Action 2. The global awareness of environmental protection is gradually on the rise. Green production is the most important part of maintaining environmental resources and industrial competitiveness. Compal continues to abide by its excellent green production methods, and improves the operation mode of power saving, water saving and waste reduction.  
| | | In 2023, procurement included 7,709.8 MWh of photovoltaic power, 75,451.2 MWh of hydroelectric power, and 75,243 green energy certificates.  
| | | Risk 3. Improve the energy efficiency standards of various assets and increase operating costs.  
| | | Action 3. The "Energy and Environment Monitoring" platform has been completed, which can immediately understand the energy consumption of the plants, calculate the daily energy usage budget according to the production capacity, and provide energy saving tips to employees at any time; create new means to improve energy efficiency, and choose energy-saving products when energy-consuming equipment needs to be replaced. We have actively introduced external counseling units, and a total of 6 plants have passed the ISO 50001 energy management system certification and are on par with the EP100 target.  
| | | Opportunity 1. Actively take sustainability as a way to continuously gain customers' favor.  
| | | Action 1. In recent years, climate actions such as carbon reduction have been raging like a storm around the world, and internationally renowned large companies have issued relevant carbon reduction commitments. Being confronted by the environmental impacts brought about by those climate changes, Compal has also actively invested itself into green product design, plant energy-saving management, and coping measures to extreme
<table>
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<th>Assessment criteria</th>
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<th>Deviation and causes of deviation</th>
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<tr>
<td>Yes</td>
<td>climate by promoting lean production, controlling energy use, reducing useless waste in the production process, and creating higher economic benefits as well as environmental protection</td>
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<tr>
<td>No</td>
<td>Opportunity 2. Assist suppliers in low-carbon transformation and reduce procurement costs affected by climate change. Action 2. Compal uses the ISO 14001 environmental management system to evaluate the environmental policies and implementation of suppliers in the new supplier selection criteria, and adds a green management evaluation form for new supplier management and selection. To accelerate supply chain participation in achieving net zero carbon emissions, we invite 34 key suppliers to join the Compal ONE+N Electronics Industry Supply Chain Net Zero Acceleration Program. We aim to collectively achieve a substantial reduction of 10,000 tons of carbon emissions over two years to enhance the industry's low-carbon competitiveness. External energy-saving and carbon reduction experts will be combined to establish a Compal industrial low-carbon coaching team. Actively assist manufacturers in formulating carbon reduction plans and provide carbon footprint monitoring guidance, encourage manufacturers to invest in the introduction of high-efficiency technologies and processes, and implement system performance optimization to reduce energy consumption and carbon emissions.</td>
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<td></td>
<td>Opportunity 3. Introduce smart manufacturing processes to improve production and distribution efficiency, thereby reducing operating cost Action 3. Although Compal Electronics is not a high-energy consuming industry, it is also actively working to improve the energy efficiency of its production lines. In addition to promoting the automation of production lines, it has also eliminated all difficulties in building its equipment networking system to connect different equipment usage conditions at various stages, which is convenient for remote monitoring and management.</td>
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</table>
Since 2009, Compal has been continuously conducting greenhouse gas inventories, setting Scope 1 and Scope 2 emissions based on the year 2019, for the base year inventory. Stage-wise short and medium-term reduction targets are established, aiming to reduce carbon emissions by 4.2% annually compared to the previous year. By 2030, achieving a 50% reduction in carbon emissions is an intermediate goal, gradually working towards the ultimate goal of achieving RE100 and net zero emissions by 2050. Scope 3 emissions are set based on the year 2021, aiming to achieve a 25% reduction target by 2030.

Actively participating in international initiatives, signing the Science Based Targets initiative (SBTi), and submitting carbon reduction targets in October 2023. Additionally, it is responding to the RE100 initiative by committing to using 63% renewable energy by 2030 and 100% renewable energy by 2050 through energy conservation and procurement of renewable energy.

Waste reduction efforts involve promoting the management practices of UL 2799 Waste Zero Landfill from the source, communicating with suppliers to use reusable and recyclable raw materials and packaging materials to reduce waste generation. Achieving a 50% reduction target in waste generation by 2025 (base year 2019). Although Compal does not have high water consumption in its manufacturing processes and is not a water-intensive industry, it also pays attention to watershed resources and strives to achieve water-saving effects.

Scope 1 and 2 greenhouse gas emissions have decreased by 28.0% compared to the previous year and by 57.8% compared to the base year, achieving the interim reduction target. GHG emission, the total water consumption, and various types of waste generated in the past two years are as follows:

<table>
<thead>
<tr>
<th>Items</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 greenhouse gas emissions (Ton CO₂e)</td>
<td>20,437.044</td>
<td>19,142.734</td>
</tr>
<tr>
<td>Scope 2 (Market-based) greenhouse gas emissions (Ton CO₂e)</td>
<td>156,320.187</td>
<td>107,349.886</td>
</tr>
<tr>
<td>Scope 1+2 greenhouse gas emissions</td>
<td>176,757.231</td>
<td>127,212.730</td>
</tr>
<tr>
<td>Total water consumption</td>
<td>2,499,769.00</td>
<td>2,068,110</td>
</tr>
<tr>
<td>Total general waste (Tons)</td>
<td>8,321.5</td>
<td>6,275</td>
</tr>
<tr>
<td>Total hazardous industrial waste (Tons)</td>
<td>1,002.2</td>
<td>1,422</td>
</tr>
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<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>4. Social issues</td>
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<td></td>
</tr>
<tr>
<td>(1) Has the Company formulated management policies and specific management plans regarding social issues in accordance with relevant laws and regulations and International Human Rights Conventions?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>The company is committed to creating a respectful and dignified working environment, which is considered one of its core values. We strictly adhere to the labor-related laws and regulations of the operating location, and follow the &quot;International Bill of Human Rights,&quot; &quot;United Nations Guiding Principles on Business and Human Rights,&quot; &quot;International Labour Organization Declaration of Fundamental Principles and Rights at Work,&quot; &quot;Organization for Economic Co-operation and Development Guidelines for Multinational Enterprises,&quot; and &quot;The United Nations' Ten Principles of United Nations Global Compact&quot; (UNGC),&quot; and take actions consistent with the Responsible Business Alliance Code of Conduct (RBA) Code of Conduct. We treat all personnel with dignity and respect, and have established a human rights policy and implemented management practices. In order to identify, assess, and mitigate the impact of human rights on the company and its supply chain, we have established a comprehensive human rights due diligence process, assessed risk issues, developed mitigation measures, and completed investigation reports. Investigations are conducted at least every three years, with the last investigation conducted in 2022. Human rights policy and labor-related training courses have been included as mandatory courses for all employees.</td>
<td></td>
</tr>
<tr>
<td>(2) Has the Company established and implemented reasonable employee welfare measures (including compensation, vacation, and other benefits) and properly reflected the operating performance or the results of employee compensation?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>■ Employee Benefits The Company allocates 0.05% of its turnover to welfare funds every year, and has employee welfare committees to handle various welfare matters, including marriage, funeral, and childbirth allowance, social activities allowance, employee health and travel allowance, festival gift certificates, birthday gift certificates, cultural and leisure allowance and other welfare matters.  ■ Employee compensation Pursuant to the Articles of Association, when the Company makes a profit in a year, no more than 2% of the Company’s pre-tax profits (not including remuneration for employees and Directors) shall be appropriated to employees. The aforementioned bonus, adjustment in wages, and employee compensations are reviewed by the Remuneration Committee and resolved by the Board of Directors. The Company’s remuneration policy is based on personal ability, contribution</td>
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<td>Actual governance</td>
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</tr>
<tr>
<td>Yes</td>
<td>No</td>
<td>Summary description</td>
</tr>
<tr>
<td>to the Company, performance, and is considered to be a correlation between operating performance of the Company and personal job performance. In addition, the Company aims to create a diverse and equal working environment. In 2023, 38.56% of worldwide Compal employees are women, and 29.63% of female supervisors. The Company is committed to cultivating local talent in overseas factories. In 2023, the proportion of local supervisors in China and Brazil was 93.58% and 93.75%.</td>
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<tr>
<td>(3) Does the Company provide employees with a safe and healthy work environment? Are employees trained regularly on safety and health issues?</td>
<td>Yes</td>
<td>The Company is well aware of how significantly “workplace safety and health” affect a company, its employees, and stakeholders. This was the reason why the Company enhanced its environmental, safety, and quality policies and obtained ISO 14001 and ISO 45001 certification, which requires all departments to implement proper safety and health practices, as well as regular training on matters such as fire safety equipment, utility plans, working environment monitoring, waste disposal, emergency response procedures, etc. The Company organizes health and safety training for employees on a regular basis as a means to prevent occupational accidents and ensure workplace safety. In addition, we analyze the causes of occupational accidents and provide suggestions and measures to improve the situation. In 2023, 1,947 employees had completed their training for a total of 5,211 hours, and the number of occupational accidents among employees was 179, involving 179 employees (accounting for 0.39% of the total number of employees). The primary category of occupational injuries was commuting accidents, prompting an enhanced promotion of employee awareness regarding traffic safety. In 2023, there were no fire incidents at any factory site, and fire drills were conducted every six months as required to strengthen employees' emergency response capabilities.</td>
</tr>
<tr>
<td>Related Verification Scenarios</td>
<td>All major sites implement ISO 45001 OH&amp;SMS and commit to maintaining sustainable operations</td>
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<td>Assessment criteria</td>
<td>Actual governance</td>
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<tr>
<td>(4) Has the Company established an effective career development training program for its employees?</td>
<td>Yes</td>
<td>No deviation was found</td>
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<td>Annual training programs are tailored to suit the needs of different employees, based on the Company’s business strategies, policy guidelines, and career roadmaps, including newcomer training, core competencies, managerial competencies, and common competencies courses. The Company constantly aims to establish itself as a learning organization and coaching management. In 2023, a total of 721 training sessions (both internal and external) were organized; these courses delivered 208,483 hours of training and 115,751 persons enrolled.</td>
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<tr>
<td>(5) Does the Company follow relevant laws and regulations and international standards for customer health and safety, customer privacy, marketing and labeling of products and services and formulate relevant policies and grievance procedures to protect the rights and interests of consumers or customers?</td>
<td>Yes</td>
<td>No deviations were found</td>
</tr>
<tr>
<td></td>
<td>The Company is an OEM/ODM. It manufactures TV sets, notebooks, cell phones and electronics for the world’s top brands. All products are printed with customers’ trademarks, names, and labeling that conform to relevant laws and international guidelines. However, the Company does not print its own logos or names on the products it produces. Until customers have officially launched their products, employees are not allowed to disclose product appearance, design, specifications, or technical information in any way. We offer a complaint channel for stakeholders on Compal's official website. Compal is committed to protecting customers’ information at every step along the way and is operated based on the policy and plans of Compal’s “Information Security Committee.” Compal aims for customers’ health and safety. Maintaining customer health and safety is the most basic and important issue. All products produced by Compal have passed the IEC 60950-1 certification standard, gradually convert the version to IEC 62368-1, and have never violated product safety and health regulations and voluntary regulations and the development of Halogen-free products and construction of a more robust production capacity are our promise and responsibility.</td>
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<td>Assessment criteria</td>
<td>Actual governance</td>
<td>Deviation and causes of deviation</td>
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</tbody>
</table>
| (6) Does the Company have a supplier management policy that requires suppliers to follow relevant specifications and implement them in environmental protection, occupational safety and health, or labor human rights issues? | Yes  
As one of the key members of global computers and peripheral equipment industry and RBA member, Compal values sustainable supply chain management significantly and ensures to provide products and services complying with the requirements of ethics, environment and human rights to customers. We have incorporated international sustainability standard to improve the sustainable supply chain management efficiency. With regard to the procurement operation, new suppliers are requested to sign the “Compal Purchase Agreement” before engagement in cooperation and transactions. According to different product types, we also request suppliers to comply with relevant international quality and environmental regulations, and the E, S, G performance is also considered during the supplier selection process. Suppliers are also required to have implemented international quality and environmental standards such as ISO 9001, ISO 14001, ISO 13485, ISO 17025, IATF 16949 and so on, depending on the product category.  
We require suppliers to accept their social responsibility and sign the “Letter of Commitment to the RBA Code of Conduct” covering the five RBA dimensions of Labor, Health and Safety, Environment, Ethics, and Management. To keep up with international ESG standards, we have made adjustments and amendments to the “Compal Supplier Code of Contract” to set higher standards for suppliers based on the RBA Code of Conduct. At the same time, suppliers must also sign the “Prohibition Non-support/Non-use of “Conflict Minerals” Statement” to help suppliers understand and commit to the importance of the ban on conflict minerals.  
**Compal Supplier Code of Conduct:**  
http://www.compaI.com/CRS/Upload/ArticleImages/2023/07/19/20230719155520317.pdf | No deviations were found |
<table>
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<tr>
<td>5. Does the Company prepare the Corporate Sustainability and Social Responsibility Report and other reports that disclose the Company’s non-financial information in accordance with the international reporting standards or guidelines? Is the aforesaid report confirmed or guaranteed by a third-party verification organization?</td>
<td>Yes</td>
<td>The Company has published annual CSR reports (The name was changed to Sustainability Report in 2022) for its stakeholders on its website since 2010. The Sustainability report was first certified by an external institution in 2012. The Company adopted the Global Reporting Initiative’s most updated guidelines (GRI Standards, published in 2018) to prepare its Sustainability report. The report was compiled based on issues concerning stakeholders and the Company’s key objectives. In 2021, we added Sustainability Accounting Standards Board (SASB) standards to disclose relevant information. To ensure the credibility of reported contents, the Company commissioned SGS to provide independent assurance based on the criteria specified in AA 1000, GRI Standards and SASB Standards. After their assurance, the report was certified as meeting AA 1000 Standard Type 2, mid-level accountability and the GRI Standards Core Requirements.</td>
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<td>Assessment criteria</td>
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<td>Deviation and causes of deviation</td>
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<td>The Company was awarded Awards by the Taiwan Institute for Sustainable Energy for its “Taiwan Corporate Sustainability Report Award” for many years. In 2023, we received the Platinum Award of this award and the Taiwan Top 100 Sustainable Model Enterprises Award.</td>
</tr>
</tbody>
</table>
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.

In 2022, the Sustainability Committee was established to make decisions and supervise sustainable development initiatives. Led by the General Manager and appointed by the Board of Directors, the committee members were elected among themselves to appoint a Chairperson. The committee is tasked with implementing corporate social responsibility, establishing good governance systems, and aligning with international trends to advance towards sustainable business goals.

Simultaneously, the ESG Office was established, led by the Chief Sustainability Officer, with two Deputy Chief Sustainability Officers assisting. This office comprises ten functional groups, each setting strategic objectives, overseeing implementation, and reporting on effectiveness. Under the Sustainability Committee, a Responsible Manufacturing Functional Group was established to spearhead green environmental initiatives, climate change mitigation and adaptation efforts within the factory premises. It evaluates relevant risks and opportunities and regularly reports progress and achievements in green initiatives to the sustainability committee.

2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).

<table>
<thead>
<tr>
<th>Type</th>
<th>Risk Topics</th>
<th>Time</th>
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<tbody>
<tr>
<td>Transition risks</td>
<td>Failure to take initiative on sustainable action may cause the loss of customers.</td>
<td>Short-term</td>
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<tr>
<td>Transition risks</td>
<td>Failure to take initiative on sustainable action may cause the loss of investors.</td>
<td>Short-term</td>
</tr>
<tr>
<td>Transition risks</td>
<td>The increased use of renewable energy required by the society boosted operating costs.</td>
<td>Short-term</td>
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<tr>
<td>Transition risks</td>
<td>Operating costs increased from meeting assets with the latest energy efficiency standards.</td>
<td>Mid-term</td>
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<tr>
<td>Transition risks</td>
<td>Operating costs increased from emerging technology inclusion in smart processes.</td>
<td>Mid-term</td>
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<tr>
<td>Transition risks</td>
<td>Technology development costs continue to climb due to renewed product standards.</td>
<td>Short-term</td>
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<tr>
<td>Transition risks</td>
<td>Declined customer orders due to passive response to new standard requirements.</td>
<td>Short-term</td>
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<tr>
<td>Transition risks</td>
<td>Enhancing GHG emissions reporting obligations</td>
<td>Short-term</td>
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<tr>
<td>Transition risks</td>
<td>Failure to invest in the introduction of emerging technologies.</td>
<td>Mid-term</td>
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<tr>
<td>Physical risks</td>
<td>Service interruption due to high frequency and severity of heavy rain and flood.</td>
<td>Mid-term</td>
</tr>
<tr>
<td>Physical risks</td>
<td>Costs increased or Company operations are affected as a result of supply shortage due to suppliers under the influence of climate change.</td>
<td>Mid-term</td>
</tr>
<tr>
<td>Physical risks</td>
<td>Detriment to assets caused by low-lying land submerged as a result of sea level rise.</td>
<td>Long-term</td>
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<tr>
<td>Physical risks</td>
<td>Operating costs increased from raised temperature, which caused equipment to consume more energy.</td>
<td>Short-term</td>
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<tr>
<td>Physical risks</td>
<td>Business pressure and impact from water scarcity.</td>
<td>Long-term</td>
</tr>
<tr>
<td>Physical risks</td>
<td>Company operations are affected as a result of supply shortage due to water scarcity.</td>
<td>Mid-term</td>
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<tr>
<td>Item</td>
<td>Implementation Status</td>
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<tr>
<td>3. Describe the financial impact of extreme weather events and transformative actions.</td>
<td><strong>Opportunity Topics</strong></td>
<td><strong>Time</strong></td>
</tr>
<tr>
<td></td>
<td>Inclusion of smart manufacturing process to make productivity and distribution more efficient, and operating costs lower.</td>
<td>Short-term</td>
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<td>Low carbon products and services to win higher market share.</td>
<td>Short-term</td>
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<td></td>
<td>Recycled aluminum and plastics sourced products in support of emission reduction and material reuse.</td>
<td>Mid-term</td>
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<tr>
<td></td>
<td>Remain customers' favorite with ongoing sustainable actions.</td>
<td>Short-term</td>
</tr>
<tr>
<td></td>
<td>Remain investors' favorite with ongoing sustainable actions.</td>
<td>Short-term</td>
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<tr>
<td></td>
<td>Assist suppliers in their low carbon transition to reduce purchase costs affected by climate change.</td>
<td>Mid-term</td>
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<td></td>
<td>Gain more orders with an effective contingency plan that navigates operations back to normal in a shorter time than others when disasters occur.</td>
<td>Short-term</td>
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<td></td>
<td>Participating program in the use of renewable energy.</td>
<td>Short-term</td>
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<td>Obtaining incentives from the Public Sector and collaborating with stakeholders.</td>
<td>Short-term</td>
</tr>
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<td></td>
<td>Improve energy efficiency in factories</td>
<td>Short-term</td>
</tr>
<tr>
<td></td>
<td><strong>Risk event</strong></td>
<td><strong>Scope of impact</strong></td>
</tr>
<tr>
<td></td>
<td>Introduce alternative recycled raw materials and increase the cost of R&amp;D technology transformation.</td>
<td>Increased indirect operating costs</td>
</tr>
<tr>
<td></td>
<td>In response to external requirements, the increase in renewable energy consumption has increased operating costs.</td>
<td>Increased indirect operating costs</td>
</tr>
<tr>
<td></td>
<td>Improve the energy efficiency standards of various assets and increase operating costs.</td>
<td>Increased indirect operating costs</td>
</tr>
<tr>
<td></td>
<td><strong>Opportunity event</strong></td>
<td><strong>Scope of impact</strong></td>
</tr>
<tr>
<td></td>
<td>Take proactive and sustainable actions to continue to gain customer favor.</td>
<td>Revenue increase</td>
</tr>
<tr>
<td></td>
<td>Assist suppliers to carry out low-carbon transformation and reduce procurement costs affected by changes in climate factors.</td>
<td>Improve business resilience</td>
</tr>
<tr>
<td></td>
<td>Introduce smart manufacturing processes to improve production and distribution efficiency, thereby reducing operating costs.</td>
<td>Reduced operating costs</td>
</tr>
<tr>
<td>Item</td>
<td>Implementation Status</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-----------------------</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system. Using the TCFD framework, we systematically analyze policies and regulations, technology, market dynamics, corporate reputation, and acute and chronic climate risks. We evaluate the impacts of these risks and opportunities on the company, multiplying the values of &quot;likelihood of occurrence&quot; and &quot;impact severity&quot; to prioritize them. Significant climate risks/opportunities are confirmed by the board of directors.</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described. Following the TCFD framework, we analyze the risks and opportunities that the company faces under different climate scenarios, using scenarios such as the Sustainable Development Scenario (SDS) and Stated Policies Scenario (STEPS) discussed by the International Energy Agency (IEA), as well as the Shared Socioeconomic Pathways (SSP1-2.6 and SSP2-4.5) proposed by the Intergovernmental Panel on Climate Change (IPCC).</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks. To effectively reduce greenhouse gas emissions from &quot;purchased goods and services&quot; and &quot;product usage,&quot; we are implementing the &quot;Compal ONE+N Electronic Industry Supply Chain Net Zero Acceleration Plan.&quot; We have invited 34 key suppliers to join this initiative. Additionally, we are starting to calculate the carbon emissions generated throughout the product lifecycle. We are organizing educational training sessions for both suppliers and internal company staff to encourage investment in the adoption of high-efficiency technologies and processes. This will ensure system optimization to reduce energy consumption and carbon emissions. Our short-term goal is to achieve a substantial reduction of 10,000 tons of carbon emissions by the years 2023 and 2024, with gradual implementation towards achieving net zero emissions.</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated. No internal carbon pricing yet.</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified. Compal submitted its Science Based Targets (SBT) in October 2023, setting boundaries that include both the Compal Group and its consolidated subsidiaries. The goal is to achieve net zero Scope 1 and 2 emissions by 2050, with an annual reduction of 4.2% compared to the previous year. Building upon energy-saving initiatives, there is a proactive acceleration in the proportion of renewable energy usage, including the installation of photovoltaic power generation systems in factories, purchasing directly from renewable energy suppliers, investing in green energy funds, and obtaining renewable energy certificates. In 2023, Compal obtained 75,243 renewable energy certificates.</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out points 1-1 and 1-2 below). Since 2009, Compal has complied with ISO 14064 standards to complete GHG inventories for Scope 1 and Scope 2 emissions, obtaining certification through third-party verification. In 2023, the inventory work has been completed, with plans to obtain certification by June 2024.</td>
<td></td>
</tr>
</tbody>
</table>
1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

<table>
<thead>
<tr>
<th>Item</th>
<th>Implementation Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenhouse Gas Inventory Information</td>
<td>The greenhouse gas inventory data covers emissions from the entire Compal Group, including its consolidated subsidiaries. The 2023 verification boundary at the time of publication of the annual report includes Compal and its own factories in Taiwan, China, and Vietnam, and it will be gradually updated.</td>
</tr>
<tr>
<td></td>
<td><strong>Items</strong></td>
</tr>
<tr>
<td>Scope 1 (tons CO$_2$e)</td>
<td>20,437.044</td>
</tr>
<tr>
<td>Scope 2 (market-based) (tons CO$_2$e)</td>
<td>156,320.187</td>
</tr>
<tr>
<td>Total Emissions (tons CO$_2$e)</td>
<td>176,757.231</td>
</tr>
<tr>
<td>Emission Intensity (tons CO2e per million TWD)</td>
<td>0.165</td>
</tr>
</tbody>
</table>

1-1-2 Greenhouse Gas Assurance Information

<table>
<thead>
<tr>
<th>Item</th>
<th>Implementation Status</th>
</tr>
</thead>
</table>
| Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion. | Since 2009, Compal has been consistently conducting greenhouse gas inventories and has obtained verification statements through third-party audits. The verification status for the years 2022 and 2023 is as follows:  
- Verification Scope: Taiwan headquarters, research and development center, and production bases in Taiwan, mainland China, and Vietnam.  
- Verification Agency: SGS Taiwan Inspection Technology Co., Ltd. Verification  
- Opinion: A verification statement was obtained for the year 2022. The inventory results for the year 2023 are expected to be verified, and the verification statement is anticipated to be obtained in June 2024. The complete verification status will be disclosed in the Sustainability Report. |

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

<table>
<thead>
<tr>
<th>Item</th>
<th>Implementation Status</th>
</tr>
</thead>
</table>
| Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets. | **Greenhouse Gas Reduction Targets**  
- **Scope 1 and Scope 2 baseline year is 2019.**  
  - Short-term: Reduce carbon emissions by 4.2% compared to the previous year.  
  - Mid-term: Achieve a 50% reduction in carbon emissions by 2030.  
- **Scope 3 baseline year is 2021.**  
  - Mid-term: Achieve a 25% reduction in carbon emissions by 2030.  
**Achievement of reduction goals**  
Greenhouse gas emissions from Scope 1 and Scope 2 decreased by 28.0% compared to the previous year and by 57.8% compared to the baseline year, achieving interim reduction targets.  
**Greenhouse gas emissions base year**  
Scope 1 + 2 data in 2019 |
Boundary includes consolidated subsidiary reports

<table>
<thead>
<tr>
<th>2019</th>
<th>Emissions (tCO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>19,361.27</td>
</tr>
<tr>
<td>Scope 2 - market-based</td>
<td>349,671.86</td>
</tr>
</tbody>
</table>

Scope 3 data in 2021

<table>
<thead>
<tr>
<th>2021</th>
<th>Emissions (tCO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category 1: Purchased goods and services</td>
<td>28,088,201.07</td>
</tr>
<tr>
<td>Category 2: Capital goods</td>
<td>202,402.55</td>
</tr>
<tr>
<td>Category 3: Fuel- and Energy-Related</td>
<td>49,734.85</td>
</tr>
<tr>
<td>Category 4: Upstream transport</td>
<td>29,107.44</td>
</tr>
<tr>
<td>Category 5: Waste</td>
<td>14,008.31</td>
</tr>
<tr>
<td>Category 6: Business travel</td>
<td>3,116.87</td>
</tr>
<tr>
<td>Category 7: Employee commuting</td>
<td>20,400.00</td>
</tr>
<tr>
<td>Category 8: Upstream leased assets</td>
<td>-</td>
</tr>
<tr>
<td>Category 9: Downstream transport</td>
<td>69,565.12</td>
</tr>
<tr>
<td>Category 10: Processing of sold products</td>
<td>-</td>
</tr>
<tr>
<td>Category 11: Use of sold products</td>
<td>15,667,620.00</td>
</tr>
<tr>
<td>Category 11a: Use of sold products,</td>
<td>15,667,620.00</td>
</tr>
<tr>
<td>excluding sale of fossil fuels</td>
<td></td>
</tr>
<tr>
<td>Category 11b: Sale of fossil fuels</td>
<td>-</td>
</tr>
<tr>
<td>Category 12: End-of-life treatment of</td>
<td>142,166.32</td>
</tr>
<tr>
<td>sold products</td>
<td></td>
</tr>
<tr>
<td>Category 13: Downstream leased assets</td>
<td>-</td>
</tr>
<tr>
<td>Category 14: Franchises</td>
<td>-</td>
</tr>
<tr>
<td>Category 15: Investments</td>
<td>17,797.07</td>
</tr>
</tbody>
</table>

**Greenhouse Gas Reduction Strategy**

To achieve the vision of carbon neutrality, Compal is implementing low-carbon manufacturing, promoting low-carbon product design, and strengthening the management processes of sustainable supply chains. Additionally, Compal refers to key ESG performance indicators to construct corporate carbon management systems.

**Actions and Activities:**

1. Promote Low-Carbon Manufacturing:
   - Implement energy-saving measures in our facilities.
   - Utilize renewable energy sources and purchase certificates.
   - Join the RE100 initiative.

2. Promote Low-Carbon Product Design:
   - Increase the number of products that meet voluntary eco-label (Ecolabel) requirements and EnergyStar standards.

3. Enhance Sustainable Supply Chain Management Processes:
   - Implement the 1+1 Electronic Supply Chain Net Zero Acceleration Plan to drive substantial carbon reduction among suppliers.
   - Invite suppliers to participate in the CDP Supply Chain Disclosure initiative by 2024.
Composition, Responsibilities, and Operations of the Sustainability Committee

To fulfill the company's commitment to sustainable development and improve the company's overall capacity in ESG risk management, Compal Electronics established a Sustainability Committee (the "Committee") with the approval of the board of directors in March 2022. Composed of three members appointed by the board of directors, more than half (two) of the members of the Committee are independent directors, and the Convenor Chairman Chung-Pin Wong is elected by all Committee members as the chairperson. Holding at least one meeting a year, the Committee is responsible for taking point in explaining company policies and positions externally, defining goals and directions internally, integrating resources, reviewing action plans, monitoring execution progress, and reporting results to the board of directors.

Based on the four major aspects of Economy, environment, society, and governance ("EESG"), the Committee is composed of eight task forces, including "Innovation", "Customer Relationship", "Supply Chain", "Environment", "Responsible manufacturing", "Human Resources", "Social Participation", "Corporate governance", "Information security", and "Risk management". Composed of the heads of departments from business sectors across different regions, task forces are responsible for stipulating the operating guidelines, development tools, and workflow of each project, making annual plans through regular meetings, checking operational directions and execution progress, and reporting results to the Committee. Committed to promoting sustainable development strategies, Compal Electronics will continue to contribute to environmental protection and the transition to a low carbon economy.

1. Professional Qualifications and Experience of Sustainability Committee Members

<table>
<thead>
<tr>
<th>Identity</th>
<th>Name</th>
<th>Professional Qualifications and Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>Chung-Pin Wong</td>
<td>Master of Management Science, National Chiao Tung University Chairman of Compal Broadband Networks, Inc. and Poindus Systems Corp., and President of Compal. The individual has rich knowledge and adequate experience in the computer industry, business operations, performance evaluation, and risk management, which is extremely helpful to the company's development. The Director possesses more than 30 years of work experience required for the business of the Company and of corporate governance.</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Duei Tsai</td>
<td>PhD, Graduate Institute of Electrical Engineering, National Taiwan University Independent Director of Taiwan High Speed Rail Corporation, TTY Biopharm Company Ltd. and Independent Director for Public Welfare of Starlux Airlines Co., Ltd. Part-time professor-level professional and technical personnel in the Department of Electrical Engineering, National Taipei University of Technology and the Department of Digital Multimedia Design, Kainan University; Adjunct professor at the Department of Electronics, National Taiwan University of Science and Technology and the Department of Electronics, Yuanzhi University. Government positions such as Minister of Transportation and Director of the Civil Aviation Bureau of the Ministry of Transportation. The individual has professional capability in the communications network field, and rich knowledge as well as adequate experience in company management and information security protection, which will help the company strengthen relevant management measures. The Independent Director possesses more than 30 years of work experience required for the Company's business.</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Wen-Chung Shen</td>
<td>Department of Electrical Engineering, National Taiwan University</td>
</tr>
</tbody>
</table>
Chairman of Her Tuo Co., Ltd., and Director and Executive Vice President of Compal
The individual has rich knowledge and adequate experience in the electronics industry, business operations, and risk management, which is extremely helpful to the company's development. The Independent Director possesses more than 30 years of work experience required for the business of the Company and professional innovation capability in R&D.

2. Operations

- The term of the 1st committee is from March 15, 2022 to August 26, 2024.
- In 2023, the Sustainability Committee held two meetings (A) and the qualifications and attendance of Committee members are as follows:

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Attendance in Person(B)</th>
<th>By Proxy</th>
<th>Attendance Rate (%) [B/A]</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenor Chairman</td>
<td>Chung-Pin Wong</td>
<td>2</td>
<td>0</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Committee member</td>
<td>Duei Tsai</td>
<td>2</td>
<td>0</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Committee member</td>
<td>Wen-Chung Shen</td>
<td>2</td>
<td>0</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

- Topics of discussion in the Sustainability Committee's meeting:

<table>
<thead>
<tr>
<th>Meeting Date</th>
<th>Topics of Discussion</th>
<th>Resolution and Follow-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>3rd Meeting (1st Term)</td>
<td>1. To approve the Sustainability Report Material Topics of 2022</td>
<td>With the consent of all attending members present, it was passed without objection, all of which have been submitted to the Board of Directors for resolution.</td>
</tr>
<tr>
<td>2023.3.15</td>
<td>2. To approve the targets and plans of Sustainability for the year 2023</td>
<td>With the consent of all attending members present, it was passed without objection, all of which have been submitted to the Board of Directors for resolution.</td>
</tr>
<tr>
<td>4th Meeting (1st Term)</td>
<td>1. The implementation result of Sustainability for the 2022.</td>
<td>With the consent of all attending members present, it was passed without objection and reported to the Board of Directors.</td>
</tr>
<tr>
<td>2023.5.08</td>
<td>2. To approve the amendment to the “Sustainable Development Best Practice Principles”.</td>
<td>With the consent of all attending members present, it was passed without objection, all of which have been submitted to the Board of Directors for resolution.</td>
</tr>
</tbody>
</table>

Board of Directors' Supervision of the Sustainability Committee
In March 2022, the Board of Directors appointed three directors as members of the Sustainability Committee to manage sustainability issues, and the Sustainability Committee is required to report to the Board of Directors on a regular basis on the implementation of sustainability initiatives. In 2023, the Sustainability Committee held two meetings to report to the Board of Directors. The topics include (1) the sustainability report material topics of 2022, (2) the targets and plans of sustainability for the year 2023, (3) the implementation result of sustainability for the 2022, and (4) the amendment to the “Sustainable Development Best Practice Principles”. The Board of Directors must evaluate the success of the strategies proposed by the Sustainability Committee, review their progress from time to time, and urge the Sustainability Committee to make adjustments as needed.
The implementation results of 2023 Sustainable Development

Environmental Sustainability

1. Based on SBT (Science Based Targets):
   • Scope 1 and Scope 2 baseline year is 2019 and scope 3 baseline year is 2021.
   • Finalize carbon emission for 2021 and identify significant emission sources as Scope 3 Cat. 1 & 11 and provide SBTi submission form.
2. In 2023, greenhouse gas emissions in Scope 1 and 2 decreased by 28% compared to the previous year. (Note)
3. Greenhouse gas inventory of Compal and consolidated subsidiaries (Scope 1 and 2) counted as 319K tCO2e for 2021.
   Note: For detailed explanations and verified data, please refer to the Sustainability Report.

Responsible Manufacture

- The short-term goal is to reduce electricity, water and waste intensity by 1% per year.

<table>
<thead>
<tr>
<th>Items</th>
<th>2022</th>
<th>2023</th>
<th>Reduction percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity intensity (KWh/million revenue)</td>
<td>353.0</td>
<td>350.3</td>
<td>0.77%</td>
</tr>
<tr>
<td>Water intensity (Tons/million revenue)</td>
<td>2.3</td>
<td>2.2</td>
<td>6.21%</td>
</tr>
<tr>
<td>Waste intensity (kg/million revenue)</td>
<td>8.7</td>
<td>6.1</td>
<td>29.59%</td>
</tr>
</tbody>
</table>

Note: Scope includes operating bases in Taiwan, China, Vietnam, and Brazil.

Innovation

1. Increase the number of products that comply with the voluntary Ecolabel requirements. Achievement rate: 69%.
2. All 30 commercial products meet over 5% recycled material usage.
3. Increase project USB PD (Power Delivery) adoption. Achievement rate: 79%.
4. The energy efficiency of all products is better than the latest requirement of Energy Star 8.0.
5. Increase introduction of Carton FSC (Forest Stewardship Council) by 36.9%.
6. 100% compliance on worldwide and customer-specified environmental/EMC(Electromagnetic Compatibility)/RF(Radio frequency)/safety regulations.
7. Reduce use of auxiliary materials. Achievement rate: 5.8%.
8. Increase proportion of packaging with reduced plastics by 16.7%.
   Total 142 patents and 17 are related to ESG concept.

Human Resources

1. Global turnover rate of IDL (Indirect Labor) employees 10.25 %.
2. Taiwanese IDL (Indirect Labor) key talent: 8.12%.
3. The penalty exceeded NTD 1 million in any sites of Compal: 0.
4. Global occupational incident rate was 0.39%.
5. Health promotion management achievement rate in Taiwan is 95.4%.

Social Participation

1. In 2023, 2,714 employees participated in various public welfare activities of the COMPAL and HCI Foundation, and donations exceeded NT$ 6.2 million, with a total social welfare investment of more than NT$ 20 million.
2. Compal received the "Social Education Contribution Award/Group Award" from the Ministry of Education, the "Social Service Award" from the Library Association of the Republic of China, and the "Social Service Award" from the Kaohsiung Board of Education. In the fourth year, we cooperated with Kaohsiung City Library. In 2023, the first "Compal Happy Reading" area was set up in the Maitou Branch Library; Compal's "ESG bias" was recognized by the Kaohsiung Board of Education. Compal's "ESG Reading Program" served 16,960 people in Liugui, Jiacian, Tianliao, and Meituo communities.
<table>
<thead>
<tr>
<th>Item</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.</td>
<td>In order to support cultural development and the cultivation of local talents, Compal sponsored the second Matsu Art Island project. We also cooperated with the W3 Troupe for the public good. The &quot;Flourishing Star Project&quot; offered two performances to provide schoolchildren in remote areas with the opportunity to see physical theater performances. This is a fun and educational program that builds personal risk response skills in the face of climate change.</td>
</tr>
<tr>
<td>4.</td>
<td>The third year of the &quot;Mooncake Donation Project&quot;: 868 colleagues donated Mid-Autumn Mooncake sets to 3,448 disadvantaged students in New Taipei, Taoyuan, Taichung, Miaoli, Changhua, Pingtung, Hualien, Hsinchu, and Kaohsiung. We continue to cooperate with social enterprises and social welfare organizations to care for disadvantaged children.</td>
</tr>
<tr>
<td>5.</td>
<td>Compal held the fourth &quot;Healthy Charity&quot; series activities. A total of 60 colleagues attended Compal’s 10K team for the Neihu Charity Running Activity. Purchasing products from social enterprises to encourage 87 employees to participate in health promotion activities and meeting the health standards.</td>
</tr>
<tr>
<td>6.</td>
<td>Compal co-organized the third “Taipei Science and Technology Cup Love Earth Charity Road Run” in Taipei Neihu Technology Park. To advocate national sports, improve the physical and mental health of employees in Neihu Tech Park, take care of social vulnerable people and build a beautiful, good and healthy society.</td>
</tr>
<tr>
<td>7.</td>
<td>Sponsored the &quot;Kangaroo Project&quot; from the Rural Center of Fu Jen University for the 5th year, for the after-school tutoring center and community teacher training program at New Taipei, Taoyuan, Taichung and Miaoli Schools.</td>
</tr>
<tr>
<td>8.</td>
<td>Promoted SDGs4 (Sustainable Development Goals) Goal.4 Quality Education of UN, held in the &quot;Compal Reading Volunteer Project&quot; to promote reading education in rural villages for the 16th year, to serve 2,984 school children and residents. In 2023, a total of 235 smart wireless lamps were sent to children of disadvantaged families in New Taipei, Pingtung, Taoyuan and Kaohsiung areas so that their learning was not limited by the environment and they were able to study.</td>
</tr>
<tr>
<td>9.</td>
<td>We regularly hold volunteer service activities. In 2023, we had 15 volunteer service activities with 315 participants. We also held blood donation activities. (330 employees donated 503 units of blood, a total of 125,750cc).</td>
</tr>
</tbody>
</table>

| Corporate Governance | 1. ESG Performance: Sustainalytics ESG risk, ISS ESG rating, and S&P ESG scores were improved YoY; The 9th TWSE corporate governance evaluation kept at the 21~35% range. |
| | 2. Corporate Governance Enhancement: |
| | (1) The board has passed the amendment of the “Corporate Governance Best-Practice Principles”, adding the policy for board diversification. |
| | (2) Appointed an external professional independent org. to conduct the board performance evaluation. |
| | 3. The major penalty event by government: 0. |
| | 4. The major violation event or anti-corruption by employees in any country: 0 |

<p>| Risk Management | 1. Risk Management Committee has been established and started operation this year in accordance with statutory requirements. |
| | 2. Sharing at the Group’s exchange meetings in risk management. |
| | 4. Promoting Digital Management: Enhance electronic management and expand the usage of the two systems. |</p>
<table>
<thead>
<tr>
<th>Item</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Enhancement of professional skills: Departmental staff have obtained 13 types of international licenses. Weekly professional exchange training.</td>
<td></td>
</tr>
<tr>
<td>Customer Relationship</td>
<td>Customer satisfaction rating was 89.1% in 2023.</td>
</tr>
</tbody>
</table>
| Information Security     | 1. Information Security Committee holds management review meetings to ensure the continued applicability, appropriateness and effectiveness of ISMS (Information Security Management System) in 2023.  
2. Privacy and Information security: Availability of critical systems: 99.91%. |
| Supply Chain Management  | 1. Finalize the content of sustainable supply chain for the Compal website; ESG-Go online (Total 3 course).                              
2. Defined key suppliers and provided support to complete 12 suppliers' on-site audits at the end of December.  
3. Support suppliers to apply carbon reduction program: Invited suppliers to attend IDA (The Industrial Development Administration) net zero project and assist to execute 9 suppliers factory visit plan. 
4. Investigate 838 suppliers’ smelter list at end of Nov. and complement conflict mineral management process.  
5. All projects comply with latest regulations and customer specifications.  
6. Increase the number of halogen-free parts and production process projects to 75%.  
7. Increase the number of Full Material Disclosure (FMD) projects to 55%.  
8. Increase the proportion of hazardous substance e-reports to 44%. Target to reach 60% goal, by adding digitalization of CTI (Centre Testing International Group Co., Ltd.) (2nd test lab.) |
### The targets and plans of 2024 Sustainable Development

<table>
<thead>
<tr>
<th>NO.</th>
<th>Targets</th>
<th>Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Focus on responsible manufacturing and the innovative design of low carbon in green products to reach the goals of circular economy and net zero emissions.</td>
<td>1. Renewable electricity utilization 44%. 2. Scope 1+2 Carbon Emissions Reduction ratio 21% vs 2019 (base year). 3. Certified items in Scope 3. 4. Become a member of RE100 (Renewable Energy) and make a commitment to use renewable energy. 5. Commit to net-zero by signing the SBTi (Science Based Targets initiative) Commitment Letter. 6. The IDA (Industrial Development Administration) ONE+N Net Zero Program. 7. Water-saving device &amp; equipment. 8. Add ESS (Energy Storage System) energy storage project, continue applying digital energy management system and build a renewable energy system. 9. Waste classification, and increase resource recovery. 10. Recycling and reuse rate of plastic roll/packaging is increased by 15%. 11. Adoption of the product carbon footprint management system and going live in 2024/Q4. 12. Ready for PCF/EPD inventory and complete at least one environmental product declarations.  *PCF = Product Carbon Footprint  *EPD = Environmental Product Declaration 13. Product energy efficiency performance exceeds the energy consumption regulation or the previous generation by 15%. 14. Adopt recycled plastic material with a recycling rate &gt;30% in green products. 15. 100% compliance with worldwide and customer-specified environmental/EMC (Electromagnetic Compatibility)/RF(Radio frequency)/safety regulations. 16. More than 5% of all patent applications with ESG-related patents. 17. Develop low-carbon products or investment tax credit projects with more than 5 cases. 18. Cost reduction generated by the process innovation is increased by 50% compared to 2023. 19. Complete the substantial carbon emission reduction of 2,000 metric tons at the product level. 20. 100% compliance with hazardous substance regulations for products and customer specifications. 21. Increase the number of halogen-free parts and production process projects to 80%. 22. Increase the number of full material disclosure projects to 60%.</td>
</tr>
<tr>
<td>2</td>
<td>Implementing DEI policy and workplace gender equality, strengthening talent development and retention to create a positive work environment and an employee-friendly workplace.</td>
<td>1. Retention rate of key positions: 90%. 2. The average training hours per manager is 16 hours. 3. By 2025, global proportion of female employees: 40%, female management: 32%. 4. Global employee satisfaction survey coverage rate reaches 60%. 5. By 2030, social investment amount will be increased by 10% compared to the year 2020.</td>
</tr>
<tr>
<td>NO.</td>
<td>Targets</td>
<td>Plans</td>
</tr>
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<td>-----</td>
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</tr>
<tr>
<td>3</td>
<td>Continuously strengthening corporate governance quality and risk management. Enhance the sustainable supply chain to improve sustainability evaluation and performance in the long run.</td>
<td>1. To improve company’s ESG rating and aim for the Top 20% ranking in the TWSE CG Evaluation. 2. The major penalty event by the government: 0 3. Violation against honest operation or anti-corruption by employees in any country: 0 4. Information Disclosure Implementation of the financial calculation of climate change. (1) Climate risk factors → Impact and impact on Compal → Quantitative analysis of financial impact. (2) Communicate with the factory and prepare to fill in the impact and financial impact that major risks may have on the factory. (3) Communicate with each function: relevant calculation formulas and data integration. 5. Strengthen the understanding and management of new types of risks and improve DJSI’s score in risk management assessment.</td>
</tr>
</tbody>
</table>
6. If the Company has established the corporate Sustainable Development principles based on “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies,” please describe any discrepancy between the Principles and their implementation:

- The Company has revised the “Compal Corporate Sustainable Development Best Practice Principles” based on “Corporate Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.” An “ESG Office” has also been introduced specifically for the purpose of promoting Corporate Governance, environmental sustainability, public welfare, and information disclosure. The Company has adopted the principles of RBA by including corporate sustainability in its overall business plan, thereby making sure that everything it does is confirmed by RBA. The Sustainability Committee reports its progress regularly to the Board of Directors, and ESG Office publishes annual Sustainability reports to ensure proper disclosure of CSR information.

- In order to implement the development of a sustainable environment, maintain an environmental management system, the Company regularly organizes environmental education courses for management and employees. Green management has been introduced from the product design stage and the supply chain. We reduce the energy consumption of products and services, effectively manage harmful substances, reduce the generation of wastewater and waste, and properly handle and adopt the best feasible pollution prevention and control technology measures.

- We improve product life and reliability, and maximize the sustainable use of renewable resources with the concept of easy disassembly and recycling. The Company sets energy conservation and carbon reduction targets, carries out greenhouse gas reduction operations, and does its utmost to reduce the adverse impact of the Company’s operations on human health and the natural environment.

7. Other important information to facilitate better understanding of the Company’s corporate social responsibility practices:

- **External initiatives and participation**
  In order to help the company manage carbon emissions in the long term, meet the global greenhouse gas reduction requirements, keep the global average temperature rise within 1.5°C by the end of this century, and set the Science Based carbon Target, Compal has committed to SBT (Science Based Targets) in April 2022, and it is expected to pass the review before April 2024.
  As a significant member of the Earth, the Company actively participates in global and local environmental initiatives and actions. Since 2009, Compal has been participating in CDP’s questionnaires on climate change, water, and supply chain carbon management. In 2015, Compal was selected as part of CDP’s Climate Disclosure Leadership Index (“CDLI”) for the first time. In 2023, Compal received an overall CDP Management score of B.

- **Energy management system**
  In view of the most fundamental way to save energy, reduce greenhouse gas emissions, and improve energy productivity, after detailed evaluation, gradual practice, and continuous maintenance, in 2023, there were Taoyuan (PCP), Kunshan (KS3 and CDT), Chengdu (CD) and Chongqing (CQ and CQA), a total of 6 factories have obtained ISO 50001 energy management system certification, and relevant experience has been extended to other factories.

- **Supply chain carbon management**
  As one of the world’s key IT producers, Compal uses “information platforms” and “workshops” to keep suppliers informed of the latest energy/carbon reduction technologies and green living, and inspires them to
commit to active care for the local environment.

The Company requires all its suppliers to be certified for ISO 9001 (quality management system) and ISO 14001 (environmental management system), and follow EICC guidelines by signing a Letter of Commitment to the RBA Code of Conduct. Under this commitment, upstream suppliers are bound to comply with international, national, and local regulations with respect to all their activities.

In order to invite the supply chain to participate in net-zero carbon reduction, 34 key suppliers will be invited to join Compal’s ONE+N electronics industry supply chain net-zero acceleration plan in 2023, and external energy-saving and carbon reduction experts will be combined to establish a Compal industrial low-carbon coaching team. Actively assist manufacturers in formulating carbon reduction plans and provide carbon footprint monitoring guidance, encourage manufacturers to invest in the introduction of high-efficiency technologies and processes, and implement system performance optimization to reduce energy consumption and carbon emissions.

It is expected to jointly achieve the goal of substantive carbon reduction of 10,000 tons within two years to improve the industry’s low-carbon competitive resilience.

■ Formulate human rights protection policies and specific management plans, as well as related policies and implementation.

The Company respects the human rights of all employees. In addition to prohibiting the use of child labor and overtime work, the Company treats all employees of different ethnicities, religious beliefs, skin color, gender, nationality, age, and physical features with equal respect and fairness. The Human Resource Management Policy explicitly states that “the Company shall recruit employees based on knowledge, morality, skills, experience and suitability for the position/job in question. Under no circumstances may the Company reject recruitment for reasons such as gender, ethnicity, religion, political association, nationality, sexual preference, or age.” The Company also refrains from using involuntary workers and child labor.

A human rights policy has been established, as well as a process for conducting due diligence on human rights. Regular reviews and improvements are conducted to ensure the implementation of human rights protection work is more comprehensive.

The above relevant regulations are disclosed on the official website: “Compal ESG- Inclusive Growth- Human Rights Protection and Health Care” and Sustainability reports.

■ Policies for workplace diversity and promotion of gender equity are established, and relevant implementation status is reviewed.

- Compal is committed to promoting gender equality and DEI culture. In addition to ensuring that colleagues are treated differently regardless of gender or sexual orientation, Compal is also committed to creating a working environment that respects human rights and is dignified. The headquarters and each factory have formulated management procedure documents for the "Non-Discrimination and Anti-Harassment Policy" and " Human Rights Policy ".

  Compal Non-Discrimination and Anti-Harassment Policy:

  Compal’s Human Rights Policy:

- With the promotion of equality in the workplace and the promotion of DEI culture, the proportion of male employees and female employees at Compal in 2023 are 61.44% and 38.56%. Compared to last year, the proportion of females has increased by 0.43%.
Compal is committed to creating a diversified workplace, cultivating global talents, and strengthening the human capital of each factory location. The proportion of local supervisors in our factories in China, Brazil and the United States is as high as 93.58%, 93.75% and 85.71%. In the Vietnam factory, the proportion of local supervisors has also increased by 1.03% compared to 2022.

Risks and opportunities on the community are assessed and corresponding measures are adopted. In addition, specific measures and implementation outcome are reviewed.

Compal has long been concerned about the lives of disadvantaged groups and residents in rural communities, so that they can live a healthy life free from hunger; it promotes digital learning and quality education to improve the educational gap between urban and rural areas, narrow inequality, and eliminate poverty. Compal's headquarters is in Taipei Neihu Science Park. It sponsors and forms the Compal 10K team every year to respond to the Neihu Science Park Charity Road Run, gather the development power of the internal medicine community, promote health promotion and help social groups promote public welfare services.

Compal has a R&D center in Kaohsiung. It has cooperated with the Kaohsiung Municipal Library on the "ESG Rural Reading Charity Cooperation Project" for four consecutive years in 2023, and has sponsored TWD500,000 to help Kaohsiung Panxiang District Library provide community residents with diverse reading learning methods and serve community students and residents according to age. In 2023, the "Compal Xiyou.com" section will be set up for the first time in the Amituo branch, and will also assist the Liugui, Jiaxian and Tianliao branches to include: mobile libraries, story theater groups, on-site reading, and AR environmental education games. Use different learning methods to assist students in various communities in their academic learning and build awareness of the initiative to sustainably protect the community environment and the community's cultural heritage. In 2023, Compal's "ESG Rural Reading Charity" served 16,960 people in Liugui, Jiaxian, Tianliao and Mituo areas.

Compal has set up a factory in Taoyuan for many years, and emphasizes local development and talent cultivation. Compal has long been concerned about the weaknesses of remote villages and the Taoyuan area. Compal's Taipei headquarters in Neihu District also sponsors TWD 200,000 annually to respond to the Neihu Science Park Charity Road Race, to consolidate the development power of the Neihu community, to promote health promotion and to help social organizations to promote public welfare services.

Compal has long-term cooperation with public welfare groups and employs disadvantaged groups in need. Since 2019, we have cooperated with Duobao Academy to hire Duobao artistic youths in Taipei. In 2023, we hired five Duobao artistic youths with Asperger syndrome from Duobao Academy to help them learn and encourage them to develop their talents and gradually make a living on their own.

Local manpower at the place where the Company’s business operation is located is hired, and the manpower ratio is reviewed.

In 2023, the number of employees whose registered address in Taipei was 4,624, accounting for 71.71% of the total employees in Taipei operating area; the number of employees whose registered address in Taoyuan was 1,392, accounting for 88.95% of the total employees in Taoyuan operating area; the number of employees whose registered address Kaohsiung was 28, accounting for 77.78% of the total employees in Kaohsiung operating area.

Compal has established multiple manufacturing bases worldwide as production hubs, and the proportion of local employees was over 90% in 2023. In addition to creating local employment opportunities, the influx of migrant workers brings consumption to the local area, promoting local economic development.

Corporate environmental education

The company continues to introduce corporate environmental education into employee training and green experience activities, and continues to respond to the "Taiwan Marine Waste Management Action Plan", "Taiwan Marine Waste Management Action Plan", "Taiwan Marine Waste Management Action Plan".

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starting from source reduction, starting from caring for rivers, organizing ecological tours of the Tamsui River Basin, inviting company employees, Supply chain partners and cooperating social welfare groups participated in environmental education and beach cleanup activities, a total of 2 sessions. Over the past few years, more than 5,000 people have shared the life stories of every corner of the land of Taiwan. The company fully supports the "experiential" environmental education action from top to bottom, and colleagues and family members enthusiastically participate in it from bottom to top; calls on colleagues to trickle down into a river, use the power of consumers to choose safe food, and give customers gifts as New Year's gifts to let demand come Change the supply and support sustainable agriculture, forestry, fishery and animal husbandry.

And introduce relevant concepts into the company's product design, specially set up courses related to circular economy, invite professional lecturers to explain the actions and requirements of international and customers in the ESG field, so that colleagues can reduce the impact of products on the environment from R&D and manufacturing shock.

### Supporting green and social enterprises

In recent years, many social enterprises have emerged with goals to protect the environment and improve public interest. In support of their efforts, the Company encourages employees to purchase products and services offered by social enterprises in hopes that by redirecting purchasing power, we may be able to muster positive energy to solve society's issues. We invited 7 social enterprises and public welfare groups, including Taiwan DB Art Collective, Yuan care, Doghome Org., A good day, TriBake, Yu-Cheng Social Welfare Foundation, and Kanner Village Social Enterprise to join the Compal Social &Green Market Event. We encourage employees to know more about social enterprises and give them more support through the event.

In 2023, Compal collaborated with the Society of Wilderness, Yu-Cheng Social Welfare Foundation/Jixian Sheltered Workshop, I Can Sheltered Workshop, Hanner Family, Taiwan DB Art Collective, Yuan care, Doghome Org., A good day, TriBake, and employees have donated more than TWD 700,000.

### Community engagement

- The Company has long been sponsoring the maintenance and management of Zhouzi Park No. 2 in Neihu in order to provide community residents and industrial park workers with a nice place for leisure and recreation activities.
- Compal co-organized the third “Taipei Science and Technology Cup Love Earth Charity Road Run” in Taipei Neihu Technology Park.
- Compal has teamed up with the "Kangaroo Project" from the Center of Care Services for Rural Area Education of Fu Jen Catholic University for the 5th year, and for the after-school tutoring center and community teacher training program at New Taipei, Taoyuan, Taichung and Miaoli.
- Compal Neihu employees support the “2023 Blood donation activity”: 330 people participated in and donated 503 bags of blood, totaling 125,750 cc.

### Social services

- Compal's employees have run the “Compal Volunteer Club” since 2004. Members of this club visit disadvantaged children on the weekends and guide them in reading good books. The goal of this program is to help them develop the habit of reading and the ability to think independently, and hence prepare them for the future. The volunteers have also been working with Hsu Chauing Social Welfare and Charity Foundation to provide extracurricular education for immigrant children. Since 2009, they have been visiting Dingshe Elementary School, Shoushan Elementary School, Jong Jen Elementary School, Wuhan Elementary School, Nan-
Shi Primary School, Chung Ping Elementary School, Shuang Long Elementary School, Neihai Elementary School, Nan Sing Elementary School, Hsiang An Elementary School, Tien Hsin Elementary School, Hua Hsun Elementary School, Wu Cyuan Elementary School, San He Elementary School, Chung-Shing Elementary School, Sin-Jie Elementary School, Xin Lu Elementary School, Fu An Elementary School, Dacheng Elementary School, Long-Sing Primary School, San Keng Primary School, Shanghu Primary School, Yisheng Elementary School, Shi-Hai Primary School, Te-Long Elementary School, Sha Keng Elementary School, Da Po Elementary School, Haibin Elementary School in Taoyuan and Guoling Elementary School in Yilan during public holidays to accompany children in their reading activities. As of the end of 2023, the volunteers had assisted 7,969 immigrant children and children from disadvantaged families.

- Compal has been encouraging college volunteer clubs to join the Company's “reading volunteers” initiative and provide study aids to children from low-income families in the neighborhood. By sharing good reading materials and environmental awareness, the Company hopes to contribute to the learning progress of disadvantaged children.
- To promote sustainable environmental action, Compal cooperated with the Wilderness Society, and 197 Compal volunteers carried out the "Pterospermum fern restoration operation" to protect native wetland species on Shezi Island in 2023.

### Social Welfare

(1) Budget sponsorship

- Compal sponsored the "Second Matsu International Art Island" large-scale art curation event with TWD 1 million to promote local culture and economy, and support the cultural and artistic development and international art exchanges in Taiwan's outlying island of Matsu.
- For the 4th year, Compal sponsored & cooperated with Kaohsiung City Library. The first "Compal Happy Reading" area was set up in the Maitou Branch Library; Compal's "ESG Reading Program" served 16,960 people in Liugui, Jiacian, Tianliao, and Meituo communities.
- Initiated by the Hsu Chauing Social Welfare & Charity Foundation, the Dream Realization Project”, joined by colleagues from Compal and New Kinpo Group, has already been for 12 consecutive years. In 2023, 268 Compal colleagues took part in activities to help disadvantaged children continue their studies and develop their natural talents.
- Sponsoring of budgets for college volunteer clubs

In an attempt to encourage college students to participate in volunteer service, the Company has been contributing TWD 600,000 every year since 2004 to sponsor college clubs in reading promotion directed at children, after-school classes, and environmental education in locations that lack resources and for low-income households. In 2023, 11 college clubs applied for sponsorship, 216 student volunteers participated in sponsored volunteer activities, for which the company contributed a sum of TWD 600,000 that benefited 2,984 school children and community residents.
- For the second year, Compal sponsored the “Care and Health Day activities” of Fuzhou University Hospital to take care of vulnerable residents in the community and encourage community elders to develop the habit of regular health check-ups.
- Sponsoring of budgets for the Compal Sunshine Scholarship

The "Compal x Sunshine Scholarships" has entered its 25th year, which provides "Outstanding Computer Talent Scholarships" and "Computer Excellence Scholarships" for students with burns and facial impairments yet with excellent computer skills.
- In addition to charity involvement, the Company also provides strong support to academic and industrial organizations including: Taipei City Friends of the Police Association Neihu Office, Taoyuan City Volunteer
Fire Brigade Pingzhen Squad, Taiwan District of Kiwanis International, Taiwan Institute for Sustainable Energy, National Taiwan University System Cultural Foundation, Former Dancer Culture and Arts Foundation, Taiwan Semiconductor Circuit Design Association, Spinal Cord Injury Social Welfare Foundation, Golf Gap of Learning & Field, Taiwan Society of Minimally Invasive Interventional Biotechnology. A sum of TWD 4,076,000 was donated to the above mentioned entities in 2023.

(2) Donation of supplies

• In 2023, a total of 235 smart wireless lamps were sent to children of disadvantaged families in New Taipei, Pingtung, Taoyuan and Kaohsiung, so that their learning was not limited by the environment.
• In-Kind Donations for A Heartwarming New Year: 126 employees donated 1,039 items of living materials to help 200 poor families in the Sanchong District.
• Sharing Care with Mooncake Charity Activity: 868 colleagues donated Mid-autumn moon cake sets to 3,448 disadvantaged school children in New Taipei, Taoyuan, Taichung, Miaoli, Changhua, Pingtung, Hualien, Hsinchu and Kaohsiung.
• Initiated by the Hsu Chauing Social Welfare & Charity Foundation, the Children’s Day Wish Gift Collection, joined by colleagues from Compal and New Kinpo Group, has already stepped into its fifth year. In 2023, 68 Compal colleagues took part in activities to help disadvantaged children from 3 to 13 years old and prepare exclusive gifts for Children’s Day.

(3) COMPAL’s Christmas Big Brothers and Santa sisters deliver blessings to Yongfu Elementary School.

COMPAL Volunteers visited the Taoyuan City Luzhu Dist. Yongfu Elementary School with the Hsu Chauing Social Welfare Charity Foundation to share the festive atmosphere with teachers and students, and distributed Christmas gifts to 76 students to express their blessings.

Resources are invested to support domestic cultural development, and the support method and outcome are reviewed.

Compal sponsors the "Second Matsu International Art Island" large-scale art curation event with TWD 1 million. In addition to promoting the cultural development of rural areas, it supports the cultural and artistic development of Matsu, an outlying island in Taiwan. It also invites international artists to participate in exhibitions and exchanges, and encourages the innovative development of local artistic talents. , and artists are stationed on campus to share creative techniques and techniques with students, rooting out art education in rural areas, and opening up new creative horizons for local youth. It also shares the characteristics of Matsu’s outlying islands and local delicacies made with local materials internationally, and invites people from all over the world to come to Matsu for island hopping and experience the cultural charm of Matsu’s four towns and five islands. There are 70 works on display this time. Artists from seven countries were invited to participate in the creation, bringing 70 works, 10 of which will become permanent works and be preserved on Matsu Island. Compal also sponsors the Original Dancers Culture and Art Foundation and Duobao Academy, allowing talented artists to develop their talents and promote the development of art and culture. The Number of Beneficiaries exceeds 20 thousand every year.

Compal is committed to improving the learning quality and sustainable environmental education of students in rural areas. From 2016 to 2019, it sponsored the large-scale children's drama "Recovering Lost Courage" for charity performances across Taiwan, inviting more than 9,000 disadvantaged school children and it was viewed by poor families. After the epidemic was lifted in 2023, we will cooperate with Taiwan's Shuiyuan Village Theater Company on the charity "Guardian of the Stars Project" and sponsor Taiwan's Shuiyuan Village Theater Company to perform the children's play "Pandora's Hope" to encourage children to maintain their
confidence and ability to face the life risks of global climate change. Let school children in remote communities have the opportunity to watch theater performances in person.

There will be two live performances in 2023. One will invite 117 students from Luzhu Elementary School in Taoyuan to Compal to watch, and the other will be performed at Touzhou Elementary School in Taoyuan for more than 300 students from the whole school. In 2024, Compal will continue to promote the "Guardian Stars Project" to increase the exposure of schoolchildren in rural communities to cultural and artistic performances.

In January 2023, Compal will resume its annual year-end party, during which Taiwan's world-class professional performing arts group "Diabolo Dance Theatre" will be invited to perform as the opening performance, as well as the local orchestra "Mayday", the golden song Taiwanese singer – Henry Hsu, and the new generation of singers Julia Wu and Boon Hui Lu will come to sing. In order to continue to support traditional folk skills and pop music culture, the performance cost exceeded NTD15,000,000, and the number of participants was nearly 9,000.

Compal regularly holds a series of Art activities from October to December every year. The first event of the 2023 "Autumn with Art" series is based on the curatorial theme of paper-cutting artist Wuba Yang and Compal's promotion of the protection of Taiwan's native species, "Acrostichum aureum". A paper art exhibition was exhibited at the Taipei headquarters as a prelude to the event. The exhibition is presented in three forms: a large hanging paper curtain, a large paper fern installation and a paper fern frame painting, bringing pieces of stretched green leaves into the urban jungle, so that colleagues who are in the quagmire of science and technology every day can not only witness the innovative power of traditional paper-cutting art, but also feel the beauty of Taiwan when they turn around.

Series 2 is a crosstalk performance - "Taiwan Manzai Comedy Show". Invite the new generation of comedy troupe "Comedy Times" to perform a three-person short play & two-person Manzai, bringing improvisational comedy performances.

In the third series, colleagues and their families are invited to enjoy and listen to the solo recital and lecture of violinist Hu Nai-Yuan at the Taiwan Connection Music Salon. Through in-depth interaction, it is easy to decipher classical music and integrate classical music art into life.

Safety and health

At a time when financial performance is as important as environmental protection, the Company considers "occupational safety and health" to be an important issue that no business shall neglect. Only by creating a safe work environment are employees able to unleash their full potential, which is a driving force behind the Company's progress. For this reason, the Company not only ensures that every operation is compliant with environmental, safety, and health rules, but also commits to eliminate or reduce safety and health risks to employees, suppliers, contractors and stakeholders that are caused by production procedures, facilities, and activities. At Compal, we see financial performance, environmental protection, and occupational safety and health as three co-existing and complementing factors of business. The Company created its official environmental safety and quality policies to guide employees toward protection in the workplace and social responsibilities. Furthermore, these policies also provide employees and external stakeholders (such as suppliers, contractors, customers, environmental organizations, government agencies and community residents) with a better understanding of the Company's environmental safety efforts and its resolve to protect and minimize risks to the environment. Ultimately, we hope to direct the attention of our partnered vendors
to environmental protection, safety and health, and work together towards accomplishing our goals.

(1) Environment safety and health policy:

- Comply with environmental, safety and health laws, and related requirements.
- Conduct environment safety and health training to raise employees' awareness towards individual responsibilities as well as safety and health concerns of the surrounding environment, while at the same time encouraging their participation in relevant causes.
- Continually improve environmental, safety and health performance through programs such as pollution prevention, accident prevention, energy/resource conservation, waste reduction, and responsible care.
- Pay attention to the control of pollution sources and reducing waste from production. Enhance safety and health facilities to prevent pollution and minimize risks.
- Establish proper communication channels to convey the Company's environmental safety policy, requirements, and goals to employees, suppliers, contractors, nearby residents and concerned organizations.

(2) Environmental safety and health systems/measures:

In an attempt to minimize losses on occupational hazards and rectify hidden dangers and recurring safety incidents for more harmonious labor-management relations, the Company subsequently assembled an Environment Safety Promotion Committee that specializes in the development of environment safety plans. Any environment safety-related policies and goals proposed are subject to review during the Environmental Safety Management Review Meeting. Once reviewed, the Committee becomes responsible for supervising work safety units in the implementation of safety and health-related measures, auto inspections, maintenance, and training to eliminate hazardous factors in the environment. In addition, the Committee also supervises relevant departments in completing hazard prevention and loss control systems.

(3) Execution

- Fire safety equipment/facilities plans and execution: Appropriateness and adequacy of fire safety equipment/facilities are reviewed whenever there is a change to the layout of the business premises. Locations of fire safety equipment/facilities and evacuation routes are clearly labeled on each floor. The Company also engages professional and qualified fire safety inspectors to conduct annual fire safety inspections and reports according to law.
- Water/power plans and execution: The Company promotes proper awareness and implements appropriate control on all uses of water and power equipment for more effective conservation of energy and resources. The administrative department is responsible for the day-to-day inspection of power usage, power systems, and water equipment. All inspection findings are detailed in the “Safety and Health Equipment Inspection Log” and any issues discovered are rectified immediately.
- Cleaning, monitoring, and control of industrial waste: Handled by the Factory Affairs Division of various factories and the General Affairs Department of the headquarters. Waste generated by factories can be classified into the following categories:
  a. Hazardous waste: Sorted according to “Standards for Defining Hazardous Industrial Waste” stipulated by the Environmental Protection Administration (EPA), Executive Yuan, and collected by certified contractors for subsequent treatment.
  b. Industrial waste: Industrial waste other than hazardous industrial waste is collected and treated by certified contractors.
Emergency response procedures: These procedures have been established to guide the Company through disruption of production, information, and raw material supply in the occurrence of natural or man-made disasters. Incident resolution procedures:

- Level 1 hazard:
  - Any death or 3 major injuries or higher
  - Loss of work hour exceeding 1 day
  - Loss of property above USD 1 million

(4) Quality Policy (pursuing continuous improvement to meet customer needs): We commit to
  - Implement customer-oriented performance management.
  - Create competitive advantages in products and services.
### 3.3.6 Ethical Corporate Management

<table>
<thead>
<tr>
<th>Assessment criteria</th>
<th>Yes</th>
<th>No</th>
<th>Actual governance</th>
<th>Deviation and causes of deviation</th>
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</thead>
<tbody>
<tr>
<td>1. Establishment of integrity policies and solutions</td>
<td>Yes</td>
<td></td>
<td>The Company has established the “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” and, in addition, clearly outlined the procedures for ethical management and guidelines to conduct in its HR policies, social responsibility policies, the integrity principles and code of conduct for Directors, supervisors, managers, and the general code of conduct. The Company’s “Rules and Procedures for Board of Directors Meetings” contain a conflicting interest clause that requires Directors to disassociate from all discussion and voting on any agenda that poses a conflict of interest between the Company and themselves or the legal entities they represent. The Board of Directors has resolved to adopt the relevant integrity management policies, and the Directors and high-level management have issued a statement of compliance with the integrity management policies, committing to actively implementing integrity management.</td>
<td>No deviations were found</td>
</tr>
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</table>
| 2. Has the Company established an evaluation mechanism for the risk of unethical behavior, regularly analyzed and evaluated the business activities with high unethical behavior risk within the business scope and formulated a plan to prevent unethical behavior accordingly which at least covers the preventive measures for the behavior in paragraph 2, Article 7 of the “Ethical Corporate | Yes |    | When the Company’s internal audit prepares the next year’s audit plan, unethical behavior was included in the scope of risk assessment. The relevant audits are performed accordingly, and the “Procedures for Ethical Management and Guidelines for Conduct” were adopted to govern the following items:  
- Prohibition against offering and accepting of improper benefits  
- Prohibition against lobbying  
- Prohibition against illegal political donations  
- Prohibition against improper donations or sponsorships  
- Prohibition against inappropriate gifts, treatments and illegitimate benefits  
- Prohibition against unfair competition  
- Prohibition against leakage of commercial secrets and infringement of intellectual property rights  
- Prohibition against insider trading and rules of confidentiality  
Furthermore, the “Information Security Policy” has introduced measures to prevent violation of commercial secrets. | No deviations were found          |
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<thead>
<tr>
<th>Assessment criteria</th>
<th>Yes</th>
<th>No</th>
<th>Actual governance</th>
<th>Deviation and causes of deviation</th>
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<tr>
<td>Management Best Practice Principles for TWSE/GTSM Listed Companies’?</td>
<td></td>
<td></td>
<td><strong>Yes</strong></td>
<td>No deviations were found</td>
</tr>
<tr>
<td>3. Does the Company stipulate the operating procedures, behavior guidelines, and disciplinary and grievance systems in its unethical behavior prevention plan and implement them and regularly review and revise the plan?</td>
<td>Yes</td>
<td></td>
<td>The Company has established the “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” (hereinafter, “Procedures and Behaviors”) as an incentive to insiders and outsiders to report unethical conduct or misconduct. Any insider who makes a false report or a malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance has substance. This Company has appointed a contact person, and has established a hotline and mailbox that can be used either through the Intranet of the Company website or the official Company website. Any person involved in unethical conduct will be referred to an authorized department and processed according to the “Procedures for Ethical Management and Guidelines for Conduct.” The Company carries out regular reviews and revises for relevant measures every year. Also, we arrange related training on Ethical Corporate Management and announce the request to follow Ethical Corporate Management Best Practice Principles.</td>
<td>No deviations were found</td>
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<td>II. Integrity actions</td>
<td></td>
<td></td>
<td><strong>Yes</strong></td>
<td>No deviations were found</td>
</tr>
<tr>
<td>1. Does the Company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?</td>
<td>Yes</td>
<td></td>
<td>The Company requests each of its suppliers to sign the &quot;Letter of Undertaking for Compliance with the RBA Code of Conduct by Vendors&quot; (hereinafter referred to as “RBA Code of Conduct”), according to which suppliers are requested to abide by local laws and regulations on workers, environment, safety, health, management, and moral conduct, and prevents them against corruption and unethical behavior.</td>
<td>No deviations were found</td>
</tr>
<tr>
<td>2. Has the Company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once a year) report to the Board of Directors its ethical corporate management policy and plan to prevent unethical behavior as well as its supervision of</td>
<td>Yes</td>
<td></td>
<td>The Company has appointed its human resources &amp; administrative management department and the legal affairs office as the competent units in charge of the Company’s ethical matters. These units jointly set the guidelines and policies, which are monitored by the auditor’s office and report to the Board of Directors on a yearly basis. To prevent potential conflicts of interest, the Company has established the “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct.” In addition, the Company has also designed relevant online teaching courses on the e-Learning platform, including legal affairs related training on information security, the Personal Information Protection Act, relevant company policies and employees’ code of conduct so as to familiarize all employees with the aforementioned guidelines and thereby facilitate the promotion of honest management.</td>
<td>No deviations were found</td>
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### Assessment criteria

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<tr>
<th>Yes</th>
<th>No</th>
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<tr>
<th>the implementation?</th>
<th>Status of Operation and Implementation in 2023: The Company requires suppliers to follow the RBA Code of Conduct, sign the RBA Code of Conduct commitment or complete the RBA Code of Conduct questionnaire. Among 937 suppliers with transaction records, 924 have signed the RBA Code of Conduct commitment or completed the RBA Code of Conduct questionnaire, making for a signing rate of 99%. In addition, 8,840 employees completed 9,567 hours of integrity management related training, including:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Courses</th>
<th>Attendances</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Employee Orientation</td>
<td>442</td>
<td>804</td>
</tr>
<tr>
<td>On-job Training for New Employees</td>
<td>521</td>
<td>2,866</td>
</tr>
<tr>
<td>New Employee Orientation</td>
<td>245</td>
<td>1,470</td>
</tr>
<tr>
<td>Compal CSR Training</td>
<td>7,631</td>
<td>4,426</td>
</tr>
</tbody>
</table>

3. Does the Company have any policy that prevents conflict of interest, and channels that facilitate the report of conflicting interests? Yes

The Company has established the “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” (hereinafter, “Procedures and Behaviors”). A Director, managerial officer or other interested party of the Company attending, or present at a Board of Directors’ meeting shall explain the important contents of his/her/its interest at the Board of Directors’ meeting if he/she or the legal entity he/she represents has an interest in the proposals listed in such meeting. In addition, if it is likely to prejudice the Company’s interest, he/she shall not participate in the discussion and voting, and shall recuse himself/herself from the discussion and voting, and shall not exercise voting rights as a proxy on behalf of other Directors. The Directors shall exercise discipline among themselves, and may not support each other in any inappropriate manner.

If, in the course of conducting company business, an employee of the Company discovers that a potential conflict of interest exists involving themselves or the legal entity that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest are likely to obtain improper benefit, the matter shall be reported to their immediate supervisor and the responsible unit, and the supervisor shall provide the employee with the proper instructions.

No employee of the Company may use company resources for commercial activities other than those of this Company, nor may his or her job performance be affected by involvement in commercial activities other than those of this Company.

The Company’s Personnel Management Rules and “Employee’s Statement of Ethics and Conduct” provide a clear framework for handling conflicts of interest and ensuring fair and ethical conduct. No deviations were found.
<table>
<thead>
<tr>
<th>Assessment criteria</th>
<th>Yes</th>
<th>No</th>
<th>Actual governance</th>
<th>Deviation and causes of deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Does the Company provide incentives and means for employees to report</td>
<td>Yes</td>
<td>No</td>
<td>The Company has mailboxes in place to receive malpractice reports from within or outside the Company. Once a report has been sent to the mailbox, it will be referred to the appropriate department and personnel, depending on the nature of the underlying issue to handle or conduct</td>
<td>No deviations were found</td>
</tr>
<tr>
<td>4. Has the Company established an effective accounting system and internal control system for the implementation of ethical corporate management and has the internal audit unit, according to the assessment results of the risk of unethical behavior, drawn up relevant audit plans to check the status of unethical behavior prevention accordingly, or entrusted an independent auditor to carry out the audit?</td>
<td>Yes</td>
<td>The Company has set “Ethical Corporate Management Best Practice Principles” and focuses on creating an effective accounting system and internal control system to avoid high-risk or unethical business activities and the use of external or secret accounts. Self-evaluation is performed on a regular basis to make sure the design and execution of the system is effective. Since 2019, when the Company internal audit prepared the next year’s audit plan, unethical behavior was included in the scope of risk assessment, and relevant audits are performed accordingly.</td>
<td>No deviations were found</td>
<td></td>
</tr>
<tr>
<td>5. Does the Company organize internal or external training on a regular basis to maintain business integrity?</td>
<td>Yes</td>
<td>The Company organizes training courses in accordance with “Regulations Governing the Establishment of Internal Control Systems by Public Companies” and the board-approved “Insider Trading Prevention Principles.” Insider training prevention courses are organized for vice president-grade employees and above, while general employees take training on ethical behavior on a yearly basis.</td>
<td>No deviations were found</td>
<td></td>
</tr>
</tbody>
</table>

III. Implementation of whistleblowing system
<table>
<thead>
<tr>
<th>Assessment criteria</th>
<th>Yes</th>
<th>No</th>
<th>Actual governance</th>
<th>Deviation and causes of deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>malpractice? Does the Company assign dedicated personnel to investigate the reported malpractice?</td>
<td></td>
<td></td>
<td>related checks.</td>
<td></td>
</tr>
<tr>
<td>2. Has the Company established standard operating procedures for the investigation of malpractice reports, follow-up measures after investigation, and the relevant confidentiality mechanism?</td>
<td>Yes</td>
<td></td>
<td>The Company has established procedures to report matters for filing, assigning, verifying, etc., and requires the responsible person to take relevant actions depending on the results of the investigation. The case content and whistleblower information shall be processed confidentially.</td>
<td>No deviations were found</td>
</tr>
<tr>
<td>3. Does the Company assure malpractice reporters that they will not be mistreated for making such reports?</td>
<td>Yes</td>
<td></td>
<td>The Company's relevant regulations and Employee Code of Conduct are clearly regulated, requiring the responsible unit or person not to disclose the content of the case and the identity of the whistleblower, and to take necessary protective actions to ensure that the whistleblower is not treated inappropriately or retaliated.</td>
<td>No deviations were found</td>
</tr>
<tr>
<td>IV Enhanced information disclosure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Has the Company disclosed its integrity principles and progress on its website and MOPS?</td>
<td>Yes</td>
<td></td>
<td>The Company has disclosed corporate governance and business integrity matters and updated the progress of such efforts in its annual reports, Sustainability reports and “Investor Relations-Corporate governance-Major internal policies” and the “Compal ESG- Sustainable Management-Compal’s code of Conduct” section of its website.</td>
<td>No deviations were found</td>
</tr>
<tr>
<td>V If the Company has established business integrity policies in accordance with “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies” please describe its current practices and any deviations from the Best Practice Principles: The Company’s “Business Integrity Principles” and “Business Integrity Procedures and Behaviors” have been passed by the Board of Directors and disclosed on the Company’s website and MOPS. A specialized unit will be empowered to enforce these policies and ensure employees’ compliance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VI. Other information relevant to understanding the Company’s business integrity (e.g. reviews of business integrity principles): Courses have been introduced to the e-Learning system so that employees are made aware of the Company’s “Business Integrity Principles” and “Business Integrity Procedures and Behaviors.”</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3.3.7 Corporate Governance Guidelines and Regulations

Please refer to the Company’s website → Investor Relations → Corporate Governance → Major Internal Policies
https://www.compal.com/investor-relations/corporate-governance/#major-internal

• Framework of Corporate Governance
• Articles of Association
• Rules of Procedure for Shareholders’ Meetings
• Rules for Elections of Directors
• Procedures for Acquisition or Disposal of Assets
• Procedures for Financial Derivatives Transactions
• Procedures for Lending Funds to Other Parties
• Procedures for Endorsements and Guarantees
• Board of Directors Meeting Guidelines
• The Responsibilities and Rules for Independent Directors
• Audit Committee Procedures
• Remuneration Committee Procedures
• Sustainability Committee Charter
• Risk Management Committee Charter
• Corporate Governance Best Practice Procedures
• Sustainable Development Best Practice Principles
• Risk Management Best Practice Principles
• Code of Conduct for Directors and Managers
• Code of Conduct for Employees
• Ethical Corporate Management Best Practice Principles
• Business Integrity Procedures and Behaviors
• Regulations on Prevention of Insider Trading
• Procedures of Application to Suspend and Resume Trading
• Rules of Self-Evaluation of the Board of Directors and Functional Committees
• Company’s Risk Management Policies and Procedures
• Compal Group’s Business Continuity Management Policy
• Procedures for Handling Material Inside Information
• Rules Governing Financial and Business Matters Between this Company and its Affiliated Enterprises
• Tax Policy and Management Guidelines
3.3.8 Other Important Information Regarding Corporate Governance

Please refer to the Company’s website → Compal ESG

- Sustainable Management
- Stakeholders
- Supply Chain Management
- Environment
- Inclusive Growth
- Charity
- Download Report

Please refer to the Company’s website → Stakeholder Communication
https://www.compal.com/stakeholder-communication-area/

- Employee Overview
- Customer Relations
- Supplier Relations
- Investor Relations
3.3.9 Internal Control Systems

1. Statement of the Internal Control System

Compal Electronics, Inc.
Statement of the Internal Control System

Date: March 12, 2024

The Company states the following with regard to its internal control system during the fiscal year 2023, based on the findings of a self-assessment:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system is the responsibility of its Board of Directors and management. The Company has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability, timeliness, transparency, and regulatory compliance of reporting, and compliance with applicable laws, regulations, and bylaws.

2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, though, and the Company takes corrective actions as soon as a deficiency is identified.

3. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (“Regulations”). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. control environment 2. risk assessment 3. control activities 4. information and communications 5. monitoring activities. Each element further contains several items. Please refer to the Regulations for details.

4. The Company has assessed the design and operating effectiveness of its internal control system according to the aforesaid criteria.

5. Based on the findings of the assessment mentioned in the preceding paragraph, the Company believes that as of Dec 31, 2023 its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability, timeliness, transparency, and regulatory compliance of reporting, and compliance with applicable laws, regulations, and bylaws, is effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.

6. This Statement will become a major part of the content of the Company's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

7. This Statement has been passed by the Board of Directors Meeting of the Company held on March 12, 2024, where 0 of the 15 attending Directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

Compal Electronics, Inc.
Chairman: Sheng-Hsiung Hsu (Rock Hsu)
President: Chung-Pin Wong (Martin Wong)
2. If an independent auditor is entrusted with reviewing the internal control system, the independent auditor’s report: None.

3.3.10 Penalties imposed against the Company and its staff, or penalties imposed by the Company against its staff for violations of internal control or regulations; state any corrective actions taken in the most recent years up till the date of the annual report: None.

3.3.11 Major Resolutions Made in Shareholders’ and Board Meetings

1. Shareholders’ meeting
   ▪ Time: 9:00 am, June 21, 2023
   ▪ Place: No. 581, Ruiguang Rd., Neihu District, Taipei City 11492, Taiwan
   ▪ Major Resolutions:
     (2) Ratified the Distribution of Earnings for 2022.
     (3) Approved the release of non-competition restrictions for Directors
   ▪ Post-meeting Execution: N/A

2. Major Resolutions of Board Meetings

<table>
<thead>
<tr>
<th>Date</th>
<th>Material resolutions</th>
</tr>
</thead>
</table>
| 8th Meeting (14th Term) 2023.02.07 | 1. Approved for senior level management change  
2. Approved the issuance of a Letter of Support by the Company to facilitate its subsidiary in obtaining credit facilities from financial institutions  
3. Approved authorizing the Company to obtain credit facilities from financial institutions |
| 9th Meeting (14th Term) 2023.03.15 | 1. Approved the Internal Control System Statement for the year 2022  
2. Approved the proposal of the distribution of compensation to employees and directors for the year 2022  
4. Approved the Business Report for the year 2022  
5. Approved the Business Plan for the year 2023  
6. Approved the proposal for Distribution of Earnings for the year 2022  
7. Approved the proposal for cash dividends from Earnings for the year 2022  
8. Approved the proposal of cash distribution from Capital Surplus  
9. Approved the relevant matters regarding the distribution of the year 2022 cash dividends and cash distribution from capital surplus to shareholders  
10. Approved the convention of 2023 Annual General Shareholders’ Meeting  
11. Approved the Sustainability Report Material Topics for the year 2022  
12. Approved the targets and plans of Sustainability for the year 2023  
13. Approved fund loan to 100% owned subsidiary Compalead Eletrônica do Brasil Indústria e Comércio Ltda.  
14. Approved fund loan to 100% owned subsidiary Compal Eletrônica Da Amazônia Ltda.  
15. Approved fund loan to 70% owned subsidiary Kinpo&Compal Group Assets Development Corporation  
16. Approved the “Non-Assurance Service Pre-Approval Policy - General Policy”  
17. Approved evaluation of CPAs’ independence and competence in performing financial activities. |
<table>
<thead>
<tr>
<th>Meeting Date</th>
<th>Agenda Items</th>
</tr>
</thead>
</table>
| 10th Meeting (14th Term) 2023.05.08 | 1. Approved the amendment to the “Corporate Governance Best-Practice Principles”
2. Approved the amendment to the “Management Rules for Preventing Insider Trading”
3. Approved the amendment to the “Risk management policy of Compal Group”
4. Approved the enactment to the “Risk Management Best Practice Principles”
5. Approved the enactment to the “Risk Management Committee Charter”
6. Approved the appointment of the term 1st Risk Management Committee members
7. Approved the amendment to the “Sustainable Development Best Practice Principles”
8. Approved the enactment to the “Human Rights Policy”
9. Approved the 1Q 2023 Consolidated Financial Review Report
10. Approved the release of non-competition restrictions for the managers
11. Approved the release of non-competition restrictions for Directors
12. Approved employees’ salary adjustment for the year 2023
13. Approved the proposal for the appropriated percentage for the remuneration of employees and Directors of the year 2023
14. Approved obtaining newly issued shares of ARCE Therapeutics, Inc. by participating in the capital injection by cash.
15. Approved the proposal for providing a Corporate Guaranty Letter to Quanta Computer Inc.
16. Approved the issuance of a Letter of Support by the Company to facilitate its subsidiary in obtaining credit facilities from financial institutions
17. Approved authorize the Company to obtain credit facilities from financial institutions |
| 11th Meeting (14th Term) 2023.07.18 | 1. Approved to obtain newly issued shares of AcBel Polytech Inc. by participating in the capital injection by cash.
2. Approved the issuance of a Letter of Support by the Company to facilitate its subsidiary in obtaining credit facilities from financial institutions
3. Approved authorization for the Company to obtain credit facilities from financial institutions |
| 12th Meeting (14th Term) 2023.08.11 | 1. Approved the Directors’ Remuneration for the year 2022
2. Approved 2nd mid-year employees’ bonus for the year 2023
3. Approved the 1H 2023 Consolidated Financial Review Report
4. Approved the enactment of the “Tax Policy and Management Guidelines”
5. Approved for a loan to Henghao Technology Co. Ltd.
6. Approved for a loan to Unicom Global, Inc.
7. Approved the issuance of a Letter of Support by the Company to facilitate its subsidiary in obtaining credit facilities from financial institutions
8. Approved authorization for the Company to obtain credit facilities from financial institutions |
| 13th Meeting (14th Term) 2023.09.07 | 1. Approved to obtain newly issued shares of Cal-Comp Electronics (Thailand) Public Company Limited. by participating in the capital injection by cash. |
| 14th Meeting (14th Term) 2023.11.10 | 1. Approved for approval of annual audit plan for year 2024
2. Approved the amendment to the “Corporate Governance Best-Practice Principles”
3. Approved the compensation of Employees’ bonuses in cash for 2022
4. Approved the proposal for 2023 year-end employees’ bonus
5. Approved the 3Q 2023 Consolidated Financial Report
6. Approved the amendment to the “Rules for Performance Evaluation of the Board of Directors and Functional Committees”
7. Approved to obtain newly issued shares of Kinpo&Compal Group Assets Development Corporation. by participating in the capital injection by cash. |
8. Approved fund loan to 100% owned subsidiary COMPAL EUROPE (POLAND) Sp. z o.o
9. Approved the issuance of a Letter of Support by the Company to facilitate its subsidiary in obtaining credit facilities from financial institutions
10. Approved authorize the Company to obtain credit facilities from financial institutions

1. Approved for senior level management change
2. Approved the proposal of the distribution of compensation to employees and directors for the year 2023
4. Approved the proposal for Distribution of Earnings for the year 2023
5. Approved the proposal for cash dividends from Earnings for the year 2023
6. Approved the proposal of cash distribution from Capital Surplus
7. Approved the relevant matters regarding the distribution of the year 2023 cash dividends and cash distribution from capital surplus to shareholders
8. Approved fund loan to 100% owned subsidiary Compal Smart Device India Private Limited
9. Approved fund loan to 100% owned subsidiary Compalead Eletrônica do Brasil Indústria e Comércio Ltda.
10. Approved providing providing a Corporate Guarantee Letter for Compal Tecnologia Do Brasil Ltda., a 100% owned -subsidiary of the Company, to Quanta Computer Inc., to be resolved.
11. Approved providing providing a Corporate Guarantee Letter for Compalead Eletrônica do Brasil Indústria e Comércio Ltda., a 100% owned -subsidiary of the Company, to Quanta Computer Inc., to be resolved.
12. Approved the issuance of Letter of Support by the Company to facilitate its subsidiary in obtaining credit facilities from financial institutions
13. Approved authorize the Company to obtain credit facilities from financial institutions

1. Approve the Internal Control System Statement for the year 2023
2. Approve the Risk Management Targets for the year 2024
3. Approve for senior level management change
4. Approve the Business Report for the year 2023
5. Approve the Business Plan for the year 2024
6. Approved the proposal on election of the 15th term of Directors
7. Approved the convention of 2024 Annual General Shareholders’ Meeting
9. Approved the targets and plans of Sustainability for the year 2024
10. Approved the investment in CGS Technology (Poland) sp. z o.o. (a Polish subsidiary) by participating in the capital injection by cash.
11. Approved fund loan to 100% owned subsidiary Compal Tecnologia Do Brasil Ltda.
12. Approved the first mid-year employees’ bonus of the year 2024

3.3.12 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None.

3.3.13 Resignation or Dismissal of the Company’s Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit, Corporate Governance and R&D:

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Date of appointment</th>
<th>Date of dismissal</th>
<th>Reasons for dismissal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Audit Officer</td>
<td>Chenyi Li</td>
<td>2021.8.27</td>
<td>2024.3.12</td>
<td>Internal position adjustment</td>
</tr>
</tbody>
</table>

April 2, 2024
3.4 Certified Public Accountant (CPA) Fee Information

<table>
<thead>
<tr>
<th>Accounting Firm</th>
<th>Name of CPA</th>
<th>Period Covered by CPA’s Audit</th>
<th>Audit Fee</th>
<th>Non-audit Fee</th>
<th>Total</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPMG</td>
<td>Kuo, Kuan Ying</td>
<td>2023.01.01~2023.12.31</td>
<td>9,500</td>
<td>3,838</td>
<td>13,338</td>
<td>Note</td>
</tr>
<tr>
<td></td>
<td>Chien, Szu Chuan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Other non-audit fees: Tax consultation, transfer pricing report, business registration and others.

(1) Changes in the accounting firm that result in lesser audit fees paid in comparison to the previous year, which should disclose the amount, percentage, and the reasons: None

(2) Reduction of audit fees by more than 10% compared to the previous year, which should disclose the amount, percentage, and the reasons: Not Applicable.
### 3.5 Replacement of CPA:

#### 1. About the former CPA

<table>
<thead>
<tr>
<th>Date of replacement</th>
<th>Approved by the Board of Directors on March 26, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reason and explanation for replacement</td>
<td>Due to adjustments in work and duties at KPMG, the CPAs were changed from Chien, Szu Chuan and Au, Yiu-Kwan to Kuo, Kuan-Ying and Chien, Szu Chuan starting from 1Q 2021.</td>
</tr>
</tbody>
</table>
| State whether the commissioner or the CPA terminated the service or declined the commission | Party involved: CPA, Commissioner  
Voluntarily terminated the commission: Not applicable, Not applicable  
Will no longer accept/continue the commission: Not applicable, Not applicable |
| Other audit report opinions and causes issued within the last two years other than unqualified opinion | N.A. |
| Did he/she have opinions that differed from that of the publisher? | Yes  
Accounting principles or practices  
Disclosure of financial report  
Scope or step of auditing  
Other  
N.A.  
V |
| Other items of disclosure (Contents that should be disclosed as covered in Clauses 1.4-1.7, Section 6, Article 10 of this guideline) | N.A. |

#### 2. About the succeeding CPA

<table>
<thead>
<tr>
<th>Name of accounting firm</th>
<th>KPMG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of CPA</td>
<td>Kuo, Kuan-Ying and Chien, Szu Chuan</td>
</tr>
<tr>
<td>Date commissioned</td>
<td>Approved by the Board of Directors on March 26, 2021</td>
</tr>
<tr>
<td>Items of consultation and results on the accounting methods for specific transactions, accounting principles and potential opinions for financial reports prior to commissioning</td>
<td>N.A.</td>
</tr>
<tr>
<td>Written opinion from succeeding CPA on items of disagreement with the former CPA</td>
<td>N.A.</td>
</tr>
</tbody>
</table>
3.6 If the Chairman, president, and financial or accounting manager of the Company had worked for the accounting firm or related parties thereof in the most recent year, the name, title, and the term of service with the accounting firm or the related party must be disclosed: None.

3.7 For the most recent year and as of the date of publication of the annual report, changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>2023 Shares held Increase (Decrease)</th>
<th>Shares pledged Increase (Decrease)</th>
<th>2023 Shares held Increase (Decrease)</th>
<th>Shares pledged Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Sheng-Hsiung Hsu</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Vice-Chairman And CSO</td>
<td>Jui-Tsung Chen</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Director</td>
<td>Binpal Investment Co., Ltd. Representative: Wen-Being Hsu</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Director</td>
<td>Kinpo Electronics, Inc.</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Director</td>
<td>Chieh-Li Hsu</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Director</td>
<td>Chang-Chyi Ko</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Director</td>
<td>Sheng-Chieh Hsu</td>
<td>0</td>
<td>(650,000)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Director</td>
<td>Yen-Chia Chou</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Director and President</td>
<td>Chung-Pin Wong</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Director</td>
<td>Chiung-Chi Hsu</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Director and Executive Vice-President</td>
<td>Ming-Chih Chang</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Director</td>
<td>Anthony Peter Bonadero</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Director and Executive Vice-President</td>
<td>Sheng-Hua Peng</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Min-Chih Hsuan</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Duei Tsai</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Wen-Chung Shen</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Executive Vice-President</td>
<td>Chen Chang Hsu</td>
<td>0</td>
<td>0</td>
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<td>Chun-Te Shen</td>
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<td>Kuo-Chuan Chen</td>
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<tr>
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<td>Chyou-Jui Wei</td>
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<tr>
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<tr>
<td>Title</td>
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<td>Up till April 2, 2024</td>
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<td>(Decrease)</td>
<td>(Decrease)</td>
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<td>Chi-Wai Wan</td>
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<td>Min-Tung Weng</td>
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<tr>
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<td>Ta-Chun Wang</td>
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<tr>
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<td>Tzong-Ming Wang</td>
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<td>Yong-Ho Su</td>
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<td>Chuan-Fan Tu</td>
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<td>Guo-Dung Yu</td>
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<td>Peng Kuee Lau</td>
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<td>Hsin-Chung Chen</td>
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<td>Hui Chun Yu</td>
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<td>Hou-Chun Liu</td>
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<tr>
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<td>Chang-Chieh Tien</td>
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<tr>
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<td>Fu-Chuan Chang</td>
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<tr>
<td>IAO</td>
<td>Chenyi Li</td>
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</tr>
<tr>
<td>Note: 1. Vice Presidents Jen-Liang Lin transferred and Hou-Chun Liu resigned in 2023. Vice Presidents Chang-Chieh Tien and Fu-Chuan Chang retired, Internal Audit Officer Chenyi Li transferred in 2024.</td>
<td></td>
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</table>
### 3.7.1 Shares Trading with Related Parties:

<table>
<thead>
<tr>
<th>Name</th>
<th>Reason for transfer</th>
<th>Transaction date</th>
<th>Counterparty</th>
<th>Counterparty's relationship with the Company, Directors, Supervisors, Managers, and shareholders with more than 10% ownership interest</th>
<th>Shares</th>
<th>Transaction price</th>
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</thead>
<tbody>
<tr>
<td>Sheng-Hung Li</td>
<td>Gift</td>
<td>2023.02.21</td>
<td>Yi-Je Li</td>
<td>Father and Son</td>
<td>100,000</td>
<td>23.5</td>
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### 3.7.2 Shares Pledged with Related Parties: None
## 3.8 Relationship among the Top Ten Shareholders

April 2, 2024

<table>
<thead>
<tr>
<th>Name</th>
<th>Shares held</th>
<th>Shareholding Percentage</th>
<th>Shareholdings of spouse and minors</th>
<th>Total shares held in the names of others</th>
<th>Shareholding Percentage</th>
<th>Spouse, relative of second degree or closer, and relationships among top 10 shareholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF</td>
<td>307,299,000</td>
<td>6.97%</td>
<td>-</td>
<td>0</td>
<td>0%</td>
<td>None</td>
</tr>
<tr>
<td>Yuanta/P-shares Taiwan Dividend Plus ETF</td>
<td>188,121,998</td>
<td>4.27%</td>
<td>-</td>
<td>0</td>
<td>0%</td>
<td>None</td>
</tr>
<tr>
<td>Kinpo Electronics, Inc.</td>
<td>151,628,692</td>
<td>3.44%</td>
<td>-</td>
<td>0</td>
<td>0%</td>
<td>None</td>
</tr>
<tr>
<td>Sheng-Hsiung Hsu</td>
<td>8,975,401</td>
<td>0.20%</td>
<td>17,107,025</td>
<td>0</td>
<td>0%</td>
<td>None</td>
</tr>
<tr>
<td>New Labor Pension Fund</td>
<td>105,452,108</td>
<td>2.39%</td>
<td>-</td>
<td>0</td>
<td>0%</td>
<td>None</td>
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<tr>
<td>Yuanta Taiwan High Dividend Low Volatility ETF</td>
<td>70,191,000</td>
<td>1.59%</td>
<td>-</td>
<td>0</td>
<td>0%</td>
<td>None</td>
</tr>
<tr>
<td>JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds</td>
<td>56,405,652</td>
<td>1.28%</td>
<td>-</td>
<td>0</td>
<td>0%</td>
<td>None</td>
</tr>
<tr>
<td>Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds</td>
<td>54,891,900</td>
<td>1.25%</td>
<td>-</td>
<td>0</td>
<td>0%</td>
<td>None</td>
</tr>
<tr>
<td>JPMorgan Chase Bank Custody ABP Retirement Fund Investment Account</td>
<td>54,223,699</td>
<td>1.23%</td>
<td>-</td>
<td>0</td>
<td>0%</td>
<td>None</td>
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<tr>
<td>Citibank (Taiwan) Ltd. in custody for Norges Bank</td>
<td>48,344,697</td>
<td>1.10%</td>
<td>-</td>
<td>0</td>
<td>0%</td>
<td>None</td>
</tr>
<tr>
<td>Labor Insurance Fund</td>
<td>38,471,531</td>
<td>0.87%</td>
<td>-</td>
<td>0</td>
<td>0%</td>
<td>None</td>
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### 3.9 Ownership of Shares in Affiliated Enterprises

**December 31, 2023**

<table>
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<tr>
<th>Investees (Note)</th>
<th>Invested by the Company</th>
<th>Held by directors, supervisors, managers, and directly/indirectly controlled entities</th>
<th>Aggregate investment</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Shares</td>
<td>Shareholding percentage</td>
<td>Shares</td>
</tr>
<tr>
<td>Panpal Technology Corp.</td>
<td>500,000,000</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>Gempal Technology Corp.</td>
<td>90,000,000</td>
<td>100.00</td>
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</tr>
<tr>
<td>Hong Ji Capital Co., Ltd.</td>
<td>100,000,000</td>
<td>100.00</td>
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</tr>
<tr>
<td>Hong Jin Investment Co., Ltd.</td>
<td>29,500,000</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>HippoScreen Neurotech Corp.</td>
<td>9,100,000</td>
<td>91.00</td>
<td>-</td>
</tr>
<tr>
<td>SHENNONA CO., Ltd.</td>
<td>2,000,000</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>Aco Healthcare Co., Ltd.</td>
<td>330,276,403</td>
<td>71.46</td>
<td>2,250,000</td>
</tr>
<tr>
<td>ARCE Therapeutics, Inc.</td>
<td>44,540,079</td>
<td>22.71</td>
<td>38,197,115</td>
</tr>
<tr>
<td>Raypal Biomedical Co., Ltd.</td>
<td>4,646,143</td>
<td>30.00</td>
<td>5,064,999</td>
</tr>
<tr>
<td>Rayonnant Technology Co., Ltd.</td>
<td>29,500,000</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>RiPAL Optotronics Co., Ltd.</td>
<td>6,000,000</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>Unicom Global Inc.</td>
<td>20,000,000</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>Palcom International Corporation</td>
<td>10,000,000</td>
<td>100.00</td>
<td>-</td>
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<tr>
<td>Henghao Technology Co., Ltd.</td>
<td>20,014,952</td>
<td>100.00</td>
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<tr>
<td>Compal Broadband Networks Inc.</td>
<td>29,060,176</td>
<td>42.96</td>
<td>13,139,637</td>
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<tr>
<td>Crownpo Technology Co., Ltd.</td>
<td>3,738,668</td>
<td>33.23</td>
<td>6,230,544</td>
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<tr>
<td>Kinpo Group Management Consultant Company</td>
<td>300,000</td>
<td>37.50</td>
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<td>Mactech Co., Ltd.</td>
<td>21,756,192</td>
<td>52.88</td>
<td>274,954</td>
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<td>General Life Biotechnology Co., Ltd.</td>
<td>15,035,000</td>
<td>50.12</td>
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<tr>
<td>Lead-honor Optoelectronic Co., Ltd.</td>
<td>2,772,000</td>
<td>42.00</td>
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<tr>
<td>Infino Technology Corporation</td>
<td>4,648,322</td>
<td>27.72</td>
<td>656,396</td>
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<td>Allied Circuit Co., Ltd.</td>
<td>10,157,730</td>
<td>19.84</td>
<td>7,032,133</td>
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<td>Arcadyan Technology Corp.</td>
<td>41,304,504</td>
<td>18.74</td>
<td>34,447,153</td>
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<tr>
<td>Avalue Technology Inc.</td>
<td>14,924,070</td>
<td>20.66</td>
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<tr>
<td>Core Profit Holdings Ltd.</td>
<td>147,000,000</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>Flight Global Holding Inc.</td>
<td>89,755,495</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>Just International Ltd.</td>
<td>48,010,000</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>High Shine Industrial Corp.</td>
<td>42,700,000</td>
<td>53.58</td>
<td>37,000,000</td>
</tr>
<tr>
<td>Compal International Holding Co., Ltd.</td>
<td>53,001,000</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>Big Chance International Co., Ltd.</td>
<td>90,820,000</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>Compal Rayonnant Holdings Limited</td>
<td>12,500,000</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>Investees (Note)</td>
<td>Invested by the Company</td>
<td>Held by directors, supervisors, managers, and directly/indirectly controlled entities</td>
<td>Aggregate investment</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>-------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td></td>
<td>Shares</td>
<td>Shareholding percentage</td>
<td>Shares</td>
</tr>
<tr>
<td>Auscom Engineering Inc.</td>
<td>3,000,000</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>Compal Europe (Poland) Sp. z o.o.</td>
<td>136,080</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>CGS Technology(Poland) Sp. z o.o.</td>
<td>245,911</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>Bizcom Electronics, Inc.</td>
<td>100,000</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>Compal Electronics (Holding) Ltd.</td>
<td>1,000</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>Compalead Electronics B.V.</td>
<td>6,426,516</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>Etrade Management Co., Ltd.</td>
<td>46,900,000</td>
<td>65.23</td>
<td>25,000,000</td>
</tr>
<tr>
<td>Webtek Technology Co., Ltd.</td>
<td>100,000</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>Forever Young Technology Inc.</td>
<td>50,000</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>Lipo Holding Co., Ltd.</td>
<td>98,000</td>
<td>49.00</td>
<td>102,000</td>
</tr>
<tr>
<td>Ascendant Private Equity Investment Ltd.</td>
<td>31,253,125</td>
<td>34.72</td>
<td>44,750,000</td>
</tr>
<tr>
<td>UniCore BioMedical Co., Ltd.</td>
<td>20,000,000</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>Shennona Corporation</td>
<td>-</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>Starmems Semiconductor Corp.</td>
<td>3,500,000</td>
<td>35.00</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Kinpo&amp;Compal Group Assets Development Corporation</td>
<td>402,500,000</td>
<td>70.00</td>
<td>-</td>
</tr>
<tr>
<td>Compal Ruifang Health Assets Development Corporation</td>
<td>30,000,000</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>POINDUS SYSTEMS CORP.</td>
<td>11,768,199</td>
<td>56.04</td>
<td>44,000</td>
</tr>
<tr>
<td>Compal Healthcare &amp; Technology Ltd.</td>
<td>4,000,000</td>
<td>100.00</td>
<td>-</td>
</tr>
<tr>
<td>Compal Mexico Electromex, S.A. de C.V.</td>
<td>-</td>
<td>99.9</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: Investments made by the Company using the Equity Method.
IV. Capital Overview

4.1 Capital and Shares

4.1.1 Source of Capital

<table>
<thead>
<tr>
<th>Year</th>
<th>Month</th>
<th>Issuance Price</th>
<th>Authorized capital</th>
<th>Paid-up capital</th>
<th>Source of capital</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Shares</td>
<td>Amount (TWD)</td>
<td>Shares</td>
<td>Amount (TWD)</td>
</tr>
<tr>
<td>2018</td>
<td>3</td>
<td>10</td>
<td>6,000,000,000</td>
<td>60,000,000,000</td>
<td>4,419,191,625</td>
<td>44,191,916,250</td>
</tr>
<tr>
<td>2018</td>
<td>5</td>
<td>10</td>
<td>6,000,000,000</td>
<td>60,000,000,000</td>
<td>4,407,146,625</td>
<td>44,071,466,250</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Share Type</th>
<th>Authorized capital</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Outstanding shares (public listed)</td>
<td>Unissued shares</td>
</tr>
<tr>
<td>Ordinary shares</td>
<td>4,407,146,625</td>
<td>1,592,853,375</td>
</tr>
</tbody>
</table>

■ Shelf registration system information: None
### 4.1.2 Status of Shareholders

**April 2, 2024**

<table>
<thead>
<tr>
<th>Analysis</th>
<th>Government Agencies</th>
<th>Financial Institutions</th>
<th>Other Institutions</th>
<th>Foreign Institutions and Natural Persons</th>
<th>Domestic Natural Persons</th>
<th>Treasury stocks</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Shareholders</td>
<td>4</td>
<td>36</td>
<td>353</td>
<td>1,304</td>
<td>217,732</td>
<td>0</td>
<td>219,429</td>
</tr>
<tr>
<td>Shareholding (shares)</td>
<td>3,539</td>
<td>478,369,333</td>
<td>725,763,807</td>
<td>1,936,254,617</td>
<td>1,266,755,329</td>
<td>0</td>
<td>4,407,146,625</td>
</tr>
<tr>
<td>Percentage</td>
<td>0.00%</td>
<td>10.85%</td>
<td>16.47%</td>
<td>43.94%</td>
<td>28.74%</td>
<td>0.00%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

### 4.1.3 Share Ownership Distribution

**April 2, 2024**

<table>
<thead>
<tr>
<th>Range of Shareholding (Unit: Shares)</th>
<th>Number of Shareholders</th>
<th>Shareholding (Shares)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 ~ 999</td>
<td>46,052</td>
<td>9,330,263</td>
<td>0.21%</td>
</tr>
<tr>
<td>1,000 ~ 5,000</td>
<td>131,279</td>
<td>278,121,483</td>
<td>6.31%</td>
</tr>
<tr>
<td>5,001 ~ 10,000</td>
<td>22,895</td>
<td>175,234,020</td>
<td>3.98%</td>
</tr>
<tr>
<td>10,001 ~ 15,000</td>
<td>7,041</td>
<td>87,381,060</td>
<td>1.98%</td>
</tr>
<tr>
<td>15,001 ~ 20,000</td>
<td>3,796</td>
<td>69,396,692</td>
<td>1.57%</td>
</tr>
<tr>
<td>20,001 ~ 30,000</td>
<td>3,118</td>
<td>79,130,313</td>
<td>1.80%</td>
</tr>
<tr>
<td>30,001 ~ 40,000</td>
<td>1,342</td>
<td>47,668,309</td>
<td>1.08%</td>
</tr>
<tr>
<td>40,001 ~ 50,000</td>
<td>824</td>
<td>38,263,426</td>
<td>0.87%</td>
</tr>
<tr>
<td>50,001 ~ 100,000</td>
<td>1,422</td>
<td>101,138,086</td>
<td>2.29%</td>
</tr>
<tr>
<td>100,001 ~ 200,000</td>
<td>608</td>
<td>84,719,552</td>
<td>1.92%</td>
</tr>
<tr>
<td>200,001 ~ 400,000</td>
<td>349</td>
<td>97,662,303</td>
<td>2.22%</td>
</tr>
<tr>
<td>400,001 ~ 600,000</td>
<td>143</td>
<td>70,010,158</td>
<td>1.59%</td>
</tr>
<tr>
<td>600,001 ~ 800,000</td>
<td>83</td>
<td>57,082,055</td>
<td>1.30%</td>
</tr>
<tr>
<td>800,001 ~ 1,000,000</td>
<td>60</td>
<td>54,022,319</td>
<td>1.23%</td>
</tr>
<tr>
<td>1,000,001 and over</td>
<td>417</td>
<td>3,157,986,586</td>
<td>71.65%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>219,429</strong></td>
<td><strong>4,407,146,625</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

### 4.1.4 List of Major Shareholders

**April 2, 2024**

<table>
<thead>
<tr>
<th>Shareholder’s name</th>
<th>Shares held</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF</td>
<td>307,299,000</td>
<td>6.97%</td>
</tr>
<tr>
<td>Yuanta/P-shares Taiwan Dividend Plus ETF</td>
<td>188,121,998</td>
<td>4.27%</td>
</tr>
<tr>
<td>Kinpo Electronics, Inc.</td>
<td>151,628,692</td>
<td>3.44%</td>
</tr>
<tr>
<td>New Labor Pension Fund</td>
<td>105,452,108</td>
<td>2.39%</td>
</tr>
<tr>
<td>Yuanta Taiwan High Dividend Low Volatility ETF</td>
<td>70,191,000</td>
<td>1.59%</td>
</tr>
<tr>
<td>JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds</td>
<td>56,405,652</td>
<td>1.28%</td>
</tr>
<tr>
<td>Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International</td>
<td>54,891,900</td>
<td>1.25%</td>
</tr>
</tbody>
</table>
4.1.5  Market Price, Net Worth, Earnings, and Dividends per Share

<table>
<thead>
<tr>
<th>Measurement</th>
<th>Year</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per-share market price</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td></td>
<td>27.20</td>
<td>40.85</td>
</tr>
<tr>
<td>Low</td>
<td></td>
<td>20.55</td>
<td>22.60</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td>23.24</td>
<td>28.58</td>
</tr>
<tr>
<td>Per-share net worth</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before dividend</td>
<td></td>
<td>26.69</td>
<td>27.45</td>
</tr>
<tr>
<td>After dividend</td>
<td></td>
<td>25.48</td>
<td>26.24</td>
</tr>
<tr>
<td>Earnings per share</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before adjustment</td>
<td>Weighted average outstanding shares</td>
<td>4,357,129,194</td>
<td>4,357,129,194</td>
</tr>
<tr>
<td></td>
<td>Earnings per share</td>
<td>1.67</td>
<td>1.76</td>
</tr>
<tr>
<td>After adjustment</td>
<td>Weighted average outstanding shares</td>
<td>4,357,129,194</td>
<td>4,357,129,194</td>
</tr>
<tr>
<td></td>
<td>Earnings per share</td>
<td>1.67</td>
<td>1.76</td>
</tr>
<tr>
<td>Per-share dividend</td>
<td>Cash dividends</td>
<td>1.20</td>
<td>1.20 (Note )</td>
</tr>
<tr>
<td>Stock dividends</td>
<td>From earnings</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>From capital reserves</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cumulative unpaid dividends</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Analysis of investment returns</td>
<td>P/E ratio</td>
<td>13.92</td>
<td>16.24</td>
</tr>
<tr>
<td></td>
<td>Price to dividends ratio</td>
<td>19.37</td>
<td>23.82 (Note)</td>
</tr>
<tr>
<td></td>
<td>Cash dividend yield</td>
<td>5.16%</td>
<td>4.20% (Note)</td>
</tr>
</tbody>
</table>

Note: The 2023 distribution of earnings was resolved at the February 29, 2024 Board of Directors’ Meeting.

4.1.6  Dividend Policy and Implementation Status

1. Dividend Policy

When the Company makes a profit during the year, 10% of the annual net income after appropriating income tax expense, offsetting any prior deficit, is to be set aside as legal reserve and a special reserve is set aside or reserved in accordance with the pertinent laws and regulations. The balance of earnings available for distribution is composed of the remainder of the said profit and the retained earnings from previous years. The earnings appropriation, distribution of dividends, and bonuses shall be proposed by the Board of Directors and approved at a Shareholder’s Meeting. The rest of the unappropriated earning shall be reserved.

The Company is in a growth period of its life cycle. And as such, for the consideration of future capital needs and to meet cash flow needs of its shareholders, the Company’s distribution of cash dividends, after closing
and distribution of earnings, shall be no less than 10% of the total cash and stock dividends. Although a dividend ratio has not been specified in the Company’s articles of incorporation, the Company shall not appropriate less than 30% of its income after tax for dividends, after taking into account factors such as the Company’s capital needs, the capital budget, long term financial plans, domestic and international competition, and the interests of the shareholders. The board of directors shall propose the distribution of earnings and submit them to the shareholders’ meeting for approval.

2. The Board of Directors’ resolution on dividend distribution
   • The 2023 distribution of earnings of shareholders’ dividends in the amount of TWD 4,407,146,625 was approved by the Board of Directors Meeting on February 29, 2024. The aforementioned amount is set to be distributed as an all-cash dividend of TWD 1.0 per share and incurred capital surplus generated from the excess of the issuance price over the par value of the capital stock in the amount of TWD 881,429,325, or TWD 0.2 per share. The total cash distribution amounts to TWD 5,288,575,950.
   • The Board of Directors has approved to set an ex-dividend record date for distribution and record date of cash distribution from capital surplus on April 6, 2024, and cash distribution has been paid out on April 26, 2024.

3. When there is a significant change in the expected dividend policy, it should be stated: None.

4.1.7 Impact on 2023 Business Performance and EPS resulting from Stock Dividend Distribution:
   Not Applicable (The Company did not disclose 2024 annual financial forecast)

4.1.8 Employees’ and Directors’ Compensation

1. Employees’ and directors’ compensation policies as stated in the Articles of Incorporation
   When the Company makes a profit in a fiscal year, the Company’s pre-tax profits in such fiscal year, prior to the deduction of compensation to employees and directors, shall be distributed to employees as compensation in the amount of no less than two percent (2%) thereof and to directors as compensation in an amount of no more than two percent (2%) of such profits. In the event that the Company has accumulated losses, the Company shall reserve an amount to offset the accumulated losses.
   The compensation to employees as mentioned above may be distributed in the form of stock or cash and employees entitled to receive said stock/cash may include the employees of the Company’s subordinate companies pursuant to the Company Act.

2. Basis for estimating employees’ and directors’ compensation and stock dividends, and accounting treatments for any discrepancies between the amounts estimated and the amounts paid.
   • Compensation to directors and employees, as denoted in the Articles of Incorporations, shall be estimated based on income before tax prior to the subtraction of directors and employees compensation during the current year and multiplied by the ratio as denoted in the Article of Incorporation (shall not be more than
2% or less than 2% of the remainder, respectively.)

- If the compensation approved for distribution to employees is to be in the form of common shares, the number of shares is determined by dividing the amount of the compensation by the closing price of the shares on the day preceding the Board of Directors’ meeting.
- If the actual amounts differ from the amounts estimated, the differences are recorded as gains/losses in the subsequent year as a change in accounting estimate.

3. 2023 employee compensation proposal passed by the Board of Directors
   - Accrued employee compensation is TWD 814,142,600 and Directors compensation is TWD 43,051,019.
   - If the estimated distribution amount differs from the amounts estimated in accrued expenses, the variance, reason, and resolution should be disclosed: No variance.
   - The proposed distribution of employee stock compensation, and the size of such an amount as a percentage of the sum of the after-tax net income stated in the individual financial reports for the current period and total employee compensation: Not applicable (no employee stock compensation).

4. Actual distribution of 2022 employee and Directors compensation:
   - Accrued employee compensation is TWD 750,945,090 and Directors compensation is TWD 39,709,200.
   - The 2022 actual distribution of employee and Directors compensation remained as proposed by the Board of Directors.

4.1.9 Company Buyback of Own Shares: None

4.2 Bonds: None

4.3 Preferred shares: None
Global Depository Receipts

1. Issuance

<table>
<thead>
<tr>
<th>Details</th>
<th>Date of issue:</th>
<th>November 9, 1999</th>
<th>May 21, 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuance and trading location</td>
<td></td>
<td>Luxembourg</td>
<td>Luxembourg</td>
</tr>
<tr>
<td>Total sum issued</td>
<td>USD</td>
<td>122,160,000</td>
<td>174,816,000</td>
</tr>
<tr>
<td>Issuance price per unit</td>
<td>USD</td>
<td>15.27</td>
<td>6.07</td>
</tr>
<tr>
<td>Number of units issued</td>
<td></td>
<td>8,000,000 units</td>
<td>28,800,000 units</td>
</tr>
<tr>
<td>Source of represented securities</td>
<td></td>
<td>Participating shareholder(s): Kinpo Electronics, Inc.</td>
<td></td>
</tr>
<tr>
<td>Quantity of represented securities</td>
<td></td>
<td>40,000,000 ordinary shares of Compal Electronics</td>
<td>144,000,000 ordinary shares of Compal Electronics</td>
</tr>
</tbody>
</table>

GDR holders’ rights and obligations

1. Voting rights:
   According to the terms of the depository agreement and the laws of the Republic of China, the GDR holder is entitled to the voting rights of shares represented under the Global Depositary Receipts.

2. Rights to dividend distribution, share subscription, and other rights:
   Unless otherwise specified in the agreement, the GDR holder carries identical rights as do ordinary share holders.

Trustee | N.A. | N.A.
Depository bank | JPMorgan Chase Bank, N.A. | JPMorgan Chase Bank, N.A.
Custodian | JPMorgan Chase Bank, N.A., Taipei Branch | JPMorgan Chase Bank, N.A., Taipei Branch
Unredeemed balance | 1,702,586 units (April 2, 2024) |

Allocation of expenses incurred at issuance and over the duration

Borne by participating shareholder(s) Allocated proportionally between the Company and participating shareholders

Key terms of the depository and custody agreements

<table>
<thead>
<tr>
<th>Per Unit Market Price</th>
<th>2023</th>
<th>Year-to-date April 2, 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>USD</td>
<td>$ 6.50</td>
</tr>
<tr>
<td>Low</td>
<td>USD</td>
<td>$ 3.74</td>
</tr>
<tr>
<td>Average</td>
<td>USD</td>
<td>$ 4.56</td>
</tr>
<tr>
<td>High</td>
<td>USD</td>
<td>$ 6.40</td>
</tr>
<tr>
<td>Low</td>
<td>USD</td>
<td>$ 5.45</td>
</tr>
<tr>
<td>Average</td>
<td>USD</td>
<td>$ 5.85</td>
</tr>
</tbody>
</table>

2. Key terms of the depository and custodian agreement

(1) Key terms of the depository agreement

- Depository receipts
  Each depository receipt represents 5 ordinary shares of Compal Electronics Inc.

- Transferability /Settlement
  Application will be made to the Depositary Trust Company ("DTC"), Euroclear and Clearstream for acceptance of the GDRs for their respective settlement in their book-entry settlement systems. Transfers of the GDRs will be permitted only within DTC, Euroclear and Clearstream in accordance with their usual rules and operating procedures.

- Deposit and Cancellation of Compal’s Shares
After the initial offerings and deposit of the GDRs and subject to the applicable laws and regulations, the Deposit Agreement and the Custody Agreement, and payment of relevant fees, GDR Holders will be entitled to withdraw and take delivery of the underlying shares represented by such GDRs. GDR Holders may also request the Depositary to sell the underlying shares on their behalf. Upon receipt of any proceeds from any such sale, the Depositary shall convert or cause to be converted any such proceeds into US dollar and distribute any such proceeds after deduction or payment of any fees, expenses, and taxes incurred in connection with such sale, as provided in the Deposit Agreement to the GDR Holders.

Investors may deposit the underlying shares for issuance of additional GDRs in respect of such shares in accordance with the relevant R.O.C laws and regulations as well as the relevant provisions of the Deposit Agreement and Custody Agreement.

The GDRs are listed on the Luxembourg Stock Exchange.

■ Dividends and other Distribution

The Depositary shall convert all cash dividends received by it in connection with the underlying shares into US dollars in accordance with relevant R.O.C laws and regulations and distribute the resulting US dollars to the GDR Holders in proportion to the number of GDRs representing the underlying shares held by each of them, after deduction or upon payment of the fees and expenses of the Depositary and relevant taxes.

The Deposit Agreement will contain arrangements for dealing with the amount required to be withheld according to the applicable R.O.C laws and regulations on account taxes or other governmental charges payable in respect of dividends and distributions, whether in cash or stock.

If a distribution is made by the Company in the form of stock dividends (including stock dividends distributed from retained earnings or capital reserves), to the extent permitted by R.O.C laws, the Depositary will, subject to the terms of the Deposit Agreement, adjust the number of shares represented by the Master GDRs and cause DTC, Euroclear and Clearstream to distribute to the GDR Holders, in proportion to their holdings, additional GDRs. If such a distribution cannot be made in accordance with the provisions of the Deposit Agreement, the Depositary will sell the shares so received and distribute the proceeds, after deduction or upon payment of the fees and expenses of the Depositary and relevant taxes, to the GDR Holders. Sales of the stock dividends, if any, should be handled in accordance with the Deposit Agreement and R.O.C laws.

■ Taxes

• The dividends (cash or stock) distributed by the Company will be subject to the prevailing rate of withholding tax.

• GDR Holders wishing to cancel GDRs and who instruct the Depositary to sell the underlying shares in the Taiwan Stock Exchange will be subject to the Securities Transaction Tax at the prevailing rate.

• Currently there is no capital gains tax on the sale of shares. The rates and reimposition of the capital gains tax on the sale of the shares are subject to changes to the applicable R.O.C laws.

(2) Key terms of the custody agreement

■ Deposit of the Underlying shares for the Issuance of GDR(s):

The underlying shares issued by Compal when presented to the Custodian for deposit as the basis for issuance
of GDR(s), must be accompanied by the documents requested by the Custodian.

- Notification of Depositary to Issue GDR(s):
  The Custodian, upon receipt of the Compal’s issued underlying shares, shall notify the Depositary immediately of the deposit of the underlying shares for issuance of GDR(s). Upon receipt of such notification, the Depositary shall issue and deliver the GDR(s) representing the underlying shares to the beneficial owners, to the extent permitted by applicable laws.

- Release of Underlying Shares Upon Cancellation of GDR(s):
  The Depositary shall immediately notify the Custodian of the surrender of GDR for cancellation against release and delivery of the underlying shares to the person designated by the Depositary, or, at the request of GDR Holders, dispose of the shares in the market and cause the proceeds to be made available to the Depositary to be distributed to the GDR Holders. The Custodian may require and collect payment from the person designated by the Depositary a sum sufficient to reimburse it for any taxes or other charges levied.

- Share Reconciliation as of the Record Date
  The Custodian shall advise the Depositary as of the close of business on each Record Date of the total number of the Company's underlying shares deposited with the Custodian.

4.5 Employee Warrants: None

4.6 Subscription of New Shares by Employees and Restricted Shares: None

4.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions: None

4.8 Financing Plans and Implementation:
1. Execution of the previous issue or private placement of securities that have not been completed: None
2. The latest three-year issuance or private placement of securities has been completed and the project benefits have not yet been revealed: None
V. Operational Highlights

5.1 Business Activities

5.1.1 Business Scope

1. Main areas of business and revenue contribution

■ Main areas of business operations

The development, design, manufacture, and sales of Notebooks, Ultraslim notebooks, Gaming, notebooks, 2-in-1 Notebooks, AIO, 5G Module, 5G User Equipment, 5G Small Cell, 5G O-RAN, Private Network solution, Tablets, Smartphones, Smart Wearable Devices, Smart Hearable Devices, Smart Display Products, AR/VR Smart Devices, Smart Home Devices, IoT Vertical Solutions, Smart Medical and Healthcare, Automotive Electronics, and Servers.

■ 2023 Revenue contribution

<table>
<thead>
<tr>
<th>Major Divisions</th>
<th>(%) of Total Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>5C electronics</td>
<td>99.6%</td>
</tr>
<tr>
<td>Other products</td>
<td>0.4%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

2. Current and future product development

■ Notebooks

In 2023, Compal demonstrated unprecedented R&D efficiency by introducing notebooks equipped with the latest processors from Intel and AMD. Leveraging our expertise in system integration and manufacturing, we quickly enabled our clients to deploy products with the newest technical specifications, targeting the market needs for AI computation, personalization, and data privacy. We launched high-end notebooks designed specifically for the commercial and professional markets, highlighting their superior performance and professional orientation. As the demand for AI surged with the rise of various applications, the market need for notebooks also evolved. Despite economic headwinds, such as inflation and geopolitical challenges, causing a decrease in demand for general consumer models, the demand for commercial models has been growing. This is due to Microsoft’s impending end of support for Windows 10, prompting brands to increase their investments in the commercial and high-end notebook market. Compal seized this opportunity by integrating innovative techniques and advanced technology into product design, aiding our clients in achieving remarkable success in the competitive notebook market and pioneering the development of AI notebooks in collaboration with industry-leading technology partners. Looking forward to 2024, we will continue to align with market trends, introducing advanced technical specifications in new notebooks, assisting our clients in securing higher market shares across various product categories, and creating a win-win situation for both Compal and our clients.
Ultraslim Notebooks

Compal, leveraging innovative technology and extensive R&D capabilities, continues to lead in the ultraslim notebook market. By incorporating the latest processors from Intel and AMD along with cutting-edge advancements, we have crafted products that are slim, lightweight, stylish, and durable. These products expertly balance performance and efficiency, ensuring optimal productivity for users. In response to the AI era, Compal is poised to introduce cutting-edge ultraslim notebooks integrated with AI computational capabilities in 2024. These notebooks not only adhere to industry standards for AI PCs but also provide always-connected capabilities and advanced 5G technology, revolutionizing the PC experience for users. In this new era of AI PCs, Compal is committed to developing notebooks that boast high performance, portability, human-centric design, extended battery life, privacy security, and high-speed 5G connectivity. Through deep integration of AI technology, our aim is to significantly enhance the user experience.

Gaming Notebooks

The gaming market continues to expand, and Compal is actively engaged in the development of gaming notebooks, collaborating with clients to bring them to market. With the continuous evolution of gaming, consumers' demand for high-performance, immersive gaming experiences in gaming notebooks is increasing, expecting outstanding performance in various scenarios. Our products feature diverse designs and cutting-edge technology, including the latest processors, graphics chips, patented innovations, and advanced cooling solutions, ensuring the best gaming experience.

2-in-1 Notebooks

The 2-in-1 Notebook is a novel product that borrows the concept of “Transformers” – in addition to having a standard notebook keyboard for the usual functional operations, the product also features Tablet PC touch versatility. The touch-sensing display module, coupled with the latest Microsoft Windows 11 OS, attracts both the consumer base for standard notebooks and tablet PCs. We have utilized our rich R&D experience to present several innovative concepts that incorporate exclusive technology as well as materials. The fan-less design of the 2-in-1 notebook with its distinctive designs and form factors, has allowed the Company to create new market demand and earn unanimous praise from clients and consumers alike. With the increasing popularity of 5G networks, 2-in-1 notebooks featuring portability and mobility, equipped with 5G to surf the Internet at any time, have become the focus.

All-in-one (AIO)

The AIO has been on the market for years. It is an elegant design that combines a screen and computer with a truly special thin shape. The product has replaced the desktop in many households and corporations. Compal, in its design, not only utilizes a unique rotating hinge that allows for adjustable screen angles but also incorporates smart applications, wireless charging for smartphones, and uses sustainable, environmentally friendly materials to provide the best writing experience. Because Compal has the fundamental technical
capabilities required for notebook PCs as featured in the AIOs, it can also commence production in a very short time. Our AIO product lines have been very well received by clients.

**NTN (Non-Terrestrial Network) and satellite communication**

NTN (Non-Terrestrial Network) is a new technology introduced in 3GPP Release 17 (B5G) that leverages satellite communication technology to expand the coverage of 5G networks. This enables the creation of a globally covered wireless communication network and builds new markets for communication products and services. With NTN technology developments, diversification and high reliability will become crucial in the communication field, and will need to be integrated with Ka/Ku high-frequency band and B5G communication protocol.

NTN communication achieves global wireless communication through satellite-linked ground stations (User Terminals) or directly connected user devices (Mobile Devices, such as iPhone 14 had launched the Satellite communication), and provides many new application scenarios, such as remote areas, deserts, mountains and oceans. NTN technology enables the fulfillment of various communication demands, both for broadband networks and IoT use cases. It is also widely applicable to communication needs in fields such as military, aviation, smart transportation and cars.

**5G Module, 5G User Equipment, 5G Small Cell, 5G O-RAN and Private Network solution**

5G communication and 5G applications are global development trends. The three major use scenarios provided by 5G communication are mobile broadband service (eMBB), multi-machine type communication (mMTC), ultra-high reliability and ultra-low-latency communication (URLCC). In the coming years, 5G communication will be widely deployed in various industries and various domain applications.

Compal adheres to its long-term technical advantages in the communication field, provides 5G communication devices and networking equipment, and offers a highly end-to-end integrated 5G networking infrastructure solution (the so-called non-public network or private network).

The 5G universal integrated module complies with 3GPP Release R15/R16/R17 specification, is backward compatible with 4G LTE / 3G WCDMA, supports high-speed LTE Cat20, and supports both 5G NSA & SA networking modes. Modules with multi-band support include WCDMA/ TDD-LTE/ FDD-LTE, 5G FR1 (Sub-6GHz) & 5G FR2 millimeter waves etc. Modules also built with GPS / GNSS global positioning system, eSim and other functions, all need foundational technology of coming 5G user equipment and AIOT applications & devices.

Based on long-term experience in consumer electronics design, research & development, and product manufacturing, Compal provides various kinds of reference designs of 5G user equipment products, collaborates with customers to provide 5G products such as 5G Mifi, 5G CPE routers, 5G notebook, 5G AR/VR, 5G drone, 5G robots, 5G real-time Camera, 5G Industrial PC & router, and 5G USB Dongle, etc.

Rooted in the technology competence of telecommunication and the collaboration competency of joint development, Compal has effectively engaged with strategic partners to develop and manufacture the 5G networking equipment and solutions, such as 5G ISC (Integrated Small Cells), ORU, ODU, OCU, 5G Network Management and 5G RIC (RAN Intelligent Controller), as well as the as integrated and optimized 5G private network and the vertical applications on top of the 5G infrastructure network.
The 5G devices, networking equipment, and 5G Private Network solution - will be widely used in various industries such as entertainment, culture, tourism, finance, health, transportation, education, industry, agriculture, government, power utilities, etc.

■ Tablets
Compal has deeply cultivated the consumer tablet and e-Reader market for years, earning recognition from leading global brand customers through its abundant manufacturing achievements, professional technical experience, and reliable product quality. Facing the slow down trend of global tablet and e-Reader market in recent years, Compal is also investing in creating breakthroughs in technologies, product features and cost management, aiming to commercial and industrial tablet market to engage more business opportunities and raise profits.

■ Smartphones
Compal continuously implements automation solutions to optimize assembling and testing processes at factories, improve quality, and improve operation efficiency. In addition to stabilizing OEM of 5G smartphone business, Compal explores more business opportunities from entry premium segment to premium or ultra segments.

■ Smart Wearable Devices
Compal began to ship wearable devices starting in 2016. Based on the design engineering capabilities and manufacturing experience with smart devices, we have achieved good market share for Google Wear OS-based smartwatches. In addition to the development of more compact and energy efficient smartwatches, we are also devoted to expanding our wearable product lines to satisfy various requirements from our customers.

■ Smart Hearable Devices
Compal has been consistently developing wireless Bluetooth technology. These advancements encompass broadcasting, extended usage time, improved wearing comfort, as well as software development for noise reduction and transparency modes. Simultaneously, through the integration system of LE Audio, Compal is committed to developing peripheral applications for Bluetooth headphones, and will continue to apply these technologies to products such as wireless Bluetooth headphones, wireless Bluetooth hearing aids, and wireless Bluetooth PSAPs.

■ Smart Display Products
The global smart TV penetration rate has exceeded 92%, and consumers are accustomed to using smart TVs to consume streaming media. As consumer demand changes, Compal has contributed its accumulated technology, cooperated with customer needs and strategic partners, and successfully developed new smart platforms and models. Mass production and launched them in 2023. In the future, we will continue to optimize image quality
design, adopt artificial intelligence (AI) image processing and sound processing, integrate large-size touch, ultra-high-brightness backlight, transparent OLED panels and state-of-art technologies. In addition to the consumer market, we will also target new business opportunities in the commercial and specific-purpose markets.

■ AR/VR Smart Devices
Compal is based on computing, display and wearable design experiences, and communication capabilities, and it is applied to AR/VR devices and cooperates deeply with Qualcomm. In the future, for vertical customers, Compal will combine hardware, software solutions, and 5G communication into a standard 5G AR/VR solution to meet customer needs.

■ Smart Home Devices
The rise of the Internet of Things (IoT) and AI technologies has facilitated smart home devices with smart voice assistants to become a potential product in the industry. Compal has already been recognized by our global customers for our engineering capability in Smart Speaker, Smart Display, and Smart Camera products. In the future, Compal will also use our core engineering capabilities to expand our product coverage in different smart home devices and applications.

■ AR Vertical Solutions
In the development of the metaverse, vertical application solutions are one of the main market demands, enhancing real-world perception by adding virtual elements. These virtual elements can take the form of images, sounds, animations, or other perceptual information, integrating with the real world to provide users with a richer interactive experience. The extensive applications of AR include:
Retail and e-commerce: AR can be used for virtual try-ons of clothing, glasses, accessories, etc., allowing customers to intuitively understand the style and size of products when shopping online. It can also be used for virtual placement of furniture and home products, helping customers preview their effects in actual spaces before purchase.
Education and training: AR can provide interactive learning experiences, such as presenting 3D models, animations, or other learning content through augmented reality books or applications, helping students better understand and memorize knowledge.
Tourism and cultural heritage: AR applications can provide guided tours, explanations, and interactive experiences at tourist destinations, allowing visitors to gain a deeper understanding of the local history, culture, and attractions.
Industry and manufacturing: AR technology can be used to provide real-time information and guidance in real-world work environments, such as displaying operating steps, marking components, or providing real-time troubleshooting guidance during assembly processes.
Healthcare: AR can be used for training healthcare professionals, surgical planning and guidance, patient education, visualization of medical records, etc. Additionally, AR technology can also be used for virtual reality therapy, pain management, and physical function rehabilitation.
Advertising and marketing: AR can provide unique interactive advertising and marketing experiences, such as AR filters for brand promotion, virtual product displays, and trials.

Architecture and real estate: AR technology can be used to showcase virtual building models, interior designs, and renovation effects in construction projects, helping clients better understand and preview architectural projects.

These are just some of the applications of AR technology, and as technology continues to develop and innovate, AR will continue to play a role in more fields.

■ Smart Medical and Healthcare

The aging population, China’s new two-child policy, the flourishing healthcare industry, and the rise of sports fashion, especially the popular and convenient smart devices, have all contributed to smart healthcare becoming a focus of attention. It has also become a major matter of cross industry cooperation. Compal has responded to market demand and the rapid advent of the IoT era through active engagement in the healthcare market. The Company has reached out to major hospitals and point of care (POC) centers, such as those engaged in long-term care, using our strengths in integration and extensive experience in product development. The designs, which include science, technology, and humanity, help caregivers to provide higher quality services and also give hope of a better quality of life and personal dignity to those who need healthcare.

■ Smart Medical Imaging System

Seeing the increasing demand for AI-based image information infrastructure in the market, in the international medical market sector, small hospitals, clinics, or telemedicine stations have a growing need to replace traditional film reading systems. Inventec is actively entering the smart medical image system field, including PACS (Picture archiving and communication system) or Smart Operating Room imaging systems, hoping to enhance AI infrastructure for hospitals or medical-related diagnostic fields.

■ Auto electronics (AE)

The Company’s Auto Electronics Parts (AEP) Business Unit is currently engaged in providing such products as Telematics, in-Vehicle-Infotainment and Advanced Driver Assistance Systems (ADAS), and deals with customers which are primarily international Tier-1 car suppliers and leading car manufacturers.

■ Servers

The Cloud application market is growing, and a significant portion of data storage and computing analytics have shifted to cloud servers in the back end. To meet the demand from both Enterprises and Data Centers, Compal has mastered the R&D of high-density computing power and precision performance management and has developed the capacity to design and manufacture servers with high cost-performance value. Also, more AI products are necessary for a significant increase; we also increase this kind of server in our production line.
5.1.2 Industry Overview

1. Current and future industry prospects

- Notebooks
  During the peak of the COVID-19 pandemic, global notebook shipments surged due to the increased demand for remote work and distance learning. However, since 2022, demand has begun to slow down, compounded by unresolved global inflation and ongoing geopolitical unrest, leading to a total shipment of 185 million units in 2023, a 12.9% decrease compared to 2022. Despite this, shipments remained above pre-pandemic averages. Looking forward to 2024, as the global economy gradually stabilizes and recovers, anticipated demand for upgrades driven by operating system updates and AI applications is expected to lead to moderate growth in shipments. Economic challenges and cautious IT spending due to inflation resulted in the postponement of many commercial PC procurement plans for this year. These positive factors provide an optimistic outlook for the notebook market, with brands responding to market needs for AI applications and commercial PC replacement demands by launching more targeted products to seize opportunities. In this transition, forward-looking technology, precise market segmentation, product positioning, and innovative design become crucial. Compal, with its extensive experience, advanced technology, and a wealth of exclusive patents, is well-positioned to collaborate with partners and clients to develop innovative and high-quality products that meet market demands.

- Ultraslim Notebooks
  The trend towards ultraslim notebooks continues to thrive in the NB market. With the widespread adoption of SSD and diversifying use cases, ultraslim notebooks are no longer confined to the premium market, with brands launching more affordable ultraslim models. According to IDC data, shipments of ultraslim notebooks (less than 18mm thickness) reached 61.9 million units in 2023, and it is estimated that ultraslim notebooks will account for 35% of global notebook shipments in 2024. Compal is constantly innovating in lightweight materials, power-saving, and cooling technologies, developing industry-leading products that have been well received by the market.

- Gaming Notebooks
  In 2023, the gaming industry continued to show robust growth despite economic uncertainties and inflationary pressures on consumer spending. As the world gradually recovered from the pandemic, the demand for home entertainment and gaming remained strong, indicating an ongoing transformation in consumer behavior and needs. Faced with economic constraints, consumers became more cautious in their purchasing decisions, yet the interest in mid to high-end gaming products persisted, underscoring the value of gaming products to consumers. Gaming notebook shipments reached 24 million units in 2023, outperforming the overall notebook market. Looking forward to 2024, as inflation cools down and with the advancement of AI applications, key component technologies, and product innovation, the attraction of gaming products is expected to rise further, driving continuous growth in the gaming notebook market.
2-in-1 Notebooks

Owing to efforts across the entire supply chain, the cost and selling prices of 2-in-1s have dropped considerably, which has made them more available and acceptable to a wider group of consumers. There are two types of 2-in-1: flip-screen and detachable. Flip-screen notebooks can be physically converted for use under different scenarios, such as video sharing, multi-user sharing, and tablet mode. In recent years, manufacturers have introduced notebooks with flip screens that are both lightweight and thin, making them even more appealing. Detachable notebooks are characterized by smaller screen sizes. This is a feature that appeals to both tablet and notebook users. The compact form factor combined with a detachable keyboard can better satisfy users who have a higher need for portability. According to IDC, the global shipment of 2-in-1 notebooks in 2023 was approximately 85 million units. It is estimated that brand manufacturers will launch more diversified 2-in-1 products integrating 5G networks and AI-related applications in 2024, so the penetration rate in global notebook shipments is expected to continue to rise.

All-in-one (AIO)

The AIO market is currently dominated by HP, Lenovo, Apple, and Dell. Those top brands account for more than 80% of market share. Brand manufacturers have successively launched large-size screen designs to enhance visual comfort. In addition, to meet the differences in usage requirements derived from different scenarios, brand manufacturers are also striving to innovate in product specifications and designs. IDC predicts that AIO shipments will be more resilient than traditional desktop computers. AIO shipments will exceed 9 million units in 2024.

5G Module, 5G User Equipment, 5G Small Cell, 5G O-RAN and Private Network solution

According to the GSA, to the end of 2023, there are 585 operators officially providing 5G network communication products and services in more than 176 countries. The Cisco Annual Internet Report states that by 2023, about 70% of the world's population (5.7 billion) will have mobile network communication, at least 10.6% of which is provided by 5G communication. There are more than 1700 5G consumer products available in the global market, across various product categories such as mobile phones, tablets, network sharing devices (CPE/MiFi), routers, dongles, notebooks, TVs, robots, vending machines, etc. Many products have adopted Compal 5G solutions already. Compal will continue to expand partners in different 5G domains to develop more 5G application services and consumer products.

According to the latest market research, the global 5G small cell market size will reach USD 17.9 billion in 2028. According to SNS estimates, the global private network market will grow to USD 3.4 billion in 2025 with a CAGR of 34%. Ericsson also pointed out the huge potential of digital transformation, and the 5G vertical application market will reach USD 1.32 trillion in 2026. Compal's new products 5G small cells and 5G O-RAN private networks and vertical solutions not only enhance network speeds, but also bring breakthroughs in enterprise private networks, smart city and smart factory applications. It is expected that small cells and private network
solution will improve 5G coverage and vertical applications.

■ Tablets
The demand for tablets experienced a significant decline in 2023 due to the premature consumption caused by the pandemic, slowing global economic growth, and the ongoing market erosion by large-screen smartphones. According to IDC data, global tablet shipments in 2023 were approximately 128 million units, down 20.5% from 2022, marking the lowest shipment volume since 2011. The main reasons for this decline include consumer concerns about future economic prospects, leading to reduced spending on consumer electronics or reallocating budgets to other products, with particularly noticeable declines in shipments in the North American and European markets. Leading brand Apple did not introduce any updates to its iPad products, which also had a certain impact on replacement demand in the tablet market.

Competition in the tablet market is becoming even fiercer in the future with the entry of smartphone manufacturers such as Huawei, Xiaomi, Honor, vivo, OPPO. By leveraging existing technology and experience in the smartphone domain, these manufacturers will bring more innovation and competition to the tablet market, driving technological advancements and price competition.

However, there is still demand for mid/high-end tablets aimed at education purposes; serving as cheaper alternatives to PCs. Additionally, due to economic downturns, there is a trend towards using consumer tablets in industrial or vertical industry applications to save IT expenditures for business. In the future, Compal will continue to monitor and respond to market changes, providing customers with competitive and diverse tablet products.

■ Smartphones
According to IDC, the global smartphone sales volume in 2023 was about 1.17 billion units, with a YoY decrease of 3.2%. The main reason for the decline in sales volume was general economic changes and high inventory at the beginning of the year, but the growth in the second half of the year underpins an expected recovery in 2024. In general, the global smartphone market still faces challenges, but recovery momentum is developing rapidly. Compal continues to flexibly adjust production bases in line with customers’ strategies, aiming to expand their market share with low cost advantage and advanced specifications.

■ Smart Wearable Devices
According to IDC, in 2023, the smartwatch market is expected to grow at an annual growth rate of 11.2%. Apple is still the top vendor by market share. However, the market growth mainly comes from low-end products, especially driven by the Indian market. Affected by China’s economic downturn and EU & US market saturation, Apple's WatchOS has declined, while Google's WearOS has maintained flat or only single-digit growth. In 2024, Compal continues to provide best-in-class manufacturing and ODM services with the latest technical developments for brand customers. By integrating the latest smartwatch platform and technologies, Compal provides a variety of product design solutions hand-in-hand with brand customers to meet the demand of
different target market segments, and end-user attributes.

■ Smart Hearable Devices
According to the latest report from Counterpoint Research, despite the overall unfavorable economic conditions and weakened consumer demand leading to a decline in the demand for consumer electronic devices, the global sales of wireless Bluetooth headphones in the first half of the year 2023 only decreased by 2% compared to the same period last year. It is speculated that true wireless Bluetooth headphones are relatively less affected by inflation to some extent. In addition to continuously enhancing hearing services in Bluetooth headphones, Compal also aims to use the next-generation Bluetooth technology, LE Audio. This technology not only offers better sound quality, energy efficiency, longer usage time, and extended effective range but also features broadcasting functionality that allows simultaneous connections to multiple devices. Compal will gradually introduce related integrated technologies, hoping to collaborate with customers to explore new markets in entertainment, healthcare, public services, and more.

■ Smart Display Products
According to market research companies, the global LCD TV industry saw a decline in overall shipments in 2023, with approximately 201 million units shipped worldwide, a 1% decrease from the previous year. This was due to various factors including the Ukraine-Russia conflict, and rising inflation. The North American market was continuously impacted by inflation, which led to decreased demand. As a result, all TV major brands resorting to focusing on low price models and causing market price competition and challenges. Looking ahead to 2024, challenges still remain such as conservative demand and micro-management of panel production capacity. In response to these challenges, our company will optimize operations and maintain flexibility, deepen strategic partnerships, and adapt to the changing market conditions not only in consumer markets but also in commercial and specific-purpose markets.

■ AR/VR Smart Devices
The Metaverse business opportunities have not bloomed as expected, and leading international customers have turned to more practical development. We will deepen the application of AR/VR smart head-mounted displays in vertical market segments such as smart factories, smart healthcare, and remote collaboration. With the launch of Apple's Vision Pro, AR/VR will further deepen the development of spatial computing in the future, and combine with generative artificial intelligence (Generative AI) functions to become an assistant for the acceptance and transmission of work knowledge in the commercial industry. Therefore, we will focus on providing AR/VR solutions for the commercial and industrial markets.

■ Smart Home Devices
The application of wireless network technology in smart home appliances is getting mature, bringing convenience and real-time connectivity to consumers, pushing the growth of the smart home market. Today, the smart home market is no longer just attracting early adopters of technology enthusiasts but is
gradually entering the mainstream consumer market. With the adoption of the Matter standard, more manufacturers have the opportunity to expand smart home applications, providing compatibility, security, and ease of use to new consumer groups. Furthermore, with the evolution of generative AI, the future integration of large-scale language models (LLMs) into smart homes will bring more advanced and mature artificial intelligence, which will be reflected in voice interaction, image recognition, and home automation, providing consumers with smarter and more convenient user experiences.

AR Vertical Solutions
The development of the augmented reality (AR) industry has been in a progressive stage over the past few years, and it has been widely applied across various sectors, with expectations for further expansion in the future. This is primarily influenced by technological advancements, increasing consumer demands, and increased investment in AR applications by businesses. Industries benefiting from AR include retail, education, healthcare, industrial manufacturing, and entertainment, among others. As technology matures, the applications of AR are expected to become increasingly diversified. Simultaneously, the technological capabilities of hardware devices such as AR glasses and head-mounted displays continue to improve, with costs gradually decreasing. This will facilitate broader adoption of AR technology and spur major tech companies as well as emerging enterprises to develop and enhance AR software platforms, providing developers with more robust tools and resources to create various AR applications and offering users richer content and immersive experiences. With the proliferation of AR applications, it can be anticipated that consumer acceptance of AR technology will continue to rise. More people are beginning to incorporate AR technology into their daily lives, which will contribute to the sustained growth of the AR market and establish it as a technology and industry of significant influence in the future.

Smart Medical and Healthcare
Increasing shortages of medical staff over recent years have imposed a heavy burden on medical personnel. The result is that medical institutions are desperately searching for more efficient ways to manage personnel and resources. In the United States, hospitals have responded to this crisis with the full implementation of digital charts and modern hospital management systems. Compal is actively introducing promising solutions from abroad to help Taiwanese medical institutions provide better service for patients. Furthermore, the aging population and shifting focus of medical technology towards convenience have resulted in a change in healthcare practices from always being hospital-based to some home-based and personalized solutions. In light of this, Compal has invested significant resources in the development of integrated products that make it possible for many healthcare services to be carried out at home or at other fixed locations. Compal also develops smart sports solutions and smart assistive tools and collaborates with athlete training centers, both at home and abroad, to develop exclusive high-end products for professional athletes.

Auto electronics (AE)
In recent years, governments all over the world have been tightening the exhaust emissions standards and
safety standards of vehicles and have set a timeframe for implementation. Electrification, connectivity, and ADAS/AD become the megatrends that trigger disruptive changes in the automotive industry. Disruptive innovation in technologies, along with IT companies (e.g. Google), startups (e.g. AI and sensor startups), and service platform providers (e.g. Uber) entering the market one by one have changed the traditional supply chain and competitive environment in automotive. Driven by new entrants into the market, new technology introduction and the Covid pandemic since 2019, legacy carmakers have adapted their sourcing and operation models to the changes and challenges. To cope with those changes and challenges in the auto industry, we have equipped ourselves with ITAF 16949 and ISO 26262 certified and deployed 5G networking access and ADAS technologies. Since 2021, we have built a plant in North America to supply customer demand locally.

■ Servers

Server shipments have double-digit recession compared with last year, mainly due to traditional cloud services necessary decrease impact, overall economic deterioration, corporate reduced investment and the rise of AI demand that has squeezed corporate budgets for purchasing traditional servers. According to IDC, shipment of x86 servers totaled 14.80 million units in 2023. This is expected to rise to nearly 15.53 million units in 2024. X86 servers accounted for 92.65% of total server shipments. Rack-mounted servers represent a higher market share because they are both energy efficient and scalable. And AI Sever demand has significantly increased.

2. Association between upstream, midstream, and downstream industry participants

■ Notebooks

The notebook industry is now mature and Taiwanese manufacturers have developed comprehensive partnerships with upstream, mid-stream, and downstream suppliers. This fully-fledged supply system gives manufacturers the advantage of being able to adjust to market changes quickly and flexibly. It also enables Compal to keep up to date and deal with the latest technology and pricing of key components such as semiconductors, CPUs, LCD panels, and solid-state drives (SSD). However, we still suffer from geopolitical issues, regional conflicts, and climate issues, which have caused difficulty in global production and logistics since 2018. Compal and other Taiwanese ODMs/OEMs possess distinctive know-how in system integration, from design to manufacturing, as well as operational management. Taiwan now accounts for more than 80% of the world's notebook ODM/OEM production. As geopolitics and chip wars intensify, Taiwanese ODM/ OEM will become more competitive in the global notebook industry. The downstream customers, including brand manufacturers such as Dell, Lenovo, HP, Acer, Asus, and Apple, all have strong marketing strategies and comprehensive sales support systems to ensure success.

Global warming and climate change have become critical issues in recent years. The technology industry changes people's lives so that companies will not be absent. Under the trend of energy conservation, carbon reduction, and recycling, Compal helps clients launch notebooks that are eco-friendly and sustainable. The design concept is based on energy conservation, recycling, and reuse to do our part to save the planet.
UltraSlim Notebooks

As an ultraslim notebook supplier, access to metal for casings and lightweight carbon fiber materials is especially important. Compal has developed a robust upstream, mid-stream, and downstream supply system, and acquired the equipment and technology to produce the needed metal products. Compal will now shift its focus gradually towards products in the mainstream price range, such as ultraslim notebooks made with plastic materials. This will ensure the quick launch of new customer products and growth in this market.

Gaming Notebooks

In the design of gaming notebooks, the biggest difference from traditional notebooks is the requirement for powerful performance. As a result, thermal design is important for the performance of gaming notebooks. Compal continues to cooperate with suppliers to develop a variety of advanced cooling modules and use them in new products. It can help customers to continue to expand their market share in the gaming notebook market.

2-in-1 Notebooks

The supply chain and manufacturers of 2-in-1s are identical to those of conventional notebooks, with the addition of some tablet parts suppliers and manufacturers. Support of the existing supply system and its advantage of integration across suppliers allows Compal to maintain full control of the development of key components. This speeds up research and innovation of new features because brand manufacturers and users of 2-in-1s continue to add new requirements. Despite the increasing complexity and challenges ahead, Compal remains confident and continues to make improvements and bring new products and concepts to the market.

All-in-one (AIO)

The supply chain and manufacturers of AIOs are generally identical to those of conventional notebooks. The upstream supply structure is similar to that for general PCs, with the addition of suppliers of large touchscreen panels. HP, Lenovo, and Dell focus not only on commercial users but also on home multimedia users. Apple’s emphasis is on professional applications and usage.

5G Module, 5G User Equipment, 5G Small Cell, 5G O-RAN and Private Network solution

Compal 5G module and the reference device design has combined upstream and downstream and dozens of well-known customers and operators to establish a complete 5G product ecosystem, providing flexible and diversified 5G related products to fulfill 5G domain services and requirements.

Tablets

Due to weak demand, the supply chain remained at a relatively high inventory level in 2023. Compal also adjusted its product strategy by maximizing the adoption of the same components or shared designs for different products to lower the risk of fluctuations in customer demand. Additionally, in order to enhance cost
advantages in overseas production bases outside of China, Compal actively developed local suppliers to ensure more flexible production and supply, meeting customer and market expectations for product pricing, delivery times, and quality.

■ Smartphones
Compal actively explores competitive suppliers to ensure the quality of sourced material meets both customer and market needs. Furthermore, Compal is building up a 5G components supply chain, as well as new technology, to assist customers in remaining competitive.

■ Smart Wearable Devices
Compal works closely with suppliers for chipsets, sensors, wearable displays, and touchscreen modules to secure parts for wearable devices. In addition to coordinating with upstream suppliers and developing new technologies for new customers, Compal also reaches out to suppliers with advanced technologies. Thanks to the technical collaboration between Compal and its technology partners, Compal can quickly adjust the supply chain and product development strategies to accommodate the fast-changing market.

■ Smart Hearable Devices
Compal collaborates closely with Bluetooth chipset suppliers and audio component manufacturers, engaging in deep cooperation. Additionally, Compal stays closely informed about next-generation Bluetooth LE Audio technology. Through ongoing communication with key customers, Compal adjusts its product development strategies, concurrently expanding into new markets such as entertainment, healthcare, and public services.

■ Smart Display Products
In 2023, the global supply chain was continuously impacted by the ongoing US-China trade tariffs. To mitigate risks, we have been actively diversifying our operations outside China and expanding to other regions. We have integrated resources across different regions and levels of the supply chain to optimize production, control operational costs, and provide flexible supply to meet customer demand. Our goal is to ensure that our operations are agile and adaptable to changing market conditions while maintaining high levels of service and quality.

■ AR/VR Smart Devices
Compal has partnered up with main chipset supplier Qualcomm and continued to cooperate in depth to jointly build a highly cost-effective reference design, integrate midstream and downstream partners, such as optical engine development and production, and provide a complete set of software and hardware solutions for AR/VR vertical application fields to meet the needs of the commercial market.
Smart Home Devices

Compal provides a wide range of smart home products, including smart speakers, smart displays, and smart cameras for the development of intelligent home applications. In collaboration with upstream, mid-stream, and downstream partners, we can offer various customized hardware devices, software support, and platform integration solutions tailored to the needs of different system integrators and industrial customers.

AR Vertical Solutions

The augmented reality (AR) industry exhibits a close interdependence among its upstream, midstream, and downstream sectors, mutually supporting and driving the development of the entire industry.

The upstream sector mainly comprises hardware manufacturers and technology providers. Hardware manufacturers are responsible for the development and production of AR glasses, head-mounted displays, and other devices, while technology providers focus on researching and developing AR technologies such as perception technology, virtual image processing, tracking technology, etc. They directly influence the hardware and software technology levels of the AR industry, as well as the overall performance and functionality of products.

The midstream sector primarily consists of software developers and solution providers. Software developers create AR applications, platforms, and tools, while solution providers offer AR-based solutions for various fields such as education, retail, industrial applications, etc. They directly impact the diversity and quality of AR applications, as well as their scope and effectiveness in different industries.

The downstream sector mainly includes end-users and consumers. End-users can be businesses, educational institutions, medical facilities, etc., or individual consumers who are the ultimate users of AR products and applications. Consumer demand and feedback directly influence the market demand and direction of the entire AR industry, driving continuous innovation and improvement of products and services by upstream and midstream sectors.

Compal's continuous development of integrated system service products in collaboration with manufacturers and close cooperation with the industry chain is crucial for the sustained development of the AR industry. Collaboration and coordination among various sectors of the industry chain, coupled with ongoing technological and product innovation, will facilitate the advancement of the entire industry, meet market demands, and bring forth more innovative application scenarios.

Smart Medical and Healthcare

(1) Instruments, equipment, and accessories:

- Smart sports

  Compal has invested substantial resources into the development and integration of smart sports vital sign monitors. These monitors can gather measurable data and are useful for designing training programs. This information can be exchanged over the cloud to facilitate remote training and communication between athletes and trainers, helping athletes to follow the most effective physical and technical training methods and avoid sports injuries.
• Smart assistance devices and healthcare-related products
  Compal is actively investing in the digital transformation of medical equipment. Through Internet connectivity, data from medical equipment can be exchanged and calculations can be made in real-time over the cloud. This can make various user services available, such as automatic record-keeping, reminders, behavior prediction, and so on. These devices can even be connected to advance and back-end medical service providers for professional medical consultation, to accomplish the Compal vision of a mobile and real-time medical service.

• Innovative medical devices
  Compal has been working with partners in both the industry and the medical segment for several years and has invested in the development of some rather innovative medical devices. These include: Continuous Glucose Monitoring (CGM), 24-hour blood pressure monitoring (24-hour BPM), handheld smart ultrasound, and others. We expect to provide users and physicians with many more options to help develop a smart medical industry and improve the quality of healthcare.

(2) Medical AI
   • Cardiovascular disease prediction
     To reduce the issue of a lack of medical manpower, Compal has been working with the Chi-Mei Hospital and medical center on the development of AI in medicine. Using the existing abundant medical resources of the hospital, Compal is helping to build up a cardiovascular disease prediction AI system which can be used in hospitals and medical centers. The product will include long-term tracking and users may be able to predict the timing and probability of cardiovascular complications. This will allow preventative action to be taken and reduce the risk of such events as stroke, myocardial infarction, etc. Compal also expects to help with the medical technology upgrade after the integration of the products in professional medical establishments in Taiwan.

(3) Management system:
   • Digital charts and smart ward solutions
     Compal has introduced digital charts through an alliance with foreign partners. This product category offers the potential to aid physicians in diagnosis and reduce the workload on nurses, unlike the conventional management system used by existing medical institutions. Additionally, it can be integrated with many different data management systems currently used in hospitals. Digital transformation is already happening within the healthcare system, and Compal is currently working with several hospitals to develop digital charts and smart ward solutions. Healthcare organizations will no longer operate in isolation, but will be able to coordinate their activities towards the establishment of a uniform standard and reduce the wastage of medical resources.

   • Point-of-care solutions
     Compal aims to address the recent increase in demand, as well as the shortage of manpower, at nursing centers. This is being done by the introduction of human-operated healthcare solutions, such as proprietary bedside systems that are compatible with the instruments and specifications of other manufacturers. However, flexibility and the ability to customize products to customer needs will still be
maintained. The most important feature of this product is that it works with different types of Smart Home devices and medical instruments, and it supports multiple services. It is intended to provide at home comfort in nursing and postpartum centers, while also allowing professional care facilities to be set up at home.

**Automotive electronics (AE)**

The mid-stream players in the supply of automotive electronics are represented by tier-1 AE integrated system providers. This integrated system handles in-car information, communications and entertainment, and is also linked to other auto parts. These products are sold to downstream automobile makers, which places the Company between the midstream and upstream of the AE supply chain.

**Servers**

Server technology is a highly mature industry, and Taiwanese manufacturers have developed a comprehensive supply system for upstream, mid-stream, and downstream partners. Main parts such as CPUs, memory, and storage drives are easily secured and downstream customers such as HPE, DELL, and Lenovo all have long-term notebook manufacturing relationships with Compal. Compal now has extensive experience and a reputation for designing and manufacturing server products.

### 3. Product trends and competition

**Notebooks**

- As AI technology rapidly advances, the notebook market is undergoing an unprecedented transformation. Microsoft's integration of Copilot into its operating system marks a milestone in software innovation, signaling significant updates in hardware specifications such as keyboards, memory, processors, and other sensory components. Neural Processing Units (NPU) related to AI are becoming standard in the next generation of notebooks, promising users a smoother and more intelligent experience. Furthermore, with chip manufacturers vying for market share in AI computation, the notebook market is swiftly transitioning into an era of intelligence.

- With the widespread application of AI technology across various industries, its rapid development has become a key driver for the growth of the global notebook computer market. In response to this trend, semiconductor industry leaders, including Intel, AMD, and ARM-based Qualcomm, are actively developing and launching processors equipped with AI computational capabilities, aiming to secure a leading position in the market. The introduction of these processors not only signifies intensified competition between the x86 and ARM platforms but also heralds a new wave of technological innovation in the notebook industry. This will provide consumers with a broader range of product choices and enhanced user experiences.
• To cater to diverse application needs, the industry plans to launch a variety of notebooks, including gaming, creator, and high-end ultraslim models, targeting different customer segments. Equipped with AI processors and advanced sensing technologies, these are expected to hit the market soon, significantly enhancing performance and user experiences, thereby boosting creativity and productivity.
• As the integration of AI technology with mobile devices and cloud computing progresses, the demand for security features has significantly increased. The adoption of AI not only enhances device performance and user experience but also introduces new challenges in information security, especially in data processing and storage. In response, the development and adoption of advanced security technologies, such as fingerprint recognition, facial recognition, voice recognition, and camera privacy shutter, have become crucial. These measures not only ensure the security of user data but also enhance usability.

■ Ultraslim Notebooks
  • Slim design, high screen-to-body ratio, enhanced sensor components, and cybersecurity protections are key factors for consumer choice.
  • New generation processors, combined with a Neural Processing Unit (NPU) for AI capabilities, significantly improve multitasking efficiency.
  • AI-optimized power management extends battery life for longer usage.
  • Metal chassis not only enhances the product's aesthetic appeal but also its structural integrity.

■ Gaming Notebooks
  • High-performance processors with AI technology ensure real-time optimization of gaming performance for an enhanced experience.
  • Slim design with advanced cooling solutions maintains stability and portability.
  • Personalized audio and lighting effects boost game immersion.
  • Distinctive exterior design highlights brand and player identity.

■ 2-in-1 Notebooks
  • Beyond slim designs and portability, consumers now expect multitasking processors, extended battery life, and stylus support
  • The integration of AI and 5G technology broadens the application scope for 2-in-1 notebooks.
■ All-in-one (AIO)

- High-end home entertainment AIOs and new flat, portable AIOs present new opportunities.
- There is room for improvement in touch-based applications and graphical user interfaces.
- The product exterior can be designed to match interior decoration and furniture.
- Portable products can be designed with screens that can move in several directions.

■ 5G Module, 5G User Equipment, 5G Small Cell, 5G O-RAN, Private Network solution

5G communication and applications have expected explosive growth in the coming years. 5G user terminals and products will come out with different product categories such as network devices (5G CPE/5G USB Dongle/5G Mifi), notebook computers, routers, televisions, and robots... etc.

By 2026, 26% of 5G revenue will come from enterprise private networks, reaching an amount of 600 billion US dollars according to Ericsson's report. The new demand for "Enterprise private network" will be an important opportunity for 5G small cells, 5G O-RAN, Private networks and vertical application solutions.

Compal provides the leading communication technology, product manufacturing and technical know-how. Our integrated 5G module, 5G devices, 5G Small Cell, 5G O-RAN, Private network solutions provide complete technical support and development tools to help our customers develop their 5G products and services.

■ Tablets

- Extend R&D technology to large displays and designs for automation.
- Focus on more eco-friendly product designs such as recycled material and reparable design.
- Explore collaborative opportunities with content providers or telecommunications operators.
- Adopt AI technology to explore opportunities in education, for kids, industrial, and medical applications.
- Develop a foldable tablet to maintain screen size while reducing the overall size.

Tablets have become mature products. The focus now lies in developing new usage scenarios and optimizing the overall user experience through AI functionality. This includes catering to various applications such as the education market, children's market, smart home control centers, or utilization in various industrial IoT applications, all of which are actively being developed by Compal.

■ Smartphones

- Communication technology enters the 5G communications generation. To provide mobile broadband service (eMBB) will increase consumer demand for entertainment, applications, and services.
- Integrates multi-core architecture and strengthens 4G and 5G carrier aggregation mobile broadband communication to provide faster transmission speed and data throughput.
- Support AI image processing and applications, drive video streaming services to meet the needs of...
consumers in daily work and life entertainment.

- Higher screen ratios, high picture quality, narrower border touch products.
- Integrating under-screen fingerprint recognition technology and under-screen camera technology to create full screen experience for consumers.

### Smart Wearable Devices

- More and more smart, fashionable, and compact watches for sports and health are following Apple to the market.
- Customers who use smart wearable devices for sports also want high-accuracy GPS, steps counter, heart rate monitoring, and other bio-measurements. However, power efficiency remains a key requirement common to all users.
- Customers who use smart wearable devices for health reasons need accurate algorithms and convenient user operation. This will be one of the key success factors of the products.

To satisfy customer needs, Compal not only continues to make more power-efficient and compact designs, but also enhances the flexibility of its production processes.

### Smart Hearable Devices

Evolving due to keen competition, smart hearable devices will not only be used for music streaming, but also include more advanced features such as active noise cancellation, smart assistant, bio-detection, etc. Besides the functionality enhancements, the design will also aim to improve user experiences like water resistance, ergonomics for comfortable wearing, and applications with AI technologies to make it smarter.

Compal has specialized in related hardware and software development for a long time. We have also had input from hearing experts to help develop professional acoustic products to create product differentiation and make us more competitive in the market.

### Smart Display Products

Our company has been working closely with strategic partners to drive innovation in the development of the latest smart TV platform, and technologies such as artificial intelligence (AI) image and sound processing, integrated large-size touch, ultra-high brightness backlight and transparent OLED panel technologies. By combining these technologies, we aim to create a diverse range of applications and opportunities. This approach will enable us to stay ahead of the competition and maintain long-term competitiveness by accumulating leading-edge technology capabilities.

### AR/VR Smart Devices

As we learned about the launch of Meta's Quest 3 and Apple's Vision Pro, the commonalities of technology
development can be summarized as follows: ultra-high-resolution near-eye display, eye tracking, spatial perception and computing, and human-computer interface. These technologies are the development trends of future AR/VR head-mounted displays.

■ Smart Home Devices

- Smart speakers, smart displays and smart cameras with AI technologies that enable multiple modes of interaction such as voice input, touch, gesture and computer vision.
- Support for the Matter protocol allows connections to a wider range of smart home products from different ecosystems.
- Services integrated with cloud and edge computing and data analysis for user behavior learning will be the key competitiveness of Smart Home products.

■ AR Vertical Solution

The development trends and competitive landscape of augmented reality (AR) products are influenced by various factors, including continuous improvements in hardware technology such as AR glasses, head-mounted displays, and sensing devices. These improvements primarily manifest in enhanced computing power, display effects, sensing accuracy, and comfort, providing users with a better overall experience. Additionally, the software functionalities of AR products are continually upgrading, including image processing, sensing technology, real-time rendering, etc. Software developers are competing to introduce more feature-rich and realistic AR applications to meet users' demands for higher quality and greater diversity of applications. The diversified application demands also drive the development and competition of AR products, with enterprises striving to develop products with differentiation advantages to meet the needs of different industries. The popularity of smart wearable devices also propels the development of AR products, providing users with more convenient and intuitive AR experiences while expanding the scope of AR applications. Due to the immense market potential of the AR industry, it has attracted numerous companies and startups to enter the competition. Currently, several major tech companies are investing significant resources in research, development, and promotion in the AR field, while many emerging enterprises challenge traditional markets through innovative technologies and applications, leading to increasingly fierce competition. Compal, holding the principles of continuous innovation, enhancing product performance and functionality, as well as deeply understanding market demands and industry applications, can gain advantages in the fiercely competitive AR market.

■ Smart Medical and Healthcare

(1) Instruments, equipment, and accessories:

- Smart sports

  There is already a strong and growing demand from professional athletes for assistive technologies and devices. Compal has invested significant R&D efforts in collaboration with top sports experts worldwide
for the development of products that are more suitable for professional athletes. Compal is also working with fitness centers on the creation of customized, exclusive packages that deliver the most effective sports solutions and communications to both users and businesses.

- Medical equipment and healthcare-related products
  As new biosensors and related hardware such as MCU/firmware/biomaterials and software have matured over recent years, the development of the innovative medical devices industry has also moved to another stage. Continuous investment and development by Compal have led to more and more customers gaining trust in our design and development capacity, and the market trend is now moving towards an alternative device generation.

(2) Management system:

- Digital charts and smart ward solutions
  The United States currently has the most popular (Level 7) digital chart and hospital management system, and other countries around the world are following closely behind. The purpose of this product is to deliver functions that will be of assistance to physicians and nurses while still being easy to operate. Alliances with world industry leaders have made it possible for Compal to introduce the solutions to medicine in Taiwan, where its success will be replicated in our medical systems and it will also be moved to other countries in Asia.

- Point-of-care solutions
  An aged society, combined with a need for differentiated medical services, makes nursing centers and postpartum care centers especially popular in Taiwan. This management system provides them with a comprehensive solution and makes it possible for communications to be established between several different medical devices while patient privacy remains protected. Compal has invested in the development of related hardware and software and is working with existing medical instrument suppliers on the growth in this market.

- Automotive electronics (AE)
  Telematics, in-vehicle-infotainment, and Advanced Driver Assistance Systems (ADAS).

- Servers
  The rack-mounted server is still the mainstream product today because it can be easily maintained and scaled up as business grows. Tower servers are still favored among SMEs for their low cost, but their market share has been steadily declining. Blade servers are relatively expensive to set up and may gradually be replaced by more simplified High Density servers.
  The number of servers required for Data Centers has increased continuously year after year. Although the demand for conventional enterprise-grade servers has gone down a little, demand for both types of servers will ultimately reach equilibrium. In addition to cost performance, design flexibility and quick response to customer needs are the two most decisive factors for a product’s success.
The rapid growth of AI and high-performance computing demand has caused the thermal power consumption of CPUs and GPUs to continue to increase significantly. The issue of effective heat dissipation and energy conservation of servers will become a prominent issue, which will also increase the costs of related industries.

5.1.3 Research and Development

1. Research and Development Expenses over the past year

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<th>Operating revenue</th>
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2. New products developed

- **Notebooks**
  - High-end products: Launching high-performance models designed for professionals, gamers, and creative workers. These models are equipped with the latest generation processors featuring built-in AI performance optimization, ultra-high-resolution panels, high refresh rate screens, and high-performance graphics cards, fully meeting the stringent demands for high performance.
  - Mainstream products: 16-inch and 14-inch products are thin, low voltage, slim bezel and 16:10 aspect ratio design that are powered by the latest CPU from Intel or AMD, and are distinguished by integrated or discrete GPU models.
  - Business products: Business notebooks designed specifically for corporate users. These products feature enhanced structural design and security, and are offered to large corporations, SME, and the education sector. Security mechanisms such as fingerprint recognition, camera shutter, facial recognition, and voice recognition are incorporated to satisfy the user’s need for security and data confidentiality.
  - Special products: Compal is actively developing notebooks, setting industry benchmarks through technological innovation. Beyond launching innovative foldable notebooks, there is also a commitment to employing eco-friendly materials and smart manufacturing techniques to develop next-generation notebooks aligned with sustainability concepts, which are expected to become a new highlight in the market.

- **Ultraslim Notebooks**
  - Compal has successfully mass-produced and launched many Ultraslim notebooks, and its designs have been recognized by several international awards.
  - No compromise on performance.
  - Not only thinner and lighter but also lower power consumption are key requirements for a good user experience.
  - New ultraslim notebooks will feature thin frame displays for a more fashionable and cleaner appearance;
the display quality will also be improved.

■ 2-in-1 Notebooks
  • Compal has successfully designed, mass-produced devices, and launched a new 2-in-1.
  • An innovative hinge design is being developed to provide more secure and precise connections while allowing easier detachment. This allows better user convenience when 2-in-1s are used in different scenarios.

■ All-in-one (AIO)
  • Compal has successfully designed, mass-produced, and launched AIOs for mainstream users.
  • Compal has successfully designed, mass-produced, and launched a new flat type of AIO.
  • Compal has developed, mass-produced, and launched AIOs that are targeted at e-sports.
  • Compal plans to acquire touch control technologies with pen support and introduce AIOs in sizes ranging from 19" to 27."
  • Compal has successfully designed AIOs with a wireless charging dock.

■ 5G Module, 5G User Equipment, 5G Small Cell, 5G O-RAN, Private Network solution
  • 5G O-RAN Solutions was unveiled in 2023 MWC Barcelona and will obtain certification and mass production in 2023. These include ORU, ODU, DU inline accelerator, and OCU equipment and solutions.
  • Qualcomm X35 5G RedCap R17 M.2 / LGA module will be developed in 2024.
  • Mediatek T300 5G RedCap R17 M.2 / LGA module will be developed in 2024.
  • Mediatek T700 5G R15 M.2 module will be developed and mass production for 5G NB customers in 2024.
  • Qualcomm X72/75 5G R17 M.2 / LGA module will be developed in 2023.
  • MTK based T830 5G R16 LGA module will be developed in 2023.
  • Qualcomm X62/65 5G R16 M.2 / LGA module will be mass-produced in 2022.
  • 5G integrated small cell, include Sub-6 and mmWave, developed in 2021 and obtained product certification.
  • MTK T750 5G M.2 / LGA module has been mass-produced in 2021.
  • Qualcomm x55 5G M.2 / LGA module obtained product certification, including GCF, CE, CCC, TELEC, FCC, PTCRB, etc., which have been mass-produced in 2020.
  • 5G indoor/outdoor CPE, and MiFi have been in development and mass-produced in 2020. To extend 5G module to various types of devices.

■ Tablets
  • Developed and manufactured cost-effective WiFi tablets with good performance for entertainment and enterprise applications.
  • New tablets with in-cell display and wireless charging function.
  • Developed and mass-produced a new generation of waterproof e-Reader with a wireless charging function.
■ Smart Wearable Devices
  • Compal supports a variety of product types, such as luxurious material and design, wireless charging, offline maps, high-accuracy GPS, and high-level water resistance for sports watches. Customized product design and more power efficiency to support 3C and fashion brand requests. A new generation of lighter, smaller, narrow border, multi-purpose smartwatches with diversified designs have been introduced.
  • Mass-produced eSIM enabled LTE smartwatch.

■ Smart Hearable Devices
  • Bluetooth headsets with smart assistants have been developed and are in mass production.
  • Long-term investing in high-end AI technology to develop Bluetooth headsets and Bluetooth hearing aids with more intelligent noise cancellation features.
  • Bluetooth hearing aids with TAIWAN FDA have been developed and are in mass production.

■ Smart Display Products
  • Developed, mass production and launched new TV models with the latest smart TV platform.

■ AR/VR Smart Devices
  • Successfully developed a waveguide lens with an optical engine combined with an ergonomic design structure for AR glass product which was used in a customer’s project.

■ Smart Home Devices
  • Smart speakers: successfully mass-produced and launched on the market, assisting European clients in establishing a more complete ecosystem for smart home appliances.
  • Non-contact sleep monitoring device: successfully mass-produced, incorporating low-power millimeter-wave RF technology and environmental sensors to measure users' breathing and heart rate, assess sleep quality, and provide recommendations.
  • Smart cameras: Continuous development of new features to further enhance user experiences through the application of additional AI technologies.

■ AR Vertical Solution
  • AR (Augmented Reality) and VR (Virtual Reality) glasses have been developed and are being mass-produced and shipped.
  • Achieving the core technology of AR – perception technology, which includes perception and understanding of the real world, as well as positioning and tracking of virtual information. It’s used to identify and understand objects, surfaces, and environments in the real world, and determine the position and posture of virtual information.
  • Achieving key AR technology - display technology, which involves displaying virtual information to users
in an appropriate manner. This may involve real-time visualization of the real world, achieved through improvements in hardware devices such as head-mounted displays, as well as optimization of display algorithms and technologies.

• Achieving AR interaction technology, enabling users to interact with virtual information. This includes the integration and optimization of gesture recognition, voice control, and eye tracking, to provide a more natural and intuitive user experience.

• In addition to the development of AR basic technologies, application software development is also one of the research focuses.

■ Smart Medical and Healthcare

• Smart sports
  Compal's smart exercise mat, Stampede, won the 2023 Taiwan Excellence Award and was selected as a representative sports product for 2022. It will be extended to national sports centers and expanded to the hotel and construction industries to promote smart exercise solutions.

• Digital charts and a smart ward solution
  Compal is promoting business opportunities in this respect. Several hospitals have begun adopting and exploring our smart ward solution this year.

• Point-of-care solutions
  More than ten point-of-care centers in Taiwan have begun trials and official use of this solution. In addition to this, several prominent nursing centers in China have also shown interest and commenced collaborating in the use of this solution.

• Innovative medical devices
  Many innovative medical device cases have been executed and plans for the achievement of FDA/NMPA/CE certification have been established.

■ Auto Electronics (AE)

• Compal has mass-produced various systems and modularized several products that it has designed and developed.

■ Servers

• General Purpose Rack-mounted Servers
  According to the Intel and AMD product roadmap, the launch of 1U and 2U general purpose rack-mounted servers is done through modular design, and the product specifications required by customers can be quickly assembled.

• AI Servers
  Cooperate with GPU manufacturers to design a high-density AI server so that the server can greatly improve its image computing capabilities, and seek opportunities to cooperate with existing customers.
1.1.4 Long-term and Short-term Development

1. Short-term Development

- Aligning with AI application trends and cross-sector user needs, actively allocating resources to R&D while integrating AI technology to enhance innovative designs. Dedicated to product differentiation, aiming to launch innovative products that precede market demand.
- We will enhance operational efficiency to increase our product competitiveness further and push the sales growth rate higher than the market average.
- We will improve logistics management and flexibility to shorten delivery times.
- We will consolidate material supply to fulfill OEMs’ demands.
- We will elaborate on different market strategies for different product markets. Mainstream products will be bundled with new technology and modular features to boost the added value and diversity of products. For featured products, we will adopt a prospective standpoint in our design concept for new products to become the focal point of the product market. User functionality should be taken into consideration as well as competitive pricing for lower priced products.
- Diversified production sites to mitigate geopolitical risk and strengthen cost competitiveness.
- We will pay close attention to market trends and evolution in smart devices and develop product concepts suitable for OEM customers and the market. We will help customers create differentiated products with feasible designs.
- Product development times will be further shortened to optimize supply chain management, maintain persistent high quality, and provide customers with more competitive products.
- More effort will be made to maintain existing customer relations. Apart from maintaining a high degree of customer satisfaction, we will work towards increasing the volume of product cooperation. We will also seek other opportunities to cooperate with new customers to achieve a growth rate that is better than the market average for smart device products.
- We will improve product profitability to achieve the maximum utilization of capacity and enhance overall operational efficiency and profitability.
- We will tap our accumulated communications industry R&D energy resources to quickly and efficiently cut into the high growth 5G networking market.
- Several cross-industry alliance strategies will be used for the rapid development of a diversified product line that will strengthen customer relationships in the shortest possible time.
- Actively advancing smart manufacturing and smart factory initiatives, not only innovating in processes but also incorporating eco-friendly materials in design and across product categories, demonstrating a commitment to sustainable development.
- Compal continues to invest in technological innovation and research and development to continuously enhance the performance, functionality, and user experience of AR technology. This includes research and development in areas such as perception technology, display technology, and interaction technology.
- Compal will continuously optimize existing products and develop new AR products to meet the needs of different industries and users. This may involve hardware products such as AR glasses, head-mounted displays,
as well as software applications such as gaming, education, and medical applications.

- Compal engages in cross-industry collaborations to apply AR technology to different industries, creating more application scenarios and commercial value. At the same time, different products and services can be integrated to provide more comprehensive solutions.

- Compal will actively expand into the global market, seeking more business opportunities and cooperation opportunities. This includes establishing global partnerships, conducting market promotion, and building good relationships with brands.

2. **Long-term Development**

- Integrating smart manufacturing and smart factories into the company’s culture and operations, emphasizing continuous process innovation, design optimization, and the extensive use of eco-friendly materials across product lines to achieve a sustainable development strategy. Aiming to establish an eco-friendly product ecosystem, propelling the industry towards a greener, smarter future.

- A spirit of innovation will strengthen value-added Company products and improve long-term core competitiveness.

- Cooperation with our customers will be improved to allow better product planning, development and manufacture as well as comprehensive after-sales service.

- Horizontal and vertical integration of all parts and products of the Group’s affiliates will be strengthened strategically and aligned with customer needs, to give them more convenient and complete services.

- Optimization of the quality of sophisticated products will be enhanced by new development and cost structures and strategic alliances with main parts providers to give customers better and more competitive products and services.

- Closer horizontal and vertical cooperation will be made with affiliates in the Group to create and strengthen the loyalty of long-term customers.

- Our ability to innovate will be further cultivated, aimed at more accurate prediction of market trends, before clients do, and provide them with products and services and high value-added solutions to improve long-term core competitiveness.

- The Company has established a service-oriented business model and new revenue sources through careful long-term upstream and downstream integration and cooperation.

- We are strengthening the breadth of learning of our team in preparation for future new business and product development through cross-industry alliances.

- We are cultivating the ability to control key technology, strategize high-end product lines, and gain cooperation opportunities with big manufacturers around the world.

- We will continue to strengthen our core R&D technology and communication capability and capacity for integrated services for smart devices.

- Compal not only actively promotes existing product design concepts but also provides practical results to increase market exposure and brand awareness. This includes utilizing online and offline channels for product promotion, participating in industry exhibitions and events, demonstrations, etc.

- Compal actively develops potential customers, seeks suitable partners, establishes long-term stable cooperative
relationships, and builds relationships with optical manufacturers, application developers, and other partners.

- Compal will promptly improve products based on customer feedback and market demands to enhance product competitiveness and user satisfaction. This may include targeted product improvements, optimization of service processes, and providing more timely technical support.
5.2 Market and Sales Overview

5.2.1 Market Analysis

1. 2023 Sales (Service) by Regions

<table>
<thead>
<tr>
<th>Sales Regions</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>45.2%</td>
</tr>
<tr>
<td>Europe</td>
<td>22.2%</td>
</tr>
<tr>
<td>Asia (Including Taiwan)</td>
<td>29.9%</td>
</tr>
<tr>
<td>Other Area</td>
<td>2.7%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

2. Market Share

- **Notebooks**
  
  According to IDC statistics, global notebook shipments reached 185 million units in 2023. Compal accounts for about 20% of the global notebook market and is still the world’s leading product manufacturer. As the market for notebook PCs is entering the era of vertical integration, Compal will continue to improve upon its technological capabilities, broaden the scope of its influence, and expand the market scale while challenging the limits and striving for continual improvement to maintain its lead over the competition.

- **5G Module and 5G User Equipment**

  Compal 5G UE Modules shipped from 2020, which is applied to various product categories such as 5G Mifi, 5G CPE routers, 5G notebooks, 5G AR/VR, 5G drones, 5G robots, 5G real-time cameras, 5G Industrial PC and industrial routers, and 5G USB Dongle, etc. The 5G standard is the major worldwide communication standard and trend that will bring rich product possibilities and high growth.

- **5G Small Cell, 5G O-RAN, Private Network solution**

  Compal has launched a variety of 5G integrated small cells for both Sub-6 and mmWave, 5G O-RAN solutions, and a variety of wireless end devices, to meet outdoor and indoor application scenarios, accelerate the speed of 5G network deployment, and reduce the cost of each field. Compal’s customized 5G O-RAN, private network and application solutions can meet the deployment needs of different industrial fields. At present, it has been deployed in several domestic fields to assist the digital transformation and strengthen the development of the industry.

- **Smart Wearable Devices**

  Compal is the biggest ODM supplier of Google Wear OS Smartwatch. The smartwatch market is expected to maintain its high growth for the next three years. Compal will endeavor to win more worldwide brand customers while studying market demand and adjusting the direction of product development to meet market trends.
Smart Hearable Devices
Compal already shipped several models of smart hearable products, including Bluetooth headsets and TWS earbuds. Because smart hearable products require high accuracy and miniature manufacturing, Compal is also investing in optimizing the product design and manufacturing processes to enhance production efficiency.

Smart Display Products
Our company has successfully mass-produced and launched the latest smart TV platform in 2023. We have also received high-quality reviews from consumers, averaging over 4.5 stars, and have successfully secured cooperation plans with existing customers for next year. We plan to continue our momentum in shipping products and actively expand our product lines to commercial and specific-purpose markets in order to maintain stable growth in the future.

3. Future Supply and Demand Situation and Growth of the Market

Notebooks
According to IDC, global notebook shipments declined by 12.9% in 2023 due to slowing demand and economic instability. Looking ahead to 2024, as the economy stabilizes and channel inventories return to healthy levels, coupled with the upcoming end of support for Windows 10 driving the need for commercial computer upgrades and the aging of devices purchased during the pandemic, there is an expected boost in computer replacement demand. Furthermore, the expansion of AI applications and the introduction of processors with AI capabilities by chip manufacturers will contribute to the increase in shipments quarter by quarter.

Ultraslim Notebooks
According to IDC statistics, global shipments of ultraslim notebooks (less than 18mm thickness) reached 61.9 million units in 2023, accounting for 33% of the global notebook market. In 2024, it is estimated that more ultraslim notebooks will be launched under the competition between x86 and ARM architecture processors.

Gaming Notebooks
Entering 2024, as the economy gradually moves towards stability and inflation issues are alleviated, continuous advancements in technical specifications and the integration of AI technology are making the use scenarios of gaming notebooks more user-friendly, expected to boost demand growth. Despite the economic downturn previously, gaming notebook shipments still reached 24 million units in 2023, indicating that gamers' passion for esports maintains a strong demand for gaming notebooks. According to IDC statistics, gaming notebooks accounted for about 13% of the global notebook market in 2023.

2-in-1 Notebooks
With continuous improvements in the supply chain, the cost and price of 2-in-1 notebooks have significantly decreased. Coupled with the digital transformation trend, 2-in-1 notebooks with versatile use scenarios are gradually gaining widespread acceptance among consumers. According to IDC data, global shipments of 2-in-1 notebooks reached 85 million units in 2023. It is anticipated that in 2024, as brands continue to launch more diversified products and integrate new technologies such as 5G and AI, the application scope of 2-in-1 notebooks will broaden, which is expected to generate more business opportunities.

■ All-in-one (AIO)
As the economy gradually recovers and technological trends evolve, the global AIO market is experiencing steady growth. According to IDC statistics, AIO shipments reached 8.7 million units in 2023, and are expected to exceed 9 million units in 2024, outpacing the growth of traditional desktops. Compal will continue to cultivate this market, committed to meeting consumers’ demands for high performance and integrated design.

■ 5G Module, 5G User Equipment, 5G Small Cell, 5G O-RAN, Private Network solution
Cisco’s internet report points out that by 2023, 70% of the world population (5.7 billion people) will have mobile networks, and at least 10.6% (600 million people) of mobile networks will be enabled by 5G networks. 5G products will have rapid growth, and it’s estimated more than 2 billion 5G devices of various types (average 2 to 3.6 connected devices per person) will be purchased. Compal will continue to develop 5G products with customers and various 5G domain partners.

According to the latest market research report, the global 5G small cell market size will reach USD 17.9 billion in 2028. SNS estimates that the global mobile private network will grow to USD 3.4 billion in 2025. Ericsson’s report also pointed out that the 5G vertical application market will reach USD 1.32 trillion in 2026. In view of the huge 5G small cell, 5G O-RAN, and private network application market, Compal actively invests in the development of 5G small cell, 5G O-RAN, and private network solutions. Compal deeply integrates and cooperates with various operators and industry partners, and has officially become 5G small cell equipment, 5G O-RAN, and private network solution provider.

■ Tablets
In 2023, global shipment volumes significantly declined due to global inflation and slowing consumer spending. Looking ahead, with the gradual economic recovery, the tablet market is expected to experience a rebound in 2024, characterized by three trends: enlarged screen sizes, increased prices and performance, and integration of AI generated content. Compal will also focus on larger screen sizes and the integration of AI technology, combined with 4G/5G communication technology, to enter the mid/high-end tablet market.

■ Smartphones
According to IDC’s, as the final market demand is still weak, the increase in shipments due to competition from major manufacturers has pushed up channel inventories. In addition, as government subsidies have reduced and suppliers have reduced production capacity to reduce losses, component costs have gradually increased. In the
first half of 2024, the shipments of the global smartphone industry will tend to be conservative. From the perspective of industrial structure, as high-end market demand gradually returns to rationality, the growth of 5G mobile phones is lower than expected and manufacturers focus on the development of low-end products. In the future, the proportion of design outsourcing is likely to remain fourth among global smartphones in the fourth quarter of 2023. The proportion of success. Compal maintains a stable mobile phone sales forecast and actively explores more opportunities.

■ Smart Wearable Devices
IDC predicts that smartwatches will continue to grow in the following years. To be well-prepared for the potential momentum, Compal is developing more advanced features such as sensors for activity detection, 4G LTE for always connection, Voice control and AI integration. Compal will continue to accumulate relevant technologies to extend its reach into more diversified wearable device product lines.

■ Smart Hearable Devices
According to research from IDC, the global hearable market will remain strong for several years in the future, driven by different marketing strategies: independent products or accessories of smartphones and smartwatches. More vendors join the market and it becomes more competitive. To create more value, Compal is focusing on new technologies for longer battery life, better sound quality, more efficient connection, and smarter user interaction.

■ Smart Display Products
According to market research companies, the global consumer LCD TV market in 2024 is still digesting the over-sales during the epidemic, which has led to weak demand in the past two years, and panel manufacturers have made production adjustments and control. The market is expected to remain flat or slightly decline. In addition to continuing to operate the consumer market for the development of smart display products, Compal will focus more on developing and operating commercial and specific-purpose market demand in the future.

■ Smart Home Devices
The smart home market size has rapidly expanded in recent years, reaching $107.5 billion in 2023 and is expected to grow to $129.5 billion in 2024. Advances in voice assistant technology, increasing demand for security monitoring, and home automation to improve energy efficiency are all driving factors behind the growth of the smart home market. Additionally, the exacerbation of aging populations has led to the maturity of technologies such as fall detection systems, remote health monitoring, voice control, and automatic safety features, which are expected to further propel the development of the smart home market.
With the continuous development of smart home technology, the market has the potential to expand further. AI, touchless, ambient sensing, and smart health technologies will all become major market drivers. With the implementation of Matter, Compal will also actively seize future demand with our AI, gesture control, ambient sensing, and smart health technologies.
AR Vertical Solutions

According to IDC's forecast for the fourth quarter of 2023, AR device shipments are expected to reach 800,000 units in 2024, representing a 60% growth compared to 2023. By 2025, AR device shipments are projected to reach 1.6 million units, indicating robust market demand.

In the future, the augmented reality (AR) market is expected to demonstrate strong supply-demand dynamics and continued growth. Increased acceptance of AR technology by consumers and businesses is driving demand growth for AR gaming, social media applications, virtual try-on experiences, and shopping experiences. Additionally, widespread applications of AR technology in education, training, healthcare, and industrial sectors further propel the increase in market demand. The diverse application needs across different industries will bring more potential customers and business opportunities to the AR market.

Continuous advancements and innovations in AR technology drive market supply. As technologies such as perception, display, and interaction mature, AR products will become more advanced, feature-rich, and offer superior user experiences, enhancing market attractiveness and competitiveness. The proliferation of smart wearable devices such as smart glasses will provide more consumers with opportunities to experience and use AR technology, expanding the user base and driving market growth.

The future AR market is expected to achieve a balance between supply and demand, with ample supply and sustained growth. As technology continues to develop and the market matures further, the AR market will bring more innovative applications and value to consumers and businesses, becoming a promising high-growth market.

Smart Medical and Healthcare

(1) Instruments, Equipment, and Accessories:

- Smart sports products: Estimates of Market Reports Hub show that the value of smart sports goods have increased to USD 15 billion in 2021, with professional athletes, professional teams, amateur athletes, and highly self-demanding trainers as the major consumer groups.
- According to a report by Mordor Intelligence, the global medical equipment market was valued at approximately $456 billion in 2021 and is projected to reach $614 billion by 2026, with a CAGR of 6.1%.
- Innovative medical devices: The sales of innovative medical devices, such as continuous blood sugar monitoring systems, reached USD 1.8 million in 2018 and will hit USD 2.5 billion in 2026, with a CAGR of 33%.
- Severe cardiovascular diseases monitoring AI: Estimates of Global Markets Insights show that the scale of the global medical AI market will reach USD 13 billion in 2025, with a CAGR of 40%.

(2) Management Systems:

- Electronic Medical Records (EMR) and Smart Ward Solutions: According to estimates by FMI, the global market for Electronic Medical Records (EMR) and management systems are expected to grow from USD 11.4 billion in 2015 to USD 19.7 billion by 2025, with a CAGR of 5.6%.

Automotive electronics (AE)

IHS estimates global light vehicle production in 2024 will reach 88.3 million units, up 2.8% YoY from 86 million in
IDC statistics show that the demand for x86 servers was 14.80 million pieces in 2023 and will reach 15.53 million pieces in 2024. The server demand will continue to rise in the next few years as boosted by the cloud computing demand, which is the major source of x86 server demand, accounting for nearly 92.65% of the shipping volume. As the frame-type server has a higher market share, we have actively engaged in the server market. In addition, AI server demand has significantly increased, and Compal has actively participated in more diversified server market.

4. Competitive advantage:

Compal has a long-time investment in the Information and Communication Technology (ICT) industry and has committed to its role as an ODM. The following is a description of our competitive advantages in terms of R&D and mass production capacity:

■ Notebooks

The Company has been manufacturing notebooks since 1989 and is one of the most experienced notebook manufacturers in Taiwan. Products designed by the Company have won many Editor’s Choice awards from renowned magazines worldwide as well as awards from the Taiwan External Trade Development Council. Furthermore, our design team has great sensitivity and responds to market changes with new commercialized products. To enhance product competitiveness, Compal has assembled an R&D team that specializes in the research of new materials and technologies and is good at adding more value to products. The Company also has an intellectual property rights system in place to protect new technologies developed by the R&D team. The demand for notebooks by general consumers has dwindled consistently due to the rise of handheld devices. This has forced manufacturers to switch competitive strategies towards faster response and more ergonomic design. The Company has always been sensitive to changes in the market and product trends. The next generation of products is planned well in advance to capture market opportunities and generate revenue.

■ Ultraslim Notebooks

Compal continues to stay ahead of its competitors in terms of technology advancement and R&D and strives to bring innovation to its designs. In 2024, Compal will maintain this advantage and actively assist customers in the development of more competitive ultraslim notebooks with x86 and ARM platform.

■ Gaming Notebooks

Compal is consistently dedicated to the gaming notebook market with the best hardware and software design. We will focus on integrating AI and various sensing technologies to enhance user experience and personalization, concentrating on developing the next generation of gaming notebooks designed to meet the needs of various gamers in 2024.
2-in-1 Notebooks

Compal has extensive experience in the development and manufacture of both notebooks and tablets. By adding a bit of innovation, Compal is confident of its ability to create new demand for these products.

All-in-one (AIO)

Compal possesses the advantage and ability to commercialize products quickly in this respect. To further emphasize product differentiation, a resolute software development team has been assembled to carry out software development and human-machine interface integration, to make the products more suitable for consumer needs.

5G Module, 5G User Equipment

Compal has had long-term communication technology development for more than 20 years and has involved itself in the evolution of global communications standards (2/3/4/5G/B5G). With complete technical capabilities and manufacturing advantages, Compal can provide customers and partners with the most competitive and flexible solutions.

- One-stop capability and services include communication and whole machine design and manufacturing.
- Obtained carrier Interoperability test (IoT) and certification.
- Obtained product certifications, including GCF, CE, CCC, TELEC, FCC, and PTCRB, as well as the carrier certification by request.

5G Small Cell, 5G O-RAN, Private Network solution

Compal 5G small cell series has comprehensive antenna solutions, greatly increased the data transmission rate and accuracy, and effectively enhanced the network signal, strengthening the indoor coverage and the ability of outdoor long-distance transmission, creating the industry's fastest 5G small cells. 5G ISC(Integrated small cells), O-RU and DU inline accelerator have been equipped with the ARM processor to address low energy consumption, and lower the total cost of ownership (TCO) by delivering high-performance and energy-efficient 5G solution. Compal's 5G RAN solution and application technology can help our customers to create greater flexibility to meet the needs of deployment in different industrial fields, and can also enhance the possibility of extended development and strengthen industrial development.

Tablets

Compal will continue to integrate new technologies, including AI and environmentally friendly design, to optimize product specifications, performance, and user experience, offering products for various applications such as gaming, entertainment, business, and education. Additionally, Compal will actively apply 4G/LTE/5G communication technologies, commonly used in smartphones, to tablets to meet users' needs for Internet connectivity from anywhere.
Smart Wearable Devices
Compal has developed many different types of wearable devices ahead of its international peers. We have long-term strategic partnerships with technology leading companies such as Google and Qualcomm for the development of innovative technology. Compal currently offers an extensive range of products, and leads the industry in many advanced technologies, including video, audio, wireless, and wearable materials.

Smart Hearable Devices
Compal has years of experience in acoustic, wireless communication, and mechanical structure design for smart mobile devices. We have experienced engineering teams, systematic development processes, and complete test processes and facilities. We can also provide supply chain management services and excellent cost and quality control. All these can be beneficial to our brand customers or distributors.

Smart Display Products
We will continuously adjust the resource allocation between production bases and supply chains, deepen the strategic partnership with customers and manufacturers, develop the latest smart TV platform, integrate large-size touch, ultra high brightness backlight, transparent OLED and state-of-art technologies, improve the competition threshold, and strive to meet the needs of consumer, commercial and specific-purpose markets at the same time.

AR/VR Smart Devices
Compal has joint technology development cooperation with strategic partners, and provides the latest XR hardware platform, eye tracking, spatial perception, and reference design based on ergonomic engineering considerations. It provides highly customized product design services to meet the needs of commercial customers.

Smart Home Devices
A smart home encompasses a variety of interconnected and intelligently automated household electronic devices, including appliances, entertainment, communication, health care, and security products. Leveraging its existing engineering expertise in the computer and communication industries, as well as firmware design capabilities, Compal can assist customers in building a smart appliances ecosystem in addition to smart speaker products. Through communication modules and optical modules, Compal provides customers with comprehensive hardware and software solutions and customized applications to better meet market expectations.

AR Vertical Solutions
Compal will continue to leverage its past research and design capabilities in notebook computers and wearable devices, employing a modular concept to design products with different specifications for various fields, providing
customers with comprehensive solutions. Furthermore, in specialized industrial solutions, Compal will develop dedicated AR solutions tailored to specific industries or application scenarios; by integrating AR technology with other related technologies or services, Compal can offer more comprehensive and valuable solutions.

Simultaneously, Compal will focus on delivering high-quality user experiences and designs, making products easy to use, intuitive, and attractive. The success of AR technology often depends on user experience, so focusing on user experience and design can become Compal's competitive advantage. Additionally, considering the development of AR applications that can run on different platforms and devices, providing cross-platform and cross-device support can expand the user base, increasing product accessibility and usability.

By collaborating with other industries to seek innovative application scenarios and business models, Compal can help attract more users and customers for enterprises, expand business models, etc., establishing its own competitive advantage in AR and achieving success in the market.

■ Smart medical and healthcare
Compal will leverage its existing ITC capabilities and cloud platform to explore cross-industry alliances and opportunities to satisfy customer needs with diverse products and services.

■ Automotive electronics (AE)
Under megatrends in automotive: Electrification, connectivity, ADAS/AD, we strive to prosper our existing business by concurrent engineering with customers to achieve cost competitiveness and 0 ppm quality in IVI systems and ICT solutions, and leverage core technologies and experiences to new products to explore new business opportunities.

■ Servers
Compal has many years of experience in the design and manufacturing of computers, and this has helped us enter the server industry. Compal's existing business relationships with world leading server manufacturers also work in our favor. Also, we need to invest more in designing more AI servers to enrich our server product line.

5. Future opportunities, threats, and responsive strategies
■ Opportunities
• In response to the needs of geopolitics and regional markets, coupled with the rising awareness of environmental protection and sustainability, the notebook industry has also begun to move towards a regionalized supply chain. Compal has successively established manufacturing and maintenance service bases in Taiwan, China, the United States, Vietnam, Brazil, Poland, etc., which can quickly respond to customer needs and changes in geopolitics.
• As Microsoft is expected to end support for the Windows 10 operating system by 2025, the demand for computer replacements is anticipated to gradually increase over time.
• Innovate new products and work with worldwide leading companies to lead the new product development and market directions.

• The expansion of software development, aesthetic design, and human-machine interface talent has improved the ergonomics of Compal products, which adds value and appeal to customers.

• Compal's strong R&D, manufacturing and operational management experience has earned the trust of world-renowned brands.

• Compal has rigorous processes in place to monitor cost from initial R&D to manufacturing and is therefore able to maintain a competitive edge with our products.

• A rational pricing strategy supported by an alliance with parts suppliers helps secure market growth.

• Connectivity not only brings convenience, but also adds value and competitiveness to the products offered.

• Compal actively forms alliances with participants across industries. This helps the Company to increase product and customer diversity.

• Compal remains active in developing innovative technologies and exploring new product concepts. The Company collaborates with customers in developing new product lines, and in so doing secures access to new products and technologies.

• Compal has the technical capabilities to make smartphones and tablets in ways that support new IoT applications such as smart speakers, smart voice assistance, etc. as well as the ability to explore new opportunities across different industries.

• Driven by the growing demand for wearable devices, Compal continues to mass-produce products and develop new proposals and innovations with major customers, continuing to maintain its position as the leading producer of wearable devices.

• Actively invest in 5G development, continue to develop 5G small cells, 5G O-RAN, private network and application solutions, 5G modules, 5G dongles/hubs and other 5G vertical product portfolios that can be supported in all fields, and gradually promote the development of 5G leadership in applications.

• The US-China trade war is expected to enhance Compal's design opportunities and slow down the price competition among Chinese manufacturers.

• With the flourishing growth of global 5G communication, Compal collaborates and integrates 5G communication capabilities with internal and external corporate partners, and launches a variety of 5G applications.

• Integration of holographic 3D streaming media, 5G communication technology, and artificial intelligence (AI) empowers AR/VR products.

• Actively apply for audio and voice analysis patents to enhance global patent deployment.
• Enhance artificial intelligence (AI) technology as the foundation of the next generation of smart devices.
• With the continuous improvement of sensing technology, display technology, and computing power, as well as the reduction in hardware costs, the proliferation of AR technology will benefit. Response Strategy: Enterprises should closely monitor technology development trends and actively invest in research and innovation to maintain product competitiveness.

Threats

• Amidst unresolved inflation, persistently high interest rates, and ongoing geopolitical conflicts, global economic growth faces significant challenges, warranting caution against potential crises.
• With the United States intensifying restrictions on the expansion of China’s supply chain, operators in Taiwan’s notebook industry must proactively adjust their strategies. The competitive advantage is shifting from specialization to vertical integration, which not only raises investment costs and expands market scope but also adds complexity to business operations. Faced with the rise of the Chinese supply chain, Taiwanese notebook manufacturers must promptly enhance their capabilities in design, development, and assembly to maintain their competitive edge in the global market.
• The notebook is a highly mature product and requires more diverse, value-adding, and innovative features to differentiate it from other market participants.
• Intense competition in the IoT market can give rise to inconsistent quality and make competition in the industry more difficult.
• Ongoing price competition among smartphones has a significant impact on large-brand customers.
• Overall demand for tablets has declined, which adds to the competitive pressure.
• Wearable devices are still in the early stages of development and require sustained periods of expansion to reach an economy of scale.
• 5G is distributed in various domains, many industries are in the POC stage, and 5G innovative new business model is still under development.
• The conditions of the US-China trade war, globalization, rapid technological development and fast-changing industries, increased investments in Taiwan from abroad as well as the demands of human resources and, make talent recruiting more difficult.
• The widespread adoption of AR technology may be hindered by insufficient user education and acceptance. Users may lack understanding and trust in AR technology.
• Compal closely monitors the favorable and unfavorable factors affecting the development of AR technology and takes corresponding measures to address challenges, seize opportunities, and promote the healthy
development of AR technology.

Strategies

- The Company will adopt strategies that focus primarily on innovation, product added value, and service.
- Increase research and development investment, actively seek technological innovation points, and improve product performance and functionality.
- The use of land and human resources in emerging countries throughout the world will be optimized to reduce the cost of production and basic R&D.
- We will enhance the product design review process and develop a comprehensive database of documents to improve design efficiency and quality while reducing costs.
- Deeply understand market demands, develop diversified products and services to meet the needs of different customers.
- Strengthen cooperation with various industries, develop industry-specific solutions, and provide customized products and services.
- Provide cross-platform and cross-device support, develop AR applications that can run on different smart wearable devices.
- New customers and new product lines will be explored in emerging markets.
- We will launch ultraslim notebooks that integrate high performance and portability in response to the machine renewal demand in the commercial market to seize the commercial market together with customers.
- The gaming market has grown in diversity, with new technologies constantly being introduced to entice consumers to replace old products. Compal is in the position to offer gaming notebooks at various price levels to meet consumer demand.
- We will offer complete solutions and form alliances across industries to quickly tap into market demand while retaining the flexibility to satisfy customer needs.
- We will nurture innovative talent within the organization, enhance the development capacity for high-end medical equipment and engage world-renowned medical equipment suppliers in strategic, long-term, and mutually beneficial cooperation.
- We will continue to strengthen working relationships with platform operators by providing hardware and software solutions.
- We will continue to extend our 5G communication capabilities to various 5G domains and types of products, build up leadership in 5G, and provide complete total solutions.
- We will develop more AR/VR solutions and collaborate with domain partners, to create market penetration,
and increase customer satisfaction. 

- We will continue to develop high-end acoustic technologies for smart hearable products and collaborate with audio professors and top acoustic research centers in Taiwan.
- We will cultivate internal R&D talents in AI technologies, hold AI seminars, and training courses.
- We will improve employee benefits, salaries, and other conditions to retain talent, disperse R&D location bases to increase the source of outstanding talents and attract outstanding talents to join the international recruitment

5.2.2 Major Products and Their Main Uses

1. Main product applications
   
   ▪ Notebooks
   An analog-digital application hardware platform combined with dedicated software to enable a variety of applications such as data editing/processing, word processing, layout, graphics applications, web browsing, communications, digital multimedia entertainment, gaming, content creation and others.

   ▪ Ultraslim Notebooks
   A notebook that emphasizes thinness and is lightweight and takes into account computing as well as battery performance to meet the consumer need for both portability and productivity.

   ▪ Gaming Notebooks
   The high-performance hardware and gaming-inspired designs allow gamers to fully immerse themselves in the gaming world.

   ▪ 2-in-1 Notebooks
   These devices use the Microsoft Windows 11 operating system, have an optional stylus, and satisfy the growing consumer demand for mobile computing. In addition to multiple operating modes, the device has a touch screen that enables it to be used as a tablet.

   ▪ All-in-one (AIO)
   Beautiful aesthetics suited for home, commercial, and design use, with emphasis on a touchscreen input interface, a range of software applications and high computing power.

   ▪ Smart Home Devices
Smart appliances, controls and sensors provide users with diversified services for a smart lifestyle.

- Tablets
  Portable touch screen multimedia, mobile viewing, and online information applications.

- Smartphones and Modules
  Personal communication and internet access.

- AR Vertical Solutions
  AR technology can combine the virtual world with the real world, providing users with a richer experience.
  - It can be used in the education and training fields, presenting interactive maps, virtual laboratories, etc., in AR format, which can enhance learners' interest and engagement, promoting learning and understanding.
  - It can realize functions such as virtual try-on and virtual home decoration, helping consumers understand the styles and layout effects of products more intuitively, thereby enhancing the enjoyment and satisfaction of purchases.
  - It can achieve functions such as real-time navigation and augmented reality navigation, helping users find destinations more accurately, obtain surrounding information, etc., thereby improving travel efficiency and convenience.

Compal, through the demand analysis phase, needs to clearly understand the product's purpose, target users, functional requirements, etc., and design the product's functional framework and user interface according to the requirements; during the development phase, software coding is carried out based on the requirements to realize the product's functionality and interface design, and the most suitable solution is feedback and suggested based on past product experience. A series of tests are conducted to prevent potential issues and optimize to ensure product stability and user experience.

Compal continues to communicate and coordinate with customers to ensure that the product meets their needs and expectations, ultimately providing a good user experience.

- Smart Medicine and Healthcare
  Penetration into households and point-of-care areas using technology, including that of the IoT, and gradual integration with our own peripheral software products allows the provision of comprehensive solutions. These can provide convenient and instant smart health care that will enhance dependence on the products and engender user brand loyalty.

- Automotive electronics (AE)
  - In-Vehicle Infotainment systems
  - Vehicle communication (4G/5G) systems
• ADAS warning systems

**Servers**

Designed for high power computing, capable of storing massive amounts of data and compatible with different processing programs for data analysis. Built to accommodate different applications required by enterprises, data centers, and cloud platforms. Also, we need to invest more in designing more AI servers to enrich our server product line.
### 2. Production Process of the Main Products

#### Notebooks

<table>
<thead>
<tr>
<th>Casing of logic board</th>
<th>Preparation of LCD display</th>
<th>Assembly</th>
<th>Preparation of main board</th>
<th>Preparation of keyboard</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Fasten LED board</td>
<td>- Inspect LCD panel</td>
<td>- Input inspection</td>
<td>- Input inspection</td>
<td>- Prepare plunger + frame</td>
</tr>
<tr>
<td>- Fasten power switch board</td>
<td>- Fasten interface board to lower casing</td>
<td>- Fasten motherboard to frame</td>
<td>- Parts processing</td>
<td>- Install frame onto metal board</td>
</tr>
<tr>
<td>- Produce LED frame</td>
<td>- Fix LCD panel to lower casing</td>
<td>- Prepare battery spring</td>
<td>- SMT (surface mount technology)</td>
<td>- Apply double-sided tape</td>
</tr>
<tr>
<td></td>
<td>- Apply hook to casing</td>
<td>- Prepare battery wire</td>
<td>- Insert add-ons</td>
<td>- Insert keys</td>
</tr>
<tr>
<td></td>
<td>- Combine upper &amp; lower casing</td>
<td>- Prepare disk drives</td>
<td>- Visual inspection</td>
<td>- Press keys and check</td>
</tr>
<tr>
<td></td>
<td>- Assemble LCD casing &amp; logic board upper casing</td>
<td>- Fasten disk drives+motherboard to bottom casing</td>
<td>- Soldering furnace</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Production process inspection</td>
<td>- Machine wash</td>
<td>- Remove board</td>
<td>- Install PCB to lower casing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Apply heat sink</td>
<td>- Trip conductor</td>
<td>- Install wires to lower casing &amp; fasten</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Secondary soldering</td>
<td>- Machine wash</td>
<td>- Assemble upper casing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Brush clean</td>
<td>- Apply heat sink</td>
<td>- Prepare casing upper plate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Visual observation</td>
<td>- Assemble name plate</td>
<td>- Process quality inspection</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Repair</td>
<td>- Prepare LED frame</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Process quality inspection</td>
<td>- Automated machine testing</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Automated machine testing</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- QA testing
Smartphones and Tablets

Design/analyze
  ▼ OK
  Input material
  ▼ OK
  SQE test
  ▼ OK
  Install PCB SMD
  ▼ OK
  Welding of parts
  ▼ OK
  Base band TEST
  ▼ NO Repair ▼ OK
  Assembly
  ▼ NO Repair ▼ OK
  ▼ OK ▼ Vibration and appearance
  ▼ OK ▼ Function test
  ▼ OK ▼ FINAL TEST
  ▼ OK ▼ CALL TEST
  ▼ OK ▼ Current IDEL
  ▼ OK ▼ Exterior
  ▼ OK

▼ IMEI
  ▼ OK
  Packaging
  ▼ OK
  Shipment
5.2.3 Supply Status of Main Materials

- CPU/Chipset
  - Notebook
  The overall demand of notebooks has slowed down in 2023 due to the major laptop brands’ inventory level remain high, coupled with the impact of inflation, which result consumer spending show a sign of weakening. As the inventory level has gradually become healthier and the inflationary pressures are expected to slow down, coupled with the rise of AI PC trend, it is expected the overall notebook demand might recover in 2024 H2.

  The majority of the NB CPU market is still controlled by Intel and AMD X86 solution, which accounting for 65.5% and 22.9% respectively. Apple CPU has shown resilience in the weak NB market with the penetration takes 10.3% in 2023. In addition, both Qualcomm and MediaTek has released ARM based NB solution and it is estimated that ARM will account for around 15% of NB market in 2026.

  In term of new products, Intel has launched 7nm Meteor Lake in 2023 Q4, which emphasis on equipped with NPU (Neural Processing Unit) as AI accelerator. Arrow Lake is estimated to be released in 2024 Q4, as well as Lunar Lake, which emphasizes thinness, lightness, power saving and integrates the memory LPDDR5X into the package. AMD 4nm high-end Phoenix and Hawk Point have released in 2023 Q1 and 2024 Q1 respectively. The Strix Point is expected to launch in 2024 Q3. As major CPU manufacturers have proposed new solution for AI computing power in 2024 H2, it is expected the notebook market will be boosted.

- Smartphone and Module
  The Smartphone Market size is estimated at 1.51 Billion units in 2024, with a CAGR of 4% during the period of 2023 to 2029. Driven major by emerging market economies and renewed consumer spending. AI smartphones to be shipped in 2024, representing almost 15% of total smartphone shipments and a sizeable jump from the roughly 51 million shipped in 2023. This share is expected to climb rapidly beyond 2024 as the industry players push aggressively towards new silicon and use cases evolve further.

  Some of the latest flagship devices with on-device with AI capabilities that are creating increased interest and excitement in the industry. A Global 5G Wireless Module market is projected to reach USD 794.6 million in 2029, with the CAGR of 5.6% during the period of 2023 to 2029. 5G RedCap standard with reduced performance and cost will accelerate 5G adoption in industrial and wearable, which does not require broadband connectivity or lower power consumption. The challenges of 5G RedCap are the module cost and network infrastructure. Mobile operators need to invest their 5G network to support 5G RedCap, therefore it will take a few years for mobile operators to extend 5G RedCap network in wide area.

- Memory
  - DRAM
  Regarding the outlook for market demand throughout 2024, the DRAM major manufacturers (Samsung,
SK Hynix, and Micron) remain cautious, currently focusing on controlling production capacity as their primary strategy and gradually digesting inventory quarter by quarter. With the destocking trend in notebooks and the continuous increase in average per-device DRAM capacity across various product categories, DRAM demand is expected to improve gradually. Overall, the market shows signs of recovery in demand, and with manufacturers keep controlling production plan, it is anticipated that DRAM prices will continue to raise.

For DRAM application, calculated in units of 2Gbs, the actual shipment in 2023 is 100.1 Billion units, and it is estimated to be 118.2 Billion units in 2024, with a compound annual growth rate of approximately 18.2%. The overall capacity allocation still focuses on Server and Mobile. It is estimated that Server will decrease from 37% to 36%, Mobile will slightly decrease from 36% to 35.3%, PC will account for about 12%, Consumer will account for about 7.9%, and Graphics will account for about 8.8%.

In terms of DRAM processes, the major manufacturers continue to advance toward 12nm process technology. Their capital expenditures for 2024 are estimated to increase by 3% compared to 2023. Due to the surge in demand driven by AI server, there is increased demand for High Bandwidth Memory (HBM). Additionally, with the market shifting toward DDR5 as the mainstream, it is estimated that the major manufacturers will allocate some capacity from DDR4 to HBM. The supply of PC DRAM for 2024 H2 is estimated to be tight.

- **NAND flash**
  In 2023 H1, on the supply side, major storage manufacturers implemented aggressive production cuts to address losses in their NAND Flash product lines. The demand side is not strong due to the global inflation and resulted in an oversupply situation for NAND Flash. In 2023 H2, the significant impact of production cuts by manufacturers led to a rebound in NAND Flash prices starting from 2023 Q4. The price of NAND Flash is expected to increase or remain stable by the market situation.
  In terms of NAND Flash process nodes, suppliers continue to progress towards higher stack layers. In 2023 H2, SK Hynix announced the development of 321-layer NAND Flash and expected to produce in 2025 H1, while Micron announced the production of NAND Flash with over 250 layers in 2024 H1 after previously achieving 232 layers. However, the pace of transitioning to higher layer may slow down due to suppliers reducing capital expenditures.

- **Battery**
  In 2022, the uptrend of laptop battery prices caused by cobalt, and persisted until 2022 Q4. The demand for electric vehicles slowed down in 2023 and electric vehicle manufacturers began shifting away from ternary batteries (nickel-cobalt-manganese or nickel-cobalt-aluminum) to the cheaper LFP batteries. As a result of the transformation in the electric vehicle market, laptop battery prices began to decline in 2023 and continued to the flattened curve in 2023 Q4.
  The laptop battery shipments from packers are decreasing, and more and more battery cell manufacturers
choose to assemble packs by themselves. The proportion of packers decreased from 72% in 2022 Q1 to 69% in 2023 Q4, and it is estimated to further decrease to 66% by 2024. As more mainland China battery cell manufacturers begin to assemble packs themselves, and Japanese and Korean battery manufacturers gradually shift to power and energy storage applications, the proportion of mainland China manufacturers in the laptop battery pack market is expected to keep increasing.

- **LCD**

Affected by inflation, the demand of laptops remains weak, and PC brands are actively clearing inventory. Interestingly, the proportion of affordable traditional non-silicon-crystal panels is increasing rather than decreasing. However, it is expected that this trend will continue to decline year by year due to the replacement of other high-end display technologies. OLED panels, which were previously optimistic, have not been widely adopted due to cost and yield issues. The shipment penetration rate in 2024 is estimated to be 3.1%.

The mainstream sizes of laptop panels still remain at 14 inches and 15.6 inches. However, laptops have started transitioning from the 16:9 aspect ratio to 16:10, and it is anticipated that the market share will reach 46.0% in 2024 and 53.2% in 2025.

Windows 10 is going to be phased out soon, and with AI PC topic are expected to be new drivers for commercial laptop panels. Additionally, there is a growing demand for high-end panels with high refresh rates in gaming laptops. Those reasons could anticipated to help the panel industry recover from the downturn, and support the notebook panel price stable.
5.2.4  Major Suppliers and Clients

1. Major Suppliers in the Last Two Calendar Years

<table>
<thead>
<tr>
<th>Party</th>
<th>Name</th>
<th>Amount</th>
<th>Percentage of 2022 net purchases (%)</th>
<th>Relationship with the issuer</th>
<th>Name</th>
<th>Amount</th>
<th>Percentage of 2023 net purchases (%)</th>
<th>Relationship with the issuer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Company E</td>
<td>330,815,052</td>
<td>34.18</td>
<td>N.A.</td>
<td>Company E</td>
<td>281,375,768</td>
<td>32.19</td>
<td>N.A.</td>
</tr>
<tr>
<td>2</td>
<td>Company J</td>
<td>75,916,569</td>
<td>7.84</td>
<td>N.A.</td>
<td>Company J</td>
<td>93,528,302</td>
<td>10.70</td>
<td>N.A.</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>561,263,037</td>
<td>57.98</td>
<td></td>
<td>Others</td>
<td>499,129,820</td>
<td>57.11</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Net Purchase</td>
<td>967,994,658</td>
<td>100.00</td>
<td></td>
<td>Net Purchase</td>
<td>874,033,890</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

*Causes of changes: No significant change to the major suppliers reported in the last two years.*

2. Major Clients in the Last Two Calendar Years

<table>
<thead>
<tr>
<th>Party</th>
<th>Name</th>
<th>Amount</th>
<th>Percentage of 2022 net sales (%)</th>
<th>Relationship with the issuer</th>
<th>Name</th>
<th>Amount</th>
<th>Percentage of 2023 net sales (%)</th>
<th>Relationship with the issuer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Company a</td>
<td>96,621,806</td>
<td>9.00</td>
<td>N.A.</td>
<td>Company a</td>
<td>95,644,980</td>
<td>10.10</td>
<td>N.A.</td>
</tr>
<tr>
<td>2</td>
<td>Company d</td>
<td>460,236,878</td>
<td>42.88</td>
<td>N.A.</td>
<td>Company d</td>
<td>379,263,553</td>
<td>40.06</td>
<td>N.A.</td>
</tr>
<tr>
<td>3</td>
<td>Company e</td>
<td>102,969,721</td>
<td>9.59</td>
<td>N.A.</td>
<td>Company e</td>
<td>125,647,532</td>
<td>13.27</td>
<td>N.A.</td>
</tr>
<tr>
<td>4</td>
<td>Company f</td>
<td>170,398,727</td>
<td>15.88</td>
<td>N.A.</td>
<td>Company f</td>
<td>121,450,902</td>
<td>12.83</td>
<td>N.A.</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>243,018,783</td>
<td>22.65</td>
<td></td>
<td>Others</td>
<td>224,707,833</td>
<td>23.74</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Net sales</td>
<td>1,073,245,915</td>
<td>100.00</td>
<td></td>
<td>Net sales</td>
<td>946,714,800</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

*Causes of changes: The decrease in sales to Customer a, d, and f in the year of 2023 is mainly due to the decrease in shipments of the corresponding products which was caused by the impact of customer demand.*
5.2.5  Production in the Last Two Years

<table>
<thead>
<tr>
<th>Main products</th>
<th>Year</th>
<th>Production capacity</th>
<th>Production volume</th>
<th>Production value/ value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2022</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5C electronics</td>
<td>152,068</td>
<td>112,581</td>
<td>1,039,628,777</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2023</td>
<td>132,142</td>
<td>95,974</td>
<td>895,277,898</td>
</tr>
</tbody>
</table>

5.2.6  Shipments and Sales in the Last Two Years

<table>
<thead>
<tr>
<th>Main products</th>
<th>Year</th>
<th>Sales volume</th>
<th>Domestic sales</th>
<th>Export sales</th>
<th>Domestic sales</th>
<th>Export sales</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Volume</td>
<td>Value</td>
<td>Volume</td>
<td>Value</td>
</tr>
<tr>
<td>5C electronics</td>
<td>2022</td>
<td>1,100</td>
<td>3,047,804</td>
<td>110,122</td>
<td>1,070,198,111</td>
<td>966</td>
</tr>
<tr>
<td></td>
<td>2023</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.3  Human Resources

<table>
<thead>
<tr>
<th>Year</th>
<th>December 31, 2022</th>
<th>December 31, 2023</th>
<th>April 2, 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td>73,120</td>
<td>58,249</td>
<td>56,671</td>
</tr>
<tr>
<td>Average age</td>
<td>29.12</td>
<td>29.85</td>
<td>30.40</td>
</tr>
<tr>
<td>Average years of service</td>
<td>2.85</td>
<td>3.45</td>
<td>3.40</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Academic qualifications</th>
<th>December 31, 2022</th>
<th>December 31, 2023</th>
<th>April 2, 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doctoral Degree</td>
<td>0.07%</td>
<td>0.09%</td>
<td>0.07%</td>
</tr>
<tr>
<td>Master's degree</td>
<td>5.05%</td>
<td>6.52%</td>
<td>6.30%</td>
</tr>
<tr>
<td>University</td>
<td>23.93%</td>
<td>28.93%</td>
<td>26.85%</td>
</tr>
<tr>
<td>High school/Below/others</td>
<td>70.95%</td>
<td>64.46%</td>
<td>66.78%</td>
</tr>
</tbody>
</table>
5.4 Environmental Protection Expenditure

1. **Compal is an assembler of electronic products and produces no significant pollution**
   
The company is an information electronic product assembly plant with non-high energy consumption, high water consumption, and a high pollution industry. In order to protect the environment, it fulfills its social responsibilities, saves energy and reduces carbon, and reduces the impact of global warming. The Taiwan and Mainland China plants together incurred expenses of TWD 42,209 thousand (excluding regular maintenance and green R&D) in 2023. We are keeping the promises we made as earth citizens and hope to make substantial contributions to the protection of the global environment. We will continue our commitment to efforts in this respect. In 2023, Compal had no violation of environmental laws, and will keep abreast of relevant regulatory updates and respond immediately to reduce the risk of violations.

2. **Compliance with EU RoHS directives**
   - All our company's products comply with the limits required by the RoHS directive, and there are no returns due to exceeding the limits.
   - To manufacture environmentally friendly green products and meet the requirements of both international environmental laws and client demand, the Company has implemented “Management Standards for the Control of Environment-Related Substances in Parts and Materials” that cover all hazardous substances currently prohibited by law and banned by customers. We have implemented efficient and effective methods of inspection for hazardous substances using recognized component classification and risk control to establish a plant monitoring mechanism for oversight and verification.

3. **Responsive strategies and possible expenses**
   
   In the future, the Company will continue to implement its environmental responsibilities, including the boosting of staff knowledge of environmental matters, and spreading updated green living knowledge, the Company’s response to government policy with respect to green consumption, and the regular priority assessment of green product content in procurement, as well as continuous improvement in the energy efficiency of our plants. This includes scrutiny for all kinds of possible violations of environmental regulations in the operations management system, and the mandate to have a timely response to all environmental laws.

5.5 Labor Relations

1. **Availability and execution of employee welfare, education, training, and retirement policies. Elaboration of the agreements between employers and employees, and protection of employee rights.**
   - **Employee welfare**

   In addition to all employees’ statutory labor rights and to help them find a balance between work and personal life, both physical and mental, and to improve their vitality in the workplace, the Company has an Employee Benefits Committee, a Life Committee, and other groups responsible for promoting worker welfare. The employee health benefits and activities include a fitness center, a medical facility, periodic health checks, recreational team competitions, family activities, travel, the arts, and leisure and all kinds. Group Life Insurance
is covered by the Company and includes accident, medical, and cancer. Employee dependents may also join the scheme at a discounted rate, but at their own expense. We also have benefits such as scholarships for employees and their children.

The Company actively supports the government in resolving the low birth rate crisis and childcare policy in Taiwan. Since 2011, we have provided generous maternity grants for employees and their spouses and children. By the end of 2023, the Company had provided TWD 226.31 million in maternity allowances and bonuses. There were 35 counts of employees who took parenting leave, with the right to return to work, in 2023.

Education and training

The Company set training credits and outlined the credit system according to the needs of each level. The Company also integrated all training records into an online learning platform to further assist the competent staff in keeping abreast of learning progress.

In 2023, 721 training sessions (both internal and external) were organized; these courses delivered 208,483 hours of training and 115,751 persons enrolled. The total training expenses were TWD 24,856,000. The training courses included:

- **Orientation:** New hire seminars and corporate culture experience camps were organized to help new hires better understand company culture, the current status of the industry, and Company strategy and vision.
- **Language training:** Basic to advanced English and Japanese courses that train employees to respond to customers and give them a global vision through workspace situational training.
- **Managerial skills Training:** To establish a comprehensive blueprint of development level, strengthen core competency at all levels in such aspects as teamwork, issue analysis, innovative thinking, and soon conduct planning for company talent training at various stages.
- **Professional training:** Categorized new professional knowledge lectures, courses, and experience heritage job training to enhance employee expertise and technology and to enhance the Company’s core competitiveness through systematic management.
- **E-learning:** Offers related courses in new hire requisites, IT, Six Sigma, language, management, CSR, and occupational safety. The Company uses internet learning and resource sharing to offer real-time learning. The effect is maximized with a complete learning and training mechanism that utilizes a comprehensive knowledge management system.

Retirement system

To arrange retirement for employees, the Company has issued labor retirement rules, which stipulate the conditions and standards for retirement, application, as well as operation of the labor Pension Preparation Fund based on law. A supervisory committee for the workers’ retirement preparation fund has also been established. According to the Regulations for the Allocation and Management of the Pension Preparation Fund, we contribute and deposit labor pension preparation funds into a dedicated account at the Bank of Taiwan per month to protect employees’ rights. In accordance with the Labor Pension Act, we have contributed a 6%
pension into personal accounts for befitted employees. Also, for those who volunteered to contribute pension, the voluntary withholding rate was deducted from the employees’ monthly wage to the individual retirement account of the Labor Insurance Bureau since 1st July 2005.

Employer-employee communications and the enforcement of worker rights

The Company has always valued employer-employee relations and has communication channels available to facilitate two-way communication that allows the Company to respond to the thoughts and opinions of employees in a prompt manner. The Company not only has policies in place to protect employee rights, but also makes decisions in the best interests of its employees.

2. Personnel management

The Company has clear policies in place to manage human resources and to guide employee behavior. There are specific levels of approval authority and detailed rules to guide decisions concerning employee recruitment, promotion, appraisal, assignment, leave of absence, resignation, confidentiality agreements, reward and discipline. These policies and rules exist to eliminate subjective judgment and to create a fair, open, and systematic corporate culture.

3. Work environment

- Buildings are subjected to annual fire safety inspections and reports.
- Buildings, plants and equipment are inspected daily and maintained on a regular basis.
- The Company hires regular cleaning services to ensure the cleanliness of its work environment.

4. Employee safety

- Personnel entry and exit are controlled by a security system.
- Security personnel are stationed 24 hours a day to patrol plant premises and monitor the surveillance system.
- Lectures and rehearsals are organized annually to demonstrate proper responses to cases of emergency.

5. Actual or estimated losses arising as a result of employment disputes in the recent year up to the publication date of this annual report, and any responsive measures taken

- In 2023 and as of the date of the report published, Company did not suffer any losses due to employment disputes: None
- Future plans and potential expenses: None
5.6 Information Security Management

1. Information security risk management framework

The Information Security Committee coordinates and executes Compal’s information security related operations and various activities. It has one chairman and one deputy chairman. According to management needs, several members may form the committee, with the head of the department and above as ex-officio members. An executive secretary is responsible for administrative affairs. The Information Security Committee has an Information Security Implementation Team, which is composed of staff from the Information Security Team of the Information Headquarters, which handles the establishment, promotion, maintenance, audit and training of information security related matters. One person is appointed as the head of the Information Security Implementation Team and reports to the Board of Directors once a year. When necessary, the Capital Committee may invite external information security consultants to serve as advisors.

Compal’s Information Security Committee coordinates and discusses information security policies, objectives, resource scheduling and other issues, and holds management review meetings every six months to ensure the continuous applicability, relevance and effectiveness of the ISMS, and maintain operational information security and compliance with national laws and regulatory requirements for information security control. It defines the scope of the ISMS, implements risk assessment and risk management tasks, determines acceptable risk levels, discusses the duties and responsibilities in information security related operations, and coordinates information security control measures and processing procedures. It advocates for information security policies and other information security management matters, and promotes information security awareness. Regular information security strategy meetings have been held to discuss and implement 17 information security strategy topics in 2023 in response to the ever-changing information security issues.

2. Information security policy

Compal established the “Information Security Policy” to be the highest guiding principle, as declared in the information security statement, "to ensure business continuity and to improve customer satisfaction."

- Performing information asset risk assessment;
- Maintaining the confidentiality, integrity and availability of critical information assets;
- Continuously improving ISMS by implementing Plan-Do-Check-Act (PDCA) management cycle;
- Fulfilling the contractual agreements with clients and protecting clients’ information security;
- Complying with relevant laws and regulatory requirements; and
- Ensuring the participation of all personnel and suppliers.

3. Information security specific management plan

- The six major information security goals are measured monthly to monitor the control measures of information security management.
- Identify internal and external issues of the information security management system every six months, and confirm the needs of the stakeholder groups for the information security management system (including the customer’s requirements for information security).
- Backup & restore drills are executed every six months and BCP restoration drills are executed every year to ensure the validity of the Business Continuity Plan and that it meets the system recovery goals.
- Annual information security incident response drills are conducted to quickly isolate and eliminate
threats to information security incidents, and reduce the scope and extent of impact.

- To boost employees’ awareness of information security, our employees are required to receive quarterly social engineering exercises and a briefing on information security and annual training.
- Network and system vulnerability detection, regularly perform vulnerability scanning, and entrust a third-party professional unit to conduct network and system penetration testing every year to verify the information security protection and effectiveness.
- Regular internal and external audits and continuous improvement.
- Risk assessment is executed regularly every six months. Risk evaluation is performed through asset values and business processes, and risk processing measures are performed for the high-level risks evaluated.

4. Information security management resources

- **ISO27001 Information security management and audit mechanism**
  
  In 2005, Compal passed the ISO 27001 information security verification, and obtained the Information Security Management System ISO 27001 certificate issued by the verification body. It gradually expanded its scope of verification, which is tracked twice a year for internal self-audit and external impartial third-party audit, and re-audited by external third-party every three years. Internal audit includes NIST CSF, ISO/IEC 27001:2022 and TISAX standards; The external third-party audit is conducted in accordance with the ISO/IEC 27001:2022 standard and the customer's information security requirements. The scope of verification covers R&D activities of Portable Computer, All-in-One PC, Automotive Electronic Product, Enterprise Product, Mobile Device Product, IT Group, Smart Device Business Group-IT Division, and IT division in four plant compounds at Kunshan. Five members of the information security team have obtained an ISO27001 lead auditor license, and one member has a CISSP license. In addition to facing customers and impartial third-party audits, they also conduct internal audits to ensure the implementation of information security management mechanisms.

- **Strengthened network security**
  
  Compal continues to strengthen control requirements for information security, reinforces company password policy, and adjusts the original password setting of the previous 3 generations that cannot be reused repeatedly to 10 generations. Also, it has strengthened the identity authentication mechanism for company account, and introduced two-factor authentication to enhance the security of remote login for internal resources to prevent illegal users from accessing company resources or customer information. Deploy MDR threat detection, anomaly analysis, and incident response to prevent information security threats. Access to critical information is controlled by account permissions, and the login password is changed regularly in accordance with the company’s password policy. From time to time, it will, through announcements and quarterly advocacy to enhance employee awareness of information security, persistently review the network security planning of the company, and implement all equipment connected to the company network in compliance with regulations and protocols. Compal started the third-party cybersecurity network assessment in 2020, and the average score of the 2023 assessment results is 94 points, which is higher than the average score of global manufacturing companies.

- **Strengthened employees’ awareness of information security**
  
  Compal provides eLearning courses and quarterly social engineering drills to simulate hackers' phishing emails, and detect employees' information security risk awareness, supplemented by daily boot up with
pop-out information security announcements and quarterly Information security guidance by email and also education training to enhance colleagues' information security awareness. In order to implement the concept of information security, new employees complete the information security training program, and all employees are required to complete information security retraining courses every year. The information security education and training shall include Compal’s information security management regulations. Upon completion of the training, the validity of the training will be evaluated, and the evaluation will be logged. Information security members participate in the information security intelligence and technology seminar to learn about the latest information security trends and intelligence.

5. Losses, possible impacts and responses of major information security incidents

The widespread use of computers and rapid development of the Internet have greatly changed the way users store and share information. With the efforts of all colleagues, Compal did not receive any complaints about a violation of customer privacy or the loss of customer information in 2023. In response to the government's "Cyber Security Guidelines for TWSE/TPEX-Listed Companies", Compal applied to become a member of the Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC) in 2022 to improve the notification and response of cyber security incident.

5.7 Important Contracts

<table>
<thead>
<tr>
<th>Agreement</th>
<th>Counterparty</th>
<th>Period</th>
<th>Major Contents</th>
</tr>
</thead>
</table>
| Patent licensing agreement     | Phoenix Technologies Ltd. | Since 2010.1.1 Auto-renewed upon expiry | 1. Tool Licenses  
2. Source Code licenses  
3. Maintenance |
| Trading and manufacturing agreement | Dell Products L.P. | Since 1997.06.26 Auto-renewed upon expiry | Under this agreement, the buyer will procure computer products developed and manufactured by the seller, while the seller will grant the buyer proper licenses to use the products and provide after-sales technical services. |
| Trading and manufacturing agreement | Acer Inc. | Since 2001.10.01 Yearly Auto-renewed upon expiry | Under this agreement, the buyer will procure computer products developed and manufactured by the seller, along with after-sales technical services provided by the seller. |
## VI. Financial Information

### 6.1 Five-Year Financial Summary

#### 1. Condensed Balance Sheet and Statement of Comprehensive Income

<table>
<thead>
<tr>
<th>Analysis</th>
<th>Financial Summary for The Last Five Years (Note 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>343,154,813</td>
</tr>
<tr>
<td>Property, plant, and equipment</td>
<td>19,972,347</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>1,553,342</td>
</tr>
<tr>
<td>Other assets</td>
<td>17,967,917</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>382,648,419</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Prior to distribution</td>
<td>255,820,033</td>
</tr>
<tr>
<td>After distribution</td>
<td>261,048,588</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
</tr>
<tr>
<td>Equity attributable to parent company shareholders</td>
<td>105,972,633</td>
</tr>
<tr>
<td>Ordinary shares</td>
<td>44,071,466</td>
</tr>
<tr>
<td>Capital reserves</td>
<td>9,159,259</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Prior to distribution</td>
<td>267,889,075</td>
</tr>
<tr>
<td>After distribution</td>
<td>273,117,630</td>
</tr>
<tr>
<td><strong>Equity attributable to parent company shareholders</strong></td>
<td></td>
</tr>
<tr>
<td>Ordinary shares</td>
<td>44,071,466</td>
</tr>
<tr>
<td>Capital reserves</td>
<td>9,159,259</td>
</tr>
<tr>
<td><strong>Retained earnings</strong></td>
<td></td>
</tr>
<tr>
<td>Prior to distribution</td>
<td>57,726,604</td>
</tr>
<tr>
<td>After distribution</td>
<td>53,319,457</td>
</tr>
<tr>
<td><strong>Other equity interests</strong></td>
<td></td>
</tr>
<tr>
<td>Treasury stock</td>
<td>(4,103,449)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(881,247)</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
</tr>
<tr>
<td>Prior to distribution</td>
<td>114,759,344</td>
</tr>
<tr>
<td>After distribution</td>
<td>109,530,789</td>
</tr>
</tbody>
</table>

Note: 1. The financial information is audited and certified by the CPA every year.

2. The amounts are approved by the Board of Directors meeting on February 29, 2024.
## Consolidated Condensed Statement of Comprehensive Income

<table>
<thead>
<tr>
<th>Analysis</th>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales revenue</td>
<td></td>
<td>980,442,346</td>
<td>1,048,929,251</td>
<td>1,235,682,015</td>
<td>1,073,245,915</td>
<td>946,714,800</td>
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<tr>
<td>Gross profit</td>
<td></td>
<td>33,908,828</td>
<td>35,458,522</td>
<td>41,491,574</td>
<td>40,364,179</td>
<td>42,396,894</td>
</tr>
<tr>
<td>Net operating income</td>
<td></td>
<td>10,586,368</td>
<td>11,492,545</td>
<td>13,348,593</td>
<td>9,218,997</td>
<td>12,047,711</td>
</tr>
<tr>
<td>Non-operating income and expense</td>
<td></td>
<td>(578,492)</td>
<td>1,630,171</td>
<td>4,119,242</td>
<td>1,505,133</td>
<td>(157,286)</td>
</tr>
<tr>
<td>Net income before taxes</td>
<td></td>
<td>10,007,876</td>
<td>13,122,716</td>
<td>17,467,835</td>
<td>10,724,130</td>
<td>11,890,425</td>
</tr>
<tr>
<td>Net income from continuing operations</td>
<td></td>
<td>7,895,719</td>
<td>10,409,512</td>
<td>13,740,488</td>
<td>8,541,527</td>
<td>9,130,678</td>
</tr>
<tr>
<td>Net loss from discounting operations</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td></td>
<td>7,895,719</td>
<td>10,409,512</td>
<td>13,740,488</td>
<td>8,541,527</td>
<td>9,130,678</td>
</tr>
<tr>
<td>Income (Loss) from Other comprehensive income (loss) (net after tax)</td>
<td></td>
<td>(1,534,980)</td>
<td>(3,341,346)</td>
<td>(1,237,908)</td>
<td>6,535,651</td>
<td>898,965</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td></td>
<td>6,360,739</td>
<td>7,068,166</td>
<td>12,502,580</td>
<td>15,077,178</td>
<td>10,029,643</td>
</tr>
<tr>
<td>Net income attributes to shareholders of the Parent</td>
<td></td>
<td>6,955,899</td>
<td>9,361,893</td>
<td>12,632,667</td>
<td>7,288,292</td>
<td>7,667,627</td>
</tr>
<tr>
<td>Net income attributes to non-controlling interests</td>
<td></td>
<td>939,820</td>
<td>1,047,619</td>
<td>1,107,821</td>
<td>1,253,235</td>
<td>1,463,051</td>
</tr>
<tr>
<td>Comprehensive income attributed to owners of parent</td>
<td></td>
<td>5,456,508</td>
<td>6,083,542</td>
<td>11,445,530</td>
<td>13,636,212</td>
<td>8,558,794</td>
</tr>
<tr>
<td>Comprehensive income attributed to non-controlling interests</td>
<td></td>
<td>904,231</td>
<td>984,624</td>
<td>1,057,050</td>
<td>1,440,966</td>
<td>1,470,849</td>
</tr>
<tr>
<td>Earnings per share (unit: dollar)</td>
<td></td>
<td>1.60</td>
<td>2.15</td>
<td>2.90</td>
<td>1.67</td>
<td>1.76</td>
</tr>
</tbody>
</table>

Note: The financial information is audited and certified by the CPA every year.
### Parent-Company-Only Condensed Balance Sheet

Unit: TWD Thousands

#### Financial Summary for The Last Five Years (Note 1)

<table>
<thead>
<tr>
<th>Analysis</th>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td>245,522,829</td>
<td>296,383,073</td>
<td>348,914,103</td>
<td>271,829,340</td>
<td>259,853,419</td>
</tr>
<tr>
<td><strong>Property, plant, and equipment</strong></td>
<td></td>
<td>2,620,638</td>
<td>2,604,893</td>
<td>2,484,963</td>
<td>2,417,309</td>
<td>2,234,288</td>
</tr>
<tr>
<td><strong>Intangible assets</strong></td>
<td></td>
<td>438,334</td>
<td>436,548</td>
<td>431,936</td>
<td>529,906</td>
<td>349,922</td>
</tr>
<tr>
<td><strong>Other assets</strong></td>
<td></td>
<td>89,201,687</td>
<td>89,526,637</td>
<td>95,517,212</td>
<td>104,756,856</td>
<td>115,856,133</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>337,783,488</td>
<td>388,951,151</td>
<td>447,348,214</td>
<td>379,533,411</td>
<td>378,293,762</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>Prior to distribution</td>
<td>220,871,943</td>
<td>268,466,052</td>
<td>324,236,031</td>
<td>248,511,419</td>
<td>242,274,702</td>
</tr>
<tr>
<td></td>
<td>After distribution</td>
<td>226,160,519</td>
<td>275,517,487</td>
<td>333,050,325</td>
<td>253,799,995</td>
<td>247,563,278</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td>10,938,912</td>
<td>13,652,594</td>
<td>11,751,918</td>
<td>14,727,238</td>
<td>16,397,065</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>Prior to distribution</td>
<td>231,810,855</td>
<td>282,118,646</td>
<td>335,987,949</td>
<td>263,238,657</td>
<td>258,671,767</td>
</tr>
<tr>
<td></td>
<td>After distribution</td>
<td>237,099,431</td>
<td>289,170,081</td>
<td>344,802,243</td>
<td>268,527,233</td>
<td>263,960,343</td>
</tr>
<tr>
<td><strong>Ordinary shares</strong></td>
<td></td>
<td>44,071,466</td>
<td>44,071,466</td>
<td>44,071,466</td>
<td>44,071,466</td>
<td>44,071,466</td>
</tr>
<tr>
<td><strong>Capital reserves</strong></td>
<td></td>
<td>9,159,259</td>
<td>8,342,813</td>
<td>6,724,856</td>
<td>5,078,580</td>
<td>4,270,915</td>
</tr>
<tr>
<td><strong>Retained earnings</strong></td>
<td>Prior to distribution</td>
<td>57,726,604</td>
<td>62,566,181</td>
<td>69,651,940</td>
<td>69,696,059</td>
<td>72,548,155</td>
</tr>
<tr>
<td></td>
<td>After distribution</td>
<td>53,319,457</td>
<td>57,277,605</td>
<td>62,600,505</td>
<td>65,561,912</td>
<td>68,141,008</td>
</tr>
<tr>
<td><strong>Other equity interests</strong></td>
<td></td>
<td>(4,103,449)</td>
<td>(7,266,708)</td>
<td>(8,206,750)</td>
<td>(1,943,104)</td>
<td>(387,294)</td>
</tr>
<tr>
<td><strong>Treasury stock</strong></td>
<td></td>
<td>(881,247)</td>
<td>(881,247)</td>
<td>(881,247)</td>
<td>(881,247)</td>
<td>(881,247)</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>Prior to distribution</td>
<td>105,972,633</td>
<td>106,832,505</td>
<td>111,360,265</td>
<td>116,294,754</td>
<td>119,621,995</td>
</tr>
<tr>
<td></td>
<td>After distribution</td>
<td>100,744,078</td>
<td>99,861,097</td>
<td>102,646,006</td>
<td>111,066,199</td>
<td>114,393,440</td>
</tr>
</tbody>
</table>

Note: 1. The financial information is audited and certified by the CPA every year.

2. The amount approved by Board of Directors on February 29, 2024.
### Parent-Company-Only Condensed Statement of Comprehensive Income

Unit: TWD Thousands

<table>
<thead>
<tr>
<th>Analysis</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year</td>
<td>2019</td>
<td>2020</td>
<td>2021</td>
<td>2022</td>
<td>2023</td>
</tr>
<tr>
<td>Net sales revenue</td>
<td>916,280,028</td>
<td>991,279,270</td>
<td>1,171,613,858</td>
<td>1,003,642,791</td>
<td>874,914,215</td>
</tr>
<tr>
<td>Gross profit</td>
<td>24,849,149</td>
<td>23,218,044</td>
<td>27,904,355</td>
<td>28,567,835</td>
<td>28,050,066</td>
</tr>
<tr>
<td>Net operating income</td>
<td>8,536,952</td>
<td>6,079,726</td>
<td>7,578,392</td>
<td>7,262,023</td>
<td>7,327,971</td>
</tr>
<tr>
<td>Non-operating income and expense</td>
<td>(713,273)</td>
<td>4,347,551</td>
<td>6,864,576</td>
<td>771,589</td>
<td>1,381,729</td>
</tr>
<tr>
<td>Net income before taxes</td>
<td>7,823,679</td>
<td>10,427,277</td>
<td>14,442,968</td>
<td>8,033,612</td>
<td>8,709,700</td>
</tr>
<tr>
<td>Net income from continuing operations</td>
<td>6,955,899</td>
<td>9,361,893</td>
<td>12,632,667</td>
<td>7,288,292</td>
<td>7,667,627</td>
</tr>
<tr>
<td>Net loss from discounting operations</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>6,955,899</td>
<td>9,361,893</td>
<td>12,632,667</td>
<td>7,288,292</td>
<td>7,667,627</td>
</tr>
<tr>
<td>Income (loss) from other comprehensive income (net after tax)</td>
<td>(1,499,391)</td>
<td>(3,278,351)</td>
<td>(1,187,137)</td>
<td>6,347,920</td>
<td>891,167</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>5,456,508</td>
<td>6,083,542</td>
<td>11,445,530</td>
<td>13,636,212</td>
<td>8,558,794</td>
</tr>
<tr>
<td>Earnings per share (unit: dollar)</td>
<td>1.60</td>
<td>2.15</td>
<td>2.90</td>
<td>1.67</td>
<td>1.76</td>
</tr>
</tbody>
</table>

Note: The financial information is audited and certified by the CPA every year.

### Auditors’ Opinions

<table>
<thead>
<tr>
<th>Year</th>
<th>Accounting Firm</th>
<th>CPA</th>
<th>Audit Opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>KPMG</td>
<td>Chien, Szu Chuan; Au, Yiu Kwan</td>
<td>Unqualified opinion</td>
</tr>
<tr>
<td>2020</td>
<td>KPMG</td>
<td>Chien, Szu Chuan; Au, Yiu Kwan</td>
<td>Unqualified opinion</td>
</tr>
<tr>
<td>2021</td>
<td>KPMG</td>
<td>Kuo, Kuan Ying ; Chien, Szu Chuan</td>
<td>Unqualified opinion</td>
</tr>
<tr>
<td>2022</td>
<td>KPMG</td>
<td>Kuo, Kuan Ying ; Chien, Szu Chuan</td>
<td>Unqualified opinion</td>
</tr>
<tr>
<td>2023</td>
<td>KPMG</td>
<td>Kuo, Kuan Ying ; Chien, Szu Chuan</td>
<td>Unqualified opinion</td>
</tr>
</tbody>
</table>
### Consolidated Financial Analysis

<table>
<thead>
<tr>
<th>Analysis</th>
<th>Debt ratio</th>
<th>Long term fund to property, plants, and equipment ratio</th>
<th>Current ratio (%)</th>
<th>Quick ratio (%)</th>
<th>Interest coverage</th>
<th>Accounts receivable turnover (times)</th>
<th>Average collection turnover</th>
<th>Inventory turnover (times)</th>
<th>Accounts payable turnover (times)</th>
<th>Average inventory turnover days</th>
<th>Property, plants, and equipment turnover (times)</th>
<th>Total assets turnover (times)</th>
<th>Operating income to paid-in capital ratio (%)</th>
<th>Net margin (%)</th>
<th>Earnings per share (dollar)</th>
<th>Cash flow ratio (%)</th>
<th>Cash flow adequacy ratio (%)</th>
<th>Cash reinvestment ratio (%)</th>
<th>Operating leverage</th>
<th>Financial leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Structure (%)</td>
<td>70.01</td>
<td>635.02</td>
<td>134.14</td>
<td>102.94</td>
<td>4.67</td>
<td>4.96</td>
<td>73.58</td>
<td>12.01</td>
<td>6.34</td>
<td>30.39</td>
<td>48.55</td>
<td>2.51</td>
<td>22.71</td>
<td>0.81</td>
<td>1.60</td>
<td>8.18</td>
<td>37.92</td>
<td>9.89</td>
<td>1.61</td>
<td>1.35</td>
</tr>
<tr>
<td>Year</td>
<td>75.16</td>
<td>594.97</td>
<td>126.51</td>
<td>97.39</td>
<td>12.42</td>
<td>4.95</td>
<td>73.73</td>
<td>11.61</td>
<td>5.89</td>
<td>31.43</td>
<td>49.88</td>
<td>2.47</td>
<td>29.78</td>
<td>0.99</td>
<td>2.15</td>
<td>4.25</td>
<td>35.94</td>
<td>5.48</td>
<td>1.54</td>
<td>1.11</td>
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<td></td>
<td>77.37</td>
<td>499.63</td>
<td>121.10</td>
<td>92.13</td>
<td>17.65</td>
<td>4.73</td>
<td>77.16</td>
<td>11.31</td>
<td>5.64</td>
<td>32.27</td>
<td>50.36</td>
<td>2.46</td>
<td>39.64</td>
<td>1.11</td>
<td>2.90</td>
<td>(Note1)</td>
<td>27.41</td>
<td>(Note1)</td>
<td>1.52</td>
<td>1.09</td>
</tr>
<tr>
<td></td>
<td>71.90</td>
<td>524.50</td>
<td>129.21</td>
<td>91.61</td>
<td>4.30</td>
<td>4.46</td>
<td>81.83</td>
<td>9.12</td>
<td>5.35</td>
<td>40.02</td>
<td>38.47</td>
<td>2.17</td>
<td>24.33</td>
<td>0.80</td>
<td>1.67</td>
<td>19.39</td>
<td>81.74</td>
<td>27.65</td>
<td>1.82</td>
<td>1.54</td>
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<tr>
<td></td>
<td>69.60</td>
<td>549.30</td>
<td>133.06</td>
<td>98.18</td>
<td>3.35</td>
<td>4.92</td>
<td>74.18</td>
<td></td>
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<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:**
1. The ratio is negative.

2. The financial ratio has changed by up to 20% in the past two years:
   - Interest coverage ratio: Mainly due to the increase in interest expenses for the current period.
   - Return on assets and net profit margin: Mainly due to the increase in current period earnings.
   - Cash flow ratio: Mainly due to the decrease in net cash inflow from operating activities compared to the earlier period.
   - Cash Flow Adequacy Ratio: Mainly due to the decrease in net cash flow from operating activities in the current period.
   - Cash reinvestment ratio: Mainly due to the increase in net cash flow from operating activities in the past five years.
   - Financial leverage: primarily due to an increase in long-term investments.

3. The financial information is audited and certified by the CPA every year.
1. Financial Structure
   (1) Debt Ratio = Total liabilities/Total assets
   (2) Ratio of long-term capital to property, plants, and equipment = (Net shareholders’ equity + Long-term liability)/Net property, plants, and equipment

2. Solvency
   (1) Current ratio = Current Assets/Current liability
   (2) Quick ratio = (Current assets - Inventory - Prepaid expenses)/Current liability
   (3) Interest coverage ratio = Net income before income tax and interest expense/Interest expense

3. Operating Efficiency
   (1) Accounts receivable (including accounts receivable and notes receivable from business activities) turnover = Net sales/Average accounts receivable balance (including accounts receivable and notes receivable from business activities)
   (2) A/R turnover days = 365/accounts receivable turnover
   (3) Inventory turnover = Cost of Goods Sold/Average inventory balance
   (4) Accounts payable (including accounts payable and notes payable from business activities) turnover = Cost of goods sold/Average accounts payable balance (including accounts payable and notes payable from business activities)
   (5) Inventory turnover days = 365/Inventory turnover
   (6) Property, plants, and equipment turnover = Net sales/Average Net Property, plants, and equipment
   (7) Total assets turnover = Net sales/Average Total assets

4. Profitability
   (1) Return on assets = [PAT + Interest expense × (1 - interest rate)]/average asset balance
   (2) Return on equity = PAT/average net equity
   (3) Pre-tax income to paid-in capital = Net income before taxes/Issued capital stock
   (4) Net profit ratio = PAT/Net sales
   (5) EPS = (PAT - preferred stock dividends)/weighted average outstanding shares

5. Cash Flow
   (1) Cash flow ratio = Cash flow from operating activities/Current liability
   (2) Cash flow adequacy ratio = Most recent 5-year Cash flow from operating activities/Most recent 5-year (Capital expenditure + increases in inventory + cash dividend)
   (3) Cash reinvestment ratio = (Cash flow from operating activities - cash dividend)/(Gross fixed assets + long-term investment + other assets + working capital)

6. Leverage
   (1) Operating leverage = (Nest revenue - variable cost of goods sold and operating expense)/operating income
   (2) Financial leverage = Operating income/(Operating income - interest expenses)

---

The preceding formula for calculating the earnings per share must pay attention to the following:
1. Based on the weighted average number of ordinary shares rather than on the number of shares that have been issued at the end of the year.
2. Those who have cash replenishment or treasury shares must consider the circulation period and calculate the weighted average number of shares.

3. Where there is a surplus to increase capital or capital surplus to increase capital, the proportion of capital increase must be retrospectively adjusted when calculating the earnings per share for the previous annual and semi-annual periods, and there is no need to consider the capital increase issuance period.

4. If the preferred stock is a non-convertible accumulative preferred stock, its annual dividends (whether issued or not) must be subtracted from the net profit after tax, or the net loss after tax must be added. If the preferred stock is non-cumulative and in the case of net profit after tax, the preferred stock dividends must be deducted from the net profit after tax. If it is a loss, no adjustment is required.

- When measuring cash flow, special attention should be paid to the following items:
  1. The net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
  2. Capital expenditure refers to the number of cash outflows of capital investment per year.
  3. The increase in inventories is only included when the ending balance is greater than the opening balance. If the inventory at the end of the year decreases, it is calculated as zero.
  4. The cash dividends include cash dividends from ordinary stocks and preferred stocks.
  5. The gross value of property, plant, and equipment refers to the total amount of real property, plant, and equipment before depreciation.

- According to their nature, the issuer shall classify the various operating costs and operating expenses into fixed and variable terms. If there is any estimation or subjective judgment, the issuer must pay attention to rationality and maintain consistency.

- If the Company’s shares are those without par value or at par value of NT$10 per share, the former calculation for the ratio of paid-in capital shall be calculated based on the equity ratio attributable to the owner of the parent company in the balance sheet.
### Analysis of Financial Structure (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Debt ratio</th>
<th>Long term fund to property, plants, and equipment ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>68.63</td>
<td>4,461.19</td>
</tr>
<tr>
<td>2020</td>
<td>72.53</td>
<td>4,625.34</td>
</tr>
<tr>
<td>2021</td>
<td>75.11</td>
<td>4,954.29</td>
</tr>
<tr>
<td>2022</td>
<td>69.36</td>
<td>5,420.16</td>
</tr>
<tr>
<td>2023</td>
<td>68.38</td>
<td>6,087.80</td>
</tr>
</tbody>
</table>

### Liquidity Analysis

<table>
<thead>
<tr>
<th>Year</th>
<th>Current ratio (%)</th>
<th>Quick ratio (%)</th>
<th>Interest coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>111.16</td>
<td>88.45</td>
<td>4.97</td>
</tr>
<tr>
<td>2020</td>
<td>110.40</td>
<td>89.44</td>
<td>15.81</td>
</tr>
<tr>
<td>2021</td>
<td>107.61</td>
<td>88.77</td>
<td>21.84</td>
</tr>
<tr>
<td>2022</td>
<td>109.38</td>
<td>87.83</td>
<td>4.15</td>
</tr>
<tr>
<td>2023</td>
<td>107.26</td>
<td>85.78</td>
<td>3.15</td>
</tr>
</tbody>
</table>

### Operating Performance Analysis

<table>
<thead>
<tr>
<th>Year</th>
<th>Accounts receivable turnover (times)</th>
<th>Average collection turnover</th>
<th>Inventory turnover (times)</th>
<th>Accounts payable turnover (times)</th>
<th>Average inventory turnover days</th>
<th>Property, plants, and equipment turnover (times)</th>
<th>Total assets turnover (times)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>4.97</td>
<td>73.46</td>
<td>17.55</td>
<td>5.86</td>
<td>20.79</td>
<td>385.90</td>
<td>2.64</td>
</tr>
<tr>
<td>2020</td>
<td>4.87</td>
<td>75.01</td>
<td>18.29</td>
<td>5.73</td>
<td>19.95</td>
<td>379.40</td>
<td>2.73</td>
</tr>
<tr>
<td>2021</td>
<td>4.64</td>
<td>78.73</td>
<td>19.59</td>
<td>5.72</td>
<td>18.62</td>
<td>460.37</td>
<td>2.80</td>
</tr>
<tr>
<td>2022</td>
<td>4.37</td>
<td>83.48</td>
<td>17.10</td>
<td>5.34</td>
<td>21.34</td>
<td>409.46</td>
<td>2.43</td>
</tr>
<tr>
<td>2023</td>
<td>4.73</td>
<td>76.36</td>
<td>16.27</td>
<td>5.33</td>
<td>22.43</td>
<td>376.18</td>
<td>2.31</td>
</tr>
</tbody>
</table>

### Profitability Analysis

<table>
<thead>
<tr>
<th>Year</th>
<th>Return on total assets (%)</th>
<th>Return on equity (%)</th>
<th>Operating income to paid-in capital ratio (%)</th>
<th>Net margin (%)</th>
<th>Earnings per share (dollar)</th>
<th>Cash flow ratio (%)</th>
<th>Cash flow adequacy ratio (%)</th>
<th>Cash reinvestment ratio (%)</th>
<th>Financial leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>2.46</td>
<td>6.57</td>
<td>17.75</td>
<td>0.76</td>
<td>1.60</td>
<td>6.80</td>
<td>(Note1)</td>
<td>8.29</td>
<td>1.30</td>
</tr>
<tr>
<td>2020</td>
<td>2.73</td>
<td>8.80</td>
<td>23.66</td>
<td>0.94</td>
<td>2.15</td>
<td>(Note1)</td>
<td>(Note1)</td>
<td>(Note1)</td>
<td>1.13</td>
</tr>
<tr>
<td>2021</td>
<td>3.15</td>
<td>11.58</td>
<td>32.77</td>
<td>1.08</td>
<td>2.90</td>
<td>22.15</td>
<td>(Note1)</td>
<td>35.06</td>
<td>1.10</td>
</tr>
<tr>
<td>2022</td>
<td>2.26</td>
<td>6.40</td>
<td>18.23</td>
<td>0.73</td>
<td>1.67</td>
<td>6.36</td>
<td></td>
<td>35.06</td>
<td>1.04</td>
</tr>
<tr>
<td>2023</td>
<td>2.88</td>
<td>6.50</td>
<td>19.76</td>
<td>0.88</td>
<td></td>
<td></td>
<td></td>
<td>7.42</td>
<td></td>
</tr>
</tbody>
</table>

### Cash Flow

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash flow ratio (%)</th>
<th>Cash flow adequacy ratio (%)</th>
<th>Cash reinvestment ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>6.80 (Note1)</td>
<td>(Note1)</td>
<td>8.29 (Note1)</td>
</tr>
<tr>
<td>2020</td>
<td>(Note1)</td>
<td>(Note1)</td>
<td>(Note1)</td>
</tr>
<tr>
<td>2021</td>
<td>22.15</td>
<td>55.25</td>
<td>35.06</td>
</tr>
<tr>
<td>2022</td>
<td>6.36</td>
<td>130.80</td>
<td>7.42</td>
</tr>
<tr>
<td>2023</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Note:
1. The ratio is negative.
2. The financial ratio has changed by up to 20% in the past two years:
   - Interest coverage: Mainly due to the increase in interest expense compared to the earlier period.
   - Return on assets: Mainly due to the increase in interest expense compared to the earlier period.
   - Net margin: Mainly due to the increase in net income compared to the earlier period.
   - Cash flow ratio: Mainly due to the decrease in net cash inflow from operating activities compared to the earlier period.
   - Cash flow adequacy ratio: Mainly due to the increase in most recent 5-year Cash flow from operating activities compared to the earlier period.
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6. Leverage
(1) Operating leverage = (Net revenue - variable cost of goods sold and operating expense)/operating income
(2) Financial leverage = Operating income/(Operating income - interest expenses)

The preceding formula for calculating the earnings per share must pay attention to the following:
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■ The issuer shall classify the various operating costs and operating expenses into fixed and variable terms according to their nature. If there is any estimation or subjective judgment, the issuer must pay attention to rationality and maintain consistency.

■ If the Company’s shares are those without par value or at par value of NT$10 per share, the former calculation for the ratio of paid-in capital shall be calculated based on the equity ratio attributable to the owner of the parent company in the balance sheet.
6.3 Audit Committee’s Report for the Most Recent Year

Audit Committee’s Review Report

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

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

Chairman of the Audit Committee: Min Chih Hsuan
March 20, 2024
6.4 Consolidated Financial Statements and Independent Auditors’ Report
Please refer to Attachment I.

6.5 Parent-Company-Only Financial Statements and Independent Auditors’ Report
Please refer to Attachment II.

6.6 Status of Financial Difficulties for the Company and its Subsidiaries
Incidence of financial difficulties for the Company and subsidiaries between the periods of 2023 to the publication date of this annual report: None.
VII. Review of Financial Conditions, Financial Performance, and Risk Management

7.1 Analysis of Financial Status

<table>
<thead>
<tr>
<th>Analysis</th>
<th>Year</th>
<th>2023</th>
<th>2022</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Amount</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td>368,924,297</td>
<td>390,706,503</td>
<td>(21,782,206)</td>
</tr>
<tr>
<td>Investments accounted for using the equity method</td>
<td></td>
<td>7,448,351</td>
<td>8,047,569</td>
<td>(599,218)</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td></td>
<td>29,040,525</td>
<td>28,808,211</td>
<td>232,314</td>
</tr>
<tr>
<td>Other Assets</td>
<td></td>
<td>31,357,801</td>
<td>25,922,150</td>
<td>5,435,651</td>
</tr>
<tr>
<td>Total Assets</td>
<td></td>
<td>436,770,974</td>
<td>453,484,433</td>
<td>(16,713,459)</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
<td>277,252,062</td>
<td>302,384,911</td>
<td>(25,132,849)</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td></td>
<td>26,746,059</td>
<td>23,689,679</td>
<td>3,056,380</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td></td>
<td>303,998,121</td>
<td>326,074,590</td>
<td>(22,076,469)</td>
</tr>
<tr>
<td>Ordinary Share</td>
<td></td>
<td>44,071,466</td>
<td>44,071,466</td>
<td>-</td>
</tr>
<tr>
<td>Capital surplus</td>
<td></td>
<td>4,270,915</td>
<td>5,078,580</td>
<td>(807,665)</td>
</tr>
<tr>
<td>Retained Earnings</td>
<td></td>
<td>72,548,155</td>
<td>69,969,059</td>
<td>2,579,096</td>
</tr>
<tr>
<td>Other Equity Interests</td>
<td>(387,294)</td>
<td>1,943,104</td>
<td>1,555,810</td>
<td>(387,294)</td>
</tr>
<tr>
<td>Treasury stock</td>
<td>(881,247)</td>
<td>(881,247)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-controlling Equity</td>
<td>13,150,858</td>
<td>11,115,089</td>
<td>2,035,769</td>
<td>18.32</td>
</tr>
<tr>
<td>Total Equity</td>
<td>132,772,853</td>
<td>127,409,843</td>
<td>5,363,010</td>
<td>4.21</td>
</tr>
</tbody>
</table>

Note: Analysis of variations exceeding 20% and amounting to more than NTD10 million:
- Increase in other assets: Mainly due to the increase in the financial assets measured at fair value through profit or loss - non-current and deferred income tax assets.
- Increase in other equity interests: Mainly due to the increase in unrealized gains or losses on financial assets measured at fair value through other comprehensive income.

Effect of changes on the Company’s financial position and Future response actions:
Judging from the aforementioned causes, the effect of changes on the Company’s financial position in the last two years are normal outcomes from standard operating activities.
## Analysis of Financial Performance

<table>
<thead>
<tr>
<th>Analysis</th>
<th>Year</th>
<th>2023</th>
<th>2022</th>
<th>Difference</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>2023</td>
<td>946,714,800</td>
<td>1,073,245,915</td>
<td>(126,531,115)</td>
<td>(11.79)</td>
<td></td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>2023</td>
<td>904,317,906</td>
<td>1,032,881,736</td>
<td>(128,563,830)</td>
<td>(12.45)</td>
<td></td>
</tr>
<tr>
<td>Gross Profit</td>
<td>2023</td>
<td>42,396,894</td>
<td>40,364,179</td>
<td>2,032,715</td>
<td>5.04</td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>2023</td>
<td>30,349,183</td>
<td>31,145,182</td>
<td>(795,999)</td>
<td>(2.56)</td>
<td></td>
</tr>
<tr>
<td>Operating Income</td>
<td>2023</td>
<td>12,047,711</td>
<td>9,218,997</td>
<td>2,828,714</td>
<td>30.68</td>
<td></td>
</tr>
<tr>
<td>Non-operating Income and Expenses</td>
<td>2023</td>
<td>(157,286)</td>
<td>1,505,133</td>
<td>(1,662,419)</td>
<td>(110.45)</td>
<td></td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>2023</td>
<td>11,890,425</td>
<td>10,724,130</td>
<td>1,166,295</td>
<td>10.88</td>
<td></td>
</tr>
<tr>
<td>Less: Income Tax Expense</td>
<td>2023</td>
<td>2,759,747</td>
<td>2,182,603</td>
<td>577,144</td>
<td>26.44</td>
<td></td>
</tr>
<tr>
<td>Net Profit (loss)</td>
<td>2023</td>
<td>9,130,678</td>
<td>8,541,527</td>
<td>589,151</td>
<td>6.90</td>
<td></td>
</tr>
<tr>
<td>Other Comprehensive Income (after tax)</td>
<td>2023</td>
<td>898,965</td>
<td>6,535,651</td>
<td>(5,636,686)</td>
<td>(86.25)</td>
<td></td>
</tr>
<tr>
<td>Total Comprehensive Income</td>
<td>2023</td>
<td>10,029,643</td>
<td>15,077,178</td>
<td>(5,047,535)</td>
<td>(33.48)</td>
<td></td>
</tr>
</tbody>
</table>

Note: Analysis of variations exceeding 20%:
- Increase in net profit: Mainly due to the increase in gross profit from operating activities in the current period.
- Decrease in no-operation income & expenses: Mainly due to the increase in interest expenses.
- Increase in income tax expense: Mainly due to an increase in operating income.
- Other comprehensive income and total comprehensive income for the period decreased: mainly due to changes in the translation differences of financial statements of foreign operating entities.

### Forecast for sales for next year and basis for the forecast. Potential impact on the Company’s finances and sales in the future and response plan:

- Forecast for sales for next year and basis for the forecast
  The global inflation pressure and geopolitical issues continue to develop in 2024. Although market research institutions are looking forward to a recovery of the industry in 2024, their estimates are relatively conservative. The expectation of an economic soft landing indicates that there are still significant challenges and uncertainties in the market development this year. Our company faces a rapidly changing environment and will continue to invest in innovation, talent, and execution to establish long-term competitive advantages. Artificial Intelligence (AI), Cloud Servers, Auto Electronics, Communication, and MedTech are the five important emerging businesses for Compal. We will continue to strategically position ourselves and steadily move forward, serving as the pillars of growth in the mid- to long-term. For further market analysis, please refer to page 147~152 for “Industry Overview—current and future industry prospects”.

- Potential impact on the Company’s finances and sales in the future and response plan:
  In light of the growth in operations and future investments, the Company has established relevant financial strategies.
7.3 Analysis of Cash Flow

7.3.1 Cash Flow Analysis for the Current Year

<table>
<thead>
<tr>
<th>Cash and Cash Equivalents, Beginning of Year (1)</th>
<th>Net Cash Flow from Operating Activities (2)</th>
<th>Other Cash Inflow (Outflow) (3)</th>
<th>Cash Surplus (Deficit) (1)+(2)+(3)</th>
<th>Financing of Cash Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>79,665,302</td>
<td>29,677,204</td>
<td>(36,863,026)</td>
<td>72,479,480</td>
<td></td>
</tr>
</tbody>
</table>

Note: 1. Other Cash Inflow (Outflow) includes the Cashflow in investing activities, financing activities, and foreign exchange impacts.

2. Analysis of the change in 2023 cash flows:
   - Net cash inflow in operating activities: Mainly due to the net changes of accounts receivable, inventory, and accounts payables from operating activities.
   - Net cash outflow in investing activities: Mainly due to the financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income in the current period.
   - Net outflow of financing activities: Mainly due to repayment of the loan and distribution of cash dividends.

3. Financing of cash deficits and liquidity analysis: There is no cash deficit situation.

7.3.2 Cash Flow Analysis for the Coming Year

The Company takes prudent planning and aims to maintain stable cash liquidity, as the cash balance at the beginning of the year plus the net cash inflows from operating activities are adequate in meeting the Company’s investing and financing needs.

7.4 Major Capital Expenditures

7.4.1 Major Capital Expenditures and Sources of Capital

<table>
<thead>
<tr>
<th>Project</th>
<th>Actual or Planned Source of Capital</th>
<th>Actual or Planned Date of Completion</th>
<th>Total Capital</th>
<th>Actual or Expected Capital Expenditure 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>Cash flow generated from operations and loans</td>
<td>2023</td>
<td>7,169,728</td>
<td>7,169,728</td>
</tr>
</tbody>
</table>

7.4.2 Expected Benefits

The Company’s major capital expenditure is invested to meet the needs of business growth and capacity expansion. Meanwhile, the Company aims to increase automation equipment to enhance production efficiency and achieve the goal of smart manufacturing, to build the Company’s long-term competitiveness.
7.5 **Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year**

1. **Investment policy**
   (1) Competition in the industry has accelerated and Compal is in full thrust integration mode. “Enlightened Living and Computing with a Green Connection” is the Compal vision. Our long-term investment strategies are to focus on products that relate to our core business, to provide the best quality in computing, communications, consumer, cloud and connection, to provide full solutions in cost and technology, and to put emphasis on our partner’s compliance with labor regulations, and the avoidance of human trafficking and slavery. We also want to strengthen the core resources through vertical integration, diversification, strategic investments or acquisitions, and integration and horizontal competition.
   (2) Improve post investment performance, strengthen the integration of Group resources and strategic partnerships with investment businesses, facilitate the cooperation between the Company and invested businesses, and require their full compliance with labor regulations and those against human trafficking and slavery. Connect related customers to an information network, and form strategic alliances with other industries. Sustain the performance of operating output in social, economic, and environmental aspects using a high standard of specification. This includes increasing efficiency and productivity, improving the rights of the workers, proper economic development, and environmentally friendly production in a clean operating base. The Company fully supports investment companies with good performance to plan for IPO to accelerate the realization of good returns on investments.

2. **Main causes of profits or losses incurred on investments, and any corrective actions planned**
   The 2023 consolidated loss from investment using the equity method came to approximately TWD 467 million. The reason for the loss was mainly because of the negative impact of the sluggish market or lagging economies of scale.

3. **2024 investment plans**
   The long-term investment plan for next year will be based on the Company’s operating policy to position ourselves as the pioneer provider of mobile device solutions and provide products, through the integration of R&D resources and clients, of an all-in-one computer, TV, AE and enterprise servers. The Company follows the principle of steady operation and always focuses on our core businesses. We will expand on the foundation of our existing businesses, make some vertical integration where appropriate, and expand horizontally into related activities, while continuing to grow our core business.
   In the vertical integration of upstream and downstream businesses that are not involved in hardware production, we will also expand the number of our developers and the proportion of software and firmware, to increase the value of their tangible assets and bring in value from additional sales. We expect horizontal mergers and expansions to help develop full IoT solutions for our clients which include applications in cross-industry automation, industrial computers, security control, the healthcare industry, cars, smart medical, smart cities, smart buildings, restaurants and retail outlets, with the primary aim of providing new investment opportunities and challenges.
   In practice, apart from achieving internal growth under the existing business framework, we also accept the possibility of mergers, acquisitions, joint ventures, technical calibrations, and investment activities through bilateral or multi-lateral collaboration between business entities. The Company and affiliates will proceed with the aforementioned expansion based on the consideration of whether the expansion can strengthen the Group’s advantage and assessment of reasonable risks. In terms of reinvestments, we follow the above mentioned principles and set basic principles in the following three directions:
(1) The vertical integration of upstream and downstream businesses to increase the proportion of self-
made parts and improve overall competitiveness.
(2) Horizontal mergers and expansion of related products and services, as well as other industries that
provide prominent synergy or growth.
(3) Develop technology which is beneficial to the Company or its affiliates, or invest in assets that provide
synergy or growth.

7.6 Analysis of Risk Management

7.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates, and Inflation on Corporate Finance,
and Future Response Measures

<table>
<thead>
<tr>
<th>Items</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest revenue and expense</td>
<td>(345,445)</td>
</tr>
<tr>
<td>Net gain on foreign currency exchange transaction</td>
<td>216,167</td>
</tr>
<tr>
<td>(including valuation of financial instruments)</td>
<td></td>
</tr>
</tbody>
</table>

Regarding interest rates and inflation, the company will monitor interest rate changes closely and strive for the
most favorable loan rate, using idle funds in low-risk bank deposits and money market funds to reduce the impact
of interest rate and inflation changes on the company.

The Company is export-oriented. Sales and purchases of the Company are mainly accounted for in USD. The change
and movement of exchange rate have a considerable impact on annual profit and loss. To minimize the impact on
the Company’s operating profit/loss, the Company mainly utilizes hedging such as forward foreign exchange
contracts and swaps to minimize the risks of exchange rate movements. In the future, the quotation strategy will
be adjusted in a timely manner depending on the fluctuation of the exchange rate. The financial department collects
and evaluates the relevant information and trends of the foreign currency market, and accommodates the needs
of funds and makes foreign currency exchange transactions in time to reduce risk.

7.6.2 Policies, Main Causes of Profits or Losses, and Future Response Measures with Respect to High-risk,
High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

1. The Company does not make high-risk, high-leveraged investments.
2. The Company only offers financing to its related parties, mainly providing short-term financing for their operating
   needs.
3. The Company is engaged in endorsement and guarantee activities which are only negotiated between subsidiaries
   and the parent company. The arrangements are covered by proper Endorsement and Guarantee Procedures.
4. The Company uses a hedging strategy for assets and liabilities valued in foreign currencies. Such hedging, done
   through forward foreign exchange contracts and swap trading, covers the amount of net assets and liabilities to
   achieve the objective of risk aversion.
5. In addition to prudent evaluation and control of the execution of related policies, the Company also relies on
   regulations such as “Guidelines for Handling Acquisition and Disposal of Assets”, “Endorsement and Guarantee
   Procedures”, “Third Party Lending Procedures”, and “Procedures for the Handling of Derivatives Trading”.  

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7.6.3 Future Research and Development Projects and Corresponding Budget

In addition to being committed to product innovation and improvement of computers and smart device products, the Company regards innovative research and development as the niche for the Company’s sustainable growth. Various R&D programs are developed and proposed by the R&D team based on their forecast of new technologies, understanding of market trends, and integration of add-on functions. They also team with clients to meet their market planning and detail product developments.

In general, the Company usually has less than a one-year product development cycle and aims to shorten the R&D cycle year after year. The IT industry is highly competitive, and the timing of product development is of vital importance. The rapid growth of sales has made the quality, experience, and capacity of R&D a decisive factor that will become the key to whether the Company can achieve its business target and whether the existing customers continue their cooperation with the Company. The 2024 R&D expenses are expected to be TWD 18.1 billion.

7.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

The Company’s management team is paying close attention to any policies or regulations that may impact the Company’s operations. In 2023, the Company made all the necessary responses to significant changes in international and domestic policies and regulations, without a significant impact on Company operations.

7.6.5 Effects of and Response to Changes in Technology (including information security risks) and the Industry Relating to Corporate Finance and Sales

The constant arrival of new technology products to replace dated ones has changed the habits of users. This has consequently led to the emergence of different demands, and the development of ARM and Android has also impacted Wintel, which used to monopolize the market. Not only that, the emergence of cloud applications has also resulted in significant changes in the traditional PC market. The rising technology trend of IoT, Artificial Intelligence (AI), and 5G communication will also bring significant developments in the industry as well as market opportunities. To cope with these changes, the Company has expanded new businesses to its existing product lines to embrace the latest industrial trends. As such, the Company has established its Innovation Center which is responsible for following and studying the latest developments in market trends. Not only that, the Innovation Center is also involved in the development of innovative products, technologies, and designs to strengthen the Company’s research on consumer behavior and thereby provide more accurate market segregation and product positioning to satisfy user needs. At the same time, we will also focus on boosting our innovative technology capabilities and plans for future product and market opportunities.

Besides, in response to the changing trend of external information security and the ever-changing hacking techniques, we continue to pay attention to the latest information and technology, keep up with the times in our defense and management, effectively block information security threats, and reduce operational impact. Regarding internal and external information security issues, appropriate resources should be invested, and
control measures should be improved to reduce risks. There were no major information security events in 2023, nor did the leakage of confidential information affect our customers and business, and cause significant impact to the financials.

7.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Measures
Compal has concentrated on the IT and Communications industry for many years and has firmly adhered to a business philosophy of transcendence, sincerity, and harmony in a culture of ethics and honesty. We aim to be the best in world-class professional design, manufacturing, and services. As we pursue business growth, we always remember our obligations as a corporate citizen. We have strengthened corporate governance, fulfilled corporate social responsibility, and established a good corporate image. As the Company scale and business complexity have expanded, the number of employees has increased, and our global production branches have increased in number, we have become acutely aware of the need for periodic checks of the external environment, a self-management system, and operational strategies for strengthening the risk management and early detecting of potential corporate crises and the need for concrete and positive response plans and corrective measures. For many years, Compal has been placed among the Top 500, Top 2000 businesses, and Top 2000 manufacturers in Taiwan by Fortune, Forbes Magazine, and CommonWealth Magazine respectively, and has placed the distinction of the Award in the “Taiwan Corporate Sustainability Awards” organized by the Taiwan Institute of Sustainable Energy. These prestigious awards once again reaffirmed the Company’s corporate image. There was no company crisis in 2023 nor was there any significant event that affected the Company’s image in any way.

7.6.7 Expected Benefits from, Risks Relating to, and Response to Merger and Acquisition Plans
In addition to continued cultivation of the existing information and communication technology (ICT) operations and enhancement of the core profit base, we are actively seeking out upcoming industries for merger, acquisition, joint venture, or technical collaboration, with the aim being to move into industrial computing, medical networking, IoT networking, vehicle networking and the medical equipment market. We will maintain the stable development of existing businesses and move ahead of the curve in other areas with high growth momentum. The Company will integrate resources to increase R&D capacity, improve operational efficiency, and increase competitiveness. We expect to benefit from synergy, have a positive impact on future shareholder equity, and maintain adequate control of organizational integration matters and financial risks.

7.6.8 Expected Benefits from, Risks Relating to, and Response to Factory Expansion Plans: None

7.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration: None

7.6.10 Effects of, Risks Relating to, and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: None
7.6.11 Effects of, Risks Relating to, and Response to the Changes in Management: None

7.6.12 Litigation or Non-litigation Matters

(1) Inventec Corporation (“Inventec”), because of its former employees who joined Compal Group, submitted a complaint to the Taiwan Taipei District Prosecutors Office asserting the Company has committed trade secret/copyright infringement. In August 2019, the Taiwan Taipei District Prosecutors Office brought criminal charges against the Company. In order to protect the Company’s rights and interests, the Company has retained outside counsel to defend such litigation. Considering the fact that whether the Company has committed the trade secret/copyright infringement depends on whether Inventec’s former employees are convicted, the Taipei District Court judge therefore issued a ruling and according to which the Court made a stay of the criminal proceedings pending the determination of related criminal proceedings against those employees. Currently, the criminal proceedings against those employees are still in progress before the court. The Company cannot make any reasonable estimation regarding the possible impact on its business operation.

(2) Huawei Technologies Co., Ltd. filed an infringement litigation against the Group on October 28, 2022. The Group will carefully evaluate the litigation, discuss with related clients the following strategies and actions, and engage professional attorneys, to protect the rights and reputation of the Company from any damage.

7.6.13 Other Major Risks

International conglomerates face many risks such as regulatory compliance, business competition, localization, and globalization. It is the responsibility of each Company employee to turn such challenges into future opportunities. Ex ante risk identification, weekly risk assessment and prevention, and post-crisis management, have all been added to the Company target management cycle (PDCA), key performance indicators (KPI), and control system for internal use. Such processes allow the dedicated units responsible for these specific risks to establish rigorous and rapid means for response and a problem-solving culture. By working through regular and unscheduled reviews and combining education, training and a performance risk appraisal system, they can cope with significantly different kinds of risk management based on local conditions. The Company did not face any significant risk in 2022.

7.7 Other Material Issues: None
VIII. Special Disclosure

8.1 Summary of Affiliated Companies (As of Dec 31, 2023)

8.1.1 Affiliated enterprises report

1. Chart
2. Backgrounds of affiliated enterprises (December 31, 2023)

<table>
<thead>
<tr>
<th>Company name</th>
<th>Date of establishment</th>
<th>Address</th>
<th>Paid-up capital</th>
<th>Main business activities or products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compal Electronics, Inc.</td>
<td>1984.06.01</td>
<td>No. 581 and 581-1, Ruiguang Road, Neihu District, Taipei City</td>
<td>TWD 44,071,466</td>
<td>Manufacturing, processing and trading of notebooks, computer monitors, LCD TVs, cellphones, and electronic parts</td>
</tr>
<tr>
<td>Compal International Holding Co., Ltd.</td>
<td>2000.01.12</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 53,001</td>
<td>General investments</td>
</tr>
<tr>
<td>Compal International Holding (HK) Limited</td>
<td>2008.08.11</td>
<td>Unit 06, G/F, The Lodge, 535 Canton Road, Kowloon, Hong Kong</td>
<td>USD 74,803</td>
<td>General investments</td>
</tr>
<tr>
<td>Compal Electronics Technology (Kunshan) Co., Ltd.</td>
<td>2008.05.19</td>
<td>No. 25, Third Avenue, A Zone, Kunshan Comprehensive Free Trade Zone, Kunshan, Jiangsu, China</td>
<td>USD 12,000</td>
<td>Production of notebooks, cellphones and electronics</td>
</tr>
<tr>
<td>Compal Information (Kunshan) Co., Ltd.</td>
<td>2003.01.07</td>
<td>No. 15, Third Avenue, A Zone, Kunshan Comprehensive Free Trade Zone, Kunshan, Jiangsu, China</td>
<td>USD 12,000</td>
<td>Production of notebooks, tablets and electronics</td>
</tr>
<tr>
<td>Compal Information Technology (Kunshan) Co., Ltd.</td>
<td>2003.06.20</td>
<td>No. 58, First Avenue, A Zone, Kunshan Comprehensive Free Trade Zone, Kunshan, Jiangsu, China</td>
<td>USD 24,000</td>
<td>Production of notebooks and electronics</td>
</tr>
<tr>
<td>Compal Digital Technology (Kunshan) Co., Ltd.</td>
<td>2010.03.05</td>
<td>No.59, First Avenue, Kunshan Economic and Technological Development Zone, Kunshan, Jiangsu, China</td>
<td>USD 20,000</td>
<td>Production and sale of notebooks, cellphones and digital products</td>
</tr>
<tr>
<td>Kunshan Botai Electronics Co., Ltd.</td>
<td>2001.08.20</td>
<td>No. 189, Qianjin Dong Lu, Kunshan Development Zone, Jiangsu Province, China</td>
<td>USD 1,000</td>
<td>Production and after-sale service of notebooks and cellphones</td>
</tr>
<tr>
<td>Compower Global Service Co., Ltd.</td>
<td>2012.04.23</td>
<td>Building 3, No.9, Second Avenue, A Zone, Kunshan Comprehensive Free Trade Zone, Kunshan, Jiangsu, China</td>
<td>RMB 2,000</td>
<td>Maintenance and after-sale service of notebooks and cellphones</td>
</tr>
<tr>
<td>Prospect Fortune Group Ltd.</td>
<td>2000.01.18</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 1</td>
<td>General investments</td>
</tr>
<tr>
<td>Jenpal International Ltd.</td>
<td>2010.12.27</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 7,350</td>
<td>General investments</td>
</tr>
<tr>
<td>Fortune Way Technology Corp.</td>
<td>2015.12.18</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 14,900</td>
<td>General investments</td>
</tr>
<tr>
<td>Just International Ltd.</td>
<td>1992.08.25</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 48,010</td>
<td>General investments</td>
</tr>
<tr>
<td>Compal Display Holding (HK) Limited</td>
<td>2008.08.11</td>
<td>Unit 06, G/F, The Lodge, 535 Canton Road, Kowloon, Hong Kong</td>
<td>USD 62,298</td>
<td>General investments</td>
</tr>
<tr>
<td>Company name</td>
<td>Date of establishment</td>
<td>Address</td>
<td>Paid-up capital</td>
<td>Main business activities or products</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>-----------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>-----------------</td>
<td>-----------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Compal Electronics (China) Co., Ltd.</td>
<td>1995.12.25</td>
<td>No. 189, Qian Jin East Road, Development Zone, Kunshan, Jiangsu, P.R. China</td>
<td>USD 37,000</td>
<td>Manufacturing and sale of displays</td>
</tr>
<tr>
<td>Compal Smart Device (Chongqing) Co., LTD.</td>
<td>2018.04.13</td>
<td>No.18-5, Baohong Avenue, Liangjiang New District, Chongqing, China (No. D0 5, Zone D, Airport Section of Lianglu CunTan Free Trade Port Area)</td>
<td>RMB 60,000</td>
<td>Development, production and sale of communication equipment, cellphones, computers and smart watches, and provision of relevant technical services</td>
</tr>
<tr>
<td>FIPOLL Electronics (Chongqing) Co., Ltd.</td>
<td>2023.10.18</td>
<td>No. 5, FengCai Road, Zone P, WangJia Subdistrict, Liangjiang New District, Chongqing, China (AirPort Section of LiangLu CunTan Free Trade Port Area)</td>
<td>RMB 70,000</td>
<td>Manufacturing of auto parts and accessories</td>
</tr>
<tr>
<td>Compal Optoelectronics (Kunshan) Co., Ltd.</td>
<td>2003.02.28</td>
<td>No. 189, Qian Jin East Road, Development Zone, Kunshan, Jiangsu, P.R. China</td>
<td>USD 12,100</td>
<td>Production and sale of LCD TVs</td>
</tr>
<tr>
<td>Compal System Trading (Kunshan) Co., Ltd.</td>
<td>2007.10.24</td>
<td>Room 435, No. 8 Weiyue Road, Kunshan City Development Area, Jiangsu, China</td>
<td>USD 1,400</td>
<td>International trade and distribution of computers and electronic components</td>
</tr>
<tr>
<td>Compal Investment (Jiangsu) Co., Ltd.</td>
<td>2011.02.17</td>
<td>No. 189, Qian Jin East Road, Development Zone, Kunshan, Jiangsu, P.R. China</td>
<td>USD 15,600</td>
<td>General investments</td>
</tr>
<tr>
<td>Compal Display Electronics (Kunshan) Co., Ltd.</td>
<td>2011.03.30</td>
<td>No. 189, Qian Jin East Road, Development Zone, Kunshan, Jiangsu, P.R. China</td>
<td>USD 15,000</td>
<td>Production and sale of LCD TVs</td>
</tr>
<tr>
<td>Compal International Ltd.</td>
<td>1997.04.15</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 500</td>
<td>General investments</td>
</tr>
<tr>
<td>Compal Electronics International Ltd.</td>
<td>1997.04.22</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 12,745</td>
<td>General investments</td>
</tr>
<tr>
<td>Compal Americas (US) Inc.</td>
<td>2024.02.13</td>
<td>2140 South Dupont Highway, Camden, DE 19934 USA</td>
<td>USD 2,500</td>
<td>Sales of automotive electronic products</td>
</tr>
<tr>
<td>Compal Electronics N.A. Inc.</td>
<td>2024.02.14</td>
<td>2140 South Dupont Highway, Camden, DE 19934 USA</td>
<td>USD 2,500</td>
<td>Sales of automotive electronic product</td>
</tr>
<tr>
<td>Smart International Trading Ltd.</td>
<td>1998.09.03</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 1</td>
<td>General investments</td>
</tr>
<tr>
<td>Mexcom Technologies, LLC</td>
<td>2011.07.22</td>
<td>318 N. Carson Street, #208, Carson City, NV 89701, USA</td>
<td>USD 1</td>
<td>General investments</td>
</tr>
<tr>
<td>Mexcom Electronics, LLC</td>
<td>2011.07.22</td>
<td>318 N. Carson Street, #208, Carson City, NV 89701, USA</td>
<td>USD 8,234</td>
<td>General investments</td>
</tr>
<tr>
<td>Big Chance International Co., Ltd.</td>
<td>2010.01.05</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 90,820</td>
<td>General investments</td>
</tr>
<tr>
<td>Center Mind International Co., Ltd.</td>
<td>2011.04.01</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 80,820</td>
<td>General investments</td>
</tr>
<tr>
<td>Company name</td>
<td>Date of establishment</td>
<td>Address</td>
<td>Paid-up capital</td>
<td>Main business activities or products</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------------------</td>
<td>---------</td>
<td>----------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>Compal Investment (Sichuan) Co., Ltd.</td>
<td>2011.04.01</td>
<td>No. 6, Shenglong Street, Wuhou District, Chengdu, Sichuan</td>
<td>USD 80,820</td>
<td>External investment and consultation service</td>
</tr>
<tr>
<td>Compal Electronics (Chengdu) Co., Ltd.</td>
<td>2011.04.02</td>
<td>No. 88, Sec.1, ZongBao Avenue Chengdu Hi-tech Comprehensive Bonded Zone (Shuangliu), Shuangliu County, Chengdu, China (Sichuan) Pilot Free Trade Zone</td>
<td>USD 80,000</td>
<td>Development and production of notebooks, tablets, digital products, networking switches, wireless APs, and auto electronics</td>
</tr>
<tr>
<td>Compal Management (Chengdu) Co., Ltd.</td>
<td>2011.05.25</td>
<td>No. 6, Shenglong Street, Wuhou District, Chengdu, Sichuan</td>
<td>USD 800</td>
<td>Management consultation, training, business information, tax advisory, investment consultation, and investment management</td>
</tr>
<tr>
<td>Prisco International Co., Ltd.</td>
<td>2011.06.02</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 10,000</td>
<td>General investments</td>
</tr>
<tr>
<td>Compal Electronics (Chongqing) Co., Ltd.</td>
<td>2011.05.26</td>
<td>No.10-3, BaoHong Avenue, YuBei District, ChongQing, China (No.A03, ZoneA, Airport Section of LiangLu CunTan Free Trade Port Area)</td>
<td>USD 10,000</td>
<td>Development, production and sale of notebooks and related components, and provision of maintenance and after-sale services</td>
</tr>
<tr>
<td>Core Profit Holdings Ltd.</td>
<td>2011.06.03</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 147,000</td>
<td>General investments</td>
</tr>
<tr>
<td>Billion Sea Holdings Ltd.</td>
<td>2012.04.02</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 147,000</td>
<td>General investments</td>
</tr>
<tr>
<td>Mithera Capital I0 LP</td>
<td>2019.06.01</td>
<td>PO Box 472, 2F, Harbour Place, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands</td>
<td>USD 5,050</td>
<td>General investments</td>
</tr>
<tr>
<td>Compal Electronics (Vietnam) Co., Ltd</td>
<td>2023.05.26</td>
<td>B1-2 Lot (belong to Lot B1), Lien Ha Thai (Green iP-1) Industrial Park, Diem Dien town, Thai Thuy District, Thai Binh Province, Vietnam</td>
<td>USD 54,000</td>
<td>R&amp;D, manufacturing, sales and maintenance of notebook PCs, computer monitors, LCD TVs, mobile phones, tablet PCS, smart watches, communication devices and other electronic devices</td>
</tr>
<tr>
<td>Compal USA (Indiana), Inc.</td>
<td>2010.12.16</td>
<td>1 Technology Way Logansport, Indiana 46947, USA</td>
<td>US$8,130</td>
<td>OEM of automotive electronic products</td>
</tr>
<tr>
<td>High Shine Industrial Corp.</td>
<td>2007.07.04</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 79,700</td>
<td>General investments</td>
</tr>
<tr>
<td>Intelligent Universal Enterprise Ltd.</td>
<td>2007.08.02</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 67,000</td>
<td>General investments</td>
</tr>
<tr>
<td>Compal (Vietnam) Co., Ltd.</td>
<td>2007.10.04</td>
<td>Ba Thien Industrial Zone, Ba Hien Town, Binh Xuyen District, Vinh Phuc Province, Vietnam</td>
<td>VND 1,398,683,500</td>
<td>Production, development, sale and repair of notebooks, computer monitors, LCD TVs and electronic components</td>
</tr>
<tr>
<td>Company name</td>
<td>Date of establishment</td>
<td>Address</td>
<td>Paid-up capital</td>
<td>Main business activities or products</td>
</tr>
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</tr>
<tr>
<td>Goal Reach Enterprises Ltd.</td>
<td>2007.07.03</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 12,700</td>
<td>General investments</td>
</tr>
<tr>
<td>Compal Development and Management (Vietnam) Co., Ltd.</td>
<td>2007.07.03</td>
<td>Ba Thien Industrial Zone, Binh Xuyen District, Vinh Phuc Province, Vietnam</td>
<td>VND 216,428,500</td>
<td>Construction and investment of infrastructures at Ba-Thien Industrial Zone, Vietnam</td>
</tr>
<tr>
<td>Panpal Technology, Inc.</td>
<td>1997.08.20</td>
<td>No. 581, Ruiguard Road, Neihu District, Taipei City</td>
<td>TWD 5,000,000</td>
<td>General investments</td>
</tr>
<tr>
<td>Geppal Technology, Inc.</td>
<td>1997.10.29</td>
<td>No. 581, Ruiguard Road, Neihu District, Taipei City</td>
<td>TWD 900,000</td>
<td>General investments</td>
</tr>
<tr>
<td>Hong Ji Capital, Inc.</td>
<td>2004.06.28</td>
<td>No. 581, Ruiguard Road, Neihu District, Taipei City</td>
<td>TWD 1,000,000</td>
<td>General investments</td>
</tr>
<tr>
<td>Hong Jin Investment, Inc.</td>
<td>2004.07.02</td>
<td>No. 581, Ruiguard Road, Neihu District, Taipei City</td>
<td>TWD 295,000</td>
<td>General investments</td>
</tr>
<tr>
<td>Compalead Eletrônica do Brasil Indústria e Comércio Ltda.</td>
<td>2008.07.15</td>
<td>Rua Kanebo 175, Galpões C4 a C6, e C12 Distrito Industrial, Jundiaí, São Paulo, CEP:13213-090, Brazil</td>
<td>BRL 20,109</td>
<td>Production and after-sale service of notebooks, cellphones and electronics</td>
</tr>
<tr>
<td>Compal Electronics India Private Limited</td>
<td>1996.05.21</td>
<td>Flat No. 412A, Building No.43, Chiranjiv Tower, Nehru Place, New Delhi, 110019, India</td>
<td>INR 386,000</td>
<td>Production and after-sale service of cellphones</td>
</tr>
<tr>
<td>Compal Electronica da Amazonia Ltda</td>
<td>2020.09.14</td>
<td>Rua Javari nº 1055, LOT 2.47, ECV, Distrito Industrial I, Manaus AM, CEP 69 075-110, Brazil</td>
<td>BRL 23,500</td>
<td>Production of notebooks and electronics</td>
</tr>
<tr>
<td>COMPAL MEXICO ELECTROMEX, S.A DE C.V.</td>
<td>2024.04.27</td>
<td>Avenida de los Encinos, No. 1080-A, Parque Industrial Villa Florida, Reynosa, Tamaulipas, C.P. 88710, México</td>
<td>USD 2,500</td>
<td>Production of automotive electronic products</td>
</tr>
<tr>
<td>Arcadyan Technology Corporation</td>
<td>2003.05.09</td>
<td>8F, No. 8, Section 2, Guangfu Road, East District, Hsinchu City</td>
<td>TWD 2,203,543</td>
<td>Research, development, production and sale of WLAN, integrated digital home and mobile office products</td>
</tr>
<tr>
<td>Arcadyan Technology N.A. Corp.</td>
<td>2003.07.30</td>
<td>5450 Thornwood Dr, Unit J Floor 2 San Jose CA 95123-1222, USA</td>
<td>USD 669</td>
<td>Sales and technical support of wireless network products</td>
</tr>
<tr>
<td>Arcadyan Germany Technology GmbH</td>
<td>2007.04.11</td>
<td>Koelner Strasse 10b D-65760 Eschborn, Germany</td>
<td>EUR 25</td>
<td>Sale and technical support of wireless networking products</td>
</tr>
<tr>
<td>Arcadyan Technology Corporation Korea</td>
<td>2014.10.16</td>
<td>103-1109RM SK Ventium 166, Gosan-ro, Gunpo-si, Gyeonggi-do, Republic of Korea 15850</td>
<td>KRW 100,000</td>
<td>Sale of wireless networking products</td>
</tr>
<tr>
<td>Arcadyan do Brasil Ltda.</td>
<td>2015.04.24</td>
<td>Travessa Francisa Rios n° 48, Centro, Pouso Alegre, Minas Gerais</td>
<td>BRL 9,682</td>
<td>Sale of wireless networking products</td>
</tr>
<tr>
<td>Arcadyan India Private Limited</td>
<td>2021.03.25</td>
<td>Fifth Floor, Unit-F516, The Sapphire, Sector 49, Gurgaon,Gurgaon, Haryana, 122018</td>
<td>INR 198,000</td>
<td>Sale of wireless networking products</td>
</tr>
<tr>
<td>Arcadyan Technology Limited</td>
<td>2016.08.16</td>
<td>Charlotte House 500 Charlotte Road Sheffield South Yorkshire S2 4ER, United Kingdom</td>
<td>GBP 50</td>
<td>Technical support for wireless networking products</td>
</tr>
<tr>
<td>Company name</td>
<td>Date of establishment</td>
<td>Address</td>
<td>Paid-up capital</td>
<td>Main business activities or products</td>
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</tr>
<tr>
<td>Arcadyan Technology Australia Pty Ltd</td>
<td>2017.03.28</td>
<td>Tower Three International Towers, Sydney ' Level 38, 300 Barangaroo Avenue, Sydney NSW 2000</td>
<td>AUD 50</td>
<td>Sale of wireless networking products</td>
</tr>
<tr>
<td>Arcadyan Technology Corporation (Russia), LLC.</td>
<td>2020.06.02</td>
<td>17/2, Skakovaya street, floor 7, room 2, Moscow, Russia, 125040</td>
<td>RUB 20,000</td>
<td>Sale of wireless networking products</td>
</tr>
<tr>
<td>Arcadyan Holding (BVI) Corp.</td>
<td>2007.03.07</td>
<td>Coastal Building, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands</td>
<td>USD 47,780</td>
<td>General investments</td>
</tr>
<tr>
<td>Sinoprine Global Inc.</td>
<td>2004.12.29</td>
<td>Coastal Building, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands</td>
<td>USD 29,050</td>
<td>General investments</td>
</tr>
<tr>
<td>Arcadyan Technology (Shanghai) Corp.</td>
<td>2002.04.17</td>
<td>Room 1503, Block 20, No. 487 Tianlin Road, Xuhui District, Shanghai, China</td>
<td>USD 8,100</td>
<td>Research and sale of wireless networking products</td>
</tr>
<tr>
<td>Arcadyan Technology (Vietnam) Co., Ltd.</td>
<td>2019.03.26</td>
<td>Lot D4-5-6, Thang Long Vinh Phuc Industrial Zone, Thien Ke Commune, Binh Xuyen District, Vinh Phuc Province, Vietnam</td>
<td>USD 29,000</td>
<td>Manufacturing of wireless network products</td>
</tr>
<tr>
<td>Arch Holding (BVI) Corp.</td>
<td>2007.05.24</td>
<td>Coastal Building, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands</td>
<td>USD 10,550</td>
<td>General investments</td>
</tr>
<tr>
<td>Compal Networking (Kunshan) Co., Ltd.</td>
<td>2006.06.26</td>
<td>Building 005, No. 526 Nanbang Road, Economic &amp; Technical Development Zone, Kunshan, JiangSu, China</td>
<td>USD 12,450</td>
<td>Manufacturing of wireless network products</td>
</tr>
<tr>
<td>Zhi-Bao Technology Inc.</td>
<td>2009.08.10</td>
<td>8F., No. 8, Sec. 2, Guangfu Rd., East Dist., Hsinchu City</td>
<td>TWD 349,800</td>
<td>General investments</td>
</tr>
<tr>
<td>Tatung Technology Inc.</td>
<td>2008.01.21</td>
<td>4F., No. 70, Ruiguang Rd., Neihu Dist., Taipei City</td>
<td>TWD 410,000</td>
<td>Development and sale of digital home electronics</td>
</tr>
<tr>
<td>Tatung Technology of Japan Co., Ltd.</td>
<td>2018.11.22</td>
<td>1 Chome-2-18, Mita, Minato-ku, Tokyo-to, Japan</td>
<td>JPY 35,000</td>
<td>Sale of digital home electronics</td>
</tr>
<tr>
<td>Quest International Group Co., Ltd.</td>
<td>2012.12.11</td>
<td>Unit 25, 2nd Floor, Nia Mall, Saleufi Street, Apia, Samoa</td>
<td>USD 1,200</td>
<td>General investments</td>
</tr>
<tr>
<td>Exquisite Electronic Co., Ltd.</td>
<td>2012.02.03</td>
<td>Unit 25, 2nd Floor, Nia Mall, Saleufi Street, Apia, Samoa</td>
<td>USD 1,170</td>
<td>General investments</td>
</tr>
<tr>
<td>Tatung Home Appliances (Wu Jiang) Co., Ltd.</td>
<td>2001.02.13</td>
<td>No. 508 Youming Road, Songling Town, Wujiang District, Suzhou, Jiangsu, China</td>
<td>USD 12,105</td>
<td>Manufacturing of wireless network products</td>
</tr>
<tr>
<td>Compal Broadband Networks Inc.</td>
<td>2009.08.19</td>
<td>13F-1, No. 1, Taiyuan 1st Street, Zhubei City, Hsinchu County</td>
<td>TWD 679,381</td>
<td>Development and sale of cable modems, set-top boxes and communication products</td>
</tr>
<tr>
<td>Compal Broadband Networks Belgium BVBA</td>
<td>2017.01.01</td>
<td>Bekersveld 192630 Aartselaar Belgium</td>
<td>EUR 200</td>
<td>Import and export of broadband networking products and related components, and provision of technical support and consultation services</td>
</tr>
<tr>
<td>Compal Broadband Networks Netherlands B.V.</td>
<td>2019.11.25</td>
<td>Het Poortgebouw Beech Avenue 54-62 Schiphol 1119 PW the Netherlands</td>
<td>EUR 200</td>
<td>Import and export of broadband networking products and related components, and provision of technical support and consultation services</td>
</tr>
<tr>
<td>Company name</td>
<td>Date of establishment</td>
<td>Address</td>
<td>Paid-up capital</td>
<td>Main business activities or products</td>
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</tr>
<tr>
<td>Henghao Technology Co., Ltd.</td>
<td>2010.12.10</td>
<td>No. 2-1, Wenhua Rd., Hsin-chu Industrial Park, Hukou Shiang, Hsin-chu County 30352, Taiwan R.O.C.</td>
<td>TWD 200,150</td>
<td>Manufacturing of electronic components, computers and peripherals</td>
</tr>
<tr>
<td>HengHao Holdings A Co., Ltd.</td>
<td>2010.12.10</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 46,882</td>
<td>General investments</td>
</tr>
<tr>
<td>HengHao Holdings B Co., Ltd.</td>
<td>2010.12.14</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 55,882</td>
<td>General investments</td>
</tr>
<tr>
<td>HengHao Optoelectronics Technology (Kunshan) Co., Ltd.</td>
<td>2010.05.07</td>
<td>No.520, Nanbang Rd., Kunshan City, Jiangsu Province, China</td>
<td>USD 40,000</td>
<td>Production touch panels and related components</td>
</tr>
<tr>
<td>Lucom Display Technology (Kunshan) Ltd.</td>
<td>2010.11.01</td>
<td>No.520, Nanbang Rd., Kunshan City, Jiangsu Province, China</td>
<td>USD 15,000</td>
<td>Production touch panels and LCD displays</td>
</tr>
<tr>
<td>HengHao Optoelectronics Technology (Zhejiang) Co., Ltd.</td>
<td>2023.03.27</td>
<td>No. 555, Xinjia Avenue, Jiashan County, Jiaxing City, Zhejiang Province</td>
<td>USD 9,000</td>
<td>Production of touch panels and related components</td>
</tr>
<tr>
<td>Mactech Inc.</td>
<td>2000.05.23</td>
<td>No. 89, Land 36, Section 2, Tanxing Road, Tanyang Village, Tanzi District, Taichung City</td>
<td>TWD 411,458</td>
<td>Manufacturing of machinery and lighting equipment, retail sale of machinery, and international trade</td>
</tr>
<tr>
<td>Ripal Optotronics Co., Ltd.</td>
<td>2013.8.26</td>
<td>2F, No. 256, Section 3, Zhongzheng Road, Rende District, Tainan City</td>
<td>TWD 60,000</td>
<td>Manufacturing of home appliances and audiovisual electronics</td>
</tr>
<tr>
<td>Rayonnant Technology Co., Ltd.</td>
<td>2010.03.23</td>
<td>No. 581, Ruiguang Road, Neihu District, Taipei City</td>
<td>TWD 295,000</td>
<td>Manufacturing and sale of computers and peripherals</td>
</tr>
<tr>
<td>Compal Rayonnant Holdings Ltd.</td>
<td>2011.08.05</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 12,500</td>
<td>General investments</td>
</tr>
<tr>
<td>Allied Power Holding Corp.</td>
<td>2005.04.07</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 21,151</td>
<td>General investments</td>
</tr>
<tr>
<td>Primetek Enterprises Ltd.</td>
<td>2005.01.28</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 3,151</td>
<td>General investments</td>
</tr>
<tr>
<td>Rayonnant Technology Holdings (HK) Co., Ltd.</td>
<td>2010.03.31</td>
<td>Unit 06, G/F, The Lodge, 535 Canton Road, Kowloon, Hong Kong</td>
<td>USD 18,000</td>
<td>General investments</td>
</tr>
<tr>
<td>Rayonnant Technology (Taicang) Co., Ltd.</td>
<td>2010.06.04</td>
<td>178 Baihua South Road, Shaxi Town, Taicang, Jiangsu, China</td>
<td>USD 18,000</td>
<td>Development and production of aluminum and magnesium alloy-based products</td>
</tr>
<tr>
<td>Bizcom Electronics, Inc.</td>
<td>1992.04.13</td>
<td>1361 EL Camino Real, Santa Clara, CA 95050, USA</td>
<td>USD 100</td>
<td>Marketing and after-sale of computer monitors and notebooks</td>
</tr>
<tr>
<td>Compal Europe (Poland) Sp. z o.o.</td>
<td>2008.03.05</td>
<td>Jędrzejewska 85 93-636, Łódź, Poland</td>
<td>PLN 6,804</td>
<td>Maintenance and after-sale service of notebooks and cellphones</td>
</tr>
<tr>
<td>Company name</td>
<td>Date of establishment</td>
<td>Address</td>
<td>Paid-up capital</td>
<td>Main business activities or products</td>
</tr>
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</tr>
<tr>
<td>CGS Technology (Poland) Sp. z o.o.</td>
<td>2020.09.15</td>
<td>Jedrzejowska 85 93-636, Łódź, Poland</td>
<td>PLN 12,296</td>
<td>Maintenance and after-sale service of notebooks and cellphones</td>
</tr>
<tr>
<td>Auscom Engineering Inc.</td>
<td>2008.10.27</td>
<td>One Dell Way, MSC PS2-88, Round Rock, Texas 78682, USA</td>
<td>USD 3,000</td>
<td>Development of notebooks and related components, hardware and software</td>
</tr>
<tr>
<td>Flight Global Holding Inc.</td>
<td>2007.08.09</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 89,755</td>
<td>General investments</td>
</tr>
<tr>
<td>Compalead Electronics B.V.</td>
<td>2014.02.19</td>
<td>Basisweg 10, 1043 AP Amsterdam, The Netherlands</td>
<td>USD 6,427</td>
<td>General investments</td>
</tr>
<tr>
<td>General Life Biotechnology Co., Ltd.</td>
<td>1999.01.16</td>
<td>No.581-1, Ruiguang Rd., Neihu Dist., Taipei City</td>
<td>TWD 300,000</td>
<td>Production and wholesaling of medical equipment</td>
</tr>
<tr>
<td>Etrade Management Co., Ltd.</td>
<td>2000.07.05</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 71,900</td>
<td>General investments</td>
</tr>
<tr>
<td>Compal Communications (Nanjing) Co., Ltd.</td>
<td>2003.09.23</td>
<td>No.68-2, Suyuan Road, Export Processing Zone (South Area), Jiangning Nanjing China</td>
<td>USD 27,000</td>
<td>Production of cellphones and tablets</td>
</tr>
<tr>
<td>Compal Digital Communications (Nanjing) Co., Ltd.</td>
<td>2004.03.26</td>
<td>No.77 Gaohu Street, Jiangning Economic and Technological Development Zone, Nanjing, China</td>
<td>USD 5,800</td>
<td>Production of cellphones and tablets</td>
</tr>
<tr>
<td>Compal Wireless Communications (Nanjing) Co., Ltd.</td>
<td>2006.02.13</td>
<td>No.68-2, Suyuan Road, Export Processing Zone (South Area), Jiangning, Nanjing, China</td>
<td>USD 49,000</td>
<td>Production of cellphones and tablets</td>
</tr>
<tr>
<td>Webtek Technology Co., Ltd.</td>
<td>2000.07.07</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 100</td>
<td>General investments</td>
</tr>
<tr>
<td>Forever Young Technology Inc.</td>
<td>2004.11.25</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 50</td>
<td>General investments</td>
</tr>
<tr>
<td>Giant Rank Trading Limited</td>
<td>2004.11.25</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD -</td>
<td>Sale of cellphones</td>
</tr>
<tr>
<td>HANHELT Communications (Nanjing) Co., Ltd.</td>
<td>2009.03.11</td>
<td>Room 301 3rd floor 43#, Headquarters Park,NO.70# Phoenix Road Jiangning District, Nanjing, China</td>
<td>USD 2,000</td>
<td>Development of electronic communication equipment</td>
</tr>
<tr>
<td>Compal Wise Electronic (Vietnam) Co., Ltd.</td>
<td>2020.07.15</td>
<td>Binh Xuyen Industrial Zone, Dao Duc Town, Binh Xuyen District, Vinh Phuc Province, Vietnam</td>
<td>VND 46,180,000</td>
<td>Production and sale of cellphones, tablets, smart watches, communication equipments and electronics, and provision of relevant technical services</td>
</tr>
<tr>
<td>Company name</td>
<td>Date of establishment</td>
<td>Address</td>
<td>Paid-up capital</td>
<td>Main business activities or products</td>
</tr>
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</tr>
<tr>
<td>Unicom Global. Inc.</td>
<td>2006.03.21</td>
<td>No. 581, Ruiguang Road, Neihu District, Taipei City</td>
<td>TWD 200,000</td>
<td>Manufacturing and retail of computers and electronic components</td>
</tr>
<tr>
<td>Palcom International Corporation</td>
<td>2006.03.22</td>
<td>8F, No. 385, Yangguang St., Neihu District, Taipei City</td>
<td>TWD 100,000</td>
<td>Sale of cellphones</td>
</tr>
<tr>
<td>Compal Electronics (Holding) Ltd.</td>
<td>1997.04.22</td>
<td>Coastal Building, Wickham’s Cay II, P.O. Box 2221, Road Town, Tortola, VG 1110, British Virgin Islands</td>
<td>USD 1</td>
<td>General investments</td>
</tr>
<tr>
<td>UniCore Biomedical Co., Ltd.</td>
<td>2018.01.25</td>
<td>1F, No. 50, Section 1, Jiuzong Road, Neihu District, Taipei city</td>
<td>TWD 200,000</td>
<td>Management consultation, leasing, and wholesale/retail of medical equipment</td>
</tr>
<tr>
<td>Shennona Corporation</td>
<td>2018.01.10</td>
<td>1361 EL Camino Real, Santa Clara, CA 95050, USA</td>
<td>USD 1,605</td>
<td>Medical care IoT business</td>
</tr>
<tr>
<td>HippoScreen Neurotech Corp.</td>
<td>2019.01.28</td>
<td>No. 581-1, Ruiguang Road, Neihu District, Taipei City</td>
<td>TWD 100,000</td>
<td>Management consultation, leasing, wholesale/retail of precision instruments and International trade</td>
</tr>
<tr>
<td>SHENNONA CO., LTD.</td>
<td>2019.03.21</td>
<td>No. 581-1, Ruiguang Road, Neihu District, Taipei City</td>
<td>TWD 20,000</td>
<td>Management consultation, leasing, wholesale/retail of precision instruments and International trade</td>
</tr>
<tr>
<td>Aco Healthcare Co., Ltd.</td>
<td>2019.02.20</td>
<td>No. 581-1, Ruiguang Road, Neihu District, Taipei City</td>
<td>TWD 73,948</td>
<td>Wholesale/retail of Computer Software, Software Design Services, Data Processing Services, Electrical Machinery, Supplies Manufacturing, wholesale/retail of Electronic Materials, wholesale/retail of Precision Instruments, Product Designing, Biotechnology Services and International Trade</td>
</tr>
<tr>
<td>Starmems Semiconductor Corp.</td>
<td>2021.04.21</td>
<td>6, No. 10, Taiyuan 1st Street, Zhupei City, Hsinchu County</td>
<td>TWD 100,000</td>
<td>Research and development and sales of MEMS microphone technology products</td>
</tr>
<tr>
<td>Kinpo&amp;Compal Group Assets Development Corporation</td>
<td>2021.12.21</td>
<td>No. 581 &amp;581-1, Ruiguang Road, Neihu District, Taipei City</td>
<td>TWD 5,750,000</td>
<td>Real estate development leasing and related management business</td>
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<tr>
<td>Compal Ruifang Health Assets Development Corporation</td>
<td>2022.06.24</td>
<td>7F., No. 669, Zhongzheng Rd., Xinzhuang Dist., New Taipei City</td>
<td>TWD 300,000</td>
<td>Investment and development of public construction and specific areas, etc.</td>
</tr>
<tr>
<td>Compal Healthcare &amp; Technology Ltd.</td>
<td>2023.12.11</td>
<td>No. 581-1, Ruiguang Road, Neihu District, Taipei City</td>
<td>TWD 20,000</td>
<td>Information software service industry, capital Material handling services, electronics Information supply service industry</td>
</tr>
<tr>
<td>POINDUS SYSTEMS CORP.</td>
<td>2009.06.15</td>
<td>5F, No. 59, Ln. 77, Xing’ai Rd., Neihu Dist., Taipei City</td>
<td>TWD 210,000</td>
<td>Sales of computers and peripherals</td>
</tr>
<tr>
<td>Poindus Investment Corp.</td>
<td>2009.07.21</td>
<td>6F, No. 1, Ln. 28, Xingzhong Rd., Neihu Dist., Taipei City</td>
<td>TWD 41,000</td>
<td>Investment and holding</td>
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<tr>
<td>Poindus Systems UK Limited</td>
<td>2015.11.1</td>
<td>3 Devonshire Business Park Knights Park Road Basingstoke RG21 6XN United Kingdom</td>
<td>GPB 300</td>
<td>Sales of computers and peripherals</td>
</tr>
<tr>
<td>Company name</td>
<td>Date of establishment</td>
<td>Address</td>
<td>Paid-up capital</td>
<td>Main business activities or products</td>
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<tr>
<td>---------------------</td>
<td>-----------------------</td>
<td>------------------------------------------------------------------------</td>
<td>-----------------</td>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td>Adasys GmbH</td>
<td>1994.03.29</td>
<td>Max-Planck-Strasse 10 70806 Kornwestheim</td>
<td>EUR 100</td>
<td>Sales of computers and peripherals</td>
</tr>
<tr>
<td>QIUJE ELECTRONICS(SHEN ZHEN)CO.,LTD</td>
<td>2019.01.25</td>
<td>10G, Jindacheng Building, Zhongxin Road, Xinqiao Street, Bao'an District, Shenzhen City.</td>
<td>USD 1000</td>
<td>Sales of computers and peripherals</td>
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<tr>
<td>Poindus Systems GmbH</td>
<td>2009.09.23</td>
<td>Max-Planck-Strasse 10 70806 Kornwestheim</td>
<td>EUR 25</td>
<td>Sales of computers and peripherals</td>
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</table>

### 3. Business activities and relationships of affiliated enterprises (December 31, 2023)

<table>
<thead>
<tr>
<th>Industry category</th>
<th>Name of affiliated enterprise</th>
<th>Business relationship with other affiliated enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment holding company</td>
<td>Compal International Holding Co., Ltd.</td>
<td>Holds investment interest in Compal International Holding (HK) Limited, Prospect Fortune Group Ltd., Jenpal International Ltd., and Fortune Way Technology Corp.</td>
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<tr>
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<td>Jenpal International Ltd.</td>
<td>General investments</td>
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<td></td>
<td>Fortune Way Technology Corp.</td>
<td>General investments</td>
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<tr>
<td></td>
<td>Just International Ltd.</td>
<td>Holds investment interest in Compal Display Holding (HK) Limited, Compal International Ltd., and Compal Electronics International Ltd.</td>
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<tr>
<td></td>
<td>Compal Investment (Jiangsu) Co., Ltd.</td>
<td>Holds investment interest in Compal Display Electronics (Kunshan) Co., Ltd.</td>
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<tr>
<td></td>
<td>Compal Electronics International Ltd.</td>
<td>Holds investment interest in Smart International Trading Ltd., Mexcom Technologies, LLC, and Mexcom Electronics, LLC</td>
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<td>Mexcom Technologies, LLC</td>
<td>General investments</td>
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<td>Mexcom Electronics, LLC</td>
<td>General investments</td>
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<td></td>
<td>Big Chance International Co., Ltd.</td>
<td>Holds investment interest in Center Mind International Co., Ltd. and Prisco International Co., Ltd.</td>
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<td></td>
<td>Center Mind International Co., Ltd.</td>
<td>Holds investment interest in Compal Investment (Sichuan) Co., Ltd.</td>
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<td>Compal Investment (Sichuan) Co., Ltd.</td>
<td>Holds investment interest in Compal Electronics (Chengdu) Co., Ltd. and Compal Management (Chengdu) Co., Ltd.</td>
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<td></td>
<td>Prisco International Co., Ltd.</td>
<td>Holds investment interest in Compal Electronics (Chongqing) Co., Ltd.</td>
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<tr>
<td></td>
<td>Core Profit Holdings Ltd.</td>
<td>Holds investment interest in Billion Sea Holdings Ltd.</td>
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<td></td>
<td>Billion Sea Holdings Ltd.</td>
<td>Holds investment interest in High Shine Industrial Corp., Mithera Capital Io LP, and Compal USA (Indiana), Inc.</td>
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<tr>
<td></td>
<td>Mithera Capital Io LP</td>
<td>General investments</td>
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<td></td>
<td>High Shine Industrial Corp.</td>
<td>Holds investment interest in Intelligent Universal Enterprise Ltd. and Goal Reach Enterprises Ltd.</td>
</tr>
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<td></td>
<td>Intelligent Universal Enterprise Ltd.</td>
<td>Holds investment interest in Compal (Vietnam) Co., Ltd.</td>
</tr>
<tr>
<td></td>
<td>Goal Reach Enterprises Ltd.</td>
<td>Holds investment interest in Compal Development and Management (Vietnam) Co., Ltd.</td>
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<td></td>
<td>Panpal Technology Corporation</td>
<td>General investments</td>
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<td>Gempal Technology Co., Ltd.</td>
<td>General investments</td>
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<tr>
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<td>Hong Ji Capital Co., Ltd.</td>
<td>General investments</td>
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<td>Hong Jin Investment Co., Ltd.</td>
<td>General investments</td>
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<tr>
<td></td>
<td>Compal Rayonnant Holdings Ltd.</td>
<td>General investments</td>
</tr>
<tr>
<td>Industry category</td>
<td>Name of affiliated enterprise</td>
<td>Business relationship with other affiliated enterprises</td>
</tr>
<tr>
<td>-------------------</td>
<td>------------------------------</td>
<td>--------------------------------------------------------</td>
</tr>
<tr>
<td>Allied Power Holding Corp.</td>
<td>General investments</td>
<td></td>
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<tr>
<td>Flight Global Holding Inc.</td>
<td>General investments</td>
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<tr>
<td>Compalead Electronics B.V.</td>
<td>General investments</td>
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<tr>
<td>Etrade Management Co., Ltd.</td>
<td>General investments</td>
<td></td>
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<tr>
<td>Compal Electronics (Holding) Ltd.</td>
<td>General investments</td>
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<tr>
<td>Arch Holding (BVI) Corp.</td>
<td>Holds investment interest in Compal Networking (Kunshan) Co., Ltd.</td>
<td></td>
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<tr>
<td>Zhi-Bao Technology Inc.</td>
<td>Holds investment interest in Compal Broadband Networks Inc., Arcadyan do Brasil Ltda. and Arcadyan India Private Limited</td>
<td></td>
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<tr>
<td>Quest International Group Co., Ltd.</td>
<td>Holds investment interest in Exquisite Electronic Co., Ltd.</td>
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<tr>
<td>Exquisite Electronic Co., Ltd.</td>
<td>Holds investment interest in Tatung Home Appliances (Wu Jiang) Co., Ltd.</td>
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<tr>
<td>Rayonnant Technology Holdings (HK) Co., Ltd.</td>
<td>General investments</td>
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<tr>
<td>HengHao Holdings A Co., Ltd.</td>
<td>General investments</td>
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<tr>
<td>HengHao Holdings B Co., Ltd.</td>
<td>General investments</td>
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<tr>
<td>Primetek Enterprises Ltd.</td>
<td>General investments</td>
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<tr>
<td>Sinoprime Global Inc.</td>
<td>Holds investment interest in Arcadyan Technology (Vietnam) Co., Ltd.</td>
<td></td>
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<tr>
<td>Prospect Fortune Group Ltd.</td>
<td>General investments</td>
<td></td>
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<tr>
<td>Compal International Ltd.</td>
<td>General investments</td>
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<tr>
<td>Webtek Technology Co., Ltd.</td>
<td>General investments</td>
<td></td>
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<tr>
<td>Forever Young Technology Inc.</td>
<td>General investments</td>
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<tr>
<td>Smart International Trading Ltd.</td>
<td>General investments</td>
<td></td>
</tr>
<tr>
<td>Poindus Investment Corp.</td>
<td>Holds investment interest in Poindus Systems GmbH.</td>
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<tr>
<td>Compal System Trading (Kunshan) Co., Ltd.</td>
<td>International trade and distribution of computers and electronic components</td>
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<tr>
<td>Giant Rank Trading Limited</td>
<td>Sale of cellphones</td>
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<tr>
<td>Palcom International Corporation</td>
<td>Sale of cellphones</td>
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<tr>
<td>Arcadyan Technology N.A. Corp.</td>
<td>Sale of wireless networking products</td>
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</tr>
<tr>
<td>Arcadyan Technology Corporation Korea</td>
<td>Sale of wireless networking products</td>
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<tr>
<td>Arcadyan do Brasil Ltda.</td>
<td>Sale of wireless networking products</td>
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<tr>
<td>Arcadyan Technology Australia Pty Ltd.</td>
<td>Sale of wireless networking products</td>
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<td>Tatung Technology Inc.</td>
<td>Development and sale of digital home electronics</td>
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<td>Tatung Technology of Japan Co., Ltd.</td>
<td>Sale of digital home electronics</td>
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<tr>
<td>Arcadyan Germany Technology GmbH</td>
<td>Sale and technical support of wireless networking products</td>
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<tr>
<td>Arcadyan Technology Corporation (Russia), LLC.</td>
<td>Sale of wireless networking products</td>
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<tr>
<td>Arcadyan India Private Limited</td>
<td>Sale of wireless networking products</td>
<td></td>
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<tr>
<td>Compal Broadband Networks Belgium BVBA</td>
<td>Import and export of broadband networking products and related components, and provision of technical support and consultation services</td>
<td></td>
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<tr>
<td>Compal Broadband Networks Netherlands B.V.</td>
<td>Import and export of broadband networking products and related components, and provision of technical support and consultation services</td>
<td></td>
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<tr>
<td>Aco Healthcare Co., Ltd.</td>
<td>wholesale/retail of Computer Software, Software Design Services, Data Processing Services, Electrical Machinery, Supplies Manufacturing, wholesale/retail of Electronic Materials, Wholesale/retail of Precision Instruments, Product Designing, Biotechnology Services, International Trade</td>
<td></td>
</tr>
<tr>
<td>Starmems Semiconductor Corp.</td>
<td>Research and development and sales of MEMS microphone technology products</td>
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<tr>
<td>Compal Americas (US) Inc.</td>
<td>Sales of automotive electronic products</td>
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<tr>
<td>Compal Electronics N.A. Inc.</td>
<td>Sales of automotive electronic products</td>
<td></td>
</tr>
<tr>
<td>Industry category</td>
<td>Name of affiliated enterprise</td>
<td>Business relationship with other affiliated enterprises</td>
</tr>
<tr>
<td>-------------------</td>
<td>-------------------------------</td>
<td>------------------------------------------------------</td>
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<tr>
<td>Electronic products manufacturing</td>
<td>Compal Electronics, Inc.</td>
<td>Manufacturing, processing and trading of notebooks, computer monitors, LCD TVs, cellphones, and electronic parts</td>
</tr>
<tr>
<td></td>
<td>Compal Electronics Technology (Kunshan) Co., Ltd.</td>
<td>Production of notebooks, cellphones and electronics</td>
</tr>
<tr>
<td></td>
<td>Compal Information (Kunshan) Co., Ltd.</td>
<td>Production of notebooks, tablets and electronics</td>
</tr>
<tr>
<td></td>
<td>Compal Information Technology (Kunshan) Co., Ltd.</td>
<td>Production of notebooks and electronics</td>
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<td>Compal Digital Technology (Kunshan) Co., Ltd.</td>
<td>Production and sale of notebooks, cellphones and digital products</td>
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<td>Kunshan Botai Electronics Co., Ltd.</td>
<td>Production and after-sale service of notebooks and cellphones</td>
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<td></td>
<td>Compal Electronics (China) Co., Ltd.</td>
<td>Manufacturing and sale of displays</td>
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<td></td>
<td>Compal Smart Device (Chongqing) Co., Ltd.</td>
<td>Development, production and sale of communication equipment, cellphones, computers and smart watches, and provision of relevant technical services</td>
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<td></td>
<td>FiPOLL Electronics (Chongqing) Co., Ltd.</td>
<td>Manufacturing of auto parts and accessories.</td>
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<td>Compal Optoelectronics (Kunshan) Co., Ltd.</td>
<td>Production and sale of LCD TVs</td>
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<td>Compal Display Electronics (Kunshan) Co., Ltd.</td>
<td>Production and sale of LCD TVs</td>
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<td>Compal Electronics (Chengdu) Co., Ltd.</td>
<td>Development and production of notebooks, tablets, digital products, networking switches, wireless APs, and auto electronics</td>
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<td>Compal Electronics (Chongqing) Co., Ltd.</td>
<td>Development, production and sale of notebooks and related components, and provision of maintenance and after-sale services</td>
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<td></td>
<td>Compal (Vietnam) Co., Ltd.</td>
<td>Production, development, sale and repair of notebooks, computer monitors, LCD TVs and electronic components</td>
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<td>Compalead Eletrônica do Brasil Indústria e Comércio Ltda.</td>
<td>Production and after-sale service of notebooks, cellphones and electronics</td>
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<td>Compal Electronica da Amazonia Ltda</td>
<td>Production of notebooks and electronics</td>
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<td></td>
<td>Unicom Global. Inc</td>
<td>Manufacturing and retail of computers and electronic components</td>
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<td></td>
<td>Arcadyan Technology Corp.</td>
<td>Research, development, production and sale of WLAN, integrated digital home and mobile office products</td>
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<td>Compal Broadband Networks Inc.</td>
<td>Development and sale of cable modems, set-top boxes and communication products</td>
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<td>Henghao Technology Co., Ltd.</td>
<td>Manufacturing of electronic components, computers and peripherals</td>
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<tr>
<td></td>
<td>Mactech Co., Ltd.</td>
<td>Manufacturing of machinery and lighting equipment, retail sale of machinery, and international trade</td>
</tr>
<tr>
<td></td>
<td>Rayonnant Technology Co., Ltd.</td>
<td>Manufacturing and sale of computers and peripherals</td>
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<td>Compal Communications (Nanjing) Co., Ltd.</td>
<td>Production of cellphones and tablets</td>
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<td>Compal Digital Communications (Nanjing) Co., Ltd.</td>
<td>Production of cellphones and tablets</td>
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<td>Compal Wireless Communications (Nanjing) Co., Ltd.</td>
<td>Production of cellphones and tablets</td>
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<td>RiPAL Optotronics Co., Ltd.</td>
<td>Manufacturing of home appliances and audiovisual electronics</td>
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<td></td>
<td>Compal Electronics India Private Limited</td>
<td>Production and after-sale service of cellphones</td>
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<td></td>
<td>Compal Networking (Kunshan) Co., Ltd.</td>
<td>Production and sale of wireless products</td>
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<tr>
<td></td>
<td>Arcadyan Technology (Vietnam) Co., Ltd.</td>
<td>Production and sale of wireless products</td>
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<td></td>
<td>Tatung Home Appliances (Wu Jiang) Co., Ltd.</td>
<td>Production and sale of digital home electronics</td>
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<td>HengHao Optoelectronics Technology (Kunshan) CO., LTD</td>
<td>Production touch panels and related components</td>
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<td></td>
<td>Rayonnant Technology (Taicang) Co., Ltd.</td>
<td>Development and production of aluminum and magnesium alloy-based products</td>
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<td>Name of affiliated enterprise</td>
<td>Business relationship with other affiliated enterprises</td>
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<td>Lucom Display Technology (Kunshan) Ltd.</td>
<td>Production of touch panels and LCD displays</td>
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<td>HengHao Optoelectronics Technology (Zhejiang) Co., Ltd.</td>
<td>Maintenance and after-sale service of notebooks and cellphones</td>
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<td>Compower Global Service Co., Ltd.</td>
<td>Maintenance and after-sale service of notebooks and cellphones</td>
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<tr>
<td>Compower Management (Chengdu) Co., Ltd.</td>
<td>Management consultation, training, business information, tax</td>
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<td>HANHELT Communications (Nanjing) Co., Ltd.</td>
<td>Development of electronic communication equipment</td>
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<td>Bizcom Electronics, Inc.</td>
<td>Maintenance and after-sale service of notebooks and cellphones</td>
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<tr>
<td>Compal Europe (Poland) Sp. z o.o.</td>
<td>Maintenance and after-sale service of notebooks and cellphones</td>
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<tr>
<td>CGS Technology (Poland) Sp. z o.o.</td>
<td>R&amp;D, manufacturing, sales and maintenance of notebook PCs,</td>
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<td>Auscom Engineering Inc.</td>
<td>Development of notebooks and related components, hardware and</td>
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<td>Compal Wise Electronic (Vietnam) Co., Ltd.</td>
<td>Production and sale of cellphones, tablets, smart watches,</td>
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<td>Compal Electronics (Vietnam) Co., Ltd.</td>
<td>OEM of automotive electronic products</td>
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<tr>
<td>Compal USA (Indiana), Inc.</td>
<td>Production of automotive electronic products</td>
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<tr>
<td>POINDUS SYSTEMS CORP.</td>
<td>Sales of computers and peripherals</td>
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<tr>
<td>COMPAL MEXICO ELECTROMEX, S.A DE C.V.</td>
<td>Sales of computers and peripherals</td>
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<tr>
<td>QIJIE ELECTRONICS(SHENZHEN)CO., LTD.</td>
<td>Sales of computers and peripherals</td>
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<tr>
<td>Poindus Systems UKLimited</td>
<td>Sales of computers and peripherals</td>
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</tr>
<tr>
<td>Poindus Systems GmbH.</td>
<td>Sales of computers and peripherals</td>
<td></td>
</tr>
<tr>
<td>Compal Development and Management (Vietnam) Co., Ltd.</td>
<td>Construction and investment of infrastructures at Ba-Thien Industrial Zone, Vietnam</td>
<td></td>
</tr>
<tr>
<td>Kinpo&amp;Compal Group Assets Development Corporation</td>
<td>Real estate development leasing and related management business</td>
<td></td>
</tr>
<tr>
<td>Compal Ruifang Health Assets Development Corporation</td>
<td>Investment and development of public construction and specific areas, etc.</td>
<td></td>
</tr>
<tr>
<td>UniCore Biomedical Co., Ltd.</td>
<td>Management consultation, leasing, and wholesale/retail of medical equipment</td>
<td></td>
</tr>
<tr>
<td>HippoScreen Neurotech Corp.</td>
<td>Management consultation, leasing, wholesale/retail of Precision Instruments and International Trade</td>
<td></td>
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<tr>
<td>SHENNONA CO., LTD.</td>
<td>Management consultation, leasing, wholesale/retail of Precision Instruments and International Trade</td>
<td></td>
</tr>
<tr>
<td>General Life Biotechnology Co., Ltd.</td>
<td>Manufacturing and sale of medical equipment</td>
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<tr>
<td>PT GLB Biotechnology Indonesia</td>
<td>Manufacturing and sale of medical equipment</td>
<td></td>
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<tr>
<td>Shennona Corporation</td>
<td>Medical care IoT business</td>
<td></td>
</tr>
<tr>
<td>Arcadyan Technology (Shanghai) Corp.</td>
<td>Research and sale of wireless networking products</td>
<td></td>
</tr>
<tr>
<td>Arcadyan Technology Limited</td>
<td>Technical support for wireless networking products</td>
<td></td>
</tr>
<tr>
<td>Compal Healthcare &amp; Technology Ltd.</td>
<td>Information software service industry, capital Material handling services, electronics Information supply service industry</td>
<td></td>
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</table>
### 4. Directors, Supervisors, and President of affiliated enterprises

**December 31, 2023**

<table>
<thead>
<tr>
<th>Company name</th>
<th>Title</th>
<th>Name or name of representative</th>
<th>Shares held</th>
<th>Unit: TWD Thousands; shares; %</th>
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<tr>
<td><strong>Compal Electronics, Inc.</strong></td>
<td>Chairman</td>
<td>Sheng-Hsiung Hsu</td>
<td>8,975,401</td>
<td>0.20%</td>
</tr>
<tr>
<td></td>
<td>Director and President</td>
<td>Jui-Tsung Chen</td>
<td>35,352,587</td>
<td>0.80%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Binpal Investment Co., Ltd. (Representative: Wen-Being Hsu)</td>
<td>5,000,000</td>
<td>0.11%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Kinpo Electronics, Inc. (Representative: Chieh-Li Hsu)</td>
<td>151,628,692</td>
<td>3.44%</td>
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<tr>
<td></td>
<td>Director</td>
<td>Chang-Chyi Ko</td>
<td>7,896,867</td>
<td>0.18%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Sheng-Chieh Hsu</td>
<td>9,204,201</td>
<td>0.21%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Yen-Chia Chou</td>
<td>8,022,874</td>
<td>0.18%</td>
</tr>
<tr>
<td></td>
<td>President and Director</td>
<td>Chung-Pin Wong</td>
<td>6,618,618</td>
<td>0.15%</td>
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<tr>
<td></td>
<td>Director</td>
<td>Chiung-Chi Hsu</td>
<td>2,117,731</td>
<td>0.05%</td>
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<tr>
<td></td>
<td>Director</td>
<td>Ming-Chih Chang</td>
<td>1,919,489</td>
<td>0.04%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Anthony Peter Bonadero</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Sheng-Hua Peng</td>
<td>835,000</td>
<td>0.02%</td>
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<tr>
<td></td>
<td>Independent Director</td>
<td>Min-Chih Hsuan</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>Independent Director</td>
<td>Duei Tsai</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>Independent Director</td>
<td>Wen-Chung Shen</td>
<td>2,836,000</td>
<td>0.06%</td>
</tr>
<tr>
<td></td>
<td>Representative</td>
<td>Wen-Being Hsu</td>
<td>5,001,000</td>
<td>0.11%</td>
</tr>
<tr>
<td></td>
<td>Representative</td>
<td>Chieh-Li Hsu</td>
<td>4,117,569</td>
<td>0.09%</td>
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<tr>
<td><strong>Compal International Holding Co., Ltd.</strong></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Sheng-Hsiung Hsu)</td>
<td>53,001,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Jui-Tsung Chen)</td>
<td>53,001,000</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>Compal International Holding (HK) Limited</strong></td>
<td>Director</td>
<td>Compal International Holding Co., Ltd. (Representative: Sheng-Hsiung Hsu)</td>
<td>74,802,500</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal International Holding Co., Ltd. (Representative: Jui-Tsung Chen)</td>
<td>74,802,500</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>Compal Electronics Technology (Kunshan) Co., Ltd.</strong></td>
<td>Chairman</td>
<td>Compal International Holding (HK) Limited (Representative: Sheng-Hsiung Hsu)</td>
<td>TWD 368,460</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal International Holding (HK) Limited (Representative: Jui-Tsung Chen)</td>
<td>TWD 368,460</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal International Holding (HK) Limited (Representative: Chung-Pin Wong)</td>
<td>TWD 368,460</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Compal International Holding (HK) Limited (Representative: Ching-Hsiung Lu)</td>
<td>TWD 368,460</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>President</td>
<td>Ming-Chih Chang</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Compal Information (Kunshan) Co., Ltd.</strong></td>
<td>Chairman</td>
<td>Compal International Holding (HK) Limited (Representative: Sheng-Hsiung Hsu)</td>
<td>TWD 368,460</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal International Holding (HK) Limited (Representative: Jui-Tsung Chen)</td>
<td>TWD 368,460</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal International Holding (HK) Limited (Representative: Chung-Pin Wong)</td>
<td>TWD 368,460</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Compal International Holding (HK)</td>
<td>TWD 368,460</td>
<td>100.00%</td>
</tr>
<tr>
<td>Company name</td>
<td>Title</td>
<td>Name or name of representative</td>
<td>Shares held</td>
<td>Shareholding percentage</td>
</tr>
<tr>
<td>------------------------------------</td>
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</tr>
<tr>
<td>Compal Information Technology</td>
<td>Chairman</td>
<td>Compal International Holding (HK) Limited (Representative: Sheng-Hsiung Hsu)</td>
<td>TWD 736,920</td>
<td>100.00%</td>
</tr>
<tr>
<td>(Kunshan) Co., Ltd.</td>
<td>Director</td>
<td>Compal International Holding (HK) Limited (Representative: Jui-Tsung Chen)</td>
<td>TWD 736,920</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal International Holding (HK) Limited (Representative: Chung-Pin Wong)</td>
<td>TWD 736,920</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Compal International Holding (HK) Limited (Representative: Ching-Hsiung Lu)</td>
<td>TWD 736,920</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>President</td>
<td>Ming-Chih Chang</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Compal Digital Technology</td>
<td>Chairman</td>
<td>Compal International Holding (HK) Limited (Representative: Sheng-Hsiung Hsu)</td>
<td>TWD 614,100</td>
<td>100.00%</td>
</tr>
<tr>
<td>(Kunshan) Co., Ltd.</td>
<td>Director</td>
<td>Compal International Holding (HK) Limited (Representative: Jui-Tsung Chen)</td>
<td>TWD 614,100</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal International Holding (HK) Limited (Representative: Chung-Pin Wong)</td>
<td>TWD 614,100</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Compal International Holding (HK) Limited (Representative: Ching-Hsiung Lu)</td>
<td>TWD 614,100</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>President</td>
<td>Ming-Chih Chang</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Kunshan Botai Electronics Co., Ltd.</td>
<td>Chairman</td>
<td>Compal International Holding (HK) Limited (Representative: Sheng-Hsiung Hsu)</td>
<td>TWD 30,705</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal International Holding (HK) Limited (Representative: Jui-Tsung Chen)</td>
<td>TWD 30,705</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal International Holding (HK) Limited (Representative: Ming-Chih Chang)</td>
<td>TWD 30,705</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Compal International Holding (HK) Limited (Representative: Ching-Hsiung Lu)</td>
<td>TWD 30,705</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>President</td>
<td>Ming-Chih Chang</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Compower Global Service Co., Ltd.</td>
<td>Managing Director</td>
<td>Kunshan Botai Electronics Co., Ltd. (Representative: Chung-Pin Wong)</td>
<td>TWD 8,655</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Kunshan Botai Electronics Co., Ltd. (Representative: Cheng-Chiang Wang)</td>
<td>TWD 8,655</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>President</td>
<td>Ming-Chih Chang</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Prospect Fortune Group Ltd.</td>
<td>Director</td>
<td>Compal International Holding Co., Ltd. (Representative: Sheng-Hsiung Hsu)</td>
<td>1,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal International Holding Co., Ltd. (Representative: Jui-Tsung Chen)</td>
<td>1,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>Jenpal International Ltd.</td>
<td>Director</td>
<td>Compal International Holding Co., Ltd. (Representative: Sheng-Hsiung Hsu)</td>
<td>7,350,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal International Holding Co., Ltd. (Representative: Jui-Tsung Chen)</td>
<td>7,350,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>Company name</td>
<td>Title</td>
<td>Name or name of representative</td>
<td>Shares held</td>
<td>Shareholding percentage</td>
</tr>
<tr>
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</tr>
<tr>
<td>Fortune Way Technology Corp.</td>
<td>Director</td>
<td>Compal International Holding Co., Ltd. (Representative: Sheng-Hsiung Hsu )</td>
<td>14,900,000</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>Director</td>
<td>Compal International Holding Co., Ltd. (Representative: Jui-Tsung Chen )</td>
<td>14,900,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>Just International Ltd.</td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Sheng-Hsiung Hsu )</td>
<td>48,010,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Jui-Tsung Chen )</td>
<td>48,010,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>Compal Display Holding (HK) Limited</td>
<td>Director</td>
<td>Just International Ltd. (Representative: Sheng-Hsiung Hsu )</td>
<td>62,297,500</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Just International Ltd. (Representative: Jui-Tsung Chen )</td>
<td>62,297,500</td>
<td>100.00%</td>
</tr>
<tr>
<td>Compal Electronics (China) Co., Ltd.</td>
<td>Chairman</td>
<td>Compal Display Holding (HK) Limited (Representative: Sheng-Hsiung Hsu )</td>
<td>TWD 1,136,085</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Display Holding (HK) Limited (Representative: Jui-Tsung Chen )</td>
<td>TWD 1,136,085</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Display Holding (HK) Limited (Representative: Sheng-Hua Peng)</td>
<td>TWD 1,136,085</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Compal Display Holding (HK) Limited (Representative: Cheng-Hsiung Lu)</td>
<td>TWD 1,136,085</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>President</td>
<td>Fu-Chuan Chang</td>
<td>TWD 259,652</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>President</td>
<td>Sheng-Hua Peng</td>
<td>TWD 259,652</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>President</td>
<td>Fu-Chuan Chang</td>
<td>TWD 371,531</td>
<td>100.00%</td>
</tr>
<tr>
<td>Compal Smart Device (Chongqing) Co., Ltd.</td>
<td>Chairman</td>
<td>Compal Smart Device (Chongqing) Co., Ltd. (Representative: Ming-Chih Chang )</td>
<td>TWD 259,652</td>
<td>60.00%</td>
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<tr>
<td></td>
<td>Director</td>
<td>Compal Smart Device (Chongqing) Co., Ltd. (Representative: Pao-Jui Cheng)</td>
<td>TWD 259,652</td>
<td>60.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Compal Smart Device (Chongqing) Co., Ltd. (Representative: Cheng-Chiang Wang )</td>
<td>TWD 259,652</td>
<td>60.00%</td>
</tr>
<tr>
<td></td>
<td>President</td>
<td>Ming-Chih Chang</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Compal Optoelectronics (Kunshan) Co., Ltd.</td>
<td>Chairman</td>
<td>Compal Display Holding (HK) Limited (Representative: Sheng-Hsiung Hsu )</td>
<td>TWD 371,531</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Display Holding (HK) Limited (Representative: Jui-Tsung Chen )</td>
<td>TWD 371,531</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Display Holding (HK) Limited (Representative: Sheng-Hua Peng)</td>
<td>TWD 371,531</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Compal Display Holding (HK) Limited (Representative: Cheng-Hsiung Lu)</td>
<td>TWD 371,531</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>President</td>
<td>Fu-Chuan Chang</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Compal System Trading (Kunshan) Co., Ltd.</td>
<td>Chairman</td>
<td>Compal Display Holding (HK) Limited (Representative: Jui-Tsung Chen )</td>
<td>TWD 42,987</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Display Holding (HK) Limited (Representative: Sheng-Hsiung Hsu )</td>
<td>TWD 42,987</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Display Holding (HK) Limited (Representative: Chung-Pin Wong)</td>
<td>TWD 42,987</td>
<td>100.00%</td>
</tr>
<tr>
<td>Company name</td>
<td>Title</td>
<td>Name or name of representative</td>
<td>Shares held</td>
<td>Shareholding percentage</td>
</tr>
<tr>
<td>--------------------------------------</td>
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<td>-------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Compal Display Holding (HK) Limited (Representative: Cheng-Chiang Wang)</td>
<td>TWD 42,987</td>
<td>100.00%</td>
</tr>
<tr>
<td>Compal Investment (Jiangsu) Co., Ltd.</td>
<td>President</td>
<td>Ming-Chih Chang</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>Chairman</td>
<td>Compal International Holding (HK) Limited and Compal Display Holding (HK) Limited (Representative: Sheng-Hsiung Hsu)</td>
<td>TWD 478,998</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal International Holding (HK) Limited and Compal Display Holding (HK) Limited (Representative: Jui-Tsung Chen)</td>
<td>TWD 478,998</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal International Holding (HK) Limited and Compal Display Holding (HK) Limited (Representative: Sheng-Hua Peng)</td>
<td>TWD 478,998</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Compal International Holding (HK) Limited and Compal Display Holding (HK) Limited (Representative: Ching-Hsiung Lu)</td>
<td>TWD 478,998</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>President</td>
<td>Sheng-Hua Peng</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Compal Display Electronics (Kunshan) Co., Ltd.</td>
<td>Chairman</td>
<td>Compal Investment (Jiangsu, China) Co., Ltd. (Representative: Sheng-Hsiung Hsu)</td>
<td>TWD 460,575</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Investment (Jiangsu, China) Co., Ltd. (Representative: Jui-Tsung Chen)</td>
<td>TWD 460,575</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Investment (Jiangsu, China) Co., Ltd. (Representative: Sheng-Hua Peng)</td>
<td>TWD 460,575</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Compal Investment (Jiangsu, China) Co., Ltd. (Representative: Ching-Hsiung Lu)</td>
<td>TWD 460,575</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>President</td>
<td>Sheng-Hua Peng</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Compal International Ltd.</td>
<td>Director</td>
<td>Just International Ltd. (Representative: Sheng-Hsiung Hsu)</td>
<td>500,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>Compal Electronics International Ltd.</td>
<td>Director</td>
<td>Just International Ltd. (Representative: Jui-Tsung Chen)</td>
<td>500,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>Smart International Trading Ltd.</td>
<td>Director</td>
<td>Compal Electronics International Ltd. (Representative: Sheng-Hsiung Hsu)</td>
<td>1,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics International Ltd. (Representative: Jui-Tsung Chen)</td>
<td>1,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>Mexcom Technologies, LLC</td>
<td>Director</td>
<td>Compal Electronics International Ltd. (Representative: Hsin-Kung Mao)</td>
<td>TWD 31</td>
<td>100.00%</td>
</tr>
<tr>
<td>Mexcom Electronics, LLC</td>
<td>Director</td>
<td>Compal Electronics International Ltd. (Representative: Hsin-Kung Mao)</td>
<td>TWD 252,825</td>
<td>100.00%</td>
</tr>
<tr>
<td>Big Chance International Co., Ltd.</td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Sheng-Hsiung Hsu)</td>
<td>90,820,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Jui-Tsung Chen)</td>
<td>90,820,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>Center Mind</td>
<td>Director</td>
<td>Big chance International Co., Ltd.</td>
<td>80,820,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>Company name</td>
<td>Title</td>
<td>Name or name of representative</td>
<td>Shares held</td>
<td>Shares (Note)</td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>-------------</td>
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<td>-----------------</td>
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</tr>
<tr>
<td>International Co., Ltd.</td>
<td>Director</td>
<td>Big chance International Co., Ltd. (Representative: Jui-Tsung Chen)</td>
<td>80,820,000</td>
<td></td>
</tr>
<tr>
<td>Compal Investment (Sichuan) Co., Ltd.</td>
<td>Chairman</td>
<td>Center Mind International Co., Ltd. (Representative: Chung-Pin Wong)</td>
<td>TWD 2,481,578</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Center Mind International Co., Ltd. (Representative: Jui-Tsung Chen)</td>
<td>TWD 2,481,578</td>
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</tr>
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<td></td>
<td>Director</td>
<td>Center Mind International Co., Ltd. (Representative: Chung-Pin Wong)</td>
<td>TWD 2,481,578</td>
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<td></td>
<td>Supervisor</td>
<td>Center Mind International Co., Ltd. (Representative: Ching-Hsiung Lu)</td>
<td>TWD 2,481,578</td>
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<tr>
<td></td>
<td>President</td>
<td>Ming-Chih Chang</td>
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<tr>
<td>Compal Electronics (Chengdu) Co., Ltd.</td>
<td>Chairman</td>
<td>Compal Investment (Sichuan) Co., Ltd. (Representative: Sheng-Hsiung Hsu)</td>
<td>TWD 2,456,400</td>
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<td>Director</td>
<td>Compal Investment (Sichuan) Co., Ltd. (Representative: Jui-Tsung Chen)</td>
<td>TWD 2,456,400</td>
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<tr>
<td>Compal Management (Chengdu) Co., Ltd.</td>
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<td>Compal Investment (Sichuan) Co., Ltd. (Representative: Sheng-Hsiung Hsu)</td>
<td>TWD 24,564</td>
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<td>Director</td>
<td>Compal Investment (Sichuan) Co., Ltd. (Representative: Jui-Tsung Chen)</td>
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<tr>
<td>Prisco International Co., Ltd.</td>
<td>Director</td>
<td>Big chance International Co., Ltd. (Representative: Sheng-Hsiung Hsu)</td>
<td>10,000,000</td>
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<tr>
<td></td>
<td>Director</td>
<td>Big chance International Co., Ltd. (Representative: Jui-Tsung Chen)</td>
<td>10,000,000</td>
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<tr>
<td>Compal Electronics (Chongqing) Co., Ltd.</td>
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<td>Prisco International Co., Ltd. (Representative: Sheng-Hsiung Hsu)</td>
<td>TWD 307,050</td>
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<td></td>
<td>Director</td>
<td>Prisco International Co., Ltd. (Representative: Jui-Tsung Chen)</td>
<td>TWD 307,050</td>
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<td>Prisco International Co., Ltd. (Representative: Chung-Pin Wong)</td>
<td>TWD 307,050</td>
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<td>Supervisor</td>
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<tr>
<td>Core Profit Holdings Ltd.</td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Sheng-Hsiung Hsu)</td>
<td>147,000,000</td>
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<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Jui-Tsung Chen)</td>
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<td>Billion Sea Holdings Ltd.</td>
<td>Director</td>
<td>Core Profit Holdings Ltd. (Representative: Sheng-Hsiung Hsu)</td>
<td>147,000,000</td>
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<td>Director</td>
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<td>Mithera Capital LP</td>
<td>Director</td>
<td>Billion Sea Holdings Ltd. (Representative: David Liao )</td>
<td>TWD 153,525</td>
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<td>Compal USA</td>
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<td>Company name</td>
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<td>Name or name of representative</td>
<td>Shares held</td>
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<tr>
<td>(Indiana), Inc.</td>
<td>Director</td>
<td>Billion Sea Holdings Ltd.</td>
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<tr>
<td></td>
<td></td>
<td>(Representative: Jui-Tsung Chen)</td>
<td>100.00%</td>
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<td></td>
<td>Director</td>
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<td>1,000</td>
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<td></td>
<td></td>
<td>(Representative: Ta-Chun Wang)</td>
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<tr>
<td>High Shine Industrial Corp.</td>
<td>Director</td>
<td>Compal Electronics, Inc. and Billion Sea Holdings Ltd.</td>
<td>79,700,000</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>(Representative: Sheng-Hsiung Hsu)</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. and Billion Sea Holdings Ltd.</td>
<td>79,700,000</td>
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<td></td>
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<td>(Representative: Jui-Tsung Chen)</td>
<td>100.00%</td>
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<tr>
<td>Intelligent Universal Enterprise Ltd.</td>
<td>Director</td>
<td>High Shine Industrial Corp.</td>
<td>67,000,000</td>
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<td></td>
<td></td>
<td>(Representative: Sheng-Hsiung Hsu)</td>
<td>100.00%</td>
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<td></td>
<td>Director</td>
<td>High Shine Industrial Corp.</td>
<td>67,000,000</td>
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<td>(Representative: Jui-Tsung Chen)</td>
<td>100.00%</td>
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<td>Compal (Vietnam) Co., Ltd.</td>
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<td>Intelligent Universal Enterprise Ltd.</td>
<td>TWD 2,057,235</td>
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<td>(Representative: Jui-Tsung Chen)</td>
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<td>Goal Reach Enterprises Ltd.</td>
<td>Director</td>
<td>High Shine Industrial Corp.</td>
<td>12,700,000</td>
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<td></td>
<td></td>
<td>(Representative: Sheng-Hsiung Hsu)</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>Director</td>
<td>High Shine Industrial Corp.</td>
<td>12,700,000</td>
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<td>(Representative: Jui-Tsung Chen)</td>
<td>100.00%</td>
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<tr>
<td>Compal Development and Management (Vietnam) Co., Ltd.</td>
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<td>Goal Reach Enterprises Ltd.</td>
<td>TWD 389,954</td>
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<td>Panpal Technology Co., Ltd.</td>
<td>Chairman</td>
<td>Compal Electronics, Inc.</td>
<td>500,000,000</td>
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<tr>
<td></td>
<td></td>
<td>(Representative: Sheng-Hsiung Hsu)</td>
<td>100.00%</td>
<td></td>
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<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc.</td>
<td>500,000,000</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>(Representative: Ming-Chih Chang)</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>Director and President</td>
<td>Compal Electronics, Inc.</td>
<td>500,000,000</td>
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<td></td>
<td></td>
<td>(Representative: Chung-Pin Wong)</td>
<td>100.00%</td>
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<td></td>
<td>Supervisor</td>
<td>Compal Electronics, Inc.</td>
<td>500,000,000</td>
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<td></td>
<td>(Representative: Sheng-Chieh Hsu)</td>
<td>100.00%</td>
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<td>Gempal Technology Co., Ltd.</td>
<td>Chairman</td>
<td>Compal Electronics, Inc.</td>
<td>90,000,000</td>
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<td>(Representative: Sheng-Hsiung Hsu)</td>
<td>100.00%</td>
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<td></td>
<td>Director and President</td>
<td>Compal Electronics, Inc.</td>
<td>90,000,000</td>
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<td></td>
<td>(Representative: Chung-Pin Wong)</td>
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<td>Director</td>
<td>Compal Electronics, Inc.</td>
<td>90,000,000</td>
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<td>(Representative: Sheng-Hua Peng)</td>
<td>100.00%</td>
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<td></td>
<td>Supervisor</td>
<td>Compal Electronics, Inc.</td>
<td>90,000,000</td>
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<td></td>
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<td>(Representative: Sheng-Chieh Hsu)</td>
<td>100.00%</td>
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<td>Hong Ji Capital Co., Ltd.</td>
<td>Chairman</td>
<td>Compal Electronics, Inc.</td>
<td>100,000,000</td>
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<td></td>
<td>(Representative: Sheng-Hsiung Hsu)</td>
<td>100.00%</td>
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<td></td>
<td>Director and President</td>
<td>Compal Electronics, Inc.</td>
<td>100,000,000</td>
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<td></td>
<td>(Representative: Chung-Pin Wong)</td>
<td>100.00%</td>
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<td>Compal Electronics, Inc.</td>
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<td>(Representative: Sheng-Hua Peng)</td>
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<td>Compal Electronics, Inc.</td>
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<td>(Representative: Sheng-Chieh Hsu)</td>
<td>100.00%</td>
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<td>Hong Jin Investment Co., Ltd.</td>
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<td>Compal Electronics, Inc.</td>
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<td>(Representative: Sheng-Hsiung Hsu)</td>
<td>100.00%</td>
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<td></td>
<td>Director and President</td>
<td>Compal Electronics, Inc.</td>
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<td></td>
<td>(Representative: Chung-Pin Wong)</td>
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<td>Compal Electronics, Inc.</td>
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<td>(Representative: Sheng-Hua Peng)</td>
<td>100.00%</td>
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<tr>
<td>Company name</td>
<td>Title</td>
<td>Name or name of representative</td>
<td>Shares held</td>
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<td>Shares (Note)</td>
<td>Shareholding percentage</td>
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<tr>
<td>Supervisor</td>
<td></td>
<td>Compal Electronics, Inc.</td>
<td>29,500,000</td>
<td>100.00%</td>
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<td>(Representative: Sheng-Chieh Hsu)</td>
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<tr>
<td>Compalead Eletrônica do Brasil Indústria e Comércio Ltda.</td>
<td>President</td>
<td>Ricardo F Battaglia</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Compal Electronica da Amazonia Ltda</td>
<td>President</td>
<td>Ricardo F Battaglia</td>
<td>0</td>
<td>0.00%</td>
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<tr>
<td>Compal Electronics India Private Limited</td>
<td>President</td>
<td>Guo-Dung Yu</td>
<td>0</td>
<td>0.00%</td>
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<tr>
<td></td>
<td>Director</td>
<td>UJJAWAL SINGH KATIYAR</td>
<td>0</td>
<td>0.00%</td>
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<td></td>
<td>Director</td>
<td>Cheng-Chiang Wang</td>
<td>0</td>
<td>0.00%</td>
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<tr>
<td>Arcadyan Technology Corp.</td>
<td>Chairman</td>
<td>Compal Electronics, Inc.</td>
<td>41,304,504</td>
<td>18.74%</td>
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<tr>
<td></td>
<td>(Representative: Jui-Tsung Chen )</td>
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<td></td>
<td>Director</td>
<td>Compal Electronics, Inc.</td>
<td>41,304,504</td>
<td>18.74%</td>
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<td>(Representative: Sheng-Hua Peng)</td>
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<td>41,304,504</td>
<td>18.74%</td>
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<td>(Representative: Chung-Pin Wong)</td>
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<td>Director</td>
<td>Compal Electronics, Inc.</td>
<td>41,304,504</td>
<td>18.74%</td>
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<td>(Representative: Chung-Pao Liu)</td>
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<td></td>
<td>Director</td>
<td>Cheng-Hua Sun</td>
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<td>Director and President</td>
<td>Chao-Peng Tseng</td>
<td>162,669</td>
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<td>Independent Director</td>
<td>Ying-Jen Li</td>
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<td>Independent Director</td>
<td>Ching-Jang Wen</td>
<td>0</td>
<td>0.00%</td>
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<td>Independent Director</td>
<td>Wen-An Yang</td>
<td>0</td>
<td>0.00%</td>
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<td>Arcadyan Technology N.A. Corp.</td>
<td>Director</td>
<td>Arcadyan Technology Corp.</td>
<td>1,000</td>
<td>100.00%</td>
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<td>(Representative: Yen-Ju Lin)</td>
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<tr>
<td></td>
<td>President</td>
<td>Yen-Ju Lin</td>
<td>0</td>
<td>0.00%</td>
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<td>Arcadyan Germany Technology GmbH</td>
<td>Managers</td>
<td>Arcadyan Technology Corp.</td>
<td>500</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>(Representative: Chao-Peng Tseng)</td>
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<tr>
<td>Arcadyan Technology Corporation Korea</td>
<td>Director</td>
<td>Arcadyan Technology Corp.</td>
<td>20,000</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>(Representative: Chao-Peng Tseng)</td>
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<td>Arcadyan do Brasil Ltda.</td>
<td>Managers</td>
<td>Arcadyan Technology Corp.</td>
<td>964,510</td>
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<td>(Representative: Nien-Che, Hsiung)</td>
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<tr>
<td>Arcadyan Technology Limited</td>
<td>Director</td>
<td>Arcadyan Technology Corp.</td>
<td>50,000</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>(Representative: Chao-Peng Tseng)</td>
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<td></td>
<td>Director</td>
<td>Arcadyan Technology Corp.</td>
<td>50,000</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>(Representative: Keng-Tien Lin)</td>
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<td>Arcadyan Technology Australia Pty Ltd.</td>
<td>Director</td>
<td>Arcadyan Technology Corp.</td>
<td>50,000</td>
<td>100.00%</td>
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<td></td>
<td>(Representative: Chao-Peng Tseng)</td>
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<tr>
<td></td>
<td>Director</td>
<td>Arcadyan Technology Corp.</td>
<td>50,000</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>(Representative: Fong-Yu, Lu )</td>
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<td></td>
<td>Director</td>
<td>Arcadyan Technology Corp.</td>
<td>50,000</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>(Representative: Paul Christopher Devlin)</td>
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<td>Arcadyan Technology Corporation (Russia), LLC.</td>
<td>Director</td>
<td>Arcadyan Technology Corp.</td>
<td>0</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>(Representative: Management Company ABU accounting services Limited Liability Company)</td>
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<td>Arcadyan Holding (BVI) Corp.</td>
<td>Chairman</td>
<td>Arcadyan Technology Corp.</td>
<td>47,780,148</td>
<td>100.00%</td>
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<td>(Representative: Jui-Tsung Chen )</td>
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<td></td>
<td>Director</td>
<td>Arcadyan Technology Corp.</td>
<td>47,780,148</td>
<td>100.00%</td>
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<tr>
<td>Company name</td>
<td>Title</td>
<td>Name or name of representative</td>
<td>Shares held</td>
<td>Shareholding percentage</td>
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<tr>
<td>Sinoprime Global Inc.</td>
<td>Chairman</td>
<td>Arcadyan Holding (BVI) Corp. (Representative: Jui-Tsung Chen)</td>
<td>29,050,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Arcadyan Holding (BVI) Corp. (Representative: Chao-Peng Tseng)</td>
<td>29,050,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>Arcadyan Technology (Vietnam) Co., Ltd</td>
<td>Chairman</td>
<td>Sinoprime Global Inc. (Representative: Chao-Peng Tseng)</td>
<td>0</td>
<td>100.00%</td>
</tr>
<tr>
<td>Arch Holding (BVI) Corp.</td>
<td>Chairman</td>
<td>Arcadyan Holding (BVI) Corp. (Representative: Jui-Tsung Chen)</td>
<td>34,900</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Arcadyan Holding (BVI) Corp. (Representative: Chao-Peng Tseng)</td>
<td>34,900</td>
<td>100.00%</td>
</tr>
<tr>
<td>Arcadyan Technology (Shanghai) Corp.</td>
<td>Chairman</td>
<td>Arcadyan Holding (BVI) Corp. (Representative: Chao-Peng Tseng)</td>
<td>TWD 224,208</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Arcadyan Holding (BVI) Corp. (Representative: Ching-Hsiung Lu)</td>
<td>TWD 224,208</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Arcadyan Holding (BVI) Corp. (Representative: Fong-Yu, Lu)</td>
<td>TWD 224,208</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Arcadyan Holding (BVI) Corp. (Representative: Chung-Pao Liu)</td>
<td>TWD 224,208</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Arcadyan Holding (BVI) Corp. (Representative: Chih-Fang Lee)</td>
<td>TWD 224,208</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Arcadyan Holding (BVI) Corp. (Representative: Shih-Wei Huang)</td>
<td>TWD 224,208</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>President</td>
<td>Chung-Pao Liu</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Compal Network Information Technology (Kunshan) Co., Ltd.</td>
<td>Chairman</td>
<td>Arch Holding (BVI) Corp. (Representative: Fong-Yu, Lu)</td>
<td>TWD 382,277</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Arch Holding (BVI) Corp. (Representative: Jui-Tsung Chen)</td>
<td>TWD 382,277</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Arch Holding (BVI) Corp. (Representative: Chao-Peng Tseng)</td>
<td>TWD 382,277</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Arch Holding (BVI) Corp. (Representative: Ching-Hsiung Lu)</td>
<td>TWD 382,277</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>President</td>
<td>Chung-Pao Liu</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Zhi-Bao Technology Inc</td>
<td>Chairman</td>
<td>Arcadyan Technology Corp. (Representative: Chao-Peng Tseng)</td>
<td>34,980,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Arcadyan Technology Corp. (Representative: Cheng-Chiang Wang)</td>
<td>34,980,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Arcadyan Technology Corp. (Representative: Ching-Hsiung Lu)</td>
<td>34,980,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Arcadyan Technology Corp. (Representative: Fong-Yu, Lu)</td>
<td>34,980,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Arcadyan Technology Corp. (Representative: Shih-Wei Huang)</td>
<td>34,980,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>President</td>
<td>Chao-Peng Tseng</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Tatung Technology Inc</td>
<td>Chairman</td>
<td>Arcadyan Technology Corp. (Representative: Shih-Wei Huang)</td>
<td>25,027,910</td>
<td>61.04%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Arcadyan Technology Corp. (Representative: Chao-Peng Tseng)</td>
<td>25,027,910</td>
<td>61.04%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Arcadyan Technology Corp. (Representative: Shih-Wei Huang)</td>
<td>25,027,910</td>
<td>61.04%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Arcadyan Technology Corp. (Representative: Fong-Yu, Lu)</td>
<td>25,027,910</td>
<td>61.04%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Arcadyan Technology Corp. (Representative: Chih-Fang Lee)</td>
<td>25,027,910</td>
<td>61.04%</td>
</tr>
<tr>
<td>Company name</td>
<td>Title</td>
<td>Name or name of representative</td>
<td>Shares held</td>
<td></td>
</tr>
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<td>Shares (Note)</td>
<td>Shareholding percentage</td>
</tr>
<tr>
<td>Director</td>
<td>Shang Chi Investment Co., Ltd.</td>
<td>(Representative: Chia-Tien Lin)</td>
<td>1,027,056</td>
<td>2.51%</td>
</tr>
<tr>
<td>Director</td>
<td>Chungkina Investment Holding Company</td>
<td>(Representative: Chih-Cheng Lo)</td>
<td>4,570,830</td>
<td>11.15%</td>
</tr>
<tr>
<td>Supervisor</td>
<td>Ya-Ling Chiang</td>
<td></td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Supervisor</td>
<td>Yu-Fang Lin</td>
<td></td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Supervisor</td>
<td>Chi Sheng Investment Co., Ltd.</td>
<td>(Representative: Chang-Chuan Lin)</td>
<td>2,727,272</td>
<td>6.65%</td>
</tr>
<tr>
<td>President</td>
<td>Shih-Wei Huang</td>
<td></td>
<td>0</td>
<td>2.59%</td>
</tr>
<tr>
<td>Tatung Technology of Japan Co., Ltd.</td>
<td>Director</td>
<td>Tatung Technology Inc. (Representative: Fong-Yu, Lu)</td>
<td>700</td>
<td>100.00%</td>
</tr>
<tr>
<td>Quest International Group Co., Ltd.</td>
<td>Director</td>
<td>Tatung Technology Inc. (Representative: Chao-Peng Tseng)</td>
<td>1,200,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>Exquisite Electronic Co., Ltd.</td>
<td>Director</td>
<td>Quest International Group Co., Ltd. (Representative: Chao-Peng Tseng)</td>
<td>1,170,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>Tatung Home Appliances (Wu Jiang) Co., Ltd.</td>
<td>Chairman</td>
<td>Exquisite Electronic Co., Ltd. (Representative: Fong-Yu, Lu)</td>
<td>TWD 92,728</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Exquisite Electronic Co., Ltd. (Representative: Chao-Peng Tseng)</td>
<td>TWD 92,728</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Exquisite Electronic Co., Ltd. (Representative: Chung-Pao Liu)</td>
<td>TWD 92,728</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Exquisite Electronic Co., Ltd. (Representative: Shih-Wei Huang)</td>
<td>TWD 92,728</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>President</td>
<td>Chung-Pao Liu</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Arcadyan India Private Limited</td>
<td>Director</td>
<td>Arcadyan Technology Corp. (Representative: Nien-Che, Hsiung)</td>
<td>19,765,000</td>
<td>99.80%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Zhi-Bao Technology Inc. (Representative: Chen-Lung Fan)</td>
<td>35,000</td>
<td>0.20%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Arcadyan Technology Corp. (Representative: RAJ KUMAR BHOLA)</td>
<td>19,765,000</td>
<td>99.80%</td>
</tr>
<tr>
<td>Compal Broadband Networks Inc.</td>
<td>Chairman</td>
<td>Compal Electronics, Inc. (Representative: Chung-Pin Wong)</td>
<td>29,060,176</td>
<td>42.96%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Jui-Tsung Chen)</td>
<td>29,060,176</td>
<td>42.96%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Realsun Investment Co., Ltd (Representative: Tsai, Jon-Jinn)</td>
<td>3,575,000</td>
<td>5.28%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Yu- Ho Wang)</td>
<td>29,060,176</td>
<td>42.96%</td>
</tr>
<tr>
<td></td>
<td>Independent Director</td>
<td>Wong, Jen-Zen</td>
<td>0</td>
<td>0.00%</td>
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<tr>
<td></td>
<td>Independent Director</td>
<td>Mao, Yin-Wen</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>Independent Director</td>
<td>Chen, Miaoy-Ling</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>President</td>
<td>Yu- Ho Wang</td>
<td>1,160,010</td>
<td>1.71%</td>
</tr>
<tr>
<td>Compal Broadband Networks Belgium BVBA</td>
<td>Director</td>
<td>Compal Broadband Networks Inc. (Representative: Yu- Ho Wang)</td>
<td>20,300</td>
<td>100.00%</td>
</tr>
<tr>
<td>Compal Broadband Networks</td>
<td>Director</td>
<td>Compal Broadband Networks Inc. (Representative: Yu- Ho Wang)</td>
<td>20,300</td>
<td>100.00%</td>
</tr>
<tr>
<td>Company name</td>
<td>Title</td>
<td>Name or name of representative</td>
<td>Shares held</td>
<td>Shareholding percentage</td>
</tr>
<tr>
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<td>Shares (Note)</td>
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<tr>
<td>Netherlands B.V.</td>
<td></td>
<td>20,014,952</td>
<td>100.00%</td>
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<tr>
<td>Henghao Technology Co., Ltd.</td>
<td>Chairman</td>
<td>Compal Electronics, Inc.</td>
<td>20,014,952</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Vice Chairman and President</td>
<td>Compal Electronics, Inc.</td>
<td>20,014,952</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc.</td>
<td>20,014,952</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc.</td>
<td>20,014,952</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Compal Electronics, Inc.</td>
<td>20,014,952</td>
<td>100.00%</td>
</tr>
<tr>
<td>HengHao Holdings A Co., Ltd.</td>
<td>Director</td>
<td>Henghao Technology Co., Ltd.</td>
<td>46,882,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>HengHao Holdings B Co., Ltd.</td>
<td>Director</td>
<td>Henghao Technology Co., Ltd.</td>
<td>52,882,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>HengHao Optoelectronics Technology (Kunshan) CO., LTD</td>
<td>Chairman</td>
<td>HengHao Holdings B Co., Ltd.</td>
<td>TWD 1,228,400</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>Director</td>
<td>HengHao Holdings B Co., Ltd.</td>
<td>TWD 1,228,400</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>HengHao Holdings B Co., Ltd.</td>
<td>TWD 1,228,400</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>HengHao Holdings B Co., Ltd.</td>
<td>TWD 1,228,400</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>President</td>
<td>HengHao Holdings B Co., Ltd.</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Lucom Display Technology (Kunshan) Ltd.</td>
<td>Chairman</td>
<td>HengHao Holdings B Co., Ltd.</td>
<td>TWD 460,575</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>HengHao Holdings B Co., Ltd.</td>
<td>TWD 460,575</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>HengHao Holdings B Co., Ltd.</td>
<td>TWD 460,575</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>HengHao Holdings B Co., Ltd.</td>
<td>TWD 460,575</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>President</td>
<td>HengHao Holdings B Co., Ltd.</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Henghao Optoelectronics Technology (ZheJiang) Co., LTD</td>
<td>Chairman</td>
<td>HengHao Holdings B Co., Ltd.</td>
<td>62,649</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>HengHao Holdings B Co., Ltd.</td>
<td>62,649</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>HengHao Holdings B Co., Ltd.</td>
<td>62,649</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>HengHao Holdings B Co., Ltd.</td>
<td>62,649</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>President</td>
<td>HengHao Holdings B Co., Ltd.</td>
<td>62,649</td>
<td>100.00%</td>
</tr>
<tr>
<td>Mactech Inc.</td>
<td>Chairman</td>
<td>Compal Electronics, Inc.</td>
<td>21,756,192</td>
<td>52.88%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc.</td>
<td>21,756,192</td>
<td>52.88%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc.</td>
<td>21,756,192</td>
<td>52.88%</td>
</tr>
<tr>
<td>Company name</td>
<td>Title</td>
<td>Name or name of representative</td>
<td>Shares held</td>
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<td>Shares (Note)</td>
<td>Shareholding percentage</td>
</tr>
<tr>
<td>Director</td>
<td>Compal Electronics, Inc.</td>
<td>21,756,192</td>
<td>52.88%</td>
<td></td>
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<tr>
<td>(Representative: Cheng-Chiang Wang)</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td>Compal Electronics, Inc.</td>
<td>21,756,192</td>
<td>52.88%</td>
<td></td>
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<tr>
<td>(Representative: Ming-Chih Chang)</td>
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<tr>
<td>Director</td>
<td>Wen-Pin Kuo</td>
<td>1,301,505</td>
<td>3.16%</td>
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<tr>
<td>Director</td>
<td>Chuan-Kuei Lin</td>
<td>1,720,172</td>
<td>4.18%</td>
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</tr>
<tr>
<td>Supervisor</td>
<td>Chyou-Jui Wei</td>
<td>0</td>
<td>0.00%</td>
<td></td>
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<tr>
<td>Rayonnant Technology Co., Ltd.</td>
<td>Chairman</td>
<td>Compal Electronics, Inc. (Representative: Chung-Pin Wong)</td>
<td>29,500,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>Director and President</td>
<td>Compal Electronics, Inc. (Representative: Pao-Jui Cheng)</td>
<td>29,500,000</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Hsi-Kuan Chen)</td>
<td>29,500,000</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td>Supervisor</td>
<td>Compal Electronics, Inc. (Representative: Chyou-Jui Wei)</td>
<td>29,500,000</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td>Rayonnant Holdings Ltd.</td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Sheng-Hsiung Hsu )</td>
<td>12,500,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Jui-Tsung Chen )</td>
<td>12,500,000</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td>Allied Power Holding Corp.</td>
<td>Director</td>
<td>Allied Power Holding Corp. (Representative: Chung-Pin Wong)</td>
<td>3,151,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>Director</td>
<td>Allied Power Holding Corp. (Representative: Pao-Jui Cheng)</td>
<td>3,151,000</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td>Primetek Enterprises Ltd.</td>
<td>Director</td>
<td>Allied Power Holding Corp. (Representative: Chung-Pin Wong)</td>
<td>8,651,000</td>
<td>40.90%</td>
</tr>
<tr>
<td>Director</td>
<td>Allied Power Holding Corp. (Representative: Pao-Jui Cheng)</td>
<td>8,651,000</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td>Rayonnant Technology Holdings (HK) Co., Ltd.</td>
<td>Director</td>
<td>Allied Power Holding Corp. (Representative: Chyou-Jui Wei)</td>
<td>18,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>Director</td>
<td>Allied Power Holding Corp. (Representative: Pao-Jui Cheng)</td>
<td>18,000,000</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td>Rayonnant Technology (Taicang) Co., Ltd.</td>
<td>Chairman</td>
<td>Rayonnant Technology Holdings (HK) Co., Ltd. (Representative: Pao-Jui Cheng)</td>
<td>TWD 552,690</td>
<td>100.00%</td>
</tr>
<tr>
<td>Director</td>
<td>Rayonnant Technology Holdings (HK) Co., Ltd (Representative: Cheng-Chiang Wang).</td>
<td>TWD 552,690</td>
<td>100.00%</td>
<td></td>
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<tr>
<td>Director</td>
<td>Rayonnant Technology Holdings (HK) Co., Ltd. (Representative: Hsi-Kuan Chen)</td>
<td>TWD 552,690</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td>Supervisor</td>
<td>Rayonnant Technology Holdings (HK) Co., Ltd. (Representative: Chyou-Jui Wei)</td>
<td>TWD 552,690</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td>President</td>
<td>Pao-Jui Cheng</td>
<td>0</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>Bizcom Electronics, Inc.</td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Jui-Tsung Chen )</td>
<td>100,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Sheng-Hua Peng)</td>
<td>100,000</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Chung-Pin Wong)</td>
<td>100,000</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Po-Tang Wang )</td>
<td>100,000</td>
<td>100.00%</td>
<td></td>
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<tr>
<td>Compal Europe (Poland) Sp. z o.o.</td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Po-Tang Wang )</td>
<td>136,080</td>
<td>100.00%</td>
</tr>
<tr>
<td>Director</td>
<td>Compal Electronics, Inc.</td>
<td>136,080</td>
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<tr>
<td>Company name</td>
<td>Title</td>
<td>Name or name of representative</td>
<td>Shares held</td>
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<td><strong>CGS Technology (Poland) Sp. z o.o.</strong></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Ming-Chih Chang)</td>
<td>245,911</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Po-Tang Wang)</td>
<td>245,911</td>
<td>100.00%</td>
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<tr>
<td><strong>Auscom Engineering Inc.</strong></td>
<td>Chairman</td>
<td>Compal Electronics, Inc. (Representative: Chung-Pin Wong)</td>
<td>3,000,000</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>Director and President</td>
<td>Compal Electronics, Inc. (Representative: Min-Tung Weng)</td>
<td>3,000,000</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Chun-Te Shen)</td>
<td>3,000,000</td>
<td>100.00%</td>
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<tr>
<td><strong>Flight Global Holding Inc.</strong></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Sheng-Hsiung Hsu)</td>
<td>89,755,495</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Jui-Tsung Chen)</td>
<td>89,755,495</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>RiPAL Optotronics Co., Ltd.</strong></td>
<td>Chairman</td>
<td>Compal Electronics, Inc. (Representative: Jui-Tsung Chen)</td>
<td>6,000,000</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Chung-Pin Wong)</td>
<td>6,000,000</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Sheng-Hua Peng)</td>
<td>6,000,000</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>Supervisor</td>
<td>Compal Electronics, Inc. (Representative: Chyou-Jui Wei)</td>
<td>6,000,000</td>
<td>100.00%</td>
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<td><strong>Compal Electronics (Holding) Ltd.</strong></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Sheng-Hsiung Hsu)</td>
<td>1,000</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Jui-Tsung Chen)</td>
<td>1,000</td>
<td>100.00%</td>
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<tr>
<td><strong>Etrade Management Co., Ltd.</strong></td>
<td>Director</td>
<td>Compal Electronics, Inc. &amp; Webtek Technology Co., Ltd (Representative: Jui-Tsung Chen)</td>
<td>71,900,000</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>Compal Communications (Nanjing) Co., Ltd.</strong></td>
<td>Chairman</td>
<td>Etrade Management Co., Ltd. and Compal Display Holding (HK) Limited (Representative: Sheng-Hua Peng)</td>
<td>TWD 829,035</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Etrade Management Co., Ltd. and Compal Display Holding (HK) Limited (Representative: Cheng-Chiang Wang)</td>
<td>TWD 829,035</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Etrade Management Co., Ltd. and Compal Display Holding (HK) Limited (Representative: Chung-Shing Tan)</td>
<td>TWD 829,035</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>Supervisor</td>
<td>Etrade Management Co., Ltd. and Compal Display Holding (HK) Limited (Representative: Guo-Dung Yu)</td>
<td>TWD 829,035</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>President</td>
<td>Ming-Chih Chang</td>
<td>0</td>
<td>0.00%</td>
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<tr>
<td><strong>Compal Digital Communications (Nanjing) Co., Ltd.</strong></td>
<td>Chairman</td>
<td>Etrade Management Co., Ltd. (Representative: Sheng-Hua Peng)</td>
<td>TWD 178,089</td>
<td>100.00%</td>
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<td></td>
<td>Director</td>
<td>Etrade Management Co., Ltd. (Representative: Cheng-Chiang Wang)</td>
<td>TWD 178,089</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Etrade Management Co., Ltd. (Representative: Chung-Shing Tan)</td>
<td>TWD 178,089</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Etrade Management Co., Ltd. (Representative: Guo-Dung Yu)</td>
<td>TWD 178,089</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>President</td>
<td>Ming-Chih Chang</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Compal Wireless</strong></td>
<td>Chairman</td>
<td>Etrade Management Co., Ltd.</td>
<td>TWD 1,504,545</td>
<td>100.00%</td>
</tr>
<tr>
<td>Company name</td>
<td>Title</td>
<td>Name or name of representative</td>
<td>Shares held</td>
<td>Shareholding percentage</td>
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<tr>
<td>Communications (Nanjing) Co., Ltd.</td>
<td>Director</td>
<td>Etrade Management Co., Ltd. (Representative: Cheng-Chiang Wang)</td>
<td>TWD 1,504,545</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Etrade Management Co., Ltd. (Representative: Chung-Shing Tan)</td>
<td>TWD 1,504,545</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Etrade Management Co., Ltd. (Representative: Guo-Dung Yu)</td>
<td>TWD 1,504,545</td>
<td>100.00%</td>
</tr>
<tr>
<td>Webtek Technology Co., Ltd.</td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Jui-Tsung Chen )</td>
<td>100,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>Forever Young Technology Inc.</td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Jui-Tsung Chen )</td>
<td>50,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>HANHELT Communications (Nanjing) Co., Ltd.</td>
<td>Chairman and President</td>
<td>Forever Young Technology Inc. (Representative: Sheng-Hua Peng)</td>
<td>TWD 61,410</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Forever Young Technology Inc. (Representative: Chung-Shing Tan)</td>
<td>TWD 61,410</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Forever Young Technology Inc. (Representative: Wen-Da Hsu)</td>
<td>TWD 61,410</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Forever Young Technology Inc. (Representative: Jyh-Shyan Liang)</td>
<td>TWD 61,410</td>
<td>100.00%</td>
</tr>
<tr>
<td>Compal Wise Electronic (Vietnam) Co., Ltd.</td>
<td>Director</td>
<td>Forever Young Technology Inc. (Representative : Jui-Tsung Chen)</td>
<td>TWD 61,410</td>
<td>100.00%</td>
</tr>
<tr>
<td>Unicom Global, Inc.</td>
<td>Chairman</td>
<td>Compal Electronics, Inc. (Representative: Chung-Pin Wong )</td>
<td>20,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Jui-Tsung Chen)</td>
<td>20,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Hsin-Kung Mao)</td>
<td>20,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Compal Electronics, Inc. (Representative: Cheng-Chiang Wang)</td>
<td>20,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>Palcom International Corporation</td>
<td>Chairman</td>
<td>Compal Electronics, Inc. (Representative: Jui-Tsung Chen)</td>
<td>10,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Sheng-Hua Peng)</td>
<td>10,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Cheng-Chiang Wang)</td>
<td>10,000,000</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>Supervisor</td>
<td>Compal Electronics, Inc. (Representative: Guo-Dung Yu)</td>
<td>10,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>Compalead Electronics B.V.</td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Jui-Tsung Chen)</td>
<td>6,426,516</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Hsin-Kung Mao)</td>
<td>6,426,516</td>
<td>100.00%</td>
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<tr>
<td>General Life Biotechnology Co., Ltd.</td>
<td>Chairman</td>
<td>Compal Electronics, Inc. (Representative: Jui-Tsung Chen)</td>
<td>15,030,000</td>
<td>50.12%</td>
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<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Chung-Pin Wong)</td>
<td>15,030,000</td>
<td>50.12%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Chyou-Jui Wei)</td>
<td>15,030,000</td>
<td>50.12%</td>
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<tr>
<td></td>
<td>Director</td>
<td>Alltek Technology Corp. (Representative: Yu-Wen Wu)</td>
<td>6,922,940</td>
<td>23.08%</td>
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<td></td>
<td>Director</td>
<td>WK Technology Fund IV (Representative: Tien-Hao Wang)</td>
<td>992,000</td>
<td>3.31%</td>
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<td></td>
<td>Supervisor</td>
<td>China Development Industrial Bank</td>
<td>2,520,000</td>
<td>8.40%</td>
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<td>Company name</td>
<td>Title</td>
<td>Name or name of representative</td>
<td>Shares held</td>
<td>Shares (Note)</td>
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<td>PT GLB Biotechnology Indonesia</td>
<td>Chairman</td>
<td>Chyou-Jui Wei</td>
<td>20,000,000</td>
<td>NTS84,150</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Cheng-Ta-Chen</td>
<td>20,000,000</td>
<td>NTS84,150</td>
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<td></td>
<td>Director</td>
<td>Cheng-Chiang Wang</td>
<td>20,000,000</td>
<td>NTS84,150</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Handi Putranto Wila Marta</td>
<td>20,000,000</td>
<td>NTS84,150</td>
</tr>
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<td></td>
<td>Director</td>
<td>Shih-Yu-Lin</td>
<td>20,000,000</td>
<td>NTS84,150</td>
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<td></td>
<td>Supervisor</td>
<td>Guo-Dung Yu</td>
<td>20,000,000</td>
<td>NTS84,150</td>
</tr>
<tr>
<td>Giant Rank Trading Limited</td>
<td>Director</td>
<td>Forever Young Technology Inc. (Representative: Jui-Tsung Chen)</td>
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<tr>
<td>UniCore Biomedical Co., Ltd.</td>
<td>Chairman</td>
<td>Compal Electronics, Inc. (Representative: Jui-Tsung Chen)</td>
<td>9,100,000</td>
<td>20,000,000</td>
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<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Wei-Chang Chen)</td>
<td>9,100,000</td>
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<td></td>
<td>Director</td>
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<tr>
<td></td>
<td>Director</td>
<td>Long-Song Lin</td>
<td>90,000</td>
<td>90,000</td>
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<td></td>
<td>Supervisor</td>
<td>Cheng-Chiang Wang</td>
<td>0</td>
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<td>HippoScreen Neurotech Corp.</td>
<td>Chairman</td>
<td>Compal Electronics, Inc. (Representative: Chun-Te Shen)</td>
<td>3,500,000</td>
<td>3,500,000</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Hsuan-Bin Chen)</td>
<td>3,500,000</td>
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</tr>
<tr>
<td></td>
<td>Director</td>
<td>Jian-Hung Liu</td>
<td>25,561,111</td>
<td>25,561,111</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Shu-Chin Su</td>
<td>25,561,111</td>
<td>25,561,111</td>
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<tr>
<td></td>
<td>Supervisor</td>
<td>Chyou-Jui Wei</td>
<td>2,250,000</td>
<td>2,250,000</td>
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<tr>
<td>SHENNONA CO., LTD.</td>
<td>Chairman</td>
<td>Compal Electronics, Inc. (Representative: Chun-Te Shen)</td>
<td>3,500,000</td>
<td>3,500,000</td>
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<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Hsuan-Bin Chen)</td>
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<td></td>
<td>Director</td>
<td>Jian-Hung Liu</td>
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<td></td>
<td>Director</td>
<td>Shu-Chin Su</td>
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<td></td>
<td>Supervisor</td>
<td>Chyou-Jui Wei</td>
<td>2,250,000</td>
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<tr>
<td>Starmems Semiconductor Corp.</td>
<td>Chairman</td>
<td>Compal Electronics, Inc. (Representative: Chyou-Jui Wei)</td>
<td>3,500,000</td>
<td>3,500,000</td>
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<tr>
<td></td>
<td>Vice Chairman</td>
<td>Compal Electronics, Inc. (Representative: Yu-Ho Wang)</td>
<td>3,500,000</td>
<td>3,500,000</td>
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<tr>
<td></td>
<td>Director</td>
<td>Realsun Investments Co., Ltd. (Representative: Hou-Wei Lin)</td>
<td>2,300,000</td>
<td>2,300,000</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Shiu-Hung Lu</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Kinpo&amp;Compal Group Assets Development</td>
<td>Chairman</td>
<td>Compal Electronics, Inc. (Representative: Jui-Tsung Chen)</td>
<td>402,500,000</td>
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<td></td>
<td>Director</td>
<td>Compal Electronics, Inc.</td>
<td>402,500,000</td>
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<td>Company name</td>
<td>Title</td>
<td>Name or name of representative</td>
<td>Shares held</td>
<td>Shares (Note)</td>
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<tr>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Chung-Pin Wong)</td>
<td>402,500,000</td>
<td>70.00%</td>
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<tr>
<td>Director</td>
<td>AcBel Polytech Inc. (Representative: Chieh-Li Hsu)</td>
<td>172,500,000</td>
<td>30.00%</td>
<td></td>
</tr>
<tr>
<td>Supervisor</td>
<td>Ching-Hsiung Lu</td>
<td>0</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>Poindus Systems Corp, Ltd.</td>
<td>Chairman</td>
<td>Compal Electronics, Inc. (Representative: Chung-Pin Wong)</td>
<td>11,768,199</td>
<td>56.04%</td>
</tr>
<tr>
<td></td>
<td>Vice Chairman</td>
<td>Compal Electronics, Inc. (Representative: Hsin-Kung Mao)</td>
<td>11,768,199</td>
<td>56.04%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Cheng-Chiang Wang)</td>
<td>11,768,199</td>
<td>56.04%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Mu-Cheng Hu</td>
<td>358,000</td>
<td>1.70%</td>
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<tr>
<td></td>
<td>Independent Director</td>
<td>Bing-Xian Wang</td>
<td>0</td>
<td>0.00%</td>
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<tr>
<td></td>
<td>Independent Director</td>
<td>Sen-Tien Wu</td>
<td>0</td>
<td>0.00%</td>
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<tr>
<td></td>
<td>Independent Director</td>
<td>Hui-Zhu Yang</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Poindus Investment Co., Ltd.</td>
<td>Chairman</td>
<td>Poindus Systems Corp, Ltd. (Representative: Mu-Cheng Hu)</td>
<td>NT$4,100</td>
<td>100.00%</td>
</tr>
<tr>
<td>Adasys GmbH Elektronische Komponenten</td>
<td>President</td>
<td>Shuo-Chien Ma</td>
<td>-</td>
<td>100.00%</td>
</tr>
<tr>
<td>QJie Electronics (ShenZhen) Co., Ltd.</td>
<td>Chairman and President</td>
<td>Wei-Ho Wang</td>
<td>0</td>
<td>100.00%</td>
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<tr>
<td></td>
<td>Supervisor</td>
<td>Muh-Peng Hu</td>
<td>0</td>
<td>100.00%</td>
</tr>
<tr>
<td>Poindus Systems UK Limited</td>
<td>Director</td>
<td>Poindus Systems Corp, Ltd. (Representative: Mu-Cheng Hu)</td>
<td>300</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Poindus Systems Corp, Ltd. (Representative: Tai-Shan Wu)</td>
<td>300</td>
<td>100.00%</td>
</tr>
<tr>
<td>Poindus Systems GmbH</td>
<td>Director</td>
<td>Poindus Investment Co., Ltd. (Representative: Mu-Cheng Hu)</td>
<td>NT$1,721</td>
<td>100.00%</td>
</tr>
<tr>
<td>Compal Ruifang Health Assets Development Corporation</td>
<td>Chairman</td>
<td>Compal Electronics, Inc. (Representative: Jui-Tsung Chen)</td>
<td>30,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Chung-Pin Wong)</td>
<td>30,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Chieh-Li Hsu)</td>
<td>30,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Compal Electronics, Inc. (Representative: Cheng-Chiang Wang)</td>
<td>30,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>Compal Healthcare &amp; Technology LTD.</td>
<td>Chairman</td>
<td>Compal Electronics, Inc. (Representative: Chung-Pin Wong)</td>
<td>4,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Jui-Chun Shyur)</td>
<td>4,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics, Inc. (Representative: Kun-Sung Chen)</td>
<td>4,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Supervisor</td>
<td>Compal Electronics, Inc. (Representative: Shih-Chang, Chia)</td>
<td>4,000,000</td>
<td>100.00%</td>
</tr>
<tr>
<td>Compal Americas (US) Inc.</td>
<td>Director</td>
<td>Compal Electronics International Ltd. (Representative: Jui-Tsung Chen)</td>
<td>NT 76,763</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics International Ltd. (Representative: Chyou-Jui Wei)</td>
<td>NT 76,763</td>
<td>100.00%</td>
</tr>
<tr>
<td>Company name</td>
<td>Title</td>
<td>Name or name of representative</td>
<td>Shares held</td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>------------------------</td>
<td>---------------------------------------------------------------</td>
<td>--------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Shares (Note)</td>
<td>Shareholding percentage</td>
</tr>
<tr>
<td>Director</td>
<td>Compal Electronics International Ltd. (Representative: Ta-Chun Wang)</td>
<td>NT 76,763</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td>President</td>
<td>Compal Electronics International Ltd. (Representative: Ta-Chun Wang)</td>
<td>NT 76,763</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td>Compal Electronics N.A. Inc.</td>
<td>Director</td>
<td>Compal Electronics International Ltd. (Representative: Jui-Tsung Chen)</td>
<td>NT 76,763</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics International Ltd. (Representative: Chyou-Jui Wei)</td>
<td>NT 76,763</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Compal Electronics International Ltd. (Representative: Ta-Chun Wang)</td>
<td>NT 76,763</td>
<td>100.00%</td>
</tr>
<tr>
<td></td>
<td>President</td>
<td>Compal Electronics International Ltd. (Representative: Ta-Chun Wang)</td>
<td>NT 76,763</td>
<td>100.00%</td>
</tr>
<tr>
<td>Compal Electronics (Vietnam) Co., Ltd.</td>
<td>responsible person</td>
<td>Jui-Tsung Chen</td>
<td>NT 1,658,070</td>
<td>100.00%</td>
</tr>
<tr>
<td>Compal Mexico Electromex, S.A. de C.V.</td>
<td>Director</td>
<td>Compal Electronics, Inc. &amp; Panpal Technology Co., Ltd. (Representative: Sheng-Hsiung Hsu)</td>
<td>NT 77,997</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Note: Limited liability companies are shown in terms of amount and percentage of capital contribution. (Exchange rates for amount of capital contribution: USD 1: TWD 30.705, CNY 1: TWD 4.3275, and VND 1: TWD 0.001276.)
5. **Overview of Operating Status for Affiliated Companies in 2023**

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Capital</th>
<th>Total Asset</th>
<th>Total liabilities</th>
<th>Net worth</th>
<th>Operating revenue</th>
<th>Operating income</th>
<th>Net loss/profit for the period (after tax)</th>
<th>EPS (in TWD ) (After tax)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compal International Holding Co., Ltd. and subsidiaries</td>
<td>1,787,680</td>
<td>94,627,030</td>
<td>49,566,102</td>
<td>45,060,928</td>
<td>144,368,593</td>
<td>1,029,632</td>
<td>2,551,767</td>
<td>48.15</td>
</tr>
<tr>
<td>Just International Ltd. and subsidiaries</td>
<td>1,460,443</td>
<td>29,382,195</td>
<td>18,796,419</td>
<td>10,585,776</td>
<td>117,107,160</td>
<td>(292,999)</td>
<td>286,164</td>
<td>5.96</td>
</tr>
<tr>
<td>Big Chance International Co., Ltd. and subsidiaries</td>
<td>2,636,051</td>
<td>23,124,658</td>
<td>13,996,411</td>
<td>9,128,247</td>
<td>37,146,475</td>
<td>228,382</td>
<td>572,422</td>
<td>6.30</td>
</tr>
<tr>
<td>Core Profit Holdings Ltd.</td>
<td>4,318,860</td>
<td>8,744,035</td>
<td>664,195</td>
<td>8,079,840</td>
<td>956,481</td>
<td>29,668</td>
<td>417,529</td>
<td>2.84</td>
</tr>
<tr>
<td>High Shine Industrial Corp. and subsidiaries</td>
<td>2,482,899</td>
<td>48,343,273</td>
<td>47,893,993</td>
<td>449,280</td>
<td>70,072,892</td>
<td>503,340</td>
<td>413,513</td>
<td>5.19</td>
</tr>
<tr>
<td>Panpal Technology Corporation and subsidiaries</td>
<td>5,000,000</td>
<td>15,174,656</td>
<td>9,234,093</td>
<td>5,940,563</td>
<td>10,737,440</td>
<td>220,082</td>
<td>(107,077)</td>
<td>(0.21)</td>
</tr>
<tr>
<td>Gempal Technology Co., Ltd.</td>
<td>900,000</td>
<td>2,462,434</td>
<td>50,239</td>
<td>2,412,195</td>
<td>-</td>
<td>(302)</td>
<td>148,827</td>
<td>1.65</td>
</tr>
<tr>
<td>Hong Ji Capital Co., Ltd.</td>
<td>1,000,000</td>
<td>1,193,703</td>
<td>783</td>
<td>1,192,920</td>
<td>-</td>
<td>(233)</td>
<td>111,601</td>
<td>1.12</td>
</tr>
<tr>
<td>Hong Jin Investment Co., Ltd.</td>
<td>295,000</td>
<td>387,120</td>
<td>70</td>
<td>387,050</td>
<td>-</td>
<td>(223)</td>
<td>51,046</td>
<td>1.73</td>
</tr>
<tr>
<td>UniCore Biomedical Co., Ltd. and subsidiaries</td>
<td>200,000</td>
<td>80,035</td>
<td>12,796</td>
<td>67,239</td>
<td>22,670</td>
<td>(9,307)</td>
<td>(17,243)</td>
<td>(0.86)</td>
</tr>
<tr>
<td>Shenonna Corporation</td>
<td>48,209</td>
<td>16,232</td>
<td>-</td>
<td>16,232</td>
<td>-</td>
<td>(472)</td>
<td>(430)</td>
<td>-</td>
</tr>
<tr>
<td>Arcadyan Technology Corp. and subsidiaries</td>
<td>2,203,543</td>
<td>38,458,659</td>
<td>23,648,592</td>
<td>14,810,067</td>
<td>51,158,122</td>
<td>3,164,367</td>
<td>2,389,606</td>
<td>10.98</td>
</tr>
<tr>
<td>Compal Broadband Networks Inc. and subsidiaries</td>
<td>676,381</td>
<td>1,671,122</td>
<td>520,463</td>
<td>1,150,659</td>
<td>1,164,054</td>
<td>(318,329)</td>
<td>(326,109)</td>
<td>(4.84)</td>
</tr>
<tr>
<td>Henghao Technology Co., Ltd. and subsidiaries</td>
<td>200,150</td>
<td>5,961,230</td>
<td>6,729,193</td>
<td>(767,963)</td>
<td>8,825,599</td>
<td>175,732</td>
<td>15,876</td>
<td>0.79</td>
</tr>
<tr>
<td>Mactech Co., Ltd.</td>
<td>411,458</td>
<td>699,341</td>
<td>117,416</td>
<td>581,925</td>
<td>304,097</td>
<td>37,145</td>
<td>41,491</td>
<td>1.01</td>
</tr>
<tr>
<td>Company Name</td>
<td>Capital</td>
<td>Total Asset</td>
<td>Total liabilities</td>
<td>Net worth</td>
<td>Operating revenue</td>
<td>Operating income</td>
<td>Net loss/profit for the period (after tax)</td>
<td>EPS (in TWD ) (After tax)</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>---------</td>
<td>----------------</td>
<td>-------------------</td>
<td>-----------</td>
<td>-------------------</td>
<td>-------------------</td>
<td>------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Ripal Optotronics CO, LTD.</td>
<td>60,000</td>
<td>189,398</td>
<td>74,938</td>
<td>114,460</td>
<td>134,558</td>
<td>(1,077)</td>
<td>(1,751)</td>
<td>(0.29)</td>
</tr>
<tr>
<td>General life Biotechnology Co., Ltd. and subsidiaries</td>
<td>300,000</td>
<td>787,879</td>
<td>250,394</td>
<td>537,485</td>
<td>440,590</td>
<td>48,349</td>
<td>50,433</td>
<td>1.68</td>
</tr>
<tr>
<td>Rayonnant Technology Holdings Ltd.</td>
<td>295,000</td>
<td>456,458</td>
<td>240,560</td>
<td>215,898</td>
<td>1,524,255</td>
<td>(2,338)</td>
<td>18,969</td>
<td>0.64</td>
</tr>
<tr>
<td>Compal Rayonnant Holdings Ltd. and subsidiaries</td>
<td>377,328</td>
<td>1,305,563</td>
<td>998,902</td>
<td>306,661</td>
<td>1,591,257</td>
<td>37,922</td>
<td>19,254</td>
<td>1.54</td>
</tr>
<tr>
<td>Bizcom Electronics, Inc.</td>
<td>36,369</td>
<td>502,994</td>
<td>39,461</td>
<td>463,533</td>
<td>146,814</td>
<td>5,684</td>
<td>11,411</td>
<td>114.11</td>
</tr>
<tr>
<td>Compal Europe (Poland) Sp.z o.o.</td>
<td>90,156</td>
<td>205,918</td>
<td>230,025</td>
<td>(24,107)</td>
<td>205,565</td>
<td>27,603</td>
<td>14,324</td>
<td>105.26</td>
</tr>
<tr>
<td>CGS Technology (Poland) Sp.z o.o.</td>
<td>89,669</td>
<td>93,337</td>
<td>584</td>
<td>92,753</td>
<td>-</td>
<td>(1,286)</td>
<td>(1,399)</td>
<td>(5.69)</td>
</tr>
<tr>
<td>Auscom Engineering Inc.</td>
<td>101,747</td>
<td>210,412</td>
<td>56,226</td>
<td>154,186</td>
<td>197,366</td>
<td>12,912</td>
<td>4,718</td>
<td>1.57</td>
</tr>
<tr>
<td>Flight Global Holding Inc.</td>
<td>2,754,741</td>
<td>4,244,427</td>
<td>82,737</td>
<td>4,161,690</td>
<td>-</td>
<td>(183)</td>
<td>(246,117)</td>
<td>(2.74)</td>
</tr>
<tr>
<td>Compalead Electronics B.V.</td>
<td>197,463</td>
<td>908,513</td>
<td>10,343</td>
<td>898,170</td>
<td>-</td>
<td>(962)</td>
<td>34,757</td>
<td>5.41</td>
</tr>
<tr>
<td>Etrade Management Co., Ltd.&amp; subsidiaries</td>
<td>2,299,654</td>
<td>2,011,917</td>
<td>2,271,724</td>
<td>(259,807)</td>
<td>3,193,242</td>
<td>(358,495)</td>
<td>(463,604)</td>
<td>(6.45)</td>
</tr>
<tr>
<td>Webtek Technology Co., Ltd.</td>
<td>3,340</td>
<td>765,547</td>
<td>154,553</td>
<td>610,994</td>
<td>-</td>
<td>(136)</td>
<td>(151,389)</td>
<td>(1,513.89)</td>
</tr>
<tr>
<td>Forever Young Technology Inc. &amp; subsidiaries</td>
<td>1,575</td>
<td>2,157,601</td>
<td>611,794</td>
<td>1,545,807</td>
<td>334,467</td>
<td>1,069</td>
<td>17,232</td>
<td>344.64</td>
</tr>
<tr>
<td>Unicorn Global Inc.</td>
<td>200,000</td>
<td>452,150</td>
<td>369,683</td>
<td>82,467</td>
<td>442,373</td>
<td>(77,412)</td>
<td>(81,407)</td>
<td>(4.07)</td>
</tr>
<tr>
<td>Palcom International Corporation</td>
<td>100,000</td>
<td>116,153</td>
<td>18,001</td>
<td>98,152</td>
<td>110,513</td>
<td>(11,955)</td>
<td>(11,342)</td>
<td>(1.13)</td>
</tr>
<tr>
<td>Compal Electronics (Holding) Ltd.</td>
<td>34</td>
<td>3,616,638</td>
<td>-</td>
<td>3,616,638</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>HippoScreen Neurotech Corp.</td>
<td>100,000</td>
<td>23,761</td>
<td>25,851</td>
<td>(2,090)</td>
<td>2,012</td>
<td>(26,630)</td>
<td>(26,827)</td>
<td>(2.68)</td>
</tr>
<tr>
<td>SHENNONA CO., LTD.</td>
<td>20,000</td>
<td>35,554</td>
<td>17,695</td>
<td>17,859</td>
<td>43,560</td>
<td>(15)</td>
<td>63</td>
<td>0.03</td>
</tr>
<tr>
<td>Aco Healthcare Co.,Ltd.</td>
<td>73,948</td>
<td>72,488</td>
<td>20,214</td>
<td>52,274</td>
<td>18,995</td>
<td>(60,495)</td>
<td>(60,467)</td>
<td>(0.13)</td>
</tr>
<tr>
<td>Company Name</td>
<td>Capital</td>
<td>Total Asset</td>
<td>Total liabilities</td>
<td>Net worth</td>
<td>Operating revenue</td>
<td>Operating income</td>
<td>Net loss/profit for the period (after tax)</td>
<td>EPS (in TWD) (After tax)</td>
</tr>
<tr>
<td>-----------------------------------------------------------</td>
<td>----------</td>
<td>-------------</td>
<td>-------------------</td>
<td>------------</td>
<td>-------------------</td>
<td>-----------------</td>
<td>-------------------------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>Starmems Semiconductor Corp.</td>
<td>100,000</td>
<td>44,535</td>
<td>9,508</td>
<td>35,027</td>
<td>79</td>
<td>(36,899)</td>
<td>(36,374)</td>
<td>(3.64)</td>
</tr>
<tr>
<td>Kinpo&amp;Compal Group Assets Development Corporation</td>
<td>5,750,000</td>
<td>18,039,705</td>
<td>12,344,846</td>
<td>5,694,859</td>
<td>-</td>
<td>(20,099)</td>
<td>(27,399)</td>
<td>(0.05)</td>
</tr>
<tr>
<td>POINDUS SYSTEMS CORP.</td>
<td>210,000</td>
<td>740,148</td>
<td>203,298</td>
<td>536,850</td>
<td>693,223</td>
<td>9,133</td>
<td>18,886</td>
<td>0.90</td>
</tr>
<tr>
<td>Compal Ruifang Health Assets Development Corporation</td>
<td>300,000</td>
<td>300,768</td>
<td>290</td>
<td>300,478</td>
<td>-</td>
<td>(506)</td>
<td>538</td>
<td>0.02</td>
</tr>
<tr>
<td>Compal Healthcare &amp; Technology Ltd.</td>
<td>20,000</td>
<td>20,003</td>
<td>-</td>
<td>20,003</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>0.00</td>
</tr>
<tr>
<td>Compal Mexico Electromex, S.A. de C.V.</td>
<td>78,075</td>
<td>127,033</td>
<td>34,298</td>
<td>92,735</td>
<td>38,641</td>
<td>16,449</td>
<td>15,033</td>
<td>-</td>
</tr>
</tbody>
</table>

6. **Common shareholders in controlling and controlled companies:** None
8.1.2 Consolidated financial statements of affiliated enterprises

Representation Letter

The entities that are required to be included in the combined financial statements of COMPAL ELECTRONICS, INC. as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated and Separate Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, COMPAL ELECTRONICS, INC. and its subsidiaries do not prepare a separate set of combined financial statements.

Company name: COMPAL ELECTRONICS, INC.

Chairman: Sheng-Hsiung Hsu (Rock Hsu)

Date: February 29, 2024

8.1.3 Affiliation reports: None
8.2 Private Placement of Securities in the Most Recent Year: None

8.3 Company Shares Held or Disposed by Subsidiaries in the Most Recent Year:

<table>
<thead>
<tr>
<th>Name of Subsidiary</th>
<th>Share Capital Acquired</th>
<th>Funding Source</th>
<th>Percentage of Shares Held by the Company</th>
<th>Date of Acquisition or Disposition</th>
<th>Shares and Amount Acquired</th>
<th>Shares and Amount Disposed</th>
<th>Investment Gain (Loss)</th>
<th>Shareholdings and Amount as of March 31, 2024</th>
<th>Collateralized</th>
<th>Amount of Endorsements Made for the Subsidiary</th>
<th>Amount Loaned to the Subsidiary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panpal Technology Corporation</td>
<td>TWD 5,000,000,000</td>
<td>Proprietary capital</td>
<td>100%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>31,648,082 shares TWD 559,812,000</td>
<td>N.A.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gempal Technology Co., Ltd.</td>
<td>TWD 900,000,000</td>
<td>Proprietary capital</td>
<td>100%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>18,369,349 shares TWD 321,435,000</td>
<td>N.A.</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: Impacts on the Company’s financial performance and position: none of the subsidiaries had acquired or disposed the Company’s shares in the current year up till the publication date of this annual report, hence there were no impacts.

8.4 Other supplementary notes, where applicable: None

8.5 Any Events in 2022 and as of the Date of this Annual Report that had Significant Impacts on Shareholders’ Interests or Security Prices as Stated in Item 2 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan: None
Compal Electronics, Inc.

Chairman: Sheng-Hsiung Hsu (Rock Hsu)

Chief Executive Officer (CEO): Chung-Pin Wong (Martin Wong)
Attachment I
COMPAL ELECTRONICS, INC.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors’ Report
For the Years Ended December 31, 2023 and 2022

Address: No.581 & 581-1, Ruiguang Rd., Neihu District, Taipei, Taiwan
Telephone: (02)8797-8588
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<td>95~97</td>
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Representation Letter

The entities that are required to be included in the combined financial statements of COMPAL ELECTRONICS, INC. as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, “Consolidated and Separate Financial Statements.” In addition, the information required to be disclosed in the combined financial statements and is included in the consolidated financial statements. Consequently, COMPAL ELECTRONICS, INC. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: COMPAL ELECTRONICS, INC.
Chairman: Sheng-Hsiung Hsu (Rock Hsu)
Date: February 29, 2024
Independent Auditor’s Report

To COMPAL ELECTRONICS, INC.:

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

Description of key audit matters:

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

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

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

Other Matter

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC, endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit committee) are responsible for overseeing the Group’s financial reporting process.
Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

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

Notes to Readers
The accompanying consolidated financial statements are intended only to present the consolidated 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 audit such consolidated financial statements are those generally accepted and applied in the Republic of China.
# COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
## Consolidated Balance Sheets
### December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

### Assets Amount % Amount %

#### Current assets:

<table>
<thead>
<tr>
<th>Description</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents (Note (6)(a))</td>
<td>$72,479,480</td>
<td>16.6</td>
</tr>
<tr>
<td>Current financial assets at fair value through profit or loss (Note (6)(b))</td>
<td>52,662</td>
<td>-</td>
</tr>
<tr>
<td>Notes and accounts receivable, net (Note (6)(e))</td>
<td>187,280,320</td>
<td>42.9</td>
</tr>
<tr>
<td>Notes and accounts receivable due from related parties, net (Notes (6)(e) and (7))</td>
<td>6,434,296</td>
<td>1.5</td>
</tr>
<tr>
<td>Other receivables, net (Notes (6)(e) and (7))</td>
<td>2,372,980</td>
<td>0.5</td>
</tr>
<tr>
<td>Inventories (Notes (6)(f) and (8))</td>
<td>95,102,692</td>
<td>21.8</td>
</tr>
<tr>
<td>Other current assets (Note (8))</td>
<td>5,202,467</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>368,924,297</td>
<td>84.4</td>
</tr>
</tbody>
</table>

#### Non-current assets:

<table>
<thead>
<tr>
<th>Description</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments accounted for using equity method (Note (6)(g))</td>
<td>7,448,351</td>
<td>1.7</td>
</tr>
<tr>
<td>Non-current financial assets at fair value through profit or loss (Note (6)(b))</td>
<td>1,217,512</td>
<td>0.3</td>
</tr>
<tr>
<td>Non-current financial assets at fair value through other comprehensive income (Note (6)(c))</td>
<td>9,116,008</td>
<td>2.1</td>
</tr>
<tr>
<td>Property, plant and equipment (Notes (6)(k), (6)(l) and (8))</td>
<td>29,040,525</td>
<td>6.7</td>
</tr>
<tr>
<td>Right-of-use assets (Note (6)(l))</td>
<td>13,793,968</td>
<td>3.2</td>
</tr>
<tr>
<td>Intangible assets (Note (6)(h))</td>
<td>1,462,162</td>
<td>0.3</td>
</tr>
<tr>
<td>Other assets (Note (8))</td>
<td>3,615,912</td>
<td>0.8</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>31,592,587</td>
<td>7.0</td>
</tr>
</tbody>
</table>

**Total assets** $436,770,974 | 100.0 | $453,484,433 | 100.0 |

### Liabilities and Equity Amount % Amount %

#### Current liabilities:

<table>
<thead>
<tr>
<th>Description</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term borrowings (Note (6)(m))</td>
<td>$58,974,271</td>
<td>13.5</td>
</tr>
<tr>
<td>Current lease liabilities (Note (6)(p))</td>
<td>1,217,512</td>
<td>-</td>
</tr>
<tr>
<td>Current financial liabilities for hedging (Note (6)(d))</td>
<td>14,246</td>
<td>-</td>
</tr>
<tr>
<td>Notes and accounts payable (Note (7))</td>
<td>148,398,334</td>
<td>34.0</td>
</tr>
<tr>
<td>Notes and accounts payable to related parties (Note (7))</td>
<td>16,597,650</td>
<td>3.7</td>
</tr>
<tr>
<td>Other payables (Note (7))</td>
<td>30,464,866</td>
<td>7.0</td>
</tr>
<tr>
<td>Current tax liabilities</td>
<td>7,594,694</td>
<td>1.7</td>
</tr>
<tr>
<td>Current provisions (Note (6)(q))</td>
<td>787,396</td>
<td>0.2</td>
</tr>
<tr>
<td>Current refund liabilities</td>
<td>4,071,762</td>
<td>1.0</td>
</tr>
<tr>
<td>Long-term borrowings, current portion (Note (6)(n))</td>
<td>277,252,062</td>
<td>63.5</td>
</tr>
</tbody>
</table>

**Total current liabilities** $303,998,121 | 69.6 | $326,074,590 | 71.9 |

#### Non-current liabilities:

<table>
<thead>
<tr>
<th>Description</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term borrowings (Note (6)(n))</td>
<td>15,285,590</td>
<td>3.5</td>
</tr>
<tr>
<td>Deferred tax liabilities (Note (6)(s))</td>
<td>1,985,324</td>
<td>0.5</td>
</tr>
<tr>
<td>Non-current lease liabilities (Note (6)(p))</td>
<td>8,329,451</td>
<td>1.9</td>
</tr>
<tr>
<td>Non-current net defined benefit liability (Note (6)(r))</td>
<td>651,272</td>
<td>0.1</td>
</tr>
<tr>
<td>Non-current liabilities, others (Note (6)(g))</td>
<td>494,422</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>26,746,059</td>
<td>6.1</td>
</tr>
</tbody>
</table>

**Total liabilities** $330,744,179 | 76.7 | $349,764,269 | 76.1 |

**Equity:**

<table>
<thead>
<tr>
<th>Description</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary share</td>
<td>44,071,466</td>
<td>10.1</td>
</tr>
<tr>
<td>Capital surplus</td>
<td>4,270,915</td>
<td>1.0</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>72,548,155</td>
<td>16.6</td>
</tr>
<tr>
<td>Other equity interest</td>
<td>8,329,451</td>
<td>1.9</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>118,621,995</td>
<td>27.4</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>13,130,838</td>
<td>3.0</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>327,722,853</td>
<td>75.4</td>
</tr>
</tbody>
</table>

**Total liabilities and equity** $436,770,974 | 100.0 | $453,484,433 | 100.0 |

See accompanying notes to consolidated financial statements.
## COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

### Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

<table>
<thead>
<tr>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>%</td>
</tr>
<tr>
<td>4000</td>
<td>Net sales revenue (Notes (6)(w) and (7))</td>
</tr>
<tr>
<td>5000</td>
<td>Cost of sales (Notes (6)(f), (6)(r), (7) and (12))</td>
</tr>
<tr>
<td>6000</td>
<td>Gross profit</td>
</tr>
<tr>
<td>6100</td>
<td>Operating expenses: (Notes (6)(r) and (12))</td>
</tr>
<tr>
<td>6200</td>
<td>Selling expenses</td>
</tr>
<tr>
<td>6300</td>
<td>Administrative expenses</td>
</tr>
<tr>
<td>6350</td>
<td>Research and development expenses</td>
</tr>
<tr>
<td>6400</td>
<td>Total operating expenses</td>
</tr>
<tr>
<td>6450</td>
<td>Net operating income</td>
</tr>
<tr>
<td>7000</td>
<td>Non-operating income and expenses:</td>
</tr>
<tr>
<td>7100</td>
<td>Interest income (Note (6)(y))</td>
</tr>
<tr>
<td>7200</td>
<td>Other gains and losses, net (Notes (6)(d), (6)(y) and (6)(aa))</td>
</tr>
<tr>
<td>7250</td>
<td>Finance costs (Notes (6)(o) and (6)(p))</td>
</tr>
<tr>
<td>7300</td>
<td>Other income (Note (6)(y))</td>
</tr>
<tr>
<td>7350</td>
<td>Miscellaneous disbursements</td>
</tr>
<tr>
<td>7400</td>
<td>Impairment loss</td>
</tr>
<tr>
<td>7450</td>
<td>Share of profit (loss) of associates and joint ventures accounted for using equity method (Note (6)(g))</td>
</tr>
<tr>
<td>7500</td>
<td>Total non-operating income and expenses</td>
</tr>
<tr>
<td>7600</td>
<td>Profit from continuing operations before tax</td>
</tr>
<tr>
<td>7700</td>
<td>Less: Income tax expenses (Note (6)(s))</td>
</tr>
<tr>
<td>7800</td>
<td>Profit</td>
</tr>
<tr>
<td>8300</td>
<td>Other comprehensive income:</td>
</tr>
<tr>
<td>8310</td>
<td>Components of other comprehensive income that will not be reclassified to profit or loss</td>
</tr>
<tr>
<td>8311</td>
<td>Gains (losses) on remeasurements of defined benefit plans</td>
</tr>
<tr>
<td>8316</td>
<td>Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income</td>
</tr>
<tr>
<td>8320</td>
<td>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</td>
</tr>
<tr>
<td>8349</td>
<td>Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note (6)(n))</td>
</tr>
<tr>
<td>8350</td>
<td>Components of other comprehensive income that will not be reclassified to profit or loss</td>
</tr>
<tr>
<td>8360</td>
<td>Components of other comprehensive income (loss) that will be reclassified to profit or loss</td>
</tr>
<tr>
<td>8361</td>
<td>Exchange differences on translation of foreign financial statements</td>
</tr>
<tr>
<td>8366</td>
<td>Gains (losses) on hedging instrument (Note (6)(e))</td>
</tr>
<tr>
<td>8370</td>
<td>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</td>
</tr>
<tr>
<td>8399</td>
<td>Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note (6)(o))</td>
</tr>
<tr>
<td>8400</td>
<td>Components of other comprehensive income that will be reclassified to profit or loss</td>
</tr>
<tr>
<td>8500</td>
<td>Other comprehensive income (after tax)</td>
</tr>
<tr>
<td>8550</td>
<td>Total comprehensive income</td>
</tr>
</tbody>
</table>

| 8600 | Profit, attributable to: | | | |
| 8610 | Profit, attributable to owners of parent | $7,667,627 | 0.8 | 7,288,292 | 0.7 |
| 8620 | Profit, attributable to non-controlling interests | 1,463,051 | 0.2 | 1,253,315 | 0.1 |
| 8650 | Total profit attributable to owners of parent | $9,130,678 | 1.0 | $8,541,527 | 0.8 |

| 8700 | Comprehensive income attributable to: | | | |
| 8710 | Comprehensive income (loss), attributable to owners of parent | $8,558,794 | 0.9 | 13,636,212 | 1.3 |
| 8720 | Comprehensive income (loss), attributable to non-controlling interests | 1,470,849 | 0.2 | 1,440,966 | 0.1 |
| 8750 | Total comprehensive income attributable to owners of parent | $10,029,643 | 1.1 | $15,077,178 | 1.4 |

| 9050 | Earnings per share (Note (6)(c)) | | | |
| 9150 | Basic earnings per share | $1.76 | 1.67 |
| 9350 | Diluted earnings per share | $1.76 | 1.66 |

See accompanying notes to consolidated financial statements.
## COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
### Consolidated Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

<table>
<thead>
<tr>
<th></th>
<th>Ordinary shares</th>
<th>Capital surplus</th>
<th>Legal reserve</th>
<th>Special reserve</th>
<th>Unappropriated retained earnings</th>
<th>Total retained earnings</th>
<th>Exchange differences on translation of foreign financial statements</th>
<th>Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income</th>
<th>Total other equity interest</th>
<th>Treasury shares</th>
<th>Total equity attributable to owners of parent</th>
<th>Non-controlling interests</th>
<th>Total equity</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at January 1, 2022</strong></td>
<td>$ 44,071,466</td>
<td>6,724,856</td>
<td>21,139,412</td>
<td>2,096,708</td>
<td>41,045,820</td>
<td>69,651,940</td>
<td>18,745,709</td>
<td>537,830</td>
<td>125</td>
<td>18,206,770</td>
<td>69,012,305</td>
<td>10,179,538</td>
<td>121,539,803</td>
<td></td>
</tr>
<tr>
<td><strong>Profit for the year ended December 31, 2022</strong></td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>118,035</td>
<td>118,035</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,406,327</td>
<td>7,406,327</td>
<td>7,274,994</td>
<td>(1,032,694)</td>
<td>6,229,885</td>
<td>-</td>
<td>13,636,212</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Balance at December 31, 2022</strong></td>
<td>$ 44,071,466</td>
<td>5,078,580</td>
<td>22,576,846</td>
<td>8,206,708</td>
<td>47,291,350</td>
<td>72,548,155</td>
<td>6,505,711</td>
<td>898,965</td>
<td>116,294,754</td>
<td>1,440,966</td>
<td>15,077,178</td>
<td>10,029,643</td>
<td>132,772,853</td>
<td></td>
</tr>
<tr>
<td><strong>Profit for the year ended December 31, 2023</strong></td>
<td>$ 44,071,466</td>
<td>4,279,915</td>
<td>23,313,701</td>
<td>1,943,104</td>
<td>47,291,350</td>
<td>72,548,155</td>
<td>(1,747,330)</td>
<td>(3,456)</td>
<td>(387,294)</td>
<td>119,621,995</td>
<td>13,150,858</td>
<td>564,920</td>
<td>132,772,853</td>
<td></td>
</tr>
</tbody>
</table>

See accompanying notes to consolidated financial statements.
## COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
### Consolidated Statement of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from (used in) operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>11,896,425</td>
<td>10,724,130</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustments to reconcile profit (loss):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>7,873,526</td>
<td>7,544,408</td>
</tr>
<tr>
<td>Expected credit loss</td>
<td>76,161</td>
<td>30,177</td>
</tr>
<tr>
<td>Net (gain) loss on financial assets or liabilities at fair value through profit or loss</td>
<td>(44,367)</td>
<td>23,672</td>
</tr>
<tr>
<td>Finance cost</td>
<td>5,052,372</td>
<td>3,245,701</td>
</tr>
<tr>
<td>Interest income</td>
<td>(4,706,927)</td>
<td>(3,089,926)</td>
</tr>
<tr>
<td>Dividend income</td>
<td>(148,092)</td>
<td>(128,597)</td>
</tr>
<tr>
<td>Compensation cost of share-based payments</td>
<td>(2,972)</td>
<td>22,025</td>
</tr>
<tr>
<td>Share of loss of associates and joint ventures accounted for using equity method</td>
<td>467,077</td>
<td>272,824</td>
</tr>
<tr>
<td>Gain on disposal of property, plant and equipment, and intangible assets</td>
<td>(43,977)</td>
<td>(7,086)</td>
</tr>
<tr>
<td>Impairment loss on financial assets</td>
<td>-</td>
<td>9,431</td>
</tr>
<tr>
<td>Others</td>
<td>(796)</td>
<td>(158)</td>
</tr>
<tr>
<td><strong>Total adjustments to reconcile profit (loss)</strong></td>
<td><strong>8,516,011</strong></td>
<td><strong>7,922,471</strong></td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in operating assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) decrease in financial assets at fair value through profit or loss</td>
<td>(51,875)</td>
<td>400,567</td>
</tr>
<tr>
<td>(Increase) decrease in notes and accounts receivable</td>
<td>(2,547,159)</td>
<td>99,026,904</td>
</tr>
<tr>
<td>Decrease in other receivable</td>
<td>55,383</td>
<td>357,505</td>
</tr>
<tr>
<td>Decrease in inventories</td>
<td>16,491,292</td>
<td>3,761,054</td>
</tr>
<tr>
<td>Increase in other current assets</td>
<td>(614,508)</td>
<td>(1,523,444)</td>
</tr>
<tr>
<td>(Increase) decrease in other non-current assets</td>
<td>(431,265)</td>
<td>438,312</td>
</tr>
<tr>
<td><strong>Total changes in operating assets</strong></td>
<td><strong>12,901,868</strong></td>
<td><strong>102,460,898</strong></td>
</tr>
<tr>
<td>Changes in operating liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in financial liabilities at fair value through profit or loss</td>
<td>102,008</td>
<td>60,938</td>
</tr>
<tr>
<td>Decrease in notes and accounts payable</td>
<td>(2,842,114)</td>
<td>(62,369,969)</td>
</tr>
<tr>
<td>Increase in other payables</td>
<td>2,196,306</td>
<td>976,433</td>
</tr>
<tr>
<td>Increase in refund liabilities</td>
<td>941,102</td>
<td>596,602</td>
</tr>
<tr>
<td>Increase (decrease) in provisions</td>
<td>53,335</td>
<td>(472,840)</td>
</tr>
<tr>
<td>Decrease in contract liabilities</td>
<td>(16,911)</td>
<td>(281,716)</td>
</tr>
<tr>
<td>(Decrease) increase in other current liabilities</td>
<td>(823,756)</td>
<td>1,309,581</td>
</tr>
<tr>
<td>Others</td>
<td>(6,193)</td>
<td>(18,337)</td>
</tr>
<tr>
<td><strong>Total changes in operating liabilities</strong></td>
<td><strong>(402,223)</strong></td>
<td><strong>(60,199,308)</strong></td>
</tr>
<tr>
<td><strong>Total changes in operating assets and liabilities</strong></td>
<td><strong>12,509,645</strong></td>
<td><strong>42,261,590</strong></td>
</tr>
<tr>
<td>Total adjustments</td>
<td><strong>21,015,656</strong></td>
<td><strong>50,184,061</strong></td>
</tr>
<tr>
<td>Cash inflow generated from operations</td>
<td>32,906,081</td>
<td>60,908,191</td>
</tr>
<tr>
<td>Interest received</td>
<td>4,636,183</td>
<td>2,813,791</td>
</tr>
<tr>
<td>Dividends received</td>
<td>347,078</td>
<td>270,042</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(5,183,213)</td>
<td>(2,697,025)</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>(3,028,925)</td>
<td>(2,656,389)</td>
</tr>
<tr>
<td><strong>Net cash flows from operating activities</strong></td>
<td><strong>29,677,204</strong></td>
<td><strong>58,638,610</strong></td>
</tr>
<tr>
<td>Cash flows from (used in) investing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of financial assets at fair value through profit or loss and through other comprehensive income</td>
<td>(3,148,973)</td>
<td>(587,240)</td>
</tr>
<tr>
<td>Proceeds from disposal of financial assets at fair value through other comprehensive income</td>
<td>47,921</td>
<td>10,028</td>
</tr>
<tr>
<td>Acquisition of investments accounted for using equity method</td>
<td>(98,160)</td>
<td>(54,000)</td>
</tr>
<tr>
<td>Net cash flow from acquisition of subsidiaries</td>
<td>-</td>
<td>(135,971)</td>
</tr>
<tr>
<td>Proceeds from capital reduction and liquidation of investments</td>
<td>3,992</td>
<td>2,010</td>
</tr>
<tr>
<td>Acquisition of property, plant and equipment</td>
<td>(7,169,728)</td>
<td>(7,727,184)</td>
</tr>
<tr>
<td>Proceeds from disposal of property, plant and equipment</td>
<td>326,557</td>
<td>185,814</td>
</tr>
<tr>
<td>Acquisition of intangible assets</td>
<td>(373,363)</td>
<td>(659,132)</td>
</tr>
<tr>
<td>Decrease (increase) in restricted assets</td>
<td>697,049</td>
<td>(795,029)</td>
</tr>
<tr>
<td>Others</td>
<td>194,245</td>
<td>(154,230)</td>
</tr>
<tr>
<td><strong>Net cash flows used in investing activities</strong></td>
<td><strong>(9,520,460)</strong></td>
<td><strong>(9,914,934)</strong></td>
</tr>
<tr>
<td>Cash flows from (used in) financing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease in short-term borrowings</td>
<td>(15,858,155)</td>
<td>(43,590,249)</td>
</tr>
<tr>
<td>Repayments of bonds payable</td>
<td>-</td>
<td>(7,400)</td>
</tr>
<tr>
<td>Proceeds from long-term borrowings</td>
<td>47,192,669</td>
<td>70,106,377</td>
</tr>
<tr>
<td>Repayments of long-term borrowings</td>
<td>(51,659,174)</td>
<td>(72,931,768)</td>
</tr>
<tr>
<td>Payment of lease liabilities</td>
<td>(2,114,467)</td>
<td>(2,422,290)</td>
</tr>
<tr>
<td>Cash dividends paid</td>
<td>(5,228,555)</td>
<td>(8,714,259)</td>
</tr>
<tr>
<td>Change in non-controlling interests</td>
<td>553,966</td>
<td>(1,062,788)</td>
</tr>
<tr>
<td>Others</td>
<td>(35,568)</td>
<td>207,983</td>
</tr>
<tr>
<td><strong>Net cash flows used in financing activities</strong></td>
<td><strong>(22,149,284)</strong></td>
<td><strong>(49,412,394)</strong></td>
</tr>
<tr>
<td>Effect of exchange rate changes on cash and cash equivalents</td>
<td>(191,282)</td>
<td>5,191,917</td>
</tr>
<tr>
<td>Net (decrease) increase in cash and cash equivalents</td>
<td>(7,185,822)</td>
<td>4,503,199</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of period</td>
<td>79,665,302</td>
<td>75,162,103</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of period</td>
<td>$ 72,479,480</td>
<td>$ 79,665,302</td>
</tr>
</tbody>
</table>

See accompanying notes to consolidated financial statements.
COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(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 February 29, 2024.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards (“IFRSs”) 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, 2023:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

In addition, the Group has adopted Amendments to IAS 12 “International Tax Reform – Pillar Two Model Rules” on May 23, 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which applies retrospectively, and require new disclosures about the Pillar Two exposure for annual reporting periods beginning on or after January 1, 2023. However, because on December 31, 2023, no new legislation to implement the top-up tax was enacted or substantively enacted in any jurisdiction in which the Group operates and no related deferred taxes were recognised at that date, the retrospective application has no impact on the Group’s condensed financial statements. The Group is closely monitoring developments related to the implementation of the international tax reforms introducing a global minimum top-up tax.

(Continued)
b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- 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”

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies:

The material accounting policies presented in the consolidated financial statements are summarized as follows. The following accounting policies were applied consistently throughout the periods presented in the financial statements.

(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”), the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to as the IFRS endorsed by the FSC).
(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts in the statement of financial position, the consolidated financial statements have been prepared on the historical cost basis:

1) Financial instruments (including derivative financial instruments) at fair value through profit or loss are measured at fair value;

2) Financial assets measured at fair value through other comprehensive income are measured at fair value;

3) Hedging financial instruments are measured at fair value;

4) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note (4)(r).

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entities operate. The consolidated financial statements are presented in New Taiwan Dollar, which is the Company's functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and its subsidiaries. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its control over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Accounting policies of subsidiaries have been adjusted to ensure consistency with the policies adopted by the Group.

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(Continued)
When the Group loses control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Group recognizes as gain or loss in profit or loss the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the assets (including any goodwill), liabilities of the subsidiary as well as any related non-controlling interests at their carrying amounts at the date when control is lost, as gain or loss in profit or loss. When the Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

(ii) List of subsidiaries in the consolidated financial statements

<table>
<thead>
<tr>
<th>Name of investor</th>
<th>Name of Subsidiary</th>
<th>Nature of Operation</th>
<th>Percentage of ownership</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Company Panpal Technology Corp. (“Panpal”)</td>
<td>Investment</td>
<td>100%</td>
<td>100%</td>
<td>Panpal held 31,648 thousand shares of the Company as of December 31, 2023, which represented 0.7% of the Company’s outstanding shares.</td>
</tr>
<tr>
<td>&quot;</td>
<td>Gempal Technology Corp. (“Gempal”)</td>
<td>&quot;</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>&quot;</td>
<td>Hong Ji Capital Co., Ltd. (“Hong Ji”)</td>
<td>&quot;</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>&quot;</td>
<td>Hong Jin Investment Co., Ltd. (“Hong Jin”)</td>
<td>&quot;</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>The Company, Panpal, et al. Arcadyan Technology Corp. (“Arcadyan”)</td>
<td>R&amp;D, manufacturing and sales of wireless network, integrated household electronics, and mobile office products</td>
<td>33%</td>
<td>33%</td>
<td>The Group had the ability to control Arcadyan. (Note 1)</td>
</tr>
<tr>
<td>The Company and Panpal Compal Mexico Electromex S.A de C.V. (“CMX”)</td>
<td>Production of automotive electronic products</td>
<td>100%</td>
<td>-</td>
<td>CMX was established in April 2023.</td>
</tr>
<tr>
<td>The Company Rayonnant Technology Co., Ltd. (“Rayonnant Technology”)</td>
<td>Manufacturing and sales of PCs, computer periphery devices, and electronic components</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>HengHao Technology Co., Ltd. (“HengHao”)</td>
<td>Manufacturing of PCs, computer periphery devices, and electronic components</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>&quot;</td>
<td>Ripal Optoelectronics Co., Ltd. (“Ripal”)</td>
<td>Manufacturing of electric appliance and audiovisual electric products</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>&quot;</td>
<td>Mactech Co., Ltd (“Mactech”)</td>
<td>Manufacturing of equipment and lighting, retailing of equipment and international trading</td>
<td>53%</td>
<td>53%</td>
</tr>
<tr>
<td>&quot;</td>
<td>General Life Biotechnology Co., Ltd. (“GLB”)</td>
<td>Manufacturing and sales of medical equipment</td>
<td>50%</td>
<td>50%</td>
</tr>
</tbody>
</table>

(Continued)
### Notes to Consolidated Financial Statements

<table>
<thead>
<tr>
<th>Name of investor</th>
<th>Name of Subsidiary</th>
<th>Nature of Operation</th>
<th>Percentage of ownership</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Company</td>
<td>Unicore BioMedical Co., Ltd. (&quot;Unicore&quot;)</td>
<td>Management consulting services, rental and leasing business, wholesale and retail sale of medical equipment</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Hippo Screen Neurotech Co., Ltd. (&quot;Hippo Screen&quot;)</td>
<td>Management consulting services, rental and leasing business, wholesale and retail sale of precision instruments and international trading</td>
<td>91% 91%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Shennona Taiwan Co., Ltd. (&quot;Shennona TW&quot;)</td>
<td>Management consulting services, rental and leasing business, wholesale and retail sale of precision instruments and international trading</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Aco Smartcare Co., Ltd. (&quot;Aco Smartcare&quot;)</td>
<td>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</td>
<td>71% 52%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Kinpo&amp;Compal Group Assets Development Corporation (&quot;Kinpo&amp; Compal Group&quot;)</td>
<td>Real estate development, leasing and related management business</td>
<td>70% 70%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Compal Ruifang Health Assets Development Corporation (&quot;Compal Ruifang&quot;)</td>
<td>Investing and developing businesses, such as public construction and specific zones</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Compal Healthcare &amp; Technology Ltd. (&quot;Compal Healthcare&quot;)</td>
<td>Information software service, data processing services, and electronic information supply service</td>
<td>100%</td>
<td>- Compal Healthcare was established in December 2023.</td>
</tr>
<tr>
<td>&quot;</td>
<td>Shennona Corporation (&quot;Shennona&quot;)</td>
<td>Medical care IOT business</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Auscom Engineering Inc. (&quot;Auscom&quot;)</td>
<td>R&amp;D of notebook PC related products and components</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Just International Ltd. (&quot;Just&quot;)</td>
<td>Investment</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Compal International Holding Co., Ltd. (&quot;CIH&quot;)</td>
<td>Investment</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Compal Electronics (Holding) Ltd. (&quot;CEH&quot;)</td>
<td>Investment</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Bizcom Electronics, Inc. (&quot;Bizcom&quot;)</td>
<td>Warranty services and marketing of monitors and notebook PCs</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Flight Global Holding Inc. (&quot;FGH&quot;)</td>
<td>Investment</td>
<td>100% 100%</td>
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</tr>
<tr>
<td>The Company and BSH</td>
<td>High Shine Industrial Corp. (&quot;HSI&quot;)</td>
<td>Investment</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>The Company</td>
<td>Compal Europe (Poland) Sp. z o.o. (&quot;CEP&quot;)</td>
<td>Maintenance and warranty services of notebook PCs</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Big Chance International Co., Ltd. (&quot;BCI&quot;)</td>
<td>Investment</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Compal Rayonnant Holdings Limited (&quot;CRH&quot;)</td>
<td>Investment</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Core Profit Holdings Limited (&quot;CORE&quot;)</td>
<td>Investment</td>
<td>100% 100%</td>
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(Continued)
<table>
<thead>
<tr>
<th>Name of investor</th>
<th>Name of Subsidiary</th>
<th>Nature of Operation</th>
<th>Percentage of ownership</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>The Company</td>
<td>Compalead Electronics B.V. (&quot;CPE&quot;)</td>
<td></td>
<td>100% 100%</td>
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<tr>
<td></td>
<td>&quot;CGS Technology (Poland)</td>
<td>Maintenance and warranty services of PC</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sp. z o.o. (&quot;CGSP&quot;)</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Panpal and Gempal</td>
<td>Compalead Eletronica do Brasil Industria e Comercio Ltda. (&quot;CEB&quot;)</td>
<td>Manufacturing of notebook PCs</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>&quot;CEIN&quot;</td>
<td>Manufacturing and warranty service of mobile phones</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>Panpal and CEB</td>
<td>Compal Electronica DA Amazonia Ltda. (&quot;CEA&quot;)</td>
<td>Manufacturing of notebook PCs</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>Just</td>
<td>Compal Display Holding (HK) Limited (&quot;CDH (HK)&quot;)</td>
<td>Investment</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>&quot;CII&quot;</td>
<td></td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>&quot;CPI&quot;</td>
<td></td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>CDH (HK)</td>
<td>Compal Electronics (China) Co., Ltd. (&quot;CPC&quot;)</td>
<td>Manufacturing and sales of monitors</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>&quot;CPO&quot;</td>
<td>Manufacturing and sales of LCD TVs</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>&quot;CST&quot;</td>
<td>International trade and distribution of computers and electronic components</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>CPC</td>
<td>Compal Smart Device (Chongqing) Co., Ltd. (&quot;CSD&quot;)</td>
<td>Research, manufacturing and sales of communication devices, mobile phones, electronic computer, smart watch, and providing related technical service</td>
<td>100% 100%</td>
<td></td>
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<tr>
<td>CSD</td>
<td>FIPOLL Electronics (Chongqing) Co., Ltd. (&quot;FIP&quot;)</td>
<td>Manufacturing of automotive parts and accessories</td>
<td>60% -</td>
<td>FIP was established in December 2023.</td>
</tr>
<tr>
<td>CII</td>
<td>Smart International Trading Ltd. (&quot;Smart&quot;)</td>
<td>Investment</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>&quot;AEI&quot;</td>
<td>Sales and maintenance of LCD TVs</td>
<td>- 100%</td>
<td>The liquidation of the company had been completed on February 15, 2023.</td>
</tr>
<tr>
<td></td>
<td>&quot;MEL&quot;</td>
<td>Investment</td>
<td>100% 100%</td>
<td></td>
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<tr>
<td></td>
<td>&quot;MTL&quot;</td>
<td></td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>&quot;CUS&quot;</td>
<td>Sales of automotive electronic products</td>
<td>100% -</td>
<td>CUS was established in April 2023.</td>
</tr>
<tr>
<td></td>
<td>&quot;CNA&quot;</td>
<td></td>
<td>100% -</td>
<td>CNA was established in April 2023.</td>
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(Continued)
<table>
<thead>
<tr>
<th>Name of investor</th>
<th>Name of Subsidiary</th>
<th>Nature of Operation</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
<th>Description</th>
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<tbody>
<tr>
<td>CIH</td>
<td>CIH Compal Internat.</td>
<td>Investment</td>
<td>100%</td>
<td>100%</td>
<td></td>
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<tr>
<td></td>
<td>Holding (HK) Ltd.</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>(&quot;CIH (HK)&quot;&quot;)</td>
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<tr>
<td>#</td>
<td>Jenpal Int. Ltd.</td>
<td>Investment</td>
<td>100%</td>
<td>100%</td>
<td></td>
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<tr>
<td></td>
<td>(&quot;Jenpal&quot;)</td>
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<tr>
<td>#</td>
<td>Prospect Fort. Grp.</td>
<td></td>
<td>100%</td>
<td>100%</td>
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<tr>
<td></td>
<td>Ltd. (&quot;PFG&quot;)</td>
<td></td>
<td></td>
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<tr>
<td>#</td>
<td>Fortune Way Tech.</td>
<td></td>
<td>100%</td>
<td>100%</td>
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<tr>
<td></td>
<td>Corp. (&quot;FWT&quot;)</td>
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<tr>
<td>CIH (HK)</td>
<td>Compal Elecs. Tech.</td>
<td>Manufacturing of notebook PCs</td>
<td>100%</td>
<td>100%</td>
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<tr>
<td></td>
<td>(Kunshan) Co., Ltd.</td>
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<tr>
<td></td>
<td>(&quot;CET&quot;)</td>
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<tr>
<td>#</td>
<td>Compal Inform.</td>
<td></td>
<td>100%</td>
<td>100%</td>
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<td>(Kunshan) Co., Ltd.</td>
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<tr>
<td></td>
<td>(&quot;CIC&quot;)</td>
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<tr>
<td>#</td>
<td>Compal Inform.</td>
<td></td>
<td>100%</td>
<td>100%</td>
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<tr>
<td></td>
<td>Technology (Kunshan)</td>
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<td></td>
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<tr>
<td></td>
<td>Co., Ltd. (&quot;CIT&quot;)</td>
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<tr>
<td>#</td>
<td>Kunsh Botai Elecs.</td>
<td></td>
<td>100%</td>
<td>100%</td>
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<tr>
<td></td>
<td>Co., Ltd. (&quot;BT&quot;)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>#</td>
<td>Compal Digital</td>
<td>Manufacturing and sales of notebook PCs, mobile phones, and digital products</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tech. (Kunshan) Co.,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ltd. (&quot;CDT&quot;)</td>
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</tr>
<tr>
<td>BT</td>
<td>Compmwr Global Serv.</td>
<td>Maintenance and warranty service of</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Co., Ltd. (&quot;CGS&quot;)</td>
<td>notebook PCs</td>
<td></td>
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</tr>
<tr>
<td>CDH (HK) and CIJ</td>
<td>Compal Invest.</td>
<td>Investment</td>
<td>100%</td>
<td>100%</td>
<td></td>
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<tr>
<td></td>
<td>(Jiangsu) Co., Ltd.</td>
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<tr>
<td></td>
<td>(&quot;CII&quot;)</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CIJ</td>
<td>Compal Display</td>
<td>Manufacturing and sales of LCD TVs</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Electronics (Kunshan)</td>
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<tr>
<td></td>
<td>Co., Ltd. (&quot;CDE&quot;)</td>
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<td></td>
</tr>
<tr>
<td>The Company and</td>
<td>Etrade Mgmt. Co.,</td>
<td>Investment</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Webtek</td>
<td>Ltd. (&quot;Etrade&quot;)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Company</td>
<td>Webtek Tech. Co.,</td>
<td></td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ltd. (&quot;Webtek&quot;)</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>#</td>
<td>Forever Young Tech.</td>
<td></td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Inc. (&quot;Forever&quot;)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#</td>
<td>UniCom Global, Inc.</td>
<td>Manufacturing and sales of computers and electronic components</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(&quot;UCGI&quot;)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#</td>
<td>Palcom Int. Corp.</td>
<td>Sales of mobile phones</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(&quot;Palcom&quot;)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#</td>
<td>Pointus Systems</td>
<td>Sales of PCs and computer periphery devices</td>
<td>56%</td>
<td>56%</td>
<td>The Group acquired 56% of its shares in March 2022.</td>
</tr>
<tr>
<td></td>
<td>Corp., Ltd. (&quot;Pointus Systems&quot;)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Notes to Consolidated Financial Statements

<table>
<thead>
<tr>
<th>Name of investor</th>
<th>Name of Subsidiary</th>
<th>Nature of Operation</th>
<th>Percentage of ownership</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poindus Systems</td>
<td>Poindus Investment Co., Ltd. (&quot;Poindus Investment&quot;)</td>
<td>Investment holding</td>
<td>December 31, 2023: 100%</td>
<td>The Group indirectly acquired 100% of its shares after acquiring 56% of Poindus Systems’ shares in March 2022. The Company had resolved its dissolution and liquidation on December 22, 2022.</td>
</tr>
<tr>
<td>QiJie Electronics (ShenZhen) Co., Ltd. (&quot;QiJie&quot;)</td>
<td>Sales of PCs and computer periphery devices</td>
<td>December 31, 2022: 100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poindus Systems UK Limited (&quot;Poindus UK&quot;)</td>
<td>Sales of PCs and computer periphery devices</td>
<td>December 31, 2023: 100%</td>
<td>The Group indirectly acquired 100% of its shares after acquiring 56% of Poindus Systems’ shares in March 2022.</td>
<td></td>
</tr>
<tr>
<td>Adasys GmbH Elektronische Komponenten (&quot;Adasys&quot;)</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Poindus Investment</td>
<td>Poindus Systems GmbH GroBhandel mit EDV. Oberursel (&quot;Poindus GmbH&quot;)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GLB and Panpal</td>
<td>PT GLB Biotechnology Indonesia</td>
<td>Wholesale of medical devices</td>
<td>December 31, 2023: 100%</td>
<td>PT GLB Biotechnology Indonesia was established in December 2023.</td>
</tr>
<tr>
<td>CDH (HK) and Etrade</td>
<td>Compal Communication (Nanjing) Co., Ltd. (&quot;CCI Nanjing&quot;)</td>
<td>Manufacturing and processing of mobile phones and tablet PCs</td>
<td>December 31, 2023: 100%</td>
<td></td>
</tr>
<tr>
<td>Etrade</td>
<td>Compal Digital Communication (Nanjing) Co., Ltd. (&quot;CDCN&quot;)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forever</td>
<td>Hanhelt Communication (Nanjing) Co., Ltd. (&quot;Hanhelt&quot;)</td>
<td>R&amp;D and manufacturing of electronic communication equipment</td>
<td>December 31, 2023: 100%</td>
<td></td>
</tr>
<tr>
<td>Giant Rank Trading Ltd. (&quot;GIA&quot;)</td>
<td>Sales of mobile phones</td>
<td>December 31, 2023: 100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compal Wise Electronic (Vietnam) Co., Ltd. (&quot;CWV&quot;)</td>
<td>Manufacturing and sales of mobile phones, tablet PCs, smart watches, communication devices, other electronic devices and providing related technical service.</td>
<td>December 31, 2023: 100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Continued)
## Notes to Consolidated Financial Statements

### Percentage of ownership

<table>
<thead>
<tr>
<th>Name of investor</th>
<th>Name of Subsidiary</th>
<th>Nature of Operation</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arcadyan</td>
<td>Arcadyan Technology N.A. Corp. (“Arcadyan USA”)</td>
<td>Technical support and sales of wireless network products</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Arcadyan Germany Technology GmbH (“Arcadyan Germany”)</td>
<td>Technical support and sales of wireless network products</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Arcadyan Technology Corporation Korea (“Arcadyan Korea”)</td>
<td>Sales of wireless network products</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Arcadyan Holding (BVI) Corp. (“Arcadyan Holding”)</td>
<td>Investment</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Arcadyan Technology Limited (“Arcadyan UK”)</td>
<td>Technical support of wireless network products</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Arcadyan Technology Australia Pty Ltd. (“Arcadyan AU”)</td>
<td>Sales of wireless network products</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Arcadyan Technology Corporation (Russia), LLC. (“Arcadyan RU”)</td>
<td>Sales of wireless network products</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Zhi-Bao Technology Inc. (“Zhi-Bao”)</td>
<td>Investment</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>Tatung Technology Inc. (“TTI”)</td>
<td>R&amp;D and sales of household digital electronic products</td>
<td>61%</td>
<td>61%</td>
<td></td>
</tr>
<tr>
<td>&quot;</td>
<td>AcBel Telecom Inc. (“AcBel Telecom”)</td>
<td>Investment</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

Arcadyan and Zhi-Bao

| Arcadyan do Brasil Ltda. (“Arcadyan Brasil”) | Sales of wireless network products | 100% | 100% |
| " Arcadyan India Private Limited (“Arcadyan India”) | Sales of wireless network products | 100% | 100% |

The Company, Arcadyan and its subsidiaries

| CBN Compal Broadband Network Inc. (“CBN”) | R&D and sales of cable modem, digital set-up box, and other communication products | 63% | 63% |
| " Compal Broadband Networks Belgium BVBA (“CBNB”) | Import and export business, technical support and consulting service of broadband networks | 100% | 100% |
| " Compal Broadband Networks Netherlands B.V. (“CBNN”) | 100% | 100% |

The Company and CBN

| Startems Semiconductor Corp. (“Startems”) | R&D of MEMS technology of manufacturing process of semiconductor and manufacturing of electronic components | 45% | 45% |

Arcadyan and Sinoprise

| Sinoprise Global Inc. (“Sinoprise”) | Investment | 100% | 100% |
| " Arcadyan Technology (Shanghai) Corp. (“SVA Arcadyan”) | R&D and sales of wireless network products | 100% | 100% |
| " Arch Holding (BVI) Corp. (“Arch Holding”) | Investment | 100% | 100% |

The liquidation of the company had been completed on August 19, 2022.

(Continued)
## Notes to Consolidated Financial Statements

<table>
<thead>
<tr>
<th>Name of investor</th>
<th>Name of Subsidiary</th>
<th>Nature of Operation</th>
<th>Percentage of ownership</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arch Holding</td>
<td>Compal Networking (Kunshan) Co., Ltd. (&quot;CNC&quot;)</td>
<td>Manufacturing of wireless network products</td>
<td>100% 100%</td>
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</tr>
<tr>
<td>Sinoprime</td>
<td>Arcadyan Technology (Vietnam) Co., Ltd. (&quot;Arcadyan Vietnam&quot;)</td>
<td>Manufacturing of wireless network products</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>TTI</td>
<td>Quest International Group Co., Ltd. (&quot;Quest&quot;)</td>
<td>Investment</td>
<td>100% 100%</td>
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<tr>
<td>TTI</td>
<td>Tatung Technology of Japan Co., Ltd. (&quot;TTJC&quot;)</td>
<td>Sales of household digital electronic products</td>
<td>100% 100%</td>
<td></td>
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<tr>
<td>Quest</td>
<td>Exquisite Electronic Co., Ltd. (&quot;Exquisite&quot;)</td>
<td>Investment</td>
<td>100% 100%</td>
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<tr>
<td>Exquisite</td>
<td>Tatung Home Appliances (Wujiang) Co., Ltd. (&quot;THAC&quot;)</td>
<td>Manufacturing of household digital electronic products</td>
<td>100% 100%</td>
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<tr>
<td>HSI</td>
<td>Intelligent Universal Enterprise Ltd. (&quot;IUE&quot;)</td>
<td>Investment</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>IUE</td>
<td>Goal Reach Enterprises Ltd. (&quot;Goal&quot;)</td>
<td></td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>IUE</td>
<td>Compal (Vietnam) Co., Ltd. (&quot;CVC&quot;)</td>
<td>R&amp;D, manufacturing, sales, and maintenance of notebook PCs, computer monitors, LCD TVs and electronic components</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>Goal</td>
<td>Compal Development &amp; Management (Vietnam) Co., Ltd. (&quot;CDM&quot;)</td>
<td>Construction of and investment in infrastructure in Ba-Thien industrial district of Vietnam</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>Rayonnant Technology and CRH</td>
<td>Allied Power Holding Corp. (&quot;APH&quot;)</td>
<td>Investment</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>APH</td>
<td>Primetek Enterprises Limited (&quot;PEL&quot;)</td>
<td></td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>Rayonnant Technology (HK)</td>
<td>Rayonnant Technology (HK) Co., Ltd. (&quot;Rayonnant Technology (Hong Kong)&quot;&quot;)</td>
<td>Manufacturing and sales of aluminum alloy and magnesium alloy products</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>Rayonnant Technology (HK)</td>
<td>Rayonnant Technology (Taicang) Co., Ltd. (&quot;Rayonnant Technology (Taicang)&quot;&quot;)</td>
<td></td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>HengHao</td>
<td>HengHao Holdings A Co., Ltd. (&quot;HHA&quot;)</td>
<td>Investment</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>HHA and BSH</td>
<td>HengHao Holdings B Co., Ltd. (&quot;HHB&quot;)</td>
<td></td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>HBB</td>
<td>HengHao Optoelectronics Technology (Kunshan) Co., Ltd. (&quot;HengHao Kunshan&quot;)</td>
<td>Production of touch panels and related components</td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>Lucom</td>
<td>Lucom Display Technology Manufacturing of touch panels and LCD TVs (Kunshan) Limited (&quot;Lucom&quot;)</td>
<td></td>
<td>100% 100%</td>
<td></td>
</tr>
<tr>
<td>Lucom</td>
<td>HengHao Optoelectronics Technology (Zhejiang) Co., Ltd. (&quot;HengHao Zhejiang&quot;)</td>
<td>Production of touch panels and related components</td>
<td>100% - HengHao Zhejiang was established in March 2023.</td>
<td></td>
</tr>
</tbody>
</table>

(Continued)
### Notes to Consolidated Financial Statements

<table>
<thead>
<tr>
<th>Name of investor</th>
<th>Name of Subsidiary</th>
<th>Nature of Operation</th>
<th>Percentage of ownership</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BCI</strong></td>
<td>Center Mind International Co., Ltd. (&quot;CMI&quot;)</td>
<td>Investment</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>&quot;&quot;</td>
<td>Prisco International Co., Ltd. (&quot;PRI&quot;)</td>
<td>&quot;&quot;</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>CMI</strong></td>
<td>Compal Investment (Sichuan) Co., Ltd. (&quot;CIS&quot;)</td>
<td>Outward investment and consulting services</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>PRI</strong></td>
<td>Compal Electronics (Chongqing) Co., Ltd. (&quot;CEQ&quot;)</td>
<td>R&amp;D, manufacturing and sales of notebook PCs, related components, related maintenance and warranty services</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>CIS</strong></td>
<td>Compal Electronics (Chengdu) Co., Ltd. (&quot;CEC&quot;)</td>
<td>R&amp;D and manufacturing of notebook PCs, tablet PCs, digital products, network switches, wireless AP, and automobile electronic products</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>&quot;&quot;</td>
<td>Compal Management (Chengdu) Co., Ltd. (&quot;CMC&quot;)</td>
<td>Corporate management consulting, training and education, business information consulting, financial and tax consulting, investment consulting, and investment management services</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>CORE</strong></td>
<td>Billion Sea Holdings Limited (&quot;BSH&quot;)</td>
<td>Investment</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>BSH</td>
<td>Mithera Capital Io LP (&quot;Mithera&quot;)</td>
<td>&quot;&quot;</td>
<td>99%</td>
<td>99%</td>
</tr>
<tr>
<td>&quot;&quot;</td>
<td>Compal USA (Indiana), Inc. (&quot;CIN&quot;)</td>
<td>Foundry of automotive electronic products</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>&quot;&quot;</td>
<td>Compal Electronics (Vietnam) Co., Ltd. (&quot;CEV&quot;)</td>
<td>R&amp;D, manufacturing, sales and maintenance of notebook PCs, computer monitors, LCD TVs, mobile phones, tablet PCs, smart watches, communication devices and other electronic devices</td>
<td>100%</td>
<td>- CEV was established in May 2023.</td>
</tr>
<tr>
<td>Unicore</td>
<td>Raycore Biotech Co., Ltd. (&quot;Raycore&quot;)</td>
<td>Animal medication retail and wholesale</td>
<td>-</td>
<td>- Raycore was merged with Unicore in February 2022. Unicore was the surviving company and Raycore was the dissolved company.</td>
</tr>
</tbody>
</table>

**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 indication that there is an agreement among the other shareholders to make collective decisions, so the Group treats the company as a subsidiary.

(d) **Foreign currency**

(i) **Foreign currency transaction**

Transactions in foreign currencies are translated into the respective functional currencies of the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the year adjusted for the effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the reporting date.

(Continued)
Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currencies at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of translation.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) a financial asset designated as at fair value through other comprehensive income;
2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
3) qualifying cash flow hedges to the extent the hedges are effective

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the Group entities’ functional currency at exchange rates of the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to the Group entities’ functional currency at average rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reallocated to non-controlling interest. When the Group disposes of only part of investment in an associate or joint venture that includes a foreign operation while retaining significant or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

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

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

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
(ii) It holds the asset primarily for the purpose of trading;
(iii) It is expected to be realized within twelve months after the reporting period; or
(iv) The asset is cash and cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

(Continued)
A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

(i) It is expected to be settled in the normal operating cycle;
(ii) It is held primarily for the purpose of trading;
(iii) It is due to be settled within twelve months after the reporting period; or
(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not impact its classification.

(f) Cash and cash equivalents

Cash comprise cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

(i) Financial assets

Financial assets are classified into the following categories: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

The Group shall reclassify all affected financial assets only when it changes its business model for managing its financial assets.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
A financial asset measured at amortized cost is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss. A regular way purchase or sale of financial assets is recognized and derecognized, as applicable, using trade date accounting.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Some accounts receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Group, therefore, those receivables are measured at FVOCI and presented as accounts receivable.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

A financial asset measured at FVOCI is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment losses, deriving from debt investments are recognized in profit or loss; whereas dividends deriving from equity investments are recognized as income in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses of financial assets measured at FVOCI are recognized in OCI. On derecognition, gains and losses accumulated in OCI of debt investments are reclassified to profit or loss. However, gains and losses accumulated in OCI of equity investments are reclassified to retain earnings instead of profit or loss. A regular way purchase or sale of financial assets is recognized and derecognized, as applicable, using trade date accounting.

Dividend income derived from equity investments is recognized on the date that the Group’s right to receive payment is established, which in the case of quoted securities is normally on the date the shareholders’ meeting approved the earning distribution.

(Continued)
3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets in this category are measured at fair value at initial recognition. Attributable transaction costs are recognized in profit or loss as incurred. Subsequent changes that are measured at fair value, which take into account any dividend and interest income, are recognized in profit or loss. A regular way purchase or sale of financial assets is recognized and derecognized, as applicable, using trade date accounting.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized costs, notes and accounts receivable, other receivable, guarantee deposit and other financial assets), debt investments measured at FVOCI, and accounts receivable measured at FVOCI.

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

(Continued)
When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group’s historical experience and informed credit assessment as well as forward-looking information.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade which is considered to be BBB- or higher per Standard & Poor’s, Baa3 or higher per Moody’s or twA or higher per Taiwan Ratings’.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 90 days past due or the borrower is unlikely to pay its credit obligations to the Group in full.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. An evidence that a financial assets is credit-impaired includes the following observable data:

• significant financial difficulty of the borrower or issuer;

• a breach of contract such as a default or being more than 90 days past due;

• the lender of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

• it is probable that the borrower will enter bankruptcy or other financial reorganization; or

• the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in other comprehensive income instead of reducing the carrying amount of the asset. The Group recognizes the amount of expected credit losses (or reversal) in profit or loss, as an impairment gain or loss.
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

5) Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the assets expire, or when the Group transfers substantially all the risks and rewards of ownership of the financial assets.

On derecognition of a debt instrument in its entirety, the Group recognizes the difference between its carrying amount and the sum of the consideration received or receivable and any cumulative gain or loss that had been recognized in other comprehensive income and presented in “other equity – unrealized gains or losses on fair value through other comprehensive income”, in profit or loss, and presented it in the line item of non-operating income.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss, and presented in the line item of non-operating income and expenses. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt or equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual agreement.

Equity instruments refer to surplus equities of the assets after the deduction of all the debts for any contracts. Equity instruments issued are recognized as the amount of consideration received, less, the direct cost of issuing.

Interest and loss or gain related to financial liabilities are recognized as profit or loss and are reported under non-operating income and expenses. Financial liabilities are reclassified as equity when converted, and conversions do not generate profit or loss.
2) Financial liabilities at fair value through profit or loss

A financial liability is classified in this category if acquired principally for the purpose of selling in the short term. This type of financial liability is measured at fair value at the time of initial recognition, and attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value, and changes therein, which take into account any interest expense, are recognized in profit or loss, and are included in non-operating income or expenses.

3) Other financial liabilities

Financial liabilities not classified as held-for-trading or designated as at fair value through profit or loss, which comprise loans and borrowings, and trade and other payable, are measured at fair value, plus, any directly attributable transaction cost at the time of initial recognition. Subsequent to initial recognition, they are measured at amortized cost calculated using the effective interest method other than significant interest on short-term loans and payables. Interest expense not capitalized as capital cost is recognized in profit or loss, and is included in non-operating income or expenses.

4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligation has been discharged, cancelled or expired. The difference between the carrying amount of a financial liability removed and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss, and is included in non-operating income or expenses.

5) Offsetting of financial assets and liabilities

The Group presents financial assets and liabilities on a net basis when the Group has the legally enforceable right to offset and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

(iii) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Derivatives are initially measured at fair value. Any attributable transaction costs thereof are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss and are included in the line item of non-operating income. When a derivative is designated as, and effective for, a hedging instrument, its timing of recognition in profit or loss is determined based on the nature of the hedging relationship. When the fair value of a derivative instrument is positive, it is classified as a financial asset, whereas when the fair value is negative, it is classified as a financial liability.

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the non-financial asset’s host contract are not closely related to the embedded derivatives and the host contract is not measured at FVTPL.

(Continued)
The Group designates its hedging instruments, including derivatives, embedded derivatives, and nonderivative instruments for a hedge of a foreign currency risk, as a fair value hedge, cash flow hedge, or hedge of a net investment in a foreign operation. Foreign exchange risks of firm commitments are treated as fair value hedges.

At initial designated hedging relationships, the Group documents the risk management objectives and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged items and hedging instrument are expected to offset each other.

The Group shall discontinue hedge accounting prospectively only when the hedging relationship (or a part of a hedging relationship) ceases to meet the qualifying criteria (after taking into account any rebalancing of the hedging relationship, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in “other equity — gains (losses) on hedging instruments”. The effective portion of changes in the fair value of the derivative that is recognized in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss, and is presented in the line item of non-operating income and expenses in the statement of comprehensive income.

The Group designates only the change in fair value of the spot element of the forward exchange contract as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of the forward exchange contracts is separately accounted for as a cost of hedging and accumulated in a separate component within equity.

When the hedged item is recognized in profit or loss, the amount accumulated in equity and retained in other comprehensive income is reclassified to profit or loss in the same period or in the periods during which the hedged item affects the profit or loss, and is presented in the same accounting item with the hedged item recognized in the consolidated statement of comprehensive income. However, for a cash flow hedge of a forecast transaction recognized as a nonfinancial asset or liability, the amount accumulated in “other equity — gains (losses) on hedging instruments in cash flow hedging securities” and retained in other comprehensive income is reclassified as the initial cost of the nonfinancial asset or liability. In addition, if that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in future periods, it shall immediately reclassify the amount in profit or loss.
When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the cash flow hedge reserve (and costs of hedging) remains in equity until the hedged future cash flows are no longer expected to occur. Otherwise, that amount would be adjusted within the carrying amount of the non-financial item. For other cash flow hedges, the amount is reclassified to profit or loss in the same period or in the periods as the hedged expected future cash flows affect the profit or loss. However, if the hedged future cash flows are no longer expected to occur, the amount shall immediately be reclassified from cash flow reserve (and the cost of hedging reserve) to profit or loss.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted-average-cost principle and includes expenditure incurred in acquiring the inventories, production or transition costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less, the estimated costs of completion and selling expenses.

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or join control, over the financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less, any accumulated impairment losses.

The consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income of equity-accounted investees after adjustments to align the accounting policies with those of the Group from the date that significant influence commences until the date that significant influence ceases. When changes in an associate’s equity are not recognized in profit or loss or other comprehensive income of the associate and such changes do not affect the Group’s ownership percentage of the associate, the Group recognizes the changes in ownership interests of its associate in capital surplus in proportion to its ownership.

Unrealized profits resulting from the transactions between the Group and an associate are eliminated to the extent of the Group’s interest in the associate. Unrealized losses on transactions with associates are eliminated in the same way, except to the extent that the underlying asset is impaired.

When the Group’s share of losses exceeds its interest in associates, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(Continued)
The Group shall discontinue the use of the equity method from the date when its investment ceases to be an associate or a joint venture. The Group shall measure the retained interest at fair value. The difference between the fair value of retained interest and proceeds from disposal, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Group shall account for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the entity shall reclassify the gain or loss from equity to profit or loss when the equity method is discontinued. If an entity’s ownership interest in an associate or a joint venture is reduced while the entity continues to apply the equity method, the entity shall reclassify the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group shall continue to apply the equity method without remeasuring the retained interest.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group’s proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus, however, when the balance of the capital surplus arising from the investment was insufficient, the difference charged or credited to retained earnings. If the Group’s ownership interest is reduced due to the additional subscription to the shares of associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate shall be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(j) Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (ie joint ventures) have rights to the net assets of the arrangement. A joint venture shall recognize its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 “Investments in Associates and Joint Ventures”, unless, the entity is exempted from applying the equity method as specified in that Standard.

When assessing the classification of a joint arrangement, the Group shall consider the structure and legal form of the arrangement, the terms in the contractual arrangement and other facts and circumstances. The Group had previously reviewed the contractual structure of the joint arrangement, and has now decided to reclassify the investments in “Jointly Controlled Entities” to “Joint Ventures”. Although the investments have been reclassified, they are still recorded under the equity method. Thus, there is no effect in the recognized assets, liabilities and other comprehensive income.
COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributed to the acquisition of the asset. The cost of the software is capitalized as part of the property, plant and equipment if the purchase of the software is necessary for the property, plant and equipment to be capable of operating.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately, unless the useful life and the depreciation method of a significant part of an item of property, plant and equipment are the same as the useful life and depreciation method of another significant part of that same item.

The gain or loss arising from the derecognition of an item of property, plant and equipment shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and it shall be recognized as other gains and losses.

(ii) Subsequent cost

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. The carrying amount of those parts that are replaced is derecognized. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

The depreciable amount of an asset is determined after deducting its residual amount, and it shall be allocated on a systematic basis over its useful life. Items of property, plant and equipment with the same useful life may be grouped in determining the depreciation charge. The remainder of the items may be depreciated separately. The depreciation charge for each period shall be recognized in profit or loss.

Land has an unlimited useful life and therefore is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

1) Buildings: 9~50 years
2) Building improvement: 2~30 years
3) Machinery and equipment: 2~14 years
4) Research equipment: 3~10 years
5) Modeling equipment: 0.5~5 years
6) Other equipment: 0.25~10 years

(Continued)
Depreciation methods, useful lives, and residual values are reviewed at each reporting date. If expectations differ from the previous estimates, the change is accounted for as a change in an accounting estimate.

(i) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

(Continued)
there is a change of its assessment on whether it will exercise a purchase, extension or
termination option; or

there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding
adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the
carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for
lease modifications that decrease the scope of the lease, the Group accounts for the
remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset
to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or
loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease
liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term
leases of machinery and office equipment that have a lease term of 12 months or less and
leases of low-value assets. The Group recognizes the lease payments associated with these
leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a
finance lease or an operating lease. To classify each lease, the Group makes an overall
assessment of whether the lease transfers to the lessee substantially all of the risks and rewards
of ownership incidental to ownership of the underlying asset. If this is the case, then the lease
is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the
Group considers certain indicators such as whether the lease is for the major part of the
economic life of the asset.

(m) Intangible assets

(i) Goodwill

1) Initial recognition

Goodwill arising from acquisition of subsidiaries is included in intangible assets. The
measurement of initial recognition of goodwill, please refer to note (4)(u).

2) Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

Goodwill related to an investment accounted for using equity method is included in the
carrying amount of the investment, and not allocated to any asset, including goodwill,
forms part of the carrying amount of the investment accounted for using the equity
method.
(ii) Research & Development

During the research phase, activities are carried out to obtain and understand new scientific or technical knowledge. Expenditures during this phase are recognized in profit or loss as incurred.

Expenditures arising from the development phase shall be recognized as an intangible asset if all the conditions described below can be demonstrated; otherwise, they will be recognized in profit or loss as incurred.

1) The technical feasibility of completing the intangible asset so that it will be available for use or sale.
2) Its intention to complete the intangible asset and use or sell it.
3) Its ability to use or sell the intangible asset.
4) How the intangible asset will generate probable future economic benefits.
5) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
6) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Capitalized expenditure arising from the development phase is measured at cost less accumulated amortization and accumulated impairment losses.

(iii) Other intangible assets

Other intangible assets that are acquired by the Group are measured at cost, less accumulated amortization and any accumulated impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(v) Amortization

The amortizable amount is the cost of an asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and intangible assets with all indefinite useful life, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:
1) Patents: the shorter of contract period and estimated useful lives

2) Royalty: amortized by contract period

3) Computer software: 1~7 years

4) Copyright: 10 years

The residual value, the amortization period, and the amortization method for an intangible asset with a finite useful life shall be reviewed at least annually at each fiscal year-end. Any change shall be accounted for as changes in accounting estimates.

(n) Impairment of non-derivative financial assets

Non-derivative financial assets except for inventories, deferred tax assets, assets arising from employee benefits and non-current assets classified as held for sale are assessed at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group shall estimate the recoverable amount of the asset. If it is not possible to determine the recoverable amount (fair value less cost to sell and value in use) for the individual asset, then the Group will have to determine the recoverable amount for the asset’s cash-generating unit.

The Group assesses goodwill and intangible assets, which have indefinite useful lives and are not available for use, on an annual basis and recognizes an impairment loss on excess of carrying value over the recoverable amount.

The recoverable amount for an individual asset or a cash-generating unit is the higher of its fair value, less costs to sell and its value in use. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss shall be recognized immediately in profit or loss.

For the purpose of impairment testing, goodwill acquired in a business combination shall, from the acquisition date, be allocated to each of the acquirer’s cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units or group of units. If the carrying amount of the cash-generating units exceeds the recoverable amount of the unit, the entity shall recognize the impairment loss and the impairment loss shall be allocated to reduce the carrying amount of each asset in the unit. Reversal of an impairment loss for goodwill is prohibited.

The Group assesses at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. An impairment loss recognized in prior periods for an asset other than goodwill shall be reversed if, and only if, there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. That increase is a reversal of an impairment loss.

(Continued)
(o) **Provisions**

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probably that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(p) **Treasury stock**

Repurchased shares are recognized under treasury shares (a contra-equity account) based on its repurchase price (including all directly accountable costs), and net of tax. Gains on disposal of treasury shares should be recognized under Capital Reserve – Treasury Shares Transactions; losses on disposal of treasury shares should be offset against existing capital reserves arising from similar types of treasury shares. If there are insufficient capital reserves to be offset against, then such losses should be accounted for under retained earnings. The carrying amount of treasury shares should be calculated using the weighted average different types of repurchase.

During the cancellation of treasury shares, Capital Reserve – Share Premiums and Share Capital should be debited proportionately. Gains on cancellation of treasury shares should be recognized under existing capital reserves arising from similar types of treasury shares; losses on cancellation of treasury shares should be offset against existing capital reserves arising from similar types of treasury shares. If there are insufficient capital reserves to be offset against, then such losses should be accounted for under retained earnings.

(q) **Recognition of Revenue**

(i) **Revenue from contracts with customers**

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group’s main types of revenue are explained below.

1) **Sale of goods**

The Group manufactures and sells electronic products to electronic products brand vendor. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer’s acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(Continued)
The Group assesses sales discounts based on historical experience, management’s judgment and other known reasons. Such allowances are recognized as a deduction of sales revenue in the same period in which sales are made. The aforementioned provisions are expected to settle over the next year. A refund liability is recognized for expected discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales of electronic products are made with a credit term which is consistent with the market practice.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

2) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(r) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group’s net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group’s obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the total of the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realizable during the life of the plan, or on settlement of the plan liabilities.

If the benefits of a plan are improved, the pension cost incurred from the portion of the increased benefit relating to past service by employees, is recognized immediately in profit or loss.

(Continued)
Re-measurement of net defined benefit liability (asset) (including actuarial gains, losses and the return on plan asset and changes in the effect of the asset ceiling, excluding any amounts included in net interest) is recognized in other comprehensive income (loss). The effect of re-measurement of the defined benefit plan is charged to retained earnings.

The Group recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment comprises any resulting change in the fair value of plan assets and change in the present value of defined benefit obligation.

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(s) Share-based payment

The grant-date fair value of share-based payment awards granted to employees is recognized as employee expenses, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of award that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions, and there is no true-up for differences between expected and actual outcomes.

(t) Income taxes

Income tax expenses include both current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Current taxes include tax payables and tax deduction receivables on taxable gains (losses) for the year calculated using the statutory tax rate on the reporting date or the actual legislative tax rate, as well as tax adjustments related to prior years.

(Continued)
Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes shall not be recognized for the following exceptions:

(i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (1) affects neither accounting nor taxable profits (losses) and (2) does not give rise to equal taxable and deductible temporary differences;

(ii) Temporary differences arising from equity investments in subsidiaries or joint ventures where there is a high probability that such temporary differences will not reverse.

(iii) Initial recognition of goodwill.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities may be offset against each other if the following criteria are met:

(i) The entity has the legal right to settle tax assets and liabilities on a net basis; and

(ii) the taxing of deferred tax assets and liabilities fulfill one of the below scenarios:

1) levied by the same taxing authority; or

2) levied by different taxing authorities, but where each such authority intends to settle tax assets and liabilities (where such amounts are significant) on a net basis every year of the period of expected asset realization or debt liquidation, or where the timing of asset realization and debt liquidation is matched.

A deferred tax asset should be recognized for the carry-forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the unused tax losses, unused tax credits, and deductible temporary differences can be utilized. Such unused tax losses, unused tax credits, and deductible temporary differences shall also be re-evaluated every year on the financial reporting date, and they shall be adjusted based on the probability that future taxable profit that will be available against which the unused tax losses, unused tax credits, and deductible temporary differences can be utilized.

The surtax on unappropriated earnings is recoded as current tax expense in the following year after the resolution to appropriate retained earnings is approved in a stockholders’ meeting.
(u) Business combination

Goodwill is measured as an aggregation of the consideration transferred (which generally is measured at fair value at the acquisition date) and as an amount of any non-controlling interest in the acquiree, net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed (generally at fair value). If the residual balance is negative, the Group shall re-assess whether it has correctly identified all of the assets acquired and liabilities assumed, and recognize a gain on the bargain purchase thereafter.

All the transaction costs incurred for the business combination are recognized immediately as the Group’s expenses when incurred, except for the issuance of debt or equity instruments.

If the business combination is achieved in stages, the Group shall measure any non-controlling equity interest in the acquiree, either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets. Other non-controlling interest is measured (1) at fair value at the acquisition date or (2) by using other valuation techniques acceptable under the IFRS as endorsed by the FSC.

In a business combination achieved in stages, the Group shall re-measure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in profit or loss. In prior reporting periods, the Group may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognized in other comprehensive income shall be recognized on the same basis as would be required if the Group had disposed directly of the previously held equity interest. If the disposal of the equity interest required a reclassification to profit or loss, such an amount shall be reclassified to profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group shall retrospectively adjust the provisional amounts recognized at the acquisition date, or recognize additional assets or liabilities to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

(v) Earnings per share

The Group discloses the basic and diluted earnings per share attributable to ordinary equity holders of the Group. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholder of the Group divided by the weighted average number of ordinary shares outstanding. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Group divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. Dilutive potential ordinary shares comprise employee compensation not yet approved by the Board of Directors.

(Continued)
(w) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may incur revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Each operating segment consists of standalone financial information.

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

In preparing these consolidated financial statements, management has made 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.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

There are no critical judgments in applying the accounting policies that have significant effect on the amounts recognized in the consolidated financial statements.

In addition, information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is as follows:

(a) Recognition and measurement of refund liabilities

Because of the sales returns and allowances, the Group records a refund liabilities (sales returns and allowance provisions) for estimated returns and other allowances in the same period the related revenue is recorded. The estimate is made based on historical experience, market and economic conditions, and any other known factors using the expected value or the most likely amount and it could be different from actual sales returns and allowances, therefore, the management periodically reviews the adequacy of the estimation used.

(b) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial changes, there may be significant differences in the net realizable value of inventories. Refer to note (6)(f) for further description of the valuation of inventories.

(Continued)
(6) Explanation of significant accounts:

(a) Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>$17,687</td>
<td>$17,835</td>
</tr>
<tr>
<td>Checking accounts and demand deposits</td>
<td>32,426,802</td>
<td>39,976,385</td>
</tr>
<tr>
<td>Time deposits</td>
<td>37,820,891</td>
<td>35,233,038</td>
</tr>
<tr>
<td>Cash equivalents</td>
<td>2,214,100</td>
<td>4,438,044</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$72,479,480</strong></td>
<td><strong>79,665,302</strong></td>
</tr>
</tbody>
</table>

Please refer to note (6)(aa) 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

Financial assets mandatorily measured at fair value through profit or loss:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-derivative financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock unlisted in domestic markets</td>
<td>$158,680</td>
<td>117,150</td>
</tr>
<tr>
<td>Fund in domestic or foreign markets</td>
<td>1,058,832</td>
<td>441,759</td>
</tr>
<tr>
<td>Derivative instruments not used for hedging</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign exchange contracts</td>
<td>4,519</td>
<td>187</td>
</tr>
<tr>
<td>Swap contracts</td>
<td>47,543</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,269,574</strong></td>
<td><strong>559,096</strong></td>
</tr>
<tr>
<td>Current</td>
<td>$52,062</td>
<td>187</td>
</tr>
<tr>
<td>Non-current</td>
<td>1,217,512</td>
<td>558,909</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,269,574</strong></td>
<td><strong>559,096</strong></td>
</tr>
</tbody>
</table>

Financial liabilities held-for-trading:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-derivative financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivative instruments not used for hedging</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign exchange contracts</td>
<td>$164,535</td>
<td>62,527</td>
</tr>
</tbody>
</table>

(Continued)
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:

### December 31, 2023

<table>
<thead>
<tr>
<th>Derivative financial assets:</th>
<th>Contract amount (in thousands)</th>
<th>Currency</th>
<th>Maturity date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign exchange contracts:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forward exchange sold</td>
<td>USD 7,087</td>
<td>USD to TWD</td>
<td>January 5 ~ March 25, 2024</td>
</tr>
<tr>
<td>Forward exchange purchased</td>
<td>USD 3,609</td>
<td>USD to INR</td>
<td>January 30, 2024</td>
</tr>
<tr>
<td>Swap contracts:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency Swap</td>
<td>USD 70,000</td>
<td>USD to TWD</td>
<td>January 26 ~ March 28, 2024</td>
</tr>
<tr>
<td>Derivative financial liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign exchange contracts:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forward exchange purchased</td>
<td>USD 124,500</td>
<td>USD to BRL</td>
<td>January 11 ~ May 31, 2024</td>
</tr>
<tr>
<td>Forward exchange purchased</td>
<td>USD 3,595</td>
<td>USD to INR</td>
<td>January 12, 2024</td>
</tr>
<tr>
<td>Forward exchange sold</td>
<td>EUR 17,000</td>
<td>EUR to USD</td>
<td>January 12 ~ April 12, 2024</td>
</tr>
</tbody>
</table>

### December 31, 2022

<table>
<thead>
<tr>
<th>Derivative financial assets:</th>
<th>Contract amount (in thousands)</th>
<th>Currency</th>
<th>Maturity date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign exchange contracts:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forward exchange sold</td>
<td>EUR 8,000</td>
<td>EUR to USD</td>
<td>May 12 ~ June 14, 2023</td>
</tr>
<tr>
<td>Forward exchange purchased</td>
<td>USD 512</td>
<td>USD to INR</td>
<td>January 31, 2023</td>
</tr>
<tr>
<td>Derivative financial liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign exchange contracts:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forward exchange sold</td>
<td>EUR 25,000</td>
<td>EUR to USD</td>
<td>January 31 ~ April 20, 2023</td>
</tr>
<tr>
<td>Forward exchange sold</td>
<td>EUR 2,000</td>
<td>EUR to TWD</td>
<td>January 31, 2023</td>
</tr>
<tr>
<td>Forward exchange purchased</td>
<td>USD 172,800</td>
<td>USD to BRL</td>
<td>January 04 ~ June 15, 2023</td>
</tr>
</tbody>
</table>

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

As of December 31, 2023 and 2022, the Group did not provide any aforementioned financial assets as collaterals for its loans.

(Continued)
### Financial assets at fair value through other comprehensive income

<table>
<thead>
<tr>
<th>Equity investments at fair value through other comprehensive income:</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock listed in domestic markets</td>
<td>$4,349,429</td>
<td>2,797,667</td>
</tr>
<tr>
<td>Stock listed in foreign markets</td>
<td>2,906,241</td>
<td>579,341</td>
</tr>
<tr>
<td>Stock unlisted in domestic markets</td>
<td>1,454,947</td>
<td>1,822,164</td>
</tr>
<tr>
<td>Stock unlisted in foreign markets</td>
<td>405,391</td>
<td>226,736</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$9,116,008</strong></td>
<td><strong>5,425,908</strong></td>
</tr>
</tbody>
</table>

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

For the year ended December 31, 2022, the Group has sold all of its shareholdings, measured at fair value through other comprehensive income, in GENKI SANGA HOLDINGS CO., LTD. The fair value of the shares upon disposal amounted to $10,028, resulting in a cumulative gain of $2,838, which was reclassified from other comprehensive income to retained earnings.

For the year ended December 31, 2023, the Group has sold all of its shareholdings, measured at fair value through other comprehensive income, in Genovior Biotech Corp. The fair value of the shares upon disposal amounted to $47,921, resulting in a cumulative gain of $17,790, which was reclassified from other comprehensive income to retained earnings.

The Group held the shareholdings, measured at fair value through other comprehensive income, in Taiwan Star Telecom Corporation Limited (“Taiwan Star”), which was absorbed and merged by Taiwan Mobile Co., Ltd. (“Taiwan Mobile”) on December 1, 2023, as the date of the merger. In this stock swap case, the shareholdings of Taiwan Star were exchanged for the exchange consideration of $318,830 on the date of the merger, resulting in a cumulative loss on disposal of $666,762, which was reclassified from other equity to retained earnings.

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 years ended December 31, 2023 and 2022, will be $455,800 and $271,295, 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)(aa).

As of December 31, 2023 and 2022, 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:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flow hedge:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities used for hedging:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forward exchange contracts</td>
<td>$14,246</td>
<td>47,809</td>
</tr>
</tbody>
</table>

(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 December 31, 2023 and 2022 the details related to the items designated as hedge instruments were as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contract amount (in thousands)</strong></td>
<td>Currency</td>
</tr>
<tr>
<td><strong>Foreign exchange contracts:</strong></td>
<td></td>
</tr>
<tr>
<td>Forward exchange sold</td>
<td>EUR 32,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contract amount (in thousands)</strong></td>
<td>Currency</td>
</tr>
<tr>
<td><strong>Foreign exchange contracts:</strong></td>
<td></td>
</tr>
<tr>
<td>Forward exchange sold</td>
<td>EUR 65,000</td>
</tr>
</tbody>
</table>

(iii) For the year ended December 31, 2023 and 2022, the ineffective portions of cash flow hedge recognized in profits (losses) amounted of $944 and $44,071, respectively, recorded as “other gains and losses, net”.

(iv) For the year ended December 31, 2023 and 2022, 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)(z).
Notes and accounts receivable

December 31, December 31,
2023 2022

Notes receivables from operating activities $ 44,525 10,645
Accounts receivables – measured at amortized cost 167,289,327 179,043,536
Accounts receivables – fair value through other comprehensive income 30,358,572 16,091,084
197,692,424 195,145,265
Less: allowance for uncollectible accounts (3,977,808) (3,924,544)
$ 193,714,616 $ 191,220,721

Notes and accounts receivable, net $ 187,280,320 $ 186,804,648
Notes and accounts receivable – related parties, net $ 6,434,296 $ 4,416,073

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:

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

<table>
<thead>
<tr>
<th>Credit rating</th>
<th>Carrying amount of notes and accounts receivable</th>
<th>Weighted-average ECL rate</th>
<th>Lifetime ECLs</th>
<th>Credit-impaired</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level A</td>
<td>$ 168,144,302</td>
<td>0%</td>
<td>-</td>
<td>No</td>
</tr>
<tr>
<td>Level B</td>
<td>12,364,116</td>
<td>0.68%</td>
<td>84,412</td>
<td>No</td>
</tr>
<tr>
<td>Level C</td>
<td>3,795,534</td>
<td>100%</td>
<td>3,795,534</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>$ 184,303,952</strong></td>
<td><strong>3,879,946</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

### December 31, 2023

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

### December 31, 2022

<table>
<thead>
<tr>
<th>Credit rating</th>
<th>Carrying amount of notes and accounts receivable</th>
<th>Weighted-average ECL rate</th>
<th>Lifetime ECLs</th>
<th>Credit-impaired</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level A</td>
<td>$2,524,744</td>
<td>0%</td>
<td>-</td>
<td>No</td>
</tr>
<tr>
<td>Level B</td>
<td>6,876,702</td>
<td>0.10%</td>
<td>6,923</td>
<td>No</td>
</tr>
<tr>
<td>Level C</td>
<td>1,419,845</td>
<td>1.00%</td>
<td>17,653</td>
<td>No</td>
</tr>
<tr>
<td>Level D</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Level E</td>
<td>20,022</td>
<td>100%</td>
<td>20,022</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$10,841,313</strong></td>
<td></td>
<td><strong>44,598</strong></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overdue 1 to 180 days</td>
<td>$3,094,481</td>
<td>3,119,372</td>
</tr>
<tr>
<td>Overdue 181 to 365 days</td>
<td>135</td>
<td>8,552</td>
</tr>
<tr>
<td>Overdue 365 days</td>
<td>89,230</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,183,846</strong></td>
<td><strong>3,127,924</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at January 1</td>
<td>$3,924,544</td>
<td>3,891,948</td>
</tr>
<tr>
<td>Acquisition through business combination</td>
<td>-</td>
<td>59</td>
</tr>
<tr>
<td>Impairment losses recognized (reversed)</td>
<td>58,369</td>
<td>30,394</td>
</tr>
<tr>
<td>Effect of changes in exchange rates</td>
<td>(5,105)</td>
<td>2,143</td>
</tr>
<tr>
<td><strong>Balance at December 31</strong></td>
<td><strong>$3,977,808</strong></td>
<td><strong>3,924,544</strong></td>
</tr>
</tbody>
</table>
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.

The Group entered into accounts receivable factoring agreements with banks. As of December 31, 2023 and 2022, 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 and EUR 1,000 thousand, USD 1,600,000 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 in involvement in them. After the transfer of the accounts receivable, the Group can request partial advanced amount, while the interest calculated at an agreed rate is paid to the bank in the period during the time of receiving advance and the accounts receivable is collected. The remaining amounts with no advance are received when the accounts receivable are settled by the customers. As of December 31, 2023 and 2022, the factored accounts receivable with no advance amounting to $200 and $447, 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 December 31, 2023 and 2022, accounts receivable factored were recovered and derecognized since the conditions of derecognition were met.

As of December 31, 2023 and 2022, the details of the factored accounts receivable but unsettled were as follows:

<table>
<thead>
<tr>
<th>Purchaser</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable factored (gross)</td>
<td>Amount advanced</td>
<td>Amount advanced</td>
</tr>
<tr>
<td>Financial Institution</td>
<td>$ 13,188,220</td>
<td>-</td>
</tr>
<tr>
<td>Financial Institution</td>
<td>$ 30,114,458</td>
<td>-</td>
</tr>
</tbody>
</table>

As of December 31, 2023 and 2022, the Group did not provide any aforementioned notes and accounts receivable as collaterals.
(f) Inventories

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finished goods</td>
<td>$28,283,848</td>
<td>$42,519,903</td>
</tr>
<tr>
<td>Work in progress</td>
<td>$10,441,483</td>
<td>$11,680,487</td>
</tr>
<tr>
<td>Raw materials</td>
<td>$56,020,648</td>
<td>$56,764,510</td>
</tr>
<tr>
<td>Raw materials in transit</td>
<td>$356,713</td>
<td>$629,084</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$95,102,692</strong></td>
<td><strong>111,593,984</strong></td>
</tr>
</tbody>
</table>

(i) For the years ended December 31, 2023 and 2022, inventory cost recognized as cost of sales amounted to $904,317,906 and $1,032,881,736, 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 $1,333,316 for the year ended December 31, 2023. The loss due to the write-down of inventories to net realizable value amounted to $1,992,685 for the year ended December 31, 2022.

(iii) As of December 31, 2023 and 2022, 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:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associates</td>
<td>$7,563,017</td>
<td>$8,142,707</td>
</tr>
<tr>
<td>Joint venture</td>
<td>$6,144</td>
<td>$(18,066)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,569,161</strong></td>
<td><strong>8,024,641</strong></td>
</tr>
</tbody>
</table>

Plus: credit balance of investment in equity method (recorded as other non-current liability)

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>$(120,810)</td>
<td>$43,757</td>
</tr>
</tbody>
</table>

Less: unrealized profits or losses

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>$7,448,351</strong></td>
<td><strong>8,047,569</strong></td>
</tr>
</tbody>
</table>

(i) Associates

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

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allied Circuit Co., Ltd. (“Allied Circuit”)</td>
<td>$2,659,099</td>
<td>$1,741,281</td>
</tr>
<tr>
<td>Avalue Technology Inc. (“Avalue”)</td>
<td>$1,783,426</td>
<td>$1,214,819</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,442,525</strong></td>
<td><strong>$2,956,100</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Group’s share of the loss of associates</td>
<td>$(491,225)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying amount of individually immaterial associates</td>
<td>$7,563,017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Group’s share of the net income (loss) of associates:</td>
<td></td>
</tr>
<tr>
<td>Loss from continuing operations</td>
<td>$(491,225)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>1,949</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>$(489,276)</td>
</tr>
</tbody>
</table>

(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.

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

<table>
<thead>
<tr>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>The carrying amount of the Group’s interests in all individually insignificant joint ventures</td>
<td>$6,144</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Group’s share of the net income (loss) of joint ventures:</td>
<td></td>
</tr>
<tr>
<td>Net income (losses) from continuing operations (also the total comprehensive income (losses))</td>
<td>$24,148</td>
</tr>
</tbody>
</table>

(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.

(Continued)
(iv) As of December 31, 2023 and 2022, the Group did not provide any investments accounted for using equity method as collaterals for its loans.

(h) Acquisition of the subsidiary

In order to accelerate the deployment in the industrial PCs market, the Group made a tender offer for 56% ownership of Poindus Systems Corp, Ltd. (“Poindus Systems”) at a total price of $353,046. The aforementioned price was paid, and the settlement had been completed.

Since the acquisition of 56% ownership in Poindus Systems on March 7, 2022, the revenue and net profit contributed by Poindus Systems were $618,366 and loss $2,134, respectively. If the transaction took place on January 1, 2022, the management estimates that the Group’s revenue in 2022 would increase by $147,469, while net profit will increase by $6,550. In determining these amounts, management has assumed that the transaction occurred on January 1, 2022, and that the provisional fair value adjustments resulting from the acquisition date are the same.

The main categories of consideration transfer, assets acquired and liabilities assumed on the acquisition date and the amount of goodwill recognized are as follows:

(i) Consideration transferred

Cash
$ 353,046

(ii) The identifiable assets acquired and the liabilities assumed

The fair value of the identifiable assets acquired and the liabilities assumed on the acquisition date are as follows:

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 217,075</td>
</tr>
<tr>
<td>Notes and accounts receivable, net</td>
<td>114,308</td>
</tr>
<tr>
<td>Other receivables</td>
<td>4,874</td>
</tr>
<tr>
<td>Inventories, net</td>
<td>342,673</td>
</tr>
<tr>
<td>Prepayments and other current assets</td>
<td>35,077</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>21,591</td>
</tr>
<tr>
<td>Right-of-use assets</td>
<td>37,258</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>19,160</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>18,495</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>2,099</td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>(268)</td>
</tr>
<tr>
<td>Notes and accounts payable</td>
<td>(141,704)</td>
</tr>
<tr>
<td>Other payables</td>
<td>(31,099)</td>
</tr>
<tr>
<td>Current tax liabilities</td>
<td>(10,642)</td>
</tr>
<tr>
<td>Provisions</td>
<td>(2,786)</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>(5,162)</td>
</tr>
<tr>
<td>Current and non-current lease liabilities</td>
<td>(37,542)</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>(1,658)</td>
</tr>
<tr>
<td>Net defined benefit liabilities</td>
<td>(17,881)</td>
</tr>
</tbody>
</table>

$ 563,868

(Continued)
(iii) Goodwill arising from the acquisition of 56% ownership is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consideration transferred</td>
<td>$353,046</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>$247,882</td>
</tr>
<tr>
<td>Less: fair value of identifiable net assets</td>
<td>($563,868)</td>
</tr>
<tr>
<td>Goodwill</td>
<td>$37,060</td>
</tr>
</tbody>
</table>

Goodwill is mainly derived from the business value of Poindus Systems in the industrial PCs market. It is expected that the business of Poindus System and the Group business will be integrated to generate synergy.

(i) Changes in subsidiaries’ equity

1) Cancellation of subsidiaries’ restricted shares and conversion of convertible bonds

   Arcadyan canceled 30 restricted shares in the year ended December 31, 2022. Whereas, Arcadyan issued $3,892 new shares due to the conversion of convertible bonds during 2022, resulted in a decrease of 0.59% the ownership of the Group in Arcadyan in the year ended December 31, 2022.

   CBN canceled $364 and $469 restricted shares in the years ended December 31, 2023 and 2022, resulted in an increase of 0.32% and 0.43% the ownership of the Group in CBN in the years ended December 31, 2023 and 2022.

2) Issuance of new shares for cash of subsidiaries

   The Group purchased newly issued shares of Aco Smartcare amounting to $69,083 at a percentage different from its existing ownership percentage in July, 2023, resulting an increase in the ownership of the Group in Aco Smartcare from 52.04% to 71.46%.

3) Acquire additional equity in a subsidiary

   In June 2022, the Group purchased a 0.12% stake in GLB from minority shareholders with cash of $700, resulting an increase of the equity from 50.00% to 50.12%.

4) The following summarizes the effect of changes in equity of the parent due to changes in the ownership interest of subsidiaries:

<table>
<thead>
<tr>
<th>Description</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital surplus – changes in ownership interest in subsidiaries</td>
<td>$2,213</td>
<td>33,397</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>($16,652)</td>
<td>($2,260)</td>
</tr>
<tr>
<td>$</td>
<td>($14,439)</td>
<td>31,137</td>
</tr>
</tbody>
</table>

(Continued)
(j) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

<table>
<thead>
<tr>
<th>Subsidiaries</th>
<th>Main operation place</th>
<th>Percentage of non-controlling interests</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>December 31, 2023</td>
</tr>
<tr>
<td>Arcadyan</td>
<td>Taiwan</td>
<td>67 %</td>
</tr>
</tbody>
</table>

The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in these information are the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intra-group transactions were not eliminated in this information.

Arcadyan’s collective financial information

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>$ 31,358,657</td>
<td>$ 33,543,752</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>7,190,002</td>
<td>6,476,775</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(23,477,920)</td>
<td>(25,841,325)</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>(170,672)</td>
<td>(239,941)</td>
</tr>
<tr>
<td>Net assets</td>
<td>$ 14,900,067</td>
<td>$ 13,939,261</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>$ 10,137,657</td>
<td>$ 9,503,906</td>
</tr>
<tr>
<td>Sales revenue</td>
<td>$ 51,158,122</td>
<td>$ 47,167,749</td>
</tr>
<tr>
<td>Net income</td>
<td>$ 2,389,606</td>
<td>$ 1,915,053</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>2,543</td>
<td>283,981</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>$ 2,392,149</td>
<td>$ 2,199,034</td>
</tr>
<tr>
<td>Profit, attributable to non-controlling interests</td>
<td>$ 1,591,414</td>
<td>$ 1,248,748</td>
</tr>
<tr>
<td>Comprehensive income, attributable to non-controlling interests</td>
<td>$ 1,593,103</td>
<td>$ 1,435,919</td>
</tr>
<tr>
<td>Net cash flows from operating activities</td>
<td>$ 5,589,936</td>
<td>$ 2,529,050</td>
</tr>
<tr>
<td>Net cash flows from investing activities</td>
<td>(1,267,263)</td>
<td>(1,415,888)</td>
</tr>
<tr>
<td>Net cash flows from financing activities</td>
<td>(4,048,832)</td>
<td>(1,577,423)</td>
</tr>
<tr>
<td>Effect of exchange rate changes on cash and cash equivalents</td>
<td>3,579</td>
<td>73,033</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>$ 277,420</td>
<td>$(391,228)</td>
</tr>
</tbody>
</table>

(Continued)
The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2023 and 2022, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Buildings and building improvement</th>
<th>Machinery</th>
<th>Other equipment</th>
<th>Under construction and prepayment for purchase of equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>1,052,882</td>
<td>350,442</td>
<td>1,411,529</td>
<td>4,151,768</td>
<td>6,966,621</td>
</tr>
<tr>
<td>Disposals and derecognitions</td>
<td>-</td>
<td>(241,168)</td>
<td>(1,353,218)</td>
<td>(1,366,997)</td>
<td></td>
<td>(2,961,383)</td>
</tr>
<tr>
<td>Reclassifications</td>
<td>-</td>
<td>1,509,753</td>
<td>1,371,671</td>
<td>176,912</td>
<td></td>
<td>(3,058,336)</td>
</tr>
<tr>
<td>Effect of movements in exchange rates</td>
<td>(15)</td>
<td>(32,968)</td>
<td>(781,106)</td>
<td>(401,822)</td>
<td></td>
<td>(1,277,342)</td>
</tr>
<tr>
<td><strong>Balance on December 31, 2023</strong></td>
<td>$ 2,485,703</td>
<td>23,946,957</td>
<td>35,821,879</td>
<td>13,224,939</td>
<td>3,327,703</td>
<td>78,807,181</td>
</tr>
<tr>
<td>Balance on January 1, 2022</td>
<td>$ 2,476,919</td>
<td>17,383,799</td>
<td>32,006,068</td>
<td>11,743,420</td>
<td></td>
<td>68,203,688</td>
</tr>
<tr>
<td>Acquisition through business combination</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>274</td>
</tr>
<tr>
<td>Additions</td>
<td>340</td>
<td>49,023</td>
<td>1,940,684</td>
<td>2,047,295</td>
<td>2,057,259</td>
<td>6,094,601</td>
</tr>
<tr>
<td>Disposals and derecognitions</td>
<td>-</td>
<td>(89,464)</td>
<td>(386,369)</td>
<td>(1,186,876)</td>
<td></td>
<td>(1,662,709)</td>
</tr>
<tr>
<td>Reclassifications</td>
<td>-</td>
<td>3,025,276</td>
<td>1,491,632</td>
<td>152,137</td>
<td></td>
<td>(4,669,045)</td>
</tr>
<tr>
<td>Effect of movements in exchange rates</td>
<td>8,459</td>
<td>1,289,824</td>
<td>1,181,719</td>
<td>554,985</td>
<td></td>
<td>313,732</td>
</tr>
<tr>
<td>Depreciation and impairments loss:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance on January 1, 2023</td>
<td>$ -</td>
<td>12,555,957</td>
<td>24,546,694</td>
<td>10,168,423</td>
<td></td>
<td>47,271,074</td>
</tr>
<tr>
<td>Depreciation for the period</td>
<td>-</td>
<td>1,215,405</td>
<td>3,609,728</td>
<td>1,661,074</td>
<td></td>
<td>6,486,207</td>
</tr>
<tr>
<td>Disposals and derecognitions</td>
<td>-</td>
<td>(201,001)</td>
<td>(1,132,219)</td>
<td>(1,345,635)</td>
<td></td>
<td>(2,678,855)</td>
</tr>
<tr>
<td>Effect of movements in exchange rates</td>
<td>(42,765)</td>
<td>(1,087,622)</td>
<td>(181,383)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance on December 31, 2023</strong></td>
<td>$ -</td>
<td>13,527,596</td>
<td>25,936,581</td>
<td>10,302,479</td>
<td></td>
<td>49,766,656</td>
</tr>
<tr>
<td>Balance on January 1, 2022</td>
<td>$ -</td>
<td>10,989,522</td>
<td>21,254,150</td>
<td>8,969,652</td>
<td></td>
<td>41,213,324</td>
</tr>
<tr>
<td>Acquisition through business combination</td>
<td>-</td>
<td></td>
<td>356</td>
<td>73,039</td>
<td></td>
<td>73,395</td>
</tr>
<tr>
<td>Depreciation for the period</td>
<td>-</td>
<td>942,521</td>
<td>3,411,902</td>
<td>1,776,422</td>
<td></td>
<td>6,130,845</td>
</tr>
<tr>
<td>Disposals and derecognitions</td>
<td>-</td>
<td>(89,237)</td>
<td>(269,897)</td>
<td>(1,124,847)</td>
<td></td>
<td>(1,483,981)</td>
</tr>
<tr>
<td>Effect of movements in exchange rates</td>
<td>-</td>
<td>713,151</td>
<td>150,183</td>
<td>474,157</td>
<td></td>
<td>1,337,491</td>
</tr>
<tr>
<td><strong>Balance on December 31, 2022</strong></td>
<td>$ -</td>
<td>12,555,957</td>
<td>24,546,694</td>
<td>10,168,423</td>
<td></td>
<td>47,271,074</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Buildings and building improvement</th>
<th>Machinery</th>
<th>Other equipment</th>
<th>Under construction and prepayment for purchase of equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Carrying amounts:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance on December 31, 2023</td>
<td>$ 2,485,703</td>
<td>10,419,361</td>
<td>9,885,298</td>
<td>2,922,460</td>
<td>3,327,703</td>
<td>29,040,525</td>
</tr>
<tr>
<td>Balance on January 1, 2022</td>
<td>$ 2,476,919</td>
<td>6,394,277</td>
<td>10,751,918</td>
<td>2,773,768</td>
<td>4,593,482</td>
<td>26,990,364</td>
</tr>
<tr>
<td>Balance on December 31, 2022</td>
<td>$ 2,485,718</td>
<td>9,102,501</td>
<td>11,687,396</td>
<td>2,922,460</td>
<td>3,327,703</td>
<td>28,808,211</td>
</tr>
</tbody>
</table>

As of December 31, 2023 and 2022, part of the Group’s property, plant and equipment were provided as collateral for long-term borrowings. Please refer to note (8).
## 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:

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Buildings</th>
<th>Machinery</th>
<th>Vehicles and other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance on January 1, 2023</td>
<td>$12,180,851</td>
<td>3,320,227</td>
<td>51,104</td>
<td>72,553</td>
<td>15,624,735</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>1,142,577</td>
<td>-</td>
<td>6,911</td>
<td>1,149,488</td>
</tr>
<tr>
<td>Deductions</td>
<td>-</td>
<td>(525,026)</td>
<td>-</td>
<td>(39,714)</td>
<td>(564,740)</td>
</tr>
<tr>
<td>Effect of movements in exchange rates</td>
<td>(3,394)</td>
<td>70,321</td>
<td>447</td>
<td>(20)</td>
<td>67,354</td>
</tr>
<tr>
<td>Balance on December 31, 2023</td>
<td>$12,177,457</td>
<td>4,008,099</td>
<td>51,551</td>
<td>39,730</td>
<td>16,276,837</td>
</tr>
<tr>
<td>Balance on January 1, 2022</td>
<td>$859,993</td>
<td>3,664,030</td>
<td>76,602</td>
<td>68,622</td>
<td>4,669,247</td>
</tr>
<tr>
<td>Acquisition through business combination</td>
<td>-</td>
<td>39,959</td>
<td>-</td>
<td>1,332</td>
<td>41,291</td>
</tr>
<tr>
<td>Additions</td>
<td>11,216,024</td>
<td>299,827</td>
<td>33,423</td>
<td>14,525</td>
<td>11,563,799</td>
</tr>
<tr>
<td>Deductions</td>
<td>(630,668)</td>
<td>(57,348)</td>
<td>(9,818)</td>
<td>(697,834)</td>
<td>(697,834)</td>
</tr>
<tr>
<td>Effect of movements in exchange rates</td>
<td>104,834</td>
<td>(52,921)</td>
<td>(1,573)</td>
<td>(2,108)</td>
<td>48,232</td>
</tr>
<tr>
<td>Balance on December 31, 2022</td>
<td>$12,180,851</td>
<td>3,320,227</td>
<td>51,104</td>
<td>39,730</td>
<td>15,624,735</td>
</tr>
<tr>
<td>Depreciation:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance on January 1, 2023</td>
<td>$241,063</td>
<td>1,613,228</td>
<td>18,093</td>
<td>47,035</td>
<td>1,919,419</td>
</tr>
<tr>
<td>Depreciation for the period</td>
<td>245,676</td>
<td>744,612</td>
<td>5,006</td>
<td>17,089</td>
<td>1,012,383</td>
</tr>
<tr>
<td>Deductions</td>
<td>(475,682)</td>
<td>-</td>
<td>(39,280)</td>
<td>(514,962)</td>
<td>(514,962)</td>
</tr>
<tr>
<td>Effect of movements in exchange rates</td>
<td>(324)</td>
<td>65,975</td>
<td>464</td>
<td>(86)</td>
<td>66,029</td>
</tr>
<tr>
<td>Balance on December 31, 2023</td>
<td>$486,415</td>
<td>1,948,133</td>
<td>23,563</td>
<td>24,758</td>
<td>2,482,869</td>
</tr>
<tr>
<td>Balance on January 1, 2022</td>
<td>$69,655</td>
<td>1,458,825</td>
<td>36,900</td>
<td>37,649</td>
<td>1,603,029</td>
</tr>
<tr>
<td>Acquisition through business combination</td>
<td>-</td>
<td>3,823</td>
<td>-</td>
<td>210</td>
<td>4,033</td>
</tr>
<tr>
<td>Depreciation for the period</td>
<td>151,927</td>
<td>799,367</td>
<td>10,019</td>
<td>21,042</td>
<td>982,355</td>
</tr>
<tr>
<td>Deductions</td>
<td>(523,734)</td>
<td>(27,382)</td>
<td>(9,635)</td>
<td>(560,751)</td>
<td>(560,751)</td>
</tr>
<tr>
<td>Effect of movements in exchange rates</td>
<td>19,481</td>
<td>(125,053)</td>
<td>(1,444)</td>
<td>(2,231)</td>
<td>(109,247)</td>
</tr>
<tr>
<td>Balance on December 31, 2022</td>
<td>$241,063</td>
<td>1,613,228</td>
<td>18,093</td>
<td>47,035</td>
<td>1,919,419</td>
</tr>
<tr>
<td>Carrying amount:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance on December 31, 2023</td>
<td>$11,691,042</td>
<td>2,059,966</td>
<td>27,988</td>
<td>14,972</td>
<td>13,793,968</td>
</tr>
<tr>
<td>Balance on January 1, 2022</td>
<td>$790,338</td>
<td>2,205,205</td>
<td>39,702</td>
<td>30,973</td>
<td>3,066,218</td>
</tr>
<tr>
<td>Balance on December 31, 2022</td>
<td>$11,939,788</td>
<td>1,706,999</td>
<td>33,011</td>
<td>25,518</td>
<td>13,705,316</td>
</tr>
</tbody>
</table>

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 registration procedures had been completed in May 2022, and the right-of-use assets and lease liabilities were recognized on the commencement date of the lease.

The related depreciation expenses of right-of-use assets amounting to $224,321 and $130,854 and the interest expenses of lease liabilities amounting to $44,010 and $26,049, 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 years ended December 31, 2023 and 2022, respectively.
(m) Short-term borrowings

The details of short-term borrowings were as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsecured bank loans</td>
<td>$ 58,965,354</td>
<td>74,823,426</td>
</tr>
<tr>
<td>Secured bank loans</td>
<td>8,917</td>
<td>9,000</td>
</tr>
<tr>
<td>Total</td>
<td>$ 58,974,271</td>
<td>74,832,426</td>
</tr>
<tr>
<td>Unused credit line for short-term borrowings</td>
<td>$ 241,131,000</td>
<td>212,701,000</td>
</tr>
<tr>
<td>Range of interest rates</td>
<td>1.62%~8.78%</td>
<td>0.05%~8.37%</td>
</tr>
</tbody>
</table>

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

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

(n) Long-term borrowings

The details of long-term borrowings were as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsecured bank loans TWD</td>
<td>1.64%~2.25%</td>
<td>2024~2029</td>
</tr>
<tr>
<td>Unsecured bank loans USD</td>
<td>6.10%</td>
<td>2024</td>
</tr>
<tr>
<td>Secured bank loans TWD</td>
<td>1.635%~2.25%</td>
<td>2025~2026</td>
</tr>
<tr>
<td>Less: current portion (11,385,027)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$ 15,285,590</td>
<td>$ 21,773,000</td>
</tr>
</tbody>
</table>

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

(o) Unsecured convertible corporate bonds

(i) The Company’s subsidiary, Arcadyan, issued the first domestic unsecured convertible corporate bonds on June 6, 2019. The details were as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total convertible corporate bonds issued</td>
<td>$ -</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Accumulated converted amount</td>
<td>-</td>
<td>(992,600)</td>
</tr>
<tr>
<td>Repayments of bonds payable</td>
<td>-</td>
<td>(7,400)</td>
</tr>
<tr>
<td>Balance of corporate bonds payable as of the reporting date</td>
<td>$ -</td>
<td>-</td>
</tr>
<tr>
<td>Expired conversion options included in equity components</td>
<td>$ 361</td>
<td>361</td>
</tr>
<tr>
<td>(classified as capital surplus and non-controlling interests)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The effective interest rate of the first issued convertible corporate bonds was 1.3284%.

(ii) The main terms of issuing the above-mentioned convertible corporate bonds was as follows:

1) Coupon rate: 0%

2) Duration: three years (June 6, 2019~June 6, 2022)

3) Repayment

Put option and call option are excluded from the issuance of convertible corporate bonds. Except that the bondholders convert the bonds to Arcadyan’s common shares or the bonds are repurchased and cancelled by Arcadyan from the securities firm’s business office, the bonds will be repaid in cash at par value when the bonds expired.

4) Terms of conversion

a) The bondholder may opt to have its bonds converted into the Arcadyan’s common shares, with the approval of Taiwan Depository & Clearing Corporation through securities firms, at any time between three months after the issuance date (September 7, 2019) and the day before the maturity day (June 6, 2022), except for the following:

- The closing period in accordance with the applicable law;

- The period starting from the first day of the first fifteen working days prior to the date of record for determination wherein the shareholders are entitled to receive the distributions or rights to subscribe for new shares in a capital increase for cash, and ends on the date of record for the distribution of the rights/benefits;

(Continued)
- The period starts from the date of record of the capital decrease and ends on the date prior to the trading of the reissuance shares after the capital decrease.

b) Conversion price is determined as NT$98.3 per share upon issuing. Arcadyan paid cash dividends and issued new shares for cash in 2019; therefore, the conversion price has been adjusted to $93 per share. Arcadyan distributed cash dividends to common stocks shareholders with retained earnings in 2021 and 2020, thereafter, the conversion price has been adjusted to NT82.5 and $87.7 per share, respectively.

(iii) The above-mentioned convertible corporate bonds were due on June 6, 2022, and the remaining unconverted corporate bonds were fully repaid by the Group in cash at the par value of $7,400 on maturity in accordance with the conversion terms.

(iv) As of June 6, 2022, the convertible corporate bonds were converted into ordinary shares of Arcadyan for $321,100 with a par value of $38,920, and the capital surplus were recognized for $296,640 (including the stock option conversion premium of $15,626 and the unamortized discounts on corporate bonds payable of $1,166).

(p) Lease liabilities

The details of leases liabilities were as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>$2,001,766</td>
<td>$1,813,555</td>
</tr>
<tr>
<td>Non-current</td>
<td>$8,329,451</td>
<td>$9,533,209</td>
</tr>
</tbody>
</table>

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

The amounts recognized in profit or loss were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on lease liabilities</td>
<td>$55,711</td>
<td>$44,563</td>
</tr>
<tr>
<td>Variable lease payments not included in the measurement of lease liabilities</td>
<td>$   -</td>
<td>$2,528</td>
</tr>
<tr>
<td>Expenses relating to leases of low-value assets or short-term leases</td>
<td>$100,106</td>
<td>$186,825</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cash outflow for leases</td>
<td>$2,270,284</td>
<td>$2,656,206</td>
</tr>
</tbody>
</table>

(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. The Group obtained the superficies of Beitou District, Taipei City in May 2022, please refer to note (6)(l).
(ii) Other leases

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

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

(q) Provisions

<table>
<thead>
<tr>
<th>Warranties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance on January 1, 2023</td>
</tr>
<tr>
<td>Provisions made during the period</td>
</tr>
<tr>
<td>Provisions used during the period</td>
</tr>
<tr>
<td>Provisions reversed during the period</td>
</tr>
<tr>
<td>Effect of movements in exchange rates</td>
</tr>
<tr>
<td>Balance on December 31, 2023</td>
</tr>
<tr>
<td>Balance on January 1, 2022</td>
</tr>
</tbody>
</table>

Business combination 2,786

Provisions made during the period 365,410
Provisions used during the period (349,378)
Provisions reversed during the period (488,899)
Effect of movements in exchange rates 27
Balance on December 31, 2022 $ 734,061

Provisions relate to sales of products are assessed based on historical experience, management’s judgment and other known reasons. Such allowances are recognized as a deduction of sales revenue in the same period in which sales are made. The aforementioned provisions are expected to settle over the next year.

(r) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligations at present value and plan assets at fair value were as follows:

<p>| December 31, | December 31, |</p>
<table>
<thead>
<tr>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present value of defined benefit obligations</td>
<td>$ (1,414,113)</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>762,841</td>
</tr>
<tr>
<td>Net defined benefit liabilities</td>
<td>$ (651,272)</td>
</tr>
</tbody>
</table>

(Continued)
The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average salary for the six months prior to retirement.

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Labor Pension Fund Supervisory Committee. With regard to the utilization of the funds, minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with interest rates offered by local banks.

The balance of the Group’s labor pension reserve account in the Bank of Taiwan amounted to $727,635 (excluding the ending balance of interest rectivable) as of December 31, 2023. For information on the utilization of the labor pension fund assets including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in the present value of the defined benefit obligations

The movements in the present value of defined benefit obligations for the Group were as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit obligations on January 1</td>
<td>$</td>
<td>(1,433,878)</td>
</tr>
<tr>
<td>Benefit paid by the plan</td>
<td>57,335</td>
<td>64,567</td>
</tr>
<tr>
<td>Current service costs and interest</td>
<td>(26,943)</td>
<td>(16,068)</td>
</tr>
<tr>
<td>Remeasurements of net benefit liabilities</td>
<td>(11,833)</td>
<td>106,275</td>
</tr>
<tr>
<td>Amount increased through business combination</td>
<td>-</td>
<td>(32,306)</td>
</tr>
<tr>
<td>Effect of movements in exchange rates</td>
<td></td>
<td>1,206 (1,444)</td>
</tr>
<tr>
<td>Defined benefit obligations on December 31</td>
<td></td>
<td>$ (1,414,113)</td>
</tr>
</tbody>
</table>

(Continued)
3) Movements of the fair value of defined benefit plan assets

The movements in the fair value of the defined benefit plan assets for the Group were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value of plan assets on January 1</td>
<td>$773,859</td>
<td>732,869</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>12,035</td>
<td>5,073</td>
</tr>
<tr>
<td>Remeasurements of net benefit plan assets</td>
<td>5,950</td>
<td>56,929</td>
</tr>
<tr>
<td>Contributions paid by the employer</td>
<td>28,030</td>
<td>28,460</td>
</tr>
<tr>
<td>Benefits paid by the plan</td>
<td>(57,335)</td>
<td>(64,567)</td>
</tr>
<tr>
<td>Amount increased through business combination</td>
<td>-</td>
<td>14,425</td>
</tr>
<tr>
<td>Effect of movements in exchange rates</td>
<td>302</td>
<td>670</td>
</tr>
<tr>
<td>Fair value of plan assets on December 31</td>
<td>$762,841</td>
<td>773,859</td>
</tr>
</tbody>
</table>

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current service cost</td>
<td>$4,210</td>
<td>4,720</td>
</tr>
<tr>
<td>Net interest on the net defined benefit liability (asset)</td>
<td>10,698</td>
<td>6,275</td>
</tr>
<tr>
<td></td>
<td>$14,908</td>
<td>10,995</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>$608</td>
<td>516</td>
</tr>
<tr>
<td>Selling expenses</td>
<td>846</td>
<td>627</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>3,605</td>
<td>2,714</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>9,849</td>
<td>7,138</td>
</tr>
<tr>
<td></td>
<td>$14,908</td>
<td>10,995</td>
</tr>
</tbody>
</table>

5) Actuarial assumptions

The following were the Group’s principal actuarial assumptions at the reporting date:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>1.40%–1.625%</td>
<td>1.70%–1.75%</td>
</tr>
<tr>
<td>Future salary increasing rate</td>
<td>3.00%</td>
<td>3.00%</td>
</tr>
</tbody>
</table>

The expected allocation payment made by the Group to the defined benefit plans for the one year period after the reporting date is $28,658.
The weighted-average lifetime of the defined benefit plan is 7.6~12.3 years.

6) Sensitivity analysis

If the main actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

<table>
<thead>
<tr>
<th>Effects to the defined benefit obligation</th>
<th>Increased</th>
<th>Decreased</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Discount rate</strong></td>
<td>(25,220)</td>
<td>27,518</td>
</tr>
<tr>
<td><strong>Future salary increasing rate</strong></td>
<td>26,959</td>
<td>(24,817)</td>
</tr>
</tbody>
</table>

December 31, 2023

<table>
<thead>
<tr>
<th>Effects to the defined benefit obligation</th>
<th>Increased</th>
<th>Decreased</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Discount rate</strong></td>
<td>(27,794)</td>
<td>28,712</td>
</tr>
<tr>
<td><strong>Future salary increasing rate</strong></td>
<td>28,198</td>
<td>(27,427)</td>
</tr>
</tbody>
</table>

December 31, 2022

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation on the net defined benefit liabilities in the balance sheets.

The method and assumption used in the sensitivity analysis is consistent with prior period.

(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 $569,176 and $486,231 for the years ended December 31, 2023 and 2022, 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 $939,545 and $1,321,190 for the years ended December 31, 2023 and 2022, respectively.

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

(s) Income taxes

(i) Income tax expenses

1) The amount of income tax for the years ended December 31, 2023 and 2022, was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current tax expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recognized during the period</td>
<td>$3,457,832</td>
<td>$3,388,485</td>
</tr>
<tr>
<td>Undistributed earnings additional tax</td>
<td>468,887</td>
<td>171,404</td>
</tr>
<tr>
<td>Tax credit of investment</td>
<td>(507,301)</td>
<td>(728,549)</td>
</tr>
<tr>
<td></td>
<td>$3,419,418</td>
<td>2,831,340</td>
</tr>
<tr>
<td>Deferred tax expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recognition and reversal of temporary differences</td>
<td>(659,671)</td>
<td>(648,737)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>$2,759,747</td>
<td>2,182,603</td>
</tr>
</tbody>
</table>

2) The amount of income tax recognized in other comprehensive income for the years ended December 31, 2023 and 2022, was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Items that will not be reclassified subsequently to profit or loss:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remeasurement of the defined benefit obligation</td>
<td>$521</td>
<td>32,313</td>
</tr>
<tr>
<td>Unrealized gains (losses) on equity instruments at fair value through other comprehensive income</td>
<td>170,454</td>
<td>(81,430)</td>
</tr>
<tr>
<td></td>
<td>$170,975</td>
<td>(49,117)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Items that will be reclassified subsequently to profit or loss:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation differences of foreign operations</td>
<td>$(2,168)</td>
<td>$(2,464)</td>
</tr>
<tr>
<td>Gains (losses) on hedging instrument</td>
<td>6,712</td>
<td>(9,562)</td>
</tr>
<tr>
<td></td>
<td>$4,544</td>
<td>(12,026)</td>
</tr>
</tbody>
</table>
3) The income tax expense that was reconciled between the actual income tax expense and profit before tax for the years ended December 31, 2023 and 2022, was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before tax</td>
<td>$11,890,425</td>
<td>$10,724,130</td>
</tr>
<tr>
<td>Income tax calculated based on tax rate</td>
<td>$3,610,034</td>
<td>$3,142,341</td>
</tr>
<tr>
<td>Estimated tax effect of tax exemption on investment income, net</td>
<td>(153,740)</td>
<td>(442,560)</td>
</tr>
<tr>
<td>Realized investment loss</td>
<td>(132,659)</td>
<td>(98,000)</td>
</tr>
<tr>
<td>Investment tax credit</td>
<td>(507,301)</td>
<td>(728,549)</td>
</tr>
<tr>
<td>Changes in temporary differences</td>
<td>(803,544)</td>
<td>503,909</td>
</tr>
<tr>
<td>Adjustment of estimated difference and others</td>
<td>278,070</td>
<td>(365,942)</td>
</tr>
<tr>
<td>Undistributed earnings additional tax</td>
<td>468,887</td>
<td>171,404</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>$2,759,747</td>
<td>$2,182,603</td>
</tr>
</tbody>
</table>

(ii) Deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2023 and 2022 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrealized exchange losses, net</td>
<td>999,285</td>
<td>286,548</td>
</tr>
<tr>
<td>Allowance for obsolescence loss and inventory valuation</td>
<td>422,588</td>
<td>204,140</td>
</tr>
<tr>
<td>Defined benefit plans</td>
<td>204,140</td>
<td>481,217</td>
</tr>
<tr>
<td>Foreign currency translation differences of foreign operations and others</td>
<td>(521)</td>
<td>(4,544)</td>
</tr>
<tr>
<td>Total</td>
<td>3,615,912</td>
<td>3,615,912</td>
</tr>
</tbody>
</table>

Deferred tax assets:

Balance on January 1, 2023 $1,761,901 436,796 394,955 207,075 815,185 3,615,912
Recognized in profit or loss 762,616 150,248 (27,633) 3,456 338,512 1,227,199
Recognized in other comprehensive income (521) (4,544) (5,065)
Balance on December 31, 2023 $1,761,901 436,796 394,955 207,075 815,185 3,615,912

Balance on January 1, 2022 477,006 195,296 202,499 234,791 536,932 1,646,524
Recognized in profit or loss 522,279 91,252 220,089 (3,140) (81,434) 749,046
Recognized in other comprehensive income (32,313) 12,026 (20,287)
Acquisition of subsidiaries 4,802 13,693 18,495
Balance on December 31, 2022 $999,285 286,548 422,588 204,140 481,217 2,393,778

(Continued)
Deferred tax liabilities:

<table>
<thead>
<tr>
<th></th>
<th>Unrealized exchange gains, net</th>
<th>Gain on valuation of financial assets and others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance on January 1, 2023</td>
<td>$755,031</td>
<td>(492,311)</td>
<td>(1,247,342)</td>
</tr>
<tr>
<td>Recognized in profit or loss</td>
<td>(486,802)</td>
<td>(80,726)</td>
<td>(567,528)</td>
</tr>
<tr>
<td>Recognized in other comprehensive income</td>
<td>-</td>
<td>(170,454)</td>
<td>(170,454)</td>
</tr>
<tr>
<td>Balance on December 31, 2023</td>
<td>$1,241,833</td>
<td>(743,491)</td>
<td>(1,985,324)</td>
</tr>
<tr>
<td>Balance on January 1, 2022</td>
<td>(504,663)</td>
<td>(722,142)</td>
<td>(1,226,805)</td>
</tr>
<tr>
<td>Recognized in profit or loss</td>
<td>(250,368)</td>
<td>150,059</td>
<td>100,309</td>
</tr>
<tr>
<td>Recognized in other comprehensive income</td>
<td>-</td>
<td>81,430</td>
<td>81,430</td>
</tr>
<tr>
<td>Acquisition of subsidiaries</td>
<td>-</td>
<td>(1,658)</td>
<td>(1,658)</td>
</tr>
<tr>
<td>Balance on December 31, 2022</td>
<td>$755,031</td>
<td>(492,311)</td>
<td>(1,247,342)</td>
</tr>
</tbody>
</table>

(iii) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax effect of deductible temporary differences</td>
<td>$1,605,419</td>
<td>$1,674,595</td>
</tr>
<tr>
<td>Tax effect of loss carryforward</td>
<td>$1,011,018</td>
<td>$996,446</td>
</tr>
</tbody>
</table>

The Group assesses and considers that some of the income tax reduction items may be unrealized, hence they are not recognized as deferred tax assets. In addition, according to Income Tax Act, the loss carryforward are the losses incurred in past 10 years assessed by ROC tax authoritie which can be deducted from the net profit of current year before levied. The items are not recognized as deferred income tax assets due to the fact that the Group may not have sufficient taxable income in the future for the losses.

As of December 31, 2023, the tax effects on loss carryforward that have not been used were as follows:

<table>
<thead>
<tr>
<th>Year of loss</th>
<th>Expiry year</th>
<th>Deductible amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 (Assessed)</td>
<td>2024</td>
<td>$24,986</td>
</tr>
<tr>
<td>2015 (Assessed)</td>
<td>2025</td>
<td>420,310</td>
</tr>
<tr>
<td>2016 (Assessed)</td>
<td>2026</td>
<td>1,373,877</td>
</tr>
<tr>
<td>2017 (Assessed)</td>
<td>2027</td>
<td>918,086</td>
</tr>
<tr>
<td>2018 (Assessed)</td>
<td>2028</td>
<td>554,750</td>
</tr>
<tr>
<td>2019 (Assessed)</td>
<td>2029</td>
<td>349,024</td>
</tr>
<tr>
<td>2020 (Assessed)</td>
<td>2030</td>
<td>130,501</td>
</tr>
<tr>
<td>2020 (Filed)</td>
<td>2025</td>
<td>20,484</td>
</tr>
<tr>
<td>2021 (Filed/Assessed)</td>
<td>2031</td>
<td>51,571</td>
</tr>
<tr>
<td>2021 (Filed)</td>
<td>2026</td>
<td>126,335</td>
</tr>
<tr>
<td>2022 (Filed)</td>
<td>2027</td>
<td>317,761</td>
</tr>
<tr>
<td>2022 (Filed)</td>
<td>2027</td>
<td>277,800</td>
</tr>
<tr>
<td>2023 (Estimated)</td>
<td>2033</td>
<td>384,855</td>
</tr>
<tr>
<td>2023 (Estimated)</td>
<td>2028</td>
<td>8,327</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$4,958,667</strong></td>
</tr>
</tbody>
</table>

(Continued)
(iv) Unrecognized deferred tax assets and liabilities related to investments in subsidiaries

The temporary differences associated with investment in subsidiaries were not recognized as deferred income tax assets and liabilities as the Company has the ability to control the reversal of these temporary differences which are not expected to reverse in the foreseeable future.

As of December 31, 2023 and 2022, the aggregate deductible temporary differences relating to investments in subsidiaries not recognized as deferred tax assets amounted to $3,070,351 and $2,618,241, respectively.

As of December 31, 2023 and 2022, the aggregate taxable temporary differences relating to investments in subsidiaries not recognized as deferred tax liabilities amounted to $71,287,552 and $68,023,499, respectively.

(v) Examination and approval

The Company’s tax returns for the year through 2020 were assessed by the tax authorities.

The income tax returns through 2021 and the liquidation period of Acbel Telecom have been examined by the tax authorities. The ROC tax authorities have assessed the income tax return of Shennona TW, Gempal, Hong Jinn, and Hippo Screen through 2022, of UCGI, Arcadyan, HengHao, Palcom, Panpal, Hong Ji, Unicore, Raycore, Ripal, CBN, Zhi-Bao, TTI, Mactech, Aco Healthcare, Starmems, GLB, Poindus Systems and Poindus Investment through 2021, of Rayonnant Technology through 2020.

(vi) Global minimum top-up tax

Some countries that the Group operates in have enacted new legislation to implement the global minimum top-up tax. However, the newly enacted tax legislation has not yet been effective, 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 December 31, 2023, 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; please refer to Note (4).

(t) Capital and other equities

(i) Ordinary shares

As of December 31, 2023 and 2022, the Company’s authorized common stock consisting of 6,000,000 thousand shares with a par value of 10 New Taiwan dollar per share amounted to 60,000,000 of which 4,407,147 thousand shares were issued. All issued shares were paid up upon issuance.
(ii) Capital surplus

The balances of capital surplus were as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional paid-in capital</td>
<td>$1,018,088</td>
<td>$1,898,477</td>
</tr>
<tr>
<td>Treasury share transactions</td>
<td>2,781,989</td>
<td>2,721,968</td>
</tr>
<tr>
<td>Difference between consideration and carrying amount arising from acquisition or disposal of subsidiaries</td>
<td>36,766</td>
<td>36,766</td>
</tr>
<tr>
<td>Recognition of changes in ownership interests in subsidiaries</td>
<td>158,285</td>
<td>156,072</td>
</tr>
<tr>
<td>Changes in equity of associates and joint ventures accounted for using equity method</td>
<td>275,787</td>
<td>265,297</td>
</tr>
</tbody>
</table>

$4,270,915 $5,078,580

In accordance with the ROC Company Act, realized capital reserves can only be used to increase the common stock or distributed as cash dividends after offsetting losses. The aforementioned capital reserves include share premiums and donation gains. In accordance with the Securities Offering and Issuance Guidelines, the amount of capital reserves to be reclassified under share capital shall not exceed 10% of the actual share capital amount.

The Company’s Board of Directors meeting respectively held on March 15, 2023 and March 15, 2022, approved to distribute the cash of $881,429 and $1,762,859 (representing 0.2 and 0.4 New Taiwan Dollars per share), by using capital surplus.

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.

(iii) Retained earnings

If there is any profit after closing of books in a given year, the Company shall first defray tax due, cover accumulated losses and set aside ten percent of it as legal reserve and then set aside or reverse a special reserve in accordance with laws and regulations. The balance of earnings available for distribution is composed of the remainder of the said profit and the unappropriated retained earnings of previous years. The Board of Directors may set aside a certain amount to cope with the business operation conditions, and shall prepare the proposal for distribution of the balance amount thereof after a resolution has been adopted and then allocated by the Board of Directors. The Company authorizes the Board of Directors to distribute all or part of the dividends and bonuses, capital surplus or legal reserve in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the General shareholders’ meeting.
The lifecycle of the industry of the Company is in the growing stage. To consider the need of the Company for the future capital, capital budget, long-term financial planning, domestic and foreign competition, the need of shareholders for cash flow and other factors, if there is any profit after close of books, the dividend and bonus to be distributed to shareholders shall not be less than thirty percent of profit after tax for such year and the cash dividend allocated by the Company each year shall not be lower than ten percent of the total dividend (including cash and share dividend) for such year.

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

1) Legal reverse

When a company incurs no loss, it may, in pursuant to a resolution to be adopted by the shareholders’ meeting as required, distribute its legal reserve by issuing new shares and distributing stock dividends or distributing cash to shareholders. Only the portion of the legal reserve which exceeds 25% of the paid-in capital may be distributed.

2) Special reverse

During earnings distribution, if the Company has already reclassified a portion of earnings to special reserve, it shall make supplemental allocation of special reserve for any difference between the amount of the current-period total net reduction of other shareholders’ equity and the amount it has already allocated. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than after-tax net profit in the period, that are included in the undistributed current-period earnings and the undistributed prior-period earnings. A portion of undistributed prior-period earnings shall be reclassified to special earnings reserve to account for cumulative changes to the net reduction of other shareholders’ equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders’ equity shall qualify for additional distributions.

3) Earnings distribution

Distribution for the earnings of 2022 and 2021 were approved in the meeting of the Board of Directors held on March 15, 2023 and March 15, 2022, respectively. The relevant information was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th></th>
<th>2021</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount per share</td>
<td>Total amount</td>
<td>Amount per share</td>
<td>Total amount</td>
</tr>
<tr>
<td>Cash dividends distributed to common shareholders</td>
<td>$1.0</td>
<td>4,407,147</td>
<td>1.6</td>
<td>7,051,435</td>
</tr>
</tbody>
</table>

(Continued)
Distribution for the earnings of 2023 was approved in the meeting of the Board of Directors held on February 29, 2024. The relevant information was as follows:

<table>
<thead>
<tr>
<th>Amount per share</th>
<th>Total amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash dividends distributed to common shareholders from the unappropriated earnings</td>
<td>$1.0</td>
</tr>
</tbody>
</table>

(iv) Treasury stock

The subsidiaries of the Company did not sell the ordinary shares of the Company in the years ended December 31, 2023 and 2022. As of December 31, 2023, 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 39.85 and 23.05 New Taiwan dollars per share as of December 31, 2023 and 2022, 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.

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

<table>
<thead>
<tr>
<th>Exchange differences on transaction of foreign operation financial statements</th>
<th>Unrealized gain (loss) from fair value through other comprehensive income</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance on January 1, 2023 $1,469,711</td>
<td>(461,103)</td>
<td>(12,290)</td>
<td>(1,943,104)</td>
</tr>
<tr>
<td>The Company (376,004)</td>
<td>1,352,493</td>
<td>-</td>
<td>976,489</td>
</tr>
<tr>
<td>Subsidiaries 202,049</td>
<td>354,102</td>
<td>8,854</td>
<td>565,005</td>
</tr>
<tr>
<td>Associates (103,664)</td>
<td>117,980</td>
<td>-</td>
<td>14,316</td>
</tr>
<tr>
<td>Balance on December 31, 2023 $1,747,330</td>
<td>1,363,472</td>
<td>(3,436)</td>
<td>(387,294)</td>
</tr>
<tr>
<td>Balance on January 1, 2022 $8,744,705</td>
<td>537,830</td>
<td>125</td>
<td>(8,206,750)</td>
</tr>
<tr>
<td>The Company 7,183,714</td>
<td>(590,539)</td>
<td>-</td>
<td>6,593,175</td>
</tr>
<tr>
<td>Subsidiaries 9,700</td>
<td>(420,019)</td>
<td>(12,415)</td>
<td>(422,734)</td>
</tr>
<tr>
<td>Associates 81,580</td>
<td>11,625</td>
<td>-</td>
<td>93,205</td>
</tr>
<tr>
<td>Balance on December 31, 2022 $1,469,711</td>
<td>(461,103)</td>
<td>(12,290)</td>
<td>(1,943,104)</td>
</tr>
</tbody>
</table>

(Continued)
At the meeting held on June 21, 2018, the Arcadyan’s Board of Directors decided to issue 4,500 thousand shares of restricted shares to Arcadyan full-time employees who meet certain requirements. The restricted shares have been registered, with and approved by, the Securities and Futures Bureau of FSC. The Board of Directors decided to issue all the restricted shares on November 6, 2018, which is also the effective date of the share issuance.

3,500 thousand shares of the aforementioned restricted shares are issued without consideration. 30%, 30% and 40% of the 3,500 thousand restricted shares are vested when the employees continue to provide service for at least 2 years, 3 years and 4 years, respectively, from the registration and the effective date, and at the same time, meet the performance requirement. In addition, when earnings per share in two consecutive and complete fiscal years from the registration and effective date are no less than NT$4, and at the same time, the employees with the restricted shares meet the performance requirement, the other 1,000 thousand shares of the restricted shares are vested 100% at the date the shareholders approved the financial statements for the second fiscal year. If the earnings per share in two consecutive and complete fiscal years from the registration and effective date are between NT$3 to NT$4, and at the same time, the employees with the restricted shares meet the performance requirement, the restricted shares are vested 75% at the date the shareholders approved the financial statements for the second fiscal year. If the earnings per share in two consecutive and complete fiscal years from the registration and effective date are less than NT$3, the employees with restricted shares, whether or not they meet the performance requirement, no restricted shares are vested at the date the shareholders approved the financial statements for the second fiscal year. The earnings per share mentioned above are calculated based on the profit approved by the shareholders and the weighted average number of ordinary shares outstanding at the date of the restricted shares have been approved by the authority.

After the issuance, the restricted shares are kept by a trust, which is appointed by Arcadyan, before they are vested. These restricted shares shall not be sold, transferred, pledged, gifted, disposed by any other means, to third parties during the custody period. The voting rights of these shares are executed by the custodian, and the custodian shall act based on the law and regulations. If the shares remain unvested after the vesting period, Arcadyan will redeem all the unvested shares without consideration and cancel the shares thereafter. Restricted shares could be received in cash and stock dividends, or could be used to participate in cash injection. The aforementioned new shares are not considered as restricted shares.

The information of Arcadyan’s restricted shares is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding shares on January 1</td>
<td>1,283</td>
</tr>
<tr>
<td>Canceled during the period</td>
<td>(30)</td>
</tr>
<tr>
<td>The number vested in this period</td>
<td>(1,253)</td>
</tr>
<tr>
<td>Outstanding shares on December 31</td>
<td>-</td>
</tr>
</tbody>
</table>

(Continued)
The compensation cost related to the restricted shares amounted to $2,396 for the year ended December 31, 2022.

(ii) CBN – restricted shares

On June 24, 2020, CBN issued 1,500 thousand new restricted shares through shareholders’ meeting. This is a gratuitous issuance, and the recipients are full-time employees of CBN who have been employed on grant day and meet specific terms. It have been approved by the Financial Supervisory Commission.

In addition, the base date for capital increase has been decided by the chairman of the board of directors to be December 20, 2021, and the change registration will be completed on January 7, 2022.

If the employees who have been on the job for one year, two years and three years, since the new restricted shares have been given, achieved the performance required by CBN, the proportion of shares with acquired conditions can be 40%, 30% and 30%, respectively. After the issuance of new shares, employees must hand over all of them to the trust agency designated by the company for safekeeping before they meet the terms. Except for inheritance, they shall not be sold, mortgaged, transferred, gifted, pledged or disposed of in other ways. Before the employees meet the terms, all matters concerning shareholders’ rights and interests are entrusted to the trust agency designated by CBN to exercise on their behalf. If any of the assigned employees does not meet the acquired terms, CBN will take back their shares from the employees for free and cancel them.

The information of CBN’s restricted shares is as follows:

<table>
<thead>
<tr>
<th>Unit: in thousands of shares</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2023</strong></td>
</tr>
<tr>
<td>Outstanding shares on January 1</td>
</tr>
<tr>
<td>Share vested in this period</td>
</tr>
<tr>
<td>Shares canceled in this period</td>
</tr>
<tr>
<td>Outstanding shares on December 31</td>
</tr>
</tbody>
</table>

The above-mentioned new restricted shares of CBN takes the closing price of $30.70 on the grant day, December 20, 2021, as the fair value, that generated capital surplus – restricted shares $31,050. Until December 31, 2023 and 2022, the balance of unearned remuneration for employees was $3,010 and $11,213, respectively.

The compensation cost related to the restricted shares amounted to $(2,972) and $19,629 for the year ended December 31, 2023 and 2022, respectively.
(v)  Earnings per share

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

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic earnings per share:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit attributable to ordinary shareholders of the Company</td>
<td>$7,667,627</td>
<td>7,288,292</td>
</tr>
<tr>
<td>Weighted-average number of outstanding ordinary shares (in thousands)</td>
<td>4,357,130</td>
<td>4,357,130</td>
</tr>
<tr>
<td><strong>Diluted earnings per share:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit attributable to ordinary shareholders of the Company (after adjustment of potential diluted ordinary shares)</td>
<td>$7,667,627</td>
<td>7,288,292</td>
</tr>
<tr>
<td>Weighted-average number of outstanding ordinary shares of potential diluted ordinary shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted-average number of outstanding ordinary shares (in thousands)</td>
<td>4,357,130</td>
<td>4,357,130</td>
</tr>
<tr>
<td>Effect of potential diluted common stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee compensation (in thousands)</td>
<td>26,813</td>
<td>43,369</td>
</tr>
<tr>
<td>Weighted-average number of ordinary shares (after adjustment of potential diluted ordinary shares) (in thousands)</td>
<td>4,383,943</td>
<td>4,400,499</td>
</tr>
</tbody>
</table>

(w)  Revenue from contracts with customers

(i)  Disaggregation of revenue

<table>
<thead>
<tr>
<th></th>
<th>IT Product Segment</th>
<th>Strategically Integrated Product Segment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary geographical markets:</strong></td>
<td>$895,556,678</td>
<td>51,158,122</td>
<td>946,714,800</td>
</tr>
<tr>
<td>United States</td>
<td>$353,353,336</td>
<td>20,843,279</td>
<td>374,196,615</td>
</tr>
<tr>
<td>China</td>
<td>137,476,920</td>
<td>183,945</td>
<td>137,660,865</td>
</tr>
<tr>
<td>Netherlands</td>
<td>59,882,231</td>
<td>648,542</td>
<td>60,530,773</td>
</tr>
<tr>
<td>Others</td>
<td>344,844,191</td>
<td>29,482,356</td>
<td>374,326,547</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$895,556,678</td>
<td>51,158,122</td>
<td>946,714,800</td>
</tr>
<tr>
<td><strong>Major products:</strong></td>
<td>$895,556,678</td>
<td>51,158,122</td>
<td>946,714,800</td>
</tr>
<tr>
<td>5C related electronics products</td>
<td>$892,818,068</td>
<td>49,702,649</td>
<td>942,520,717</td>
</tr>
<tr>
<td>Others</td>
<td>2,738,610</td>
<td>1,455,473</td>
<td>4,194,083</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$895,556,678</td>
<td>51,158,122</td>
<td>946,714,800</td>
</tr>
</tbody>
</table>

(Continued)
Primary geographical markets:

<table>
<thead>
<tr>
<th></th>
<th>IT Product Segment</th>
<th>Strategically Integrated Product Segment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$ 427,079,787</td>
<td>17,611,390</td>
<td>$ 444,691,177</td>
</tr>
<tr>
<td>China</td>
<td>133,117,810</td>
<td>334,869</td>
<td>133,452,679</td>
</tr>
<tr>
<td>Netherlands</td>
<td>67,705,775</td>
<td>1,003,330</td>
<td>68,709,105</td>
</tr>
<tr>
<td>Others</td>
<td>398,174,794</td>
<td>28,218,160</td>
<td>426,392,954</td>
</tr>
</tbody>
</table>

$1,026,078,166  47,167,749  1,073,245,915

Major products:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IT Product Segment</td>
</tr>
<tr>
<td>5C related electronics products</td>
<td>$1,021,266,892</td>
</tr>
<tr>
<td>Others</td>
<td>4,811,274</td>
</tr>
</tbody>
</table>

$1,026,078,166  47,167,749  1,073,245,915

(ii) Contract balances

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
<th>January 1, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes and accounts receivable (including related parties)</td>
<td>$197,692,424</td>
<td>195,145,265</td>
<td>294,057,802</td>
</tr>
<tr>
<td>Less: allowance for impairment</td>
<td>(3,977,808)</td>
<td>(3,924,544)</td>
<td>(3,891,948)</td>
</tr>
<tr>
<td>Total</td>
<td>$193,714,616</td>
<td>191,220,721</td>
<td>290,165,854</td>
</tr>
<tr>
<td>Contract liabilities</td>
<td>$767,327</td>
<td>784,238</td>
<td>1,065,954</td>
</tr>
</tbody>
</table>

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

The amount of revenue recognized for the years ended December 31, 2023 and 2022 that were included in the balance of contract liability at the beginning of the period was $784,238 and $1,065,954, 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.

(Continued)
(x) 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 $814,143 and $750,945, and directors’ compensation of $43,051 and $39,790 for the years ended December 31, 2023 and 2022, 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 related information can be accessed through the Market Observation Post System website. There is no differences between the amount approved in the Board of Directors’ meeting and those recognized in the financial statements in 2023 and 2022.

There is no differences between the amount estimated and recognized in the financial statements in 2022. The related information can be accessed through the Market observation Post System website.

(y) Non-operating income and expenses

(i) Interest income

The details of interest income for the years ended December 31, 2023 and 2022, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>from bank deposits</td>
<td>$4,668,156</td>
<td>$3,077,815</td>
</tr>
<tr>
<td>Other interest</td>
<td>38,771</td>
<td>12,111</td>
</tr>
<tr>
<td>income</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,706,927</strong></td>
<td><strong>$3,089,926</strong></td>
</tr>
</tbody>
</table>

(ii) Other income

The other incomes for the years ended December 31, 2023 and 2022, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend revenue</td>
<td>$148,092</td>
<td>128,597</td>
</tr>
<tr>
<td>Other revenue</td>
<td>308,769</td>
<td>523,829</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$456,861</strong></td>
<td><strong>652,426</strong></td>
</tr>
</tbody>
</table>

(Continued)
(iii) Other gains and losses

The other gains and losses for the years ended December 31, 2023 and 2022, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Losses on financial assets and liabilities at fair value through profit or loss, net</td>
<td>$(477,703)</td>
<td>$(765,115)</td>
</tr>
<tr>
<td>Foreign currency exchange gains, net</td>
<td>693,870</td>
<td>2,121,647</td>
</tr>
<tr>
<td>Gains on disposal of property, plant, and equipment, and intangible assets</td>
<td>43,977</td>
<td>7,086</td>
</tr>
<tr>
<td>Gains on disposal of investments, net</td>
<td>-</td>
<td>2,568</td>
</tr>
<tr>
<td>Others</td>
<td>790</td>
<td>(2,345)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 260,934</strong></td>
<td><strong>$1,363,841</strong></td>
</tr>
</tbody>
</table>

(z) Reclassification of the components of other comprehensive income

The details of reclassification of the components of other comprehensive income for the years ended December 31, 2023 and 2022, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow hedge:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Losses) gains from current period</td>
<td>$ (8,754)</td>
<td>82,853</td>
</tr>
<tr>
<td>Less: reclassification of (losses) gains included in profit or loss</td>
<td>$(42,317)</td>
<td>130,662</td>
</tr>
<tr>
<td>Profit (loss) recognized in other comprehensive income</td>
<td><strong>$ 33,563</strong></td>
<td>$(47,809)**</td>
</tr>
</tbody>
</table>

(aa) Financial instruments

(i) Credit risk

1) The carrying amount of financial assets represents the maximum amount exposed to credit risk.

The Group’s customers are mainly from the high-tech industry. The Group does not concentrate on a specific customer and the sales regions are widely spread, thus there should be no concern on the significant concentrations of accounts receivable credit risk. And in order to mitigate accounts receivable credit risk, the Group constantly assesses the financial status of the customers.

2) Receivables and debt securities

Information of exposure to credit risk of notes and accounts receivable please refer to note (6)(e).
COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

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 years ended December 31, 2023 and 2022 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Carrying Amount</th>
<th>Contractual cash flows</th>
<th>Within 1 year</th>
<th>1 ~ 2 years</th>
<th>Over 2 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance on January 1, 2023</td>
<td>$ 2,756</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment losses recognized (reversed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance on December 31, 2023</td>
<td>$ 14,548</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance on January 1, 2022</td>
<td>$ 2,973</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment losses recognized (reversed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance on December 31, 2022</td>
<td>$ 2,756</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(ii) Liquidity risk

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

<table>
<thead>
<tr>
<th>December 31, 2023</th>
<th>Non-derivative financial liabilities</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Secured borrowings $ 456,933</td>
<td>(456,933)</td>
<td>(175,584)</td>
<td>(207,616)</td>
<td>(73,733)</td>
</tr>
<tr>
<td></td>
<td>Unsecured borrowings 83,345,655</td>
<td>(85,187,955)</td>
<td>(70,183,714)</td>
<td>(3,500,000)</td>
<td>(11,504,241)</td>
</tr>
<tr>
<td></td>
<td>Lease liabilities—current and non-current 10,331,217</td>
<td>11,643,155</td>
<td>2,092,118</td>
<td>5,657,702</td>
<td>3,893,335</td>
</tr>
<tr>
<td></td>
<td>Notes and accounts payable 158,995,984</td>
<td>(158,995,984)</td>
<td>(158,995,984)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Other payables 30,464,866</td>
<td>(30,464,866)</td>
<td>(30,464,866)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Derivative financial liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Forward exchange contracts: 164,535</td>
<td>(4,660,904)</td>
<td>(4,660,904)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Inflow 4,497,428</td>
<td>4,497,428</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Forward exchange contracts used for hedging: 14,246</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Outflow (1,087,360)</td>
<td>(1,087,360)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Inflow 1,076,861</td>
<td>1,076,861</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>$ 283,773,436</strong></td>
<td><strong>(263,636,558)</strong></td>
<td><strong>(257,902,005)</strong></td>
<td><strong>1,950,086</strong></td>
<td><strong>(7,684,639)</strong></td>
</tr>
</tbody>
</table>

(Continued)
December 31, 2022

<table>
<thead>
<tr>
<th>Carrying Amount</th>
<th>Contractual cash flows</th>
<th>Within 1 year</th>
<th>1 ~ 2 years</th>
<th>Over 2 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secured borrowings</td>
<td>$621,122</td>
<td>(621,122)</td>
<td>(171,800)</td>
<td>(207,617)</td>
</tr>
<tr>
<td>Unsecured borrowings</td>
<td>105,348,426</td>
<td>(105,348,426)</td>
<td>(94,123,426)</td>
<td>(5,400,000)</td>
</tr>
<tr>
<td>Lease liabilities – current and non-current</td>
<td>11,346,764</td>
<td>(12,637,278)</td>
<td>(1,888,347)</td>
<td>(6,783,542)</td>
</tr>
<tr>
<td>Notes and accounts payable</td>
<td>161,838,098</td>
<td>(161,838,098)</td>
<td>(161,838,098)</td>
<td>-</td>
</tr>
<tr>
<td>Other payables</td>
<td>29,622,760</td>
<td>(29,622,760)</td>
<td>(29,622,760)</td>
<td>-</td>
</tr>
</tbody>
</table>

Non-derivative financial liabilities

Derivative financial liabilities

Forward exchange contracts:

Outflow: 62,527

Inflow: 47,809

$308,887,506

(Continued)
2) Sensitivity analysis

The Group’s exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable, and other payables that are denominated in foreign currency. Assuming all other variable factors remain constant, a strengthening (weakening) 5% of appreciation (depreciation) of the each major foreign currency against Group entities’ functional currency as of December 31, 2023 and 2022, would have increased (decreased) the net profit before tax as follows. The analysis is performed on the same basis for both periods.

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>USD (against the TWD)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strengthening 5%</td>
<td>$122,513</td>
<td>1,671,992</td>
</tr>
<tr>
<td>Weakening 5%</td>
<td>(122,513)</td>
<td>(1,671,992)</td>
</tr>
<tr>
<td><strong>USD (against the CNY)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strengthening 5%</td>
<td>11,224</td>
<td>17,537</td>
</tr>
<tr>
<td>Weakening 5%</td>
<td>(11,224)</td>
<td>(17,537)</td>
</tr>
<tr>
<td><strong>USD (against the BRL)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strengthening 5%</td>
<td>(273,133)</td>
<td>(298,721)</td>
</tr>
<tr>
<td>Weakening 5%</td>
<td>273,133</td>
<td>298,721</td>
</tr>
<tr>
<td><strong>EUR (against the TWD)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strengthening 5%</td>
<td>39,325</td>
<td>72,773</td>
</tr>
<tr>
<td>Weakening 5%</td>
<td>(39,325)</td>
<td>(72,773)</td>
</tr>
<tr>
<td><strong>CNY (against the USD)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strengthening 5%</td>
<td>(103,868)</td>
<td>16,775</td>
</tr>
<tr>
<td>Weakening 5%</td>
<td>103,868</td>
<td>(16,775)</td>
</tr>
</tbody>
</table>

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 years ended December 31, 2023 and 2022, the foreign exchange gains, including both realized and unrealized, amounted to $693,870 and $2,121,647, respectively.
(iv) Interest rate analysis

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

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

Assuming all other variable factors remaining constant, if the interest rate had increased or decreased by 0.25%, the impact to the net profit before tax would be as follows for the years ended December 31, 2023 and 2022, which would be mainly resulted from the bank savings and borrowings with variable interest rates.

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest increased by 0.25%</td>
<td>$52,030</td>
<td>58,941</td>
</tr>
<tr>
<td>Interest decreased by 0.25%</td>
<td>(52,030)</td>
<td>(58,941)</td>
</tr>
</tbody>
</table>

(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)
## Financial assets at fair value through profit or loss—current and non-current

<table>
<thead>
<tr>
<th></th>
<th>Book value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative financial assets for non-hedging</td>
<td>$52,062</td>
<td>-</td>
<td>52,062</td>
<td>-</td>
<td>52,062</td>
</tr>
<tr>
<td>Non-derivative financial assets mandatorily measured at fair value through profit or loss</td>
<td>1,217,512</td>
<td>-</td>
<td>-</td>
<td>1,217,512</td>
<td>1,217,512</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>1,269,574</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,269,574</td>
</tr>
</tbody>
</table>

## Financial assets at fair value through other comprehensive income

<table>
<thead>
<tr>
<th></th>
<th>Book value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stocks listed in domestic markets</td>
<td>4,349,429</td>
<td>4,349,429</td>
<td>-</td>
<td>-</td>
<td>4,349,429</td>
</tr>
<tr>
<td>Stocks listed in foreign markets</td>
<td>2,906,241</td>
<td>2,906,241</td>
<td>-</td>
<td>-</td>
<td>2,906,241</td>
</tr>
<tr>
<td>Stocks unlisted in domestic markets</td>
<td>1,454,947</td>
<td>-</td>
<td>-</td>
<td>1,454,947</td>
<td>1,454,947</td>
</tr>
<tr>
<td>Stocks unlisted in foreign markets</td>
<td>405,391</td>
<td>-</td>
<td>-</td>
<td>405,391</td>
<td>405,391</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>30,358,572</td>
<td>-</td>
<td>30,358,572</td>
<td>-</td>
<td>30,358,572</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>39,474,580</td>
<td>-</td>
<td>30,358,572</td>
<td>-</td>
<td>30,358,572</td>
</tr>
</tbody>
</table>

## Financial assets measured at amortized cost

<table>
<thead>
<tr>
<th></th>
<th>Book value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>72,479,480</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Notes and accounts receivable, net</td>
<td>156,921,748</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Notes and accounts receivable due from related parties, net</td>
<td>6,434,296</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other receivables</td>
<td>2,372,980</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other current assets (restricted assets)</td>
<td>717,036</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Refundable deposits</td>
<td>636,632</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other non-current assets (restricted assets)</td>
<td>359,031</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>239,921,203</td>
<td>-</td>
<td>30,358,572</td>
<td>-</td>
<td>30,358,572</td>
</tr>
</tbody>
</table>

## Total

<table>
<thead>
<tr>
<th></th>
<th>Book value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>$280,665,357</td>
<td>-</td>
<td>30,358,572</td>
<td>-</td>
<td>30,358,572</td>
</tr>
</tbody>
</table>

## Financial liabilities at fair value through profit or loss

<table>
<thead>
<tr>
<th></th>
<th>Book value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative financial liabilities for non-hedging</td>
<td>$164,535</td>
<td>-</td>
<td>164,535</td>
<td>-</td>
<td>164,535</td>
</tr>
<tr>
<td><strong>Financial liabilities used for hedging</strong></td>
<td>14,246</td>
<td>-</td>
<td>14,246</td>
<td>-</td>
<td>14,246</td>
</tr>
</tbody>
</table>

## Financial liabilities measured at amortized cost

<table>
<thead>
<tr>
<th></th>
<th>Book value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term borrowings</td>
<td>58,974,271</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Notes and accounts payable</td>
<td>148,398,334</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Notes and accounts payable to related parties</td>
<td>10,597,650</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other payables and dividends payable</td>
<td>30,464,866</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lease liabilities – current and non-current</td>
<td>10,331,217</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Long-term borrowings current portion</td>
<td>11,385,027</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>15,285,590</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deposits received</td>
<td>482,708</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>285,919,663</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

## Total

<table>
<thead>
<tr>
<th></th>
<th>Book value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>$286,098,444</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(Continued)
### Notes to Consolidated Financial Statements

**December 31, 2022**

<table>
<thead>
<tr>
<th>Financial assets at fair value through profit or loss—current and non-current</th>
<th>Book value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative financial assets for non-hedging</td>
<td>$187</td>
<td>-</td>
<td>187</td>
<td>-</td>
<td>187</td>
</tr>
<tr>
<td>Non-derivative financial assets mandatorily measured at fair value through profit or loss</td>
<td>$558,909</td>
<td>-</td>
<td>-</td>
<td>$558,909</td>
<td>$558,909</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$559,096</td>
</tr>
</tbody>
</table>

| Financial assets at fair value through other comprehensive income | | | | | |
|---|---|---|---|---|
| Stocks listed in domestic markets | $2,797,667 | $2,797,667 | - | - | $2,797,667 |
| Stocks listed in foreign markets | $579,341 | $579,341 | - | - | $579,341 |
| Stocks unlisted in domestic markets | $1,822,164 | - | - | $1,822,164 | $1,822,164 |
| Stocks unlisted in foreign markets | $226,736 | - | - | $226,736 | $226,736 |
| Accounts receivable | $16,091,084 | - | $16,091,084 | - | $16,091,084 |
| **Subtotal** | | | | | $21,516,992 |

| Financial assets measured at amortized cost | | | | | |
|---|---|---|---|---|
| Cash and cash equivalents | $79,665,302 | - | - | - | - |
| Notes and accounts receivable, net | $170,713,564 | - | - | - | - |
| Notes and accounts receivable due from related parties, net | $4,416,073 | - | - | - | - |
| Other receivables | $2,369,411 | - | - | - | - |
| Other current assets (restricted assets) | $803,156 | - | - | - | - |
| Refundable deposits | $828,367 | - | - | - | - |
| Other non-current assets (restricted assets) | $969,960 | - | - | - | - |
| **Subtotal** | | | | | $259,765,833 |
| **Total** | | | | | **$281,841,921** |

| Financial liabilities at fair value through profit or loss | | | | | |
|---|---|---|---|---|
| Derivative financial liabilities for non-hedging | $62,527 | - | $62,527 | - | $62,527 |
| Derivative financial liabilities for hedging | $47,809 | - | $47,809 | - | $47,809 |

| Financial liabilities measured at amortized cost | | | | | |
|---|---|---|---|---|
| Short-term borrowings | $74,832,426 | - | - | - | - |
| Notes and accounts payable | $152,137,066 | - | - | - | - |
| Notes and accounts payable to related parties | $9,701,032 | - | - | - | - |
| Other payables and dividends payable | $29,622,760 | - | - | - | - |
| Lease liabilities – current and non-current | $11,346,764 | - | - | - | - |
| Long-term borrowings current portion | $19,462,800 | - | - | - | - |
| Long-term borrowings | $11,674,322 | - | - | - | - |
| Deposits received | $519,308 | - | - | - | - |
| **Subtotal** | | | | | $309,296,478 |
| **Total** | | | | | **$309,406,814** |

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

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

a) Financial assets and liabilities measured at amortized cost

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

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

a) Non-derivative financial instruments

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

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

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

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

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

(Continued)
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 year ended December 31, 2022.

The Group held an investment in equity of Airoha Technology Corp., which was classified as fair value through other comprehensive income, with a fair value of $124,054 and $114,137, as of December 31, 2023 and 2022, respectively. The fair value of the investment was previously categorized as Level 3 at December 31, 2022. This was because the shares were not listed on the exchange market and was measured by significant unobservable inputs. In October 2023, Airoha Technology Corp. listed its equity shares on an exchange and they are currently actively traded in the market. Because the equity shares now have a published price quotation in an active market, the fair value measurement was transferred from Level 3 to Level 1 as of December 31, 2023.

The Group held an investment in equity of Taiwan Star with a fair value of $420,847, which was classified as a financial asset at fair value through other comprehensive income as of December 31, 2022. The investment was categorized as level 3 as of December 31, 2022, because the shares were not listed on the exchange market and were measured by significant unobservable inputs. On December 1, 2023, Taiwan Star was absorbed and merged by Taiwan Mobile, and Taiwan Star’s shares were exchanged for Taiwan Mobile’s shares, wherein they were actively traded, thus their fair value measurement was transferred from Level 3 to Level 1 as of December 31, 2023.
5) Changes in Level 3

The change in Level 3 at fair value in the years ended December 31, 2023 and 2022, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Financial assets at fair value through profit or loss</th>
<th>Financial assets at fair value through other comprehensive income</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance on January 1, 2023</td>
<td>$558,909</td>
<td>2,048,900</td>
<td>2,607,809</td>
</tr>
<tr>
<td>Total gains and losses recognized:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In profit or loss</td>
<td>44,367</td>
<td>-</td>
<td>44,367</td>
</tr>
<tr>
<td>In other comprehensive income</td>
<td>-</td>
<td>(17,543)</td>
<td>(17,543)</td>
</tr>
<tr>
<td>Purchased</td>
<td>628,018</td>
<td>323,888</td>
<td>951,906</td>
</tr>
<tr>
<td>Disposal</td>
<td>-</td>
<td>(47,921)</td>
<td>(47,921)</td>
</tr>
<tr>
<td>Proceeds from capital reduction of investments</td>
<td>-</td>
<td>(3,992)</td>
<td>(3,992)</td>
</tr>
<tr>
<td>Transferred out from Level 3</td>
<td>-</td>
<td>(442,884)</td>
<td>(442,884)</td>
</tr>
<tr>
<td>Effect of changes in exchange rates</td>
<td>(13,782)</td>
<td>(110)</td>
<td>(13,892)</td>
</tr>
<tr>
<td>Balance on December 31, 2023</td>
<td>$1,217,512</td>
<td>1,860,338</td>
<td>3,077,850</td>
</tr>
<tr>
<td>Balance on January 1, 2022</td>
<td>$259,778</td>
<td>2,189,125</td>
<td>2,448,903</td>
</tr>
<tr>
<td>Total gains and losses recognized:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In profit or loss</td>
<td>(23,672)</td>
<td>-</td>
<td>(23,672)</td>
</tr>
<tr>
<td>In other comprehensive income</td>
<td>-</td>
<td>(405,953)</td>
<td>(405,953)</td>
</tr>
<tr>
<td>Purchased</td>
<td>323,183</td>
<td>264,057</td>
<td>587,240</td>
</tr>
<tr>
<td>Disposal</td>
<td>-</td>
<td>(10,028)</td>
<td>(10,028)</td>
</tr>
<tr>
<td>Proceeds from liquidation of investments</td>
<td>-</td>
<td>(2,010)</td>
<td>(2,010)</td>
</tr>
<tr>
<td>Effect of changes in exchange rates</td>
<td>(380)</td>
<td>13,709</td>
<td>13,329</td>
</tr>
<tr>
<td>Balance on December 31, 2022</td>
<td>$558,909</td>
<td>2,048,900</td>
<td>2,607,809</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total gains and losses recognized:</td>
<td>$44,367</td>
<td>(23,672)</td>
</tr>
<tr>
<td>In profit or loss before tax (as “other gains and losses”)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In other comprehensive income (as “unrealized gains and losses from equity instruments at fair value through other comprehensive income”)</td>
<td>$35,635</td>
<td>(409,229)</td>
</tr>
</tbody>
</table>

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

The Group’s financial instruments that use Level 3 input to measure fair values include financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. Most of fair value measurements of the Group which are categorized as equity investment into Level 3 have several significant unobservable inputs. Significant unobservable inputs of equity investments without quoted price are independent of each other.

The quantified information for significant unobservable inputs was as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Valuation technique</th>
<th>Significant unobservable inputs</th>
<th>Inter-relationships between significant unobservable inputs and fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets at fair value through other comprehensive income — equity investment without an active market</td>
<td>Comparable market approach (Price-Book ratio method and Earnings multiplier method)</td>
<td>Price-Book ratio multiples (0.75<del>2.09 and 1.54</del>2.89, respectively, on December 31, 2023 and 2022)</td>
<td>The higher the multiple is, the higher the fair value will be.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Multiples of earnings (14.33 and 14.33~17.25, respectively, on December 31, 2023 and 2022)</td>
<td>The higher the multiple is, the higher the fair value will be.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lack-of-Marketability discount rate (Both are 40%~65% on December 31, 2023 and 2022)</td>
<td>The higher the Lack-of-Marketability discount rate is, the lower the fair value will be.</td>
</tr>
<tr>
<td>Financial assets at fair value through other comprehensive income</td>
<td>Net asset value method</td>
<td>Net asset value</td>
<td>Inapplicable</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>Net asset value method</td>
<td>Net asset value</td>
<td>Inapplicable</td>
</tr>
</tbody>
</table>

(Continued)
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:

<table>
<thead>
<tr>
<th>Input</th>
<th>Move up or down</th>
<th>Favorable change</th>
<th>Unfavorable change</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2023</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets at fair value through other comprehensive income</td>
<td>5%</td>
<td>$14,588</td>
<td>15,144</td>
</tr>
<tr>
<td>Price-Book ratio multiples</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multiples of earnings</td>
<td>5%</td>
<td>$1,486</td>
<td>1,500</td>
</tr>
<tr>
<td>Lack-of-Marketability discount rate</td>
<td>5%</td>
<td>$8,633</td>
<td>8,063</td>
</tr>
<tr>
<td>December 31, 2022</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets at fair value through other comprehensive income</td>
<td>5%</td>
<td>$8,394</td>
<td>11,549</td>
</tr>
<tr>
<td>Price-Book ratio multiples</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multiples of earnings</td>
<td>5%</td>
<td>$5,808</td>
<td>5,820</td>
</tr>
<tr>
<td>Lack-of-Marketability discount rate</td>
<td>5%</td>
<td>$9,432</td>
<td>6,266</td>
</tr>
</tbody>
</table>

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

### December 31, 2023

<table>
<thead>
<tr>
<th>Financial assets that are offset which have an exercisable master netting arrangement or similar agreement</th>
<th>Gross amounts of recognized financial assets (a)</th>
<th>Gross amounts of financial liabilities offset in the balance sheet (b)</th>
<th>Net amount of financial assets presented in the balance sheet (c)=(a)-(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash/ Short-term borrowings</td>
<td>$378,545,272</td>
<td>$378,545,272</td>
<td>-</td>
</tr>
<tr>
<td>(USD 12,328,457)</td>
<td>(USD 12,328,457)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### December 31, 2022

<table>
<thead>
<tr>
<th>Financial assets that are offset which have an exercisable master netting arrangement or similar agreement</th>
<th>Gross amounts of recognized financial assets (a)</th>
<th>Gross amounts of financial liabilities offset in the balance sheet (b)</th>
<th>Net amount of financial assets presented in the balance sheet (c)=(a)-(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash/ Short-term borrowings</td>
<td>$351,096,620</td>
<td>$351,096,620</td>
<td>-</td>
</tr>
<tr>
<td>(USD 11,432,648)</td>
<td>(USD 11,432,648)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(ab) Financial risk management

(i) Overview

The Group is exposed to the following risks arising from financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

In this note expressed the information on risk exposure and objectives, policies and procedures of risk measurement and management of the Group. For detailed information, please refer to the related notes of each risk.

(ii) Structure of risk management

The Group’s finance management department provides business services for the overall internal department. It sets the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations.

(Continued)
The Group minimizes the risk exposure through derivative financial instruments. The Board of Directors regulated the use of derivative financial instruments in accordance with the Group’s policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investments of excess liquidity. The internal auditors of the Group continue with the review of the amount of the risk exposure in accordance with the Group’s policies and the risk management policies and procedures. The Group has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s receivables from customers and investment securities.

1) Accounts receivable and other receivables

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group’s standard payment and delivery terms and conditions are offered. The Group’s review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, and these limits are reviewed periodically.

2) Investments

The credit risks exposure in the bank deposits, investments with fixed income and other financial instruments are measured and monitored by the Group’s finance department. Since the Group’s transaction counterparties and the contractually obligated counterparties are banks, financial institutes and corporate organizations with good credits, there are no compliance issues, and therefore, no significant credit risk.

3) Guarantees

Pursuant to the Group’s policies, it is only permissible to provide financial guarantees to subsidiaries and companies that the Group has business with. As of December 31, 2023 and 2022, the Group did not provide any guarantees to other companies besides its subsidiaries.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities which be settled by delivering cash or another financial asset.

The Group manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group’s management supervises the banking facilities and ensures in compliance with the terms of the loan agreements. Please refer to notes (6)(m) and (6)(n) for unused credit lines of short-term and long-term borrowings as of December 31, 2023 and 2022.

(Continued)
(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices which will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currencies of the Group. The currencies used in these transactions are primarily denominated in TWD, USD, EUR and CNY.

As for other monetary assets and liabilities denominated in other foreign currencies, when short-term imbalance takes place, the Group buys or sells foreign currencies at spot rate to ensure that the net exposure is kept on an acceptable level.

2) Interest rate risk

The Group borrows funds on fixed and variable interest rates, which has a risk exposure to changes in fair value and cash flow. Therefore, the Group manages the interest rates risk by maintaining an adequate combination of fixed and variable interest rates.

3) Other price risk

The Group is exposed to equity price risk arising from investments in listed equity securities.

(ac) Capital management

The policy of capital management made by the Board of Directors is to maintain a strong capital base so as to stabilize the confidence of the investors, creditors and the public market and to sustain future development of the business. Capital consists of ordinary shares, capital surplus, retained earnings and non-controlling interests. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group monitors the capital structure by way of periodical review the debt ratio. As of December 31, 2023 and 2022, the debt ratio was as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total liabilities</td>
<td>$303,998,121</td>
<td>$326,074,590</td>
</tr>
<tr>
<td>Total assets</td>
<td>$436,770,974</td>
<td>$453,484,433</td>
</tr>
<tr>
<td>Debt ratio</td>
<td>70%</td>
<td>72%</td>
</tr>
</tbody>
</table>

The Group could purchase its own shares in the public market in accordance with the corresponding rules and regulations. The timing of the purchases depends on market prices.

As of December 31, 2023, there were no changes in the Group’s approach of capital management.

(Continued)
(ad) Investing and financing activities not affecting current cash flow

The Group’s investing and financing activities which did not affect the current cash flow in the years ended December 31, 2023 and 2022 were acquisition of right-of-use assets by leasing, please refer to note (6)(l).

Reconciliation of liabilities arising from financing activities was as follows:

<table>
<thead>
<tr>
<th>January 1, 2023</th>
<th>Other non-cash changes</th>
<th>December 31, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term borrowings</td>
<td>$74,832,426</td>
<td>(15,858,155)</td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>31,137,122</td>
<td>(4,466,505)</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>11,346,764</td>
<td>(2,114,467)</td>
</tr>
<tr>
<td>Deposits received and others</td>
<td>574,787</td>
<td>(35,568)</td>
</tr>
<tr>
<td>Total liabilities from financing activities</td>
<td>$117,891,099</td>
<td>(22,474,695)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>January 1, 2022</th>
<th>Other non-cash changes</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term borrowings</td>
<td>$118,422,407</td>
<td>(43,590,249)</td>
</tr>
<tr>
<td>Bonds payable</td>
<td>326,571</td>
<td>(7,400)</td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>24,960,513</td>
<td>6,176,609</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>2,304,796</td>
<td>(2,422,290)</td>
</tr>
<tr>
<td>Deposits received and others</td>
<td>366,068</td>
<td>207,983</td>
</tr>
<tr>
<td>Total liabilities from financing activities</td>
<td>$146,380,355</td>
<td>(39,635,347)</td>
</tr>
</tbody>
</table>

(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.

<table>
<thead>
<tr>
<th>Name of related party</th>
<th>Relationship with the Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compal Precision Module (Jiangsu) Co., Ltd. (“CPM”)</td>
<td>An associate</td>
</tr>
<tr>
<td>Changbao Electronic Technology (Chongqing) Co., Ltd. (“Changbao”)</td>
<td>An associate</td>
</tr>
<tr>
<td>Avalue</td>
<td>An associate</td>
</tr>
<tr>
<td>Crownpo Technology Inc. (“Crownpo”)</td>
<td>An associate</td>
</tr>
<tr>
<td>Allied Circuit</td>
<td>An associate</td>
</tr>
<tr>
<td>LIZ Electronics (Kunshan) Co., Ltd.</td>
<td>An associate</td>
</tr>
<tr>
<td>LIZ Electronics (Nantong) Co., Ltd.</td>
<td>An associate</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Name of related party</th>
<th>Relationship with the Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Therapeutics Co., Ltd. (“ARCE”)</td>
<td>An associate</td>
</tr>
<tr>
<td>Raypal Biomedical Co., Ltd. (“Raypal”)</td>
<td>An associate</td>
</tr>
<tr>
<td>Hong Ya Technology Co., Ltd. (“Hong Ya”)</td>
<td>An associate</td>
</tr>
<tr>
<td>Kinpo Group Management Service Company (“Kinpo Group Management Service”)</td>
<td>An associate</td>
</tr>
<tr>
<td>Acbel Polytech Inc. and its subsidiaries (“Acbel”)</td>
<td>The Chairman of the Board is the first degree of kinship of the Chairman of the Company</td>
</tr>
<tr>
<td>Cal-Comp Electronics (Thailand) Public Company Limited and its subsidiaries (“Cal-Comp”)</td>
<td>The same Chairman of the Board with the Company</td>
</tr>
<tr>
<td>Kinpo</td>
<td>The same Chairman of the Board with the Company</td>
</tr>
</tbody>
</table>

(b) Transactions with key management personnel

Key management personnel remunerations comprised:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term employee benefits</td>
<td>$800,053</td>
<td>699,852</td>
</tr>
<tr>
<td>Post-employment benefits</td>
<td>7,405</td>
<td>7,534</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>1,524</td>
<td>11,328</td>
</tr>
<tr>
<td></td>
<td><strong>$808,982</strong></td>
<td><strong>718,714</strong></td>
</tr>
</tbody>
</table>

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

(c) Significant related-party transactions

(i) Sale of goods to related parties

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

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associates</td>
<td>$113,147</td>
<td>208,846</td>
</tr>
<tr>
<td>Other related parties</td>
<td>15,124</td>
<td>9,744</td>
</tr>
<tr>
<td></td>
<td><strong>$128,271</strong></td>
<td><strong>218,590</strong></td>
</tr>
</tbody>
</table>

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

(Continued)
(ii) Purchase of goods from related parties

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

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associates</td>
<td>$2,933,852</td>
<td>$4,038,193</td>
</tr>
<tr>
<td>Other related parties</td>
<td>46,879,824</td>
<td>32,748,290</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$49,813,676</strong></td>
<td><strong>36,786,483</strong></td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Account</th>
<th>Related party categories</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes and accounts receivable</td>
<td>Associates</td>
<td>$26,613</td>
<td>44,795</td>
</tr>
<tr>
<td>Notes and accounts receivable</td>
<td>Other related parties</td>
<td>6,407,683</td>
<td>4,371,278</td>
</tr>
<tr>
<td>Other receivables</td>
<td>Associates</td>
<td>1,514</td>
<td>1,321</td>
</tr>
<tr>
<td>Other receivables</td>
<td>Other related parties</td>
<td>64</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$6,435,874</strong></td>
<td><strong>4,417,394</strong></td>
</tr>
</tbody>
</table>

(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:

<table>
<thead>
<tr>
<th>Account</th>
<th>Related party categories</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes and accounts payable</td>
<td>Associates</td>
<td>$609,875</td>
<td>774,001</td>
</tr>
<tr>
<td>Notes and accounts payable</td>
<td>Other related parties</td>
<td>9,987,775</td>
<td>8,927,031</td>
</tr>
<tr>
<td>Other payables</td>
<td>Associates</td>
<td>137</td>
<td>96</td>
</tr>
<tr>
<td>Other payables</td>
<td>Other related parties</td>
<td>21,788</td>
<td>20,327</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$10,619,575</strong></td>
<td><strong>9,721,455</strong></td>
</tr>
</tbody>
</table>

(Continued)
Notes to Consolidated Financial Statements

(v) Property transactions - Acquisitions of financial assets

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

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Item</th>
<th>Number of shares</th>
<th>Object</th>
<th>Acquisition price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other related party</td>
<td>Acbel</td>
<td>12,340 thousand shares</td>
<td>Common stocks of Acbel issued through cash capital increase</td>
<td>478,800</td>
</tr>
<tr>
<td>Acbel</td>
<td>Acquisition of financial assets at fair value through other comprehensive income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other related party</td>
<td>Cal-Comp</td>
<td>1,249,470 thousand shares</td>
<td>Common stocks of Cal-Comp issued through cash capital increase</td>
<td>1,718,266</td>
</tr>
<tr>
<td>Cal-Comp</td>
<td>Acquisition of financial assets at fair value through other comprehensive income</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(8) Pledged assets:

The carrying values of pledged assets were as follows:

<table>
<thead>
<tr>
<th>Pledged Assets</th>
<th>Subject</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories</td>
<td>Bank loans</td>
<td>$ 43,949</td>
<td>59,707</td>
</tr>
<tr>
<td>Other current assets</td>
<td>Customs deposit</td>
<td>-</td>
<td>534,153</td>
</tr>
<tr>
<td>Other current assets</td>
<td>Pledged deposit</td>
<td>717,036</td>
<td>269,003</td>
</tr>
<tr>
<td>Property, plant, and equipment</td>
<td>Bank loans</td>
<td>463,806</td>
<td>485,364</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>Customs deposit</td>
<td>800</td>
<td>800</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>Pledged deposit</td>
<td>358,231</td>
<td>969,160</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>$ 1,583,822</strong></td>
<td><strong>2,318,187</strong></td>
</tr>
</tbody>
</table>

(9) Commitments and contingencies:

The details of commitments and contingencies were as follows:

(a) Huawei Technologies Co., Ltd. filed an infringement litigation against the Group on October 28, 2022. The Group will carefully evaluate the litigation, discuss with related client for the following strategies and actions, and engage professional attorneys, to protect the rights and reputation of the Company from any damage.

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

(d) As of December 31, 2023 and 2022, the Group’s signed commitments to purchase property, plant and equipment amounted to $3,346,545 and $967,396, 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:

<table>
<thead>
<tr>
<th>By item</th>
<th>Operating costs</th>
<th>Operating expenses</th>
<th>Total</th>
<th>Operating costs</th>
<th>Operating expenses</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor and health insurance</td>
<td>954,729</td>
<td>1,157,263</td>
<td>2,111,992</td>
<td>1,162,379</td>
<td>1,022,635</td>
<td>2,185,014</td>
</tr>
<tr>
<td>Pension</td>
<td>843,056</td>
<td>680,573</td>
<td>1,523,629</td>
<td>1,173,680</td>
<td>644,736</td>
<td>1,818,416</td>
</tr>
<tr>
<td>Others</td>
<td>3,090,596</td>
<td>768,330</td>
<td>3,858,926</td>
<td>3,359,696</td>
<td>718,760</td>
<td>4,078,456</td>
</tr>
<tr>
<td>Depreciation</td>
<td>6,206,119</td>
<td>1,068,150</td>
<td>7,274,269</td>
<td>5,794,829</td>
<td>1,187,517</td>
<td>6,982,346</td>
</tr>
<tr>
<td>Amortization</td>
<td>51,379</td>
<td>547,878</td>
<td>599,257</td>
<td>71,405</td>
<td>490,657</td>
<td>562,062</td>
</tr>
</tbody>
</table>

(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 year ended December 31, 2023:

(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 December 31, 2023 (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: Please refer to Table 4

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: Please refer to Table 5

(Continued)
(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 6

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 7

(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 8

(b) Information on investees: Please refer to Table 9

(c) Information on investment in mainland China: Please refer to Table 10

(d) Major shareholders:

<table>
<thead>
<tr>
<th>Shareholder’s Name</th>
<th>Shareholding</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF</td>
<td>297,470,000</td>
<td>6.74 %</td>
</tr>
</tbody>
</table>

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.

(Continued)
(14) Segment information:

(a) General information

The Group’s information technology product segment is primarily engaged in the development, manufacture and sale of information technology products and mobile communication products. The strategy integrate product segment is primarily engaged in the research, development, manufacture and sale of networking products.

(b) Reportable segments and operating segment information

Accounting policies for the operating segments correspond to those stated in note 4. The profit and loss of the operating segment of the Group is measured by earnings before taxes and as the basis for performance measurement. The amount of the Group's reportable segments consistent with the report that the operating decision maker used, and the Group does not allocate assets and liabilities to the reportable segments for the purpose of operating decisions to measure assets and liabilities of segments.

The operating segment information was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Information technology product segment</th>
<th>Strategy integrated product segment</th>
<th>Adjustment and elimination</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$ 895,556,678</td>
<td>51,158,122</td>
<td>-</td>
<td>946,714,800</td>
</tr>
<tr>
<td>Interest revenue</td>
<td>4,547,937</td>
<td>158,990</td>
<td>-</td>
<td>4,706,927</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$ 900,104,615</td>
<td>51,317,112</td>
<td>-</td>
<td>951,421,727</td>
</tr>
<tr>
<td>Interest expense</td>
<td>4,917,905</td>
<td>134,467</td>
<td>-</td>
<td>5,052,372</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>7,031,024</td>
<td>842,502</td>
<td>-</td>
<td>7,873,526</td>
</tr>
<tr>
<td>Investment gain (loss)</td>
<td>(467,077)</td>
<td>-</td>
<td>-</td>
<td>(467,077)</td>
</tr>
<tr>
<td>Other significant non-cash items:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment of assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Reportable segment profit</td>
<td>$ 8,623,476</td>
<td>3,266,949</td>
<td>-</td>
<td>11,890,425</td>
</tr>
<tr>
<td>Reportable segment assets</td>
<td></td>
<td></td>
<td></td>
<td>$ 436,770,974</td>
</tr>
<tr>
<td>Reportable segment liabilities</td>
<td></td>
<td></td>
<td></td>
<td>$ 303,998,121</td>
</tr>
</tbody>
</table>

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

For the year ended December 31, 2022

<table>
<thead>
<tr>
<th>Information technology product segment</th>
<th>Strategy integrated product segment</th>
<th>Adjustment and elimination</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from external customers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,026,078,166</td>
<td>47,167,749</td>
<td>-</td>
<td>1,073,245,915</td>
</tr>
<tr>
<td>Interest revenue</td>
<td>2,998,570</td>
<td>91,356</td>
<td>3,089,926</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$1,029,076,736</td>
<td>47,259,105</td>
<td>1,076,335,841</td>
</tr>
<tr>
<td>Interest expense</td>
<td>3,131,824</td>
<td>113,877</td>
<td>3,245,701</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>6,810,232</td>
<td>734,176</td>
<td>7,544,408</td>
</tr>
<tr>
<td>Investment gain (loss)</td>
<td>(272,824)</td>
<td>-</td>
<td>(272,824)</td>
</tr>
<tr>
<td>Other significant non-cash items:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment of assets</td>
<td>9,431</td>
<td>-</td>
<td>9,431</td>
</tr>
<tr>
<td>Reportable segment profit</td>
<td>$8,246,412</td>
<td>2,477,718</td>
<td>10,724,130</td>
</tr>
<tr>
<td>Reportable segment assets</td>
<td>$453,484,433</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reportable segment liabilities</td>
<td>$326,074,590</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(c) Products information

The information of revenue from external customers:

<table>
<thead>
<tr>
<th>Products and services</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>5C related electronic products</td>
<td>$942,520,717</td>
<td>1,067,076,220</td>
</tr>
<tr>
<td>Others</td>
<td>4,194,083</td>
<td>6,169,695</td>
</tr>
<tr>
<td></td>
<td>$946,714,800</td>
<td>1,073,245,915</td>
</tr>
</tbody>
</table>

(Continued)
(d) Geographic information

Stated below are the geographic information on the Group’s sales presented by destination of sales and non-current assets presented by location.

(i) Revenue from external customers:

<table>
<thead>
<tr>
<th>Country</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$374,196,615</td>
<td>444,691,177</td>
</tr>
<tr>
<td>China</td>
<td>137,660,865</td>
<td>133,452,679</td>
</tr>
<tr>
<td>Netherlands</td>
<td>60,530,773</td>
<td>68,709,105</td>
</tr>
<tr>
<td>Others</td>
<td>374,326,547</td>
<td>426,392,954</td>
</tr>
<tr>
<td></td>
<td>$946,714,800</td>
<td>1,073,245,915</td>
</tr>
</tbody>
</table>

(ii) Non-current assets:

<table>
<thead>
<tr>
<th>Country</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taiwan</td>
<td>$21,318,777</td>
<td>20,877,772</td>
</tr>
<tr>
<td>Vietnam</td>
<td>12,135,554</td>
<td>10,671,422</td>
</tr>
<tr>
<td>China</td>
<td>11,710,811</td>
<td>13,812,658</td>
</tr>
<tr>
<td>Others</td>
<td>1,283,752</td>
<td>989,914</td>
</tr>
<tr>
<td></td>
<td>$46,448,894</td>
<td>46,351,766</td>
</tr>
</tbody>
</table>

Non current assets include plant, property, and equipment, intangible assets, and other assets, excluding deferred tax assets.

(e) The details of sales revenue from external customers more than 10% of the amount of consolidated statement of comprehensive income are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>D Company</td>
<td>$379,263,553</td>
<td>460,236,878</td>
</tr>
<tr>
<td>E Company</td>
<td>125,647,532</td>
<td>102,969,721</td>
</tr>
<tr>
<td>F Company</td>
<td>121,450,902</td>
<td>170,398,727</td>
</tr>
<tr>
<td>A Company</td>
<td>95,644,980</td>
<td>96,621,806</td>
</tr>
<tr>
<td></td>
<td>$722,006,967</td>
<td>830,227,132</td>
</tr>
<tr>
<td>Name of lender</td>
<td>Company</td>
<td>Account name</td>
</tr>
<tr>
<td>---------------</td>
<td>---------</td>
<td>--------------</td>
</tr>
<tr>
<td>-</td>
<td>UCGL</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>Compal</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>Arcadyan</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>CEA</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>CEP</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>CIC</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>CTI</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>Compal</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>CEA</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>CEP</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>CEA</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>CIC</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>Compal</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>CEA</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>CIC</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>CIC</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>Compal</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>Compal</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>Compal</td>
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<tr>
<td>-</td>
<td>CEP</td>
<td>Other receivables</td>
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<tr>
<td>-</td>
<td>Compal</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>Compal</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>Compal</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>Compal</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>Compal</td>
<td>Other receivables</td>
</tr>
<tr>
<td>-</td>
<td>Compal</td>
<td>Other receivables</td>
</tr>
</tbody>
</table>
Note 1: According to the Company’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties shall not exceed 30% 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 20% of the borrower’s net worth, nor shall it be more than 30% of the Company’s lendable amount limit, and shall be calculated together with the amount of guarantee endowed by the Company for the company in question. 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 share 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 endowed by the Company for each company.

Note 2: According to CP’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties shall not exceed 40% of the net worth of CP. When a short-term financing facility with CP is necessary, the total amount for 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 CP, and shall be combined with the company’s endorsements/guarantees for the borrower when calculating.

Note 3: According to the Company’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties 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 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 total amount for lending the borrower 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 guarantees endowed by the Company for each company.

Note 4: According to CIT’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties 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 be more than 50% of CIT’s total amount of lendable capital, and shall be combined with the company’s endorsements/guarantees for the borrower when calculating.

Note 5: According to Gempal’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties 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 be more than 50% of Gempal’s total amount of lendable capital, and shall be combined with the company’s endorsements/guarantees for the borrower when calculating. 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 Gempal, and shall be combined with the company’s endorsements/guarantees for the borrower when calculating.

Note 6: According to Guang’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties shall not exceed 40% of the net worth of Guang. When a short-term financing facility with Guang is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower’s net worth, nor shall it be more than 50% of Guang’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 the Company’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties 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 be more than 50% of CPC’s total amount of lendable capital, and shall be combined with the company’s endorsements/guarantees for the borrower when calculating. 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 8: According to BSH’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties 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 be more than 50% of BSH’s total amount of lendable capital, and shall be combined with the company’s endorsements/guarantees for the borrower when calculating. 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 Compal’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties shall not exceed 40% of the net worth of Compal. When a short-term financing facility with Compal is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower’s net worth, nor shall it be more than 50% of Compal’s total amount of lendable capital, and shall be combined with the company’s endorsements/guarantees for the borrower when calculating. 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 Compal, and shall be combined with the company’s endorsements/guarantees for the borrower when calculating.

Note 10: According to Aracal’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties shall not exceed 40% of the net worth of Aracal. When a short-term financing facility with Aracal is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower’s net worth, nor shall it be more than 50% of Aracal’s total amount of lendable capital, and shall be combined with the company’s endorsements/guarantees for the borrower when calculating. 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 Aracal, and shall be combined with the company’s endorsements/guarantees for the borrower when calculating.

Note 11: According to Acalion’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties shall not exceed 40% of the net worth of Acalion. When a short-term financing facility with Acalion is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower’s net worth, nor shall it be more than 50% of Acalion’s total amount of lendable capital, and shall be combined with the company’s endorsements/guarantees for the borrower when calculating.

Note 12: According to Acalion’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties shall not exceed 40% of the net worth of Acalion. When a short-term financing facility with Acalion is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower’s net worth, and shall be combined with the company’s holdings’ guarantees for the borrower when calculating.

Note 13: According to Panpal’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties 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 be more than 50% of Panpal’s total amount of lendable capital, and shall be combined with the company’s endorsements/guarantees for the borrower when calculating.

Note 14: According to Poindus’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties shall not exceed 40% of the net worth of Poindus. When a short-term financing facility with Poindus is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower’s net worth, nor shall it be more than 50% of Poindus’s total amount of lendable capital, and shall be combined with the company’s endorsements/guarantees for the borrower when calculating. 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 Poindus, and shall be combined with the company’s endorsements/guarantees for the borrower when calculating.

Note 15: According to BSH’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties 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 be more than 50% of BSH’s total amount of lendable capital, and shall be combined with the company’s endorsements/guarantees for the borrower when calculating. 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 16: According to Aracal’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties shall not exceed 40% of the net worth of Aracal. When a short-term financing facility with Aracal is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower’s net worth, nor shall it be more than 50% of Aracal’s total amount of lendable capital, and shall be combined with the company’s endorsements/guarantees for the borrower when calculating. 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 Aracal, and shall be combined with the company’s endorsements/guarantees for the borrower when calculating.

Note 17: According to Acalion’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties shall not exceed 40% of the net worth of Acalion. When a short-term financing facility with Acalion is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower’s net worth, and shall be combined with the company’s holdings’ guarantees for the borrower when calculating.

Note 18: According to Poindus’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties shall not exceed 40% of the net worth of Poindus. When a short-term financing facility with Poindus is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower’s net worth, nor shall it be more than 50% of Poindus’s total amount of lendable capital, and shall be combined with the company’s endorsements/guarantees for the borrower when calculating.
### Table 2  Guarantees and endorsements for other parties:

(December 31, 2023)

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of guarantor</th>
<th>Relationship with the Company</th>
<th>Limitation on amount of guarantees and endorsements for a specific enterprise</th>
<th>Counter-party of guarantee and endorsement</th>
<th>Balance of guarantees and endorsements as of reporting date</th>
<th>Actual usage amount during the period</th>
<th>Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements</th>
<th>Maximum amount for guarantees and endorsements during the period (Note 1 x 2 and 3)</th>
<th>Property pledged for guarantees and endorsements (Amount)</th>
<th>Property pledged for guarantees and endorsements (Note 4)</th>
<th>Parent company endorsements/guarantees to third parties on behalf of subsidiary</th>
<th>Subsidiary endorsements/guarantees to third parties on behalf of parent company</th>
<th>Endorsements/guarantees to third parties on behalf of companies in Mainland China</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>The Company CEP</td>
<td>(Note 4)</td>
<td>28,876,015</td>
<td>-</td>
<td>18,876</td>
<td>18,876</td>
<td>0.0%</td>
<td>57,752,031</td>
<td>Y</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>0</td>
<td>The Company CEB</td>
<td>(Note 5)</td>
<td>28,876,015</td>
<td>-</td>
<td>356,130</td>
<td>356,170</td>
<td>0.31%</td>
<td>57,752,031</td>
<td>Y</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>0</td>
<td>The Company HengHao Kunshan</td>
<td>(Note 5)</td>
<td>28,876,015</td>
<td>-</td>
<td>25,962</td>
<td>25,962</td>
<td>0.02%</td>
<td>57,752,031</td>
<td>Y</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1</td>
<td>Arcadyan</td>
<td>Arcadyan AU</td>
<td>1,973,629</td>
<td>243,263</td>
<td>230,288</td>
<td>-</td>
<td>1.56%</td>
<td>5,920,889</td>
<td>Y</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Poindus Systems</td>
<td>Qijie</td>
<td>103,688</td>
<td>30,710</td>
<td>-</td>
<td>-</td>
<td>0.40%</td>
<td>259,221</td>
<td>Y</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**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 its 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**: According to Poindus Systems’ Procedures for Endorsement and Guarantee, Poindus Systems only endorses and guarantees to subsidiaries wherein it holds 100% of their voting shares. Poindus Systems’ endorsement and guarantee for a subsidiary shall not exceed 20% of its net worth, and the total amount of endorsements/guarantees shall not exceed 50% of its net worth.

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

**Note 5**: Subsidiary whose over 50% common stock is indirectly owned.
Table 3  Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

(December 31, 2023)

<table>
<thead>
<tr>
<th>Name of holder</th>
<th>Category and name of security</th>
<th>Relationship with security issuer</th>
<th>Account name</th>
<th>Ending balance</th>
<th>The highest holdings in the period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Shares/Units (thousands)</td>
<td>Carrying value</td>
</tr>
<tr>
<td>The Company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taiwan Mobile</td>
<td></td>
<td></td>
<td></td>
<td>3,197</td>
<td>315,254</td>
</tr>
<tr>
<td>Kangro</td>
<td>The same chairman of the Company</td>
<td></td>
<td></td>
<td>124,044</td>
<td>2,015,711</td>
</tr>
<tr>
<td>Cal-Comp</td>
<td>The same chairman of the Company</td>
<td></td>
<td></td>
<td>1,554,139</td>
<td>2,006,241</td>
</tr>
<tr>
<td>HWA VI Venture Capital Corp.</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>48</td>
<td>13,553</td>
<td>10%</td>
<td>13,553</td>
</tr>
<tr>
<td>HWA Chi Venture Capital Corp.</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>53</td>
<td>13,515</td>
<td>11%</td>
<td>13,515</td>
</tr>
<tr>
<td>mProbe Ltd.</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>4,000</td>
<td>10,880</td>
<td>3%</td>
<td>10,880</td>
</tr>
<tr>
<td>AcBel</td>
<td>The Chairman of the Board is the first degree of kinship of the Chairman of the Company</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>6,685</td>
<td>274,754</td>
<td>1%</td>
</tr>
<tr>
<td>Chun Fong Optoelectronics</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>6,685</td>
<td>101,876</td>
<td>7%</td>
<td>101,676</td>
</tr>
<tr>
<td>PrimeSenser Technology Inc.</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>868</td>
<td>13,361</td>
<td>1%</td>
<td>13,361</td>
</tr>
<tr>
<td>Genxin Technology, Inc.</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>2,000</td>
<td>36,000</td>
<td>7%</td>
<td>36,000</td>
</tr>
<tr>
<td>Aoroha Technology Corp.</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>215</td>
<td>124,055</td>
<td>-</td>
<td>124,055</td>
</tr>
<tr>
<td>ITH Corporation</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>8,000</td>
<td>225,969</td>
<td>2%</td>
<td>225,969</td>
</tr>
<tr>
<td>Clean Energy Fund</td>
<td>Financial assets at fair value through profit or loss-non-current</td>
<td>-</td>
<td>179,175</td>
<td>2%</td>
<td>179,175</td>
</tr>
<tr>
<td>ITH Biomedical Venture Fund</td>
<td>Financial assets at fair value through profit or loss-non-current</td>
<td>5,000</td>
<td>91,000</td>
<td>8%</td>
<td>91,000</td>
</tr>
<tr>
<td>Phoenix Innovation Investment Corporation</td>
<td>Financial assets at fair value through profit or loss-current</td>
<td>6,000</td>
<td>67,680</td>
<td>19%</td>
<td>67,680</td>
</tr>
<tr>
<td>Others</td>
<td>Financial assets at fair value through profit or loss and other comprehensive income</td>
<td>146,801</td>
<td>146,801</td>
<td>146,801</td>
<td>146,801</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>4,535,565</td>
<td></td>
</tr>
<tr>
<td>Compal Electronics, Inc.</td>
<td>The parent company</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>31,648</td>
<td>1,281,176</td>
<td>1%</td>
</tr>
<tr>
<td>Kangro</td>
<td>The same chairman of the Company</td>
<td></td>
<td></td>
<td>69,370</td>
<td>1,127,257</td>
</tr>
<tr>
<td>USIB Partners Investment Holding Corp.</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>54,000</td>
<td>822,420</td>
<td>5%</td>
<td>822,420</td>
</tr>
<tr>
<td>AcBel</td>
<td>The Chairman of the Board is the first degree of kinship of the Chairman of the Company</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>11,332</td>
<td>466,740</td>
<td>2%</td>
</tr>
<tr>
<td>Lian Hong Art. Co., Ltd.</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>2,291</td>
<td>71,387</td>
<td>6%</td>
<td>71,387</td>
</tr>
<tr>
<td>Taiwan Biotech Co., Ltd.</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>8,680</td>
<td>140,061</td>
<td>5%</td>
<td>140,061</td>
</tr>
<tr>
<td>Others</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>9,264</td>
<td>9,264</td>
<td>9,264</td>
<td>9,264</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>3,917,425</td>
<td></td>
</tr>
<tr>
<td>Compal Electronics, Inc.</td>
<td>The parent company</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>18,369</td>
<td>732,019</td>
<td>-</td>
</tr>
<tr>
<td>Lian Hong Art. Co., Ltd.</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>2,291</td>
<td>71,365</td>
<td>6%</td>
<td>71,365</td>
</tr>
<tr>
<td>Others</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>952</td>
<td>952</td>
<td>952</td>
<td>952</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>804,336</td>
<td></td>
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(Continued)
<table>
<thead>
<tr>
<th>Name of holder</th>
<th>Category and name of security</th>
<th>Relationship with security issuer</th>
<th>Account name</th>
<th>Ending balance</th>
<th>The highest holdings in the period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Shares/Units (thousands)</td>
<td>Carrying value</td>
<td>Holding percentage (%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(thousands)</td>
<td>(%)</td>
</tr>
<tr>
<td>Hong JH</td>
<td>SUVIN Optronics Co., Ltd.</td>
<td>-</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>380</td>
<td>-</td>
</tr>
<tr>
<td>Hong Jin</td>
<td>SUVIN Optronics</td>
<td></td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>332</td>
<td>-</td>
</tr>
<tr>
<td>Ascendas</td>
<td>GasThings Inc.</td>
<td>-</td>
<td>Financial assets at fair value through profit or loss-non-current</td>
<td>200</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>AirHop Communication Inc.</td>
<td></td>
<td>Financial assets at fair value through profit or loss-non-current</td>
<td>1,152</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Advant Technologies Inc.</td>
<td></td>
<td>Financial assets at fair value through profit or loss-non-current</td>
<td>549</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>IOT EYE, Inc.</td>
<td></td>
<td>Financial assets at fair value through profit or loss-non-current</td>
<td>60</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>TIEF FUND L.P.</td>
<td></td>
<td>Financial assets at fair value through profit or loss-non-current</td>
<td>-</td>
<td>48,112</td>
</tr>
<tr>
<td></td>
<td>Chimei Motor Electronics Co., LTD</td>
<td></td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>1,650</td>
<td>35,442</td>
</tr>
<tr>
<td></td>
<td>Golden SmartHome Technology Corp.</td>
<td></td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>1,229</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td>83,854</td>
<td></td>
</tr>
<tr>
<td>Motech</td>
<td>Taichung International Golf Country Club</td>
<td></td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>-</td>
<td>11,790</td>
</tr>
<tr>
<td></td>
<td>HIBB</td>
<td>FIVALLAR Optronics</td>
<td>Financial assets at fair value through profit or loss-non-current</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Methus</td>
<td>Beyond Limits, Inc.</td>
<td></td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>873</td>
<td>138,172</td>
</tr>
<tr>
<td></td>
<td>IIT</td>
<td>Sichuan Geol Fashong Health Management Co., Ltd.</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>-</td>
<td>6,328</td>
</tr>
<tr>
<td></td>
<td>CIT</td>
<td>Kanjiyo Phase II (Suzhou) Emerging Industry Venture Capital Partnership Fund</td>
<td>Financial assets at fair value through profit or loss-non-current</td>
<td>-</td>
<td>502,738</td>
</tr>
<tr>
<td></td>
<td>BSHH</td>
<td>Ade Capital Partners Fund LP</td>
<td>Financial assets at fair value through profit or loss-non-current</td>
<td>-</td>
<td>62,733</td>
</tr>
<tr>
<td></td>
<td>ABG Capital PartnersV, LP</td>
<td>Financial assets at fair value through profit or loss-non-current</td>
<td>-</td>
<td>266,074</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td>328,807</td>
<td></td>
</tr>
</tbody>
</table>

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.
### Table 4: Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:

<table>
<thead>
<tr>
<th>Name of company</th>
<th>Security</th>
<th>Account name</th>
<th>Relationship with the company</th>
<th>Beginning Balance</th>
<th>Purchases</th>
<th>Sales</th>
<th>Gross Profit</th>
<th>Interests from disposal</th>
<th>Interests from disposal cost</th>
<th>Others</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arcadyan Holding</td>
<td>Stock</td>
<td>Cal-Comp Investments</td>
<td>using equity method</td>
<td>208,300</td>
<td>2,140,291</td>
<td>60,000</td>
<td>1,843,500</td>
<td>-</td>
<td>262,540</td>
<td>47,780</td>
<td>2,066,961</td>
</tr>
<tr>
<td>Note 1: Cash capital.</td>
<td>Note 2: Others refer to investment income using equity method and foreign currency translation differences of foreign operations.</td>
<td>Note 3: Stock dividends.</td>
<td>Note 4: Others refer to unrealized gain and loss on financial assets and its deferred taxes.</td>
<td>Note 5: Subsidiary whose over 50% common stock is directly owned.</td>
<td>Note 6: Subsidiary whose over 50% common stock is indirectly owned.</td>
<td>Note 7: The same chairman of the Company.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Table 5: Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:

<table>
<thead>
<tr>
<th>Name of company</th>
<th>Transaction date</th>
<th>Transaction amount</th>
<th>Owner</th>
<th>Relationship with the Company</th>
<th>Purposes</th>
<th>Beginning Balance</th>
<th>Purchases</th>
<th>Sales</th>
<th>Gross Profit</th>
<th>Interests from disposal</th>
<th>Interests from disposal cost</th>
<th>Others</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arcadyan Holding</td>
<td>September 28, 2023</td>
<td>738,000</td>
<td>Chien Ming Construction Co. Ltd.</td>
<td>None not applicable</td>
<td>None</td>
<td>677,000</td>
<td>1,884,423</td>
<td>613,000</td>
<td>1,881,800</td>
<td>-</td>
<td>262,540</td>
<td>47,780</td>
<td>2,066,961</td>
</tr>
</tbody>
</table>

Note 1: The Company and its subsidiaries acquired properties under the guidance of the Company's board of directors and determining prices through market comparisons.
Note 2: If the counter-party is a related party, disclose the previous transfer information.
Note 3: For the year ended December 31, 2023.

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

(For the year ended December 31, 2023)

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Counter party</th>
<th>Nature of relationship</th>
<th>Transaction details</th>
<th>Transactions with terms different from others</th>
<th>Notes/Accounts receivable (payable)</th>
<th>Percentage of total notes/accounts receivable (payable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Company</td>
<td>CBN</td>
<td>Subsidiaries</td>
<td>Sale</td>
<td>(170,327) (0.0)% Net 90 days from delivery</td>
<td>There is no significant difference</td>
<td>137,794 (0.1)% (Note 2)</td>
</tr>
<tr>
<td></td>
<td>Acctady</td>
<td>Subsidiaries</td>
<td>Sale</td>
<td>(1,418,650) (0.2)% Net 60 days from the end of the month of delivery</td>
<td>There is no significant difference</td>
<td>685,277 (0.4)% (Note 2)</td>
</tr>
<tr>
<td></td>
<td>CEP</td>
<td>Subsidiaries wholly owned by the Company</td>
<td>Sale</td>
<td>(114,975) (0.0)% 120 days Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
<td>97,737 (0.1)% (Note 2)</td>
</tr>
<tr>
<td></td>
<td>CEP</td>
<td>Subsidiaries wholly owned by the Company</td>
<td>Purchase</td>
<td>189,437 0.0% 120 days Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
<td>- 0.0% (Note 2)</td>
</tr>
<tr>
<td></td>
<td>CBI and its subsidiaries</td>
<td>Subsidiaries wholly owned by the Company</td>
<td>Purchase</td>
<td>105,753,627 11.2% 120 days Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
<td>(40,778,450) (30.0)% (Note 2)</td>
</tr>
<tr>
<td></td>
<td>Just and its subsidiaries</td>
<td>Subsidiaries wholly owned by the Company</td>
<td>Purchase</td>
<td>71,030,857 7.5% 120 days Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
<td>(2,070,603) (1.3)% (Note 2)</td>
</tr>
<tr>
<td></td>
<td>HSI and its subsidiaries</td>
<td>Subsidiaries wholly owned by the Company</td>
<td>Purchase</td>
<td>66,824,371 7.1% 120 days Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
<td>(7,960,864) (4.9)% (Note 2)</td>
</tr>
<tr>
<td></td>
<td>BCI and its subsidiaries</td>
<td>Subsidiaries wholly owned by the Company</td>
<td>Purchase</td>
<td>29,504,779 3.1% 120 days Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
<td>(9,497,819) (5.8)% (Note 2)</td>
</tr>
<tr>
<td></td>
<td>Etude and its subsidiaries</td>
<td>Subsidiaries wholly owned by the Company</td>
<td>Purchase</td>
<td>2,973,830 0.3% Net 60 days from delivery</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
<td>(998,739) (0.6)% (Note 2)</td>
</tr>
<tr>
<td></td>
<td>Kinpo</td>
<td>The same chairman of the Company</td>
<td>Purchase</td>
<td>45,822,993 4.9% Net 35 days from the end of the month</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
<td>(9,565,439) (5.9)% (Note 2)</td>
</tr>
<tr>
<td></td>
<td>Just and its subsidiaries</td>
<td>Compal Electronics, Inc. Parent company</td>
<td>Sale</td>
<td>(71,030,857) (99.6)% 120 days Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
<td>2,070,605 (99.1)% (Note 2)</td>
</tr>
<tr>
<td></td>
<td>UCGI</td>
<td>With the same ultimate parent company</td>
<td>Sale</td>
<td>(211,853) (0.3)% 60 days Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
<td>37,844 (0.5)% (Note 2)</td>
</tr>
<tr>
<td></td>
<td>HSI and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td>Purchase</td>
<td>1,148,812 2.1% 120 days Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
<td>- (0.0)% (Note 2)</td>
</tr>
<tr>
<td></td>
<td>Etude and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td>Purchase</td>
<td>148,167 (0.3)% Net 60 days from delivery</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
<td>- (0.0)% (Note 2)</td>
</tr>
<tr>
<td></td>
<td>CIB and its subsidiaries</td>
<td>Compal Electronics, Inc. Parent company</td>
<td>Sale</td>
<td>(105,753,627) (92.8)% 120 days Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
<td>40,778,450 (91.4)% (Note 2)</td>
</tr>
<tr>
<td></td>
<td>BCI and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td>Sale</td>
<td>(905,696) (0.3)% 120 days Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
<td>9,236 0.0% (Note 2)</td>
</tr>
<tr>
<td></td>
<td>HSI and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td>Sale</td>
<td>(8,058,473) (5.6)% 120 days Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
<td>7,590,654 7.6% (Note 2)</td>
</tr>
<tr>
<td></td>
<td>CEB</td>
<td>With the same ultimate parent company</td>
<td>Sale</td>
<td>(245,966) (0.2)% 120 days Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
<td>11,918 0.0% (Note 2)</td>
</tr>
</tbody>
</table>

(Continued)
### COMPAL ELECTRONICS, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

#### Table 6  
Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(For the year ended December 31, 2023)

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Counter party</th>
<th>Nature of relationship</th>
<th>Purchase/ Sales</th>
<th>Amount</th>
<th>Percentage of total purchases/sales</th>
<th>Payment terms</th>
<th>Unit price</th>
<th>Payment Terms</th>
<th>Ending Balance</th>
<th>Percentage of total notes/accounts receivable (payable)</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEA</td>
<td>With the same ultimate parent company</td>
<td>Sale</td>
<td>(311,099)</td>
<td>(0.2)%</td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
<td>(18,460)</td>
<td>(0.0)%</td>
<td>(Note 2)</td>
<td></td>
</tr>
<tr>
<td>BCI and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td>Purchase</td>
<td>346,858</td>
<td>0.3%</td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
<td>(263,964)</td>
<td>(0.2)%</td>
<td>(Note 2)</td>
<td></td>
</tr>
<tr>
<td>Rayonnant Technology and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td>Purchase</td>
<td>1,403,349</td>
<td>1.1%</td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
<td>(88,676)</td>
<td>(0.1)%</td>
<td>(Note 2)</td>
<td></td>
</tr>
<tr>
<td>HSI and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td>Purchase</td>
<td>694,749</td>
<td>0.5%</td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
<td>(541,864)</td>
<td>(0.7)%</td>
<td>(Note 2)</td>
<td></td>
</tr>
<tr>
<td>CPM</td>
<td>No associate</td>
<td>Purchase</td>
<td>2,444,514</td>
<td>1.9%</td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference.</td>
<td>(6,375)</td>
<td>(0.0)%</td>
<td>(Note 2)</td>
<td></td>
</tr>
<tr>
<td>Changbao</td>
<td>An associate</td>
<td>Purchase</td>
<td>203,638</td>
<td>0.2%</td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference.</td>
<td>(276,555)</td>
<td>(0.4)%</td>
<td>(Note 2)</td>
<td></td>
</tr>
<tr>
<td>Acbel and its subsidiaries</td>
<td>The Chairman of the Board is the first degree of kinship of the Chairman of the Company</td>
<td>Purchase</td>
<td>721,560</td>
<td>0.5%</td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference.</td>
<td>(9,497,819)</td>
<td>93.0%</td>
<td>(Note 2)</td>
<td></td>
</tr>
<tr>
<td>BCI and its subsidiaries</td>
<td>Parent company</td>
<td>Sale</td>
<td>(29,504,779)</td>
<td>(92.2)%</td>
<td>120 days</td>
<td>Markup based on BCI and its subsidiaries' cost pricing</td>
<td>Adjustments will be made based on demand for funding.</td>
<td>1,276,398</td>
<td>3.3%</td>
<td>(Note 2)</td>
<td></td>
</tr>
<tr>
<td>CBI and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td>Sale</td>
<td>(346,858)</td>
<td>(0.9)%</td>
<td>120 days</td>
<td>According to markup pricing</td>
<td>Adjustments will be made based on demand for funding.</td>
<td>193,709</td>
<td>0.5%</td>
<td>(Note 2)</td>
<td></td>
</tr>
<tr>
<td>HSI and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td>Sale</td>
<td>(424,337)</td>
<td>(4.1)%</td>
<td>120 days</td>
<td>According to markup pricing</td>
<td>Adjustments will be made based on demand for funding.</td>
<td>(9,234)</td>
<td>(0.0)%</td>
<td>(Note 2)</td>
<td></td>
</tr>
<tr>
<td>CEA</td>
<td>With the same ultimate parent company</td>
<td>Sale</td>
<td>(688,172)</td>
<td>(1.9)%</td>
<td>120 days</td>
<td>According to markup pricing</td>
<td>There is no significant difference.</td>
<td>(25,132)</td>
<td>(0.1)%</td>
<td>(Note 2)</td>
<td></td>
</tr>
<tr>
<td>CEB</td>
<td>With the same ultimate parent company</td>
<td>Sale</td>
<td>(315,316)</td>
<td>(0.8)%</td>
<td>120 days</td>
<td>According to markup pricing</td>
<td>There is no significant difference.</td>
<td>(6,375)</td>
<td>(0.0)%</td>
<td>(Note 2)</td>
<td></td>
</tr>
<tr>
<td>CBI and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td>Sale</td>
<td>508,696</td>
<td>1.6%</td>
<td>120 days</td>
<td>According to markup pricing</td>
<td>There is no significant difference.</td>
<td>(12,690)</td>
<td>(0.0)%</td>
<td>(Note 2)</td>
<td></td>
</tr>
<tr>
<td>Rayonnant Technology and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td>Sale</td>
<td>120,513</td>
<td>0.5%</td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference.</td>
<td>(102,674)</td>
<td>(0.3)%</td>
<td>(Note 2)</td>
<td></td>
</tr>
<tr>
<td>CEA</td>
<td>With the same ultimate parent company</td>
<td>Sale</td>
<td>(1,562,819)</td>
<td>(21.3)%</td>
<td>45 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference.</td>
<td>940,982</td>
<td>36.4%</td>
<td>(Note 2)</td>
<td></td>
</tr>
<tr>
<td>BCI and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td>Purchase</td>
<td>688,172</td>
<td>11.3%</td>
<td>120 days</td>
<td>According to markup pricing</td>
<td>There is no significant difference.</td>
<td>(193,709)</td>
<td>(25.8)%</td>
<td>(Note 2)</td>
<td></td>
</tr>
<tr>
<td>CBI and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td>Purchase</td>
<td>311,899</td>
<td>5.1%</td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference.</td>
<td>(68,223)</td>
<td>(9.1)%</td>
<td>(Note 2)</td>
<td></td>
</tr>
<tr>
<td>CEB</td>
<td>With the same ultimate parent company</td>
<td>Purchase</td>
<td>315,316</td>
<td>8.0%</td>
<td>120 days</td>
<td>According to markup pricing</td>
<td>There is no significant difference.</td>
<td>(402,431)</td>
<td>(28.8)%</td>
<td>(Note 2)</td>
<td></td>
</tr>
<tr>
<td>CEA</td>
<td>With the same ultimate parent company</td>
<td>Purchase</td>
<td>1,562,819</td>
<td>38.9%</td>
<td>45 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference.</td>
<td>(940,982)</td>
<td>(67.4)%</td>
<td>(Note 2)</td>
<td></td>
</tr>
<tr>
<td>CBI and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td>Purchase</td>
<td>245,966</td>
<td>6.1%</td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference.</td>
<td>(11,918)</td>
<td>(0.9)%</td>
<td>(Note 2)</td>
<td></td>
</tr>
<tr>
<td>CEP</td>
<td>Parent company</td>
<td>Sale</td>
<td>(189,637)</td>
<td>(91.3)%</td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
<td>-</td>
<td>0.0%</td>
<td>(Note 2)</td>
<td></td>
</tr>
<tr>
<td>CEP</td>
<td>Parent company</td>
<td>Purchase</td>
<td>114,975</td>
<td>100.0%</td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
<td>(97,737)</td>
<td>89.2%</td>
<td>(Note 2)</td>
<td></td>
</tr>
</tbody>
</table>

(Continued)
<table>
<thead>
<tr>
<th>Company Name</th>
<th>Counter party</th>
<th>Nature of relationship</th>
<th>Purchase/ (Sale)</th>
<th>Percentage of total purchases/ sales</th>
<th>Payment terms</th>
<th>Unit price</th>
<th>Payment Terms</th>
<th>Ending Balance</th>
<th>Percentage of total notes/accounts receivable (payable)</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arcadyan</td>
<td>Parent company</td>
<td></td>
<td>Sale</td>
<td>(29,735,035)</td>
<td>(85.9)%</td>
<td></td>
<td></td>
<td>905,739</td>
<td>92.7% (Note 2)</td>
<td></td>
</tr>
<tr>
<td>Just and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td></td>
<td>Sale</td>
<td>(14,167)</td>
<td>(4.5)%</td>
<td></td>
<td></td>
<td>-</td>
<td>0.0% (Note 2)</td>
<td></td>
</tr>
<tr>
<td>HSI and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td></td>
<td>Purchase</td>
<td>196,028</td>
<td>19.2%</td>
<td></td>
<td></td>
<td>-</td>
<td>(0.0)% (Note 2)</td>
<td></td>
</tr>
<tr>
<td>Forever and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td></td>
<td>Sale</td>
<td>(212,507)</td>
<td>(10.0)%</td>
<td></td>
<td></td>
<td>128,048</td>
<td>100.0% (Note 2)</td>
<td></td>
</tr>
<tr>
<td>UCGI</td>
<td>FUST and its subsidiaries</td>
<td></td>
<td>Purchase</td>
<td>211,853</td>
<td>53.3%</td>
<td></td>
<td></td>
<td>(37,844)</td>
<td>(12.1)% (Note 2)</td>
<td></td>
</tr>
<tr>
<td>Rayonnant Technology and its subsidiaries</td>
<td></td>
<td></td>
<td>Sale</td>
<td>(1,403,349)</td>
<td>(72.1)%</td>
<td></td>
<td></td>
<td>263,964</td>
<td>91.3% (Note 2)</td>
<td></td>
</tr>
<tr>
<td>CBN</td>
<td>With the same ultimate parent company</td>
<td></td>
<td>Sale</td>
<td>(120,513)</td>
<td>(7.9)%</td>
<td></td>
<td></td>
<td>25,132</td>
<td>8.7% (Note 2)</td>
<td></td>
</tr>
<tr>
<td>HSI and its subsidiaries</td>
<td>Compal Electroic, Inc.</td>
<td>Parent company</td>
<td>Sale</td>
<td>(66,024,571)</td>
<td>(97.1)%</td>
<td></td>
<td></td>
<td>7,940,864</td>
<td>99.0% (Note 2)</td>
<td></td>
</tr>
<tr>
<td>CBI and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td></td>
<td>Sale</td>
<td>(694,749)</td>
<td>(1.0)%</td>
<td></td>
<td></td>
<td>89,676</td>
<td>0.4% (Note 2)</td>
<td></td>
</tr>
<tr>
<td>Just and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td></td>
<td>Sale</td>
<td>(1,148,812)</td>
<td>(6.0)%</td>
<td></td>
<td></td>
<td>-</td>
<td>0.0% (Note 2)</td>
<td></td>
</tr>
<tr>
<td>Ettale and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td></td>
<td>Sale</td>
<td>(196,028)</td>
<td>(0.3)%</td>
<td></td>
<td></td>
<td>-</td>
<td>0.0% (Note 2)</td>
<td></td>
</tr>
<tr>
<td>CBI and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td></td>
<td>Purchase</td>
<td>8,058,473</td>
<td>11.6%</td>
<td></td>
<td></td>
<td>(5,990,654)</td>
<td>(17.1)% (Note 2)</td>
<td></td>
</tr>
<tr>
<td>HSI and its subsidiaries</td>
<td>Compal Electroic, Inc.</td>
<td>Parent company</td>
<td>Sale</td>
<td>(160,983)</td>
<td>17.0%</td>
<td></td>
<td></td>
<td>(106,494)</td>
<td>(69.0)% (Note 2)</td>
<td></td>
</tr>
<tr>
<td>Arcadyan Germany</td>
<td>Arcadyan’s subsidiary</td>
<td></td>
<td>Sale</td>
<td>(1,028,804)</td>
<td>(2.0)%</td>
<td></td>
<td></td>
<td>(208,003)</td>
<td>2.0% (Note 2)</td>
<td></td>
</tr>
<tr>
<td>Arcadyan USA</td>
<td>Arcadyan’s subsidiary</td>
<td></td>
<td>Sale</td>
<td>(19,847,179)</td>
<td>(42.0)%</td>
<td></td>
<td></td>
<td>3,444,196</td>
<td>39.0% (Note 2)</td>
<td></td>
</tr>
<tr>
<td>Arcadyan AU</td>
<td>Arcadyan’s subsidiary</td>
<td></td>
<td>Sale</td>
<td>(1,075,655)</td>
<td>(2.0)%</td>
<td></td>
<td></td>
<td>135,262</td>
<td>2.0% (Note 2)</td>
<td></td>
</tr>
<tr>
<td>Compal Electroic, Inc.</td>
<td>Parent company</td>
<td></td>
<td>Purchase</td>
<td>1,497,276</td>
<td>2.0%</td>
<td></td>
<td></td>
<td>(655,277)</td>
<td>(6.0)% (Note 2)</td>
<td></td>
</tr>
<tr>
<td>CNC</td>
<td>Arcadyan’s subsidiary</td>
<td></td>
<td>Purchase</td>
<td>8,608,578</td>
<td>12.0%</td>
<td></td>
<td></td>
<td>(2,871,117)</td>
<td>(26.0)% (Note 1&amp;2)</td>
<td></td>
</tr>
<tr>
<td>Arcadyan Vietnam</td>
<td>Arcadyan’s subsidiary</td>
<td></td>
<td>Purchase</td>
<td>3,346,396</td>
<td>5.0%</td>
<td></td>
<td></td>
<td>(3,346,396)</td>
<td>5.0% (Note 1&amp;2)</td>
<td></td>
</tr>
<tr>
<td>CNC</td>
<td>Arcadyan’s subsidiary</td>
<td></td>
<td>Purchase</td>
<td>(8,608,578)</td>
<td>(100.0)%</td>
<td></td>
<td></td>
<td>(2,871,117)</td>
<td>(100.0)% (Note 1&amp;2)</td>
<td></td>
</tr>
<tr>
<td>Arcadyan Vietnam</td>
<td>Arcadyan’s subsidiary</td>
<td></td>
<td>Sale</td>
<td>(3,346,396)</td>
<td>(100.0)%</td>
<td></td>
<td></td>
<td>(2,871,117)</td>
<td>(100.0)% (Note 1&amp;2)</td>
<td></td>
</tr>
<tr>
<td>Arcadyan Germany</td>
<td>Arcadyan’s subsidiary</td>
<td></td>
<td>Purchase</td>
<td>(1,028,804)</td>
<td>100.0%</td>
<td></td>
<td></td>
<td>(208,003)</td>
<td>(100.0)% (Note 2)</td>
<td></td>
</tr>
</tbody>
</table>

(Continued)
<table>
<thead>
<tr>
<th>Company Name</th>
<th>Counterparty</th>
<th>Nature of relationship</th>
<th>Transaction details</th>
<th>Transaction details</th>
<th>Transactions with terms different from others</th>
<th>Notes/Accounts receivable (payable)</th>
<th>Percentage of total notes/accounts receivable (payable)</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acradyan</td>
<td>Acradyan</td>
<td>With the same ultimate parent</td>
<td>Purchase</td>
<td>19,847,179</td>
<td>Percentage of total purchases/sales</td>
<td>Unit price</td>
<td>Payment Terms</td>
<td>Ending Balance</td>
</tr>
<tr>
<td>Acradyan USA</td>
<td>Acradyan</td>
<td>With the same ultimate parent</td>
<td>Purchase</td>
<td>1,075,651</td>
<td>Payment terms</td>
<td>Unit price</td>
<td>Payment Terms</td>
<td>Ending Balance</td>
</tr>
<tr>
<td>Acradyan AU</td>
<td>Acradyan</td>
<td>With the same ultimate parent company</td>
<td>Purchase</td>
<td>1,075,651</td>
<td>Payment terms</td>
<td>Unit price</td>
<td>Payment Terms</td>
<td>Ending Balance</td>
</tr>
</tbody>
</table>

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 December 31, 2023 is 1,439,730 thousand dollars.
### Table 7  Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:
(December 31, 2023)

<table>
<thead>
<tr>
<th>Name of Company</th>
<th>Counter-party</th>
<th>Nature of relationship</th>
<th>Ending Balance</th>
<th>Turnover rate</th>
<th>Overdue</th>
<th>Amount</th>
<th>Action taken</th>
<th>Amounts received in subsequent period</th>
<th>Allowance for bad debts</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Company</td>
<td>Arcadyan</td>
<td>The Company's subsidiary</td>
<td>685,277</td>
<td>1.33</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(Note 1)</td>
</tr>
<tr>
<td>The Company</td>
<td>CBN</td>
<td>The Company's subsidiary</td>
<td>137,791</td>
<td>0.86</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>95,958 (Note 1)</td>
<td></td>
</tr>
<tr>
<td>The Company</td>
<td>Just and its subsidiaries</td>
<td>The Company's subsidiary</td>
<td>4,058,936 (Note 2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,050,926 (Note 1)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>The Company</td>
<td>Cal-Comp</td>
<td>The same chairman of the Company</td>
<td>6,407,361 (Note 2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,406,905 (Note 1)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Just and its subsidiaries</td>
<td>Compal Electronic, Inc.</td>
<td>Parent company</td>
<td>2,070,603</td>
<td>37.47</td>
<td>-</td>
<td>-</td>
<td>1,450,425 (Note 1)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>CHI and its subsidiaries</td>
<td>Compal Electronic, Inc.</td>
<td>Parent company</td>
<td>49,778,450</td>
<td>2.17</td>
<td>-</td>
<td>-</td>
<td>47,287,744 (Note 1)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>CHI and its subsidiaries</td>
<td>HSI and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td>7,596,654</td>
<td>1.37</td>
<td>-</td>
<td>-</td>
<td>- (Note 1)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>BCI and its subsidiaries</td>
<td>Compal Electronic, Inc.</td>
<td>Parent company</td>
<td>9,497,819</td>
<td>3.22</td>
<td>-</td>
<td>-</td>
<td>9,497,819 (Note 1)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>BCI and its subsidiaries</td>
<td>HSI and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td>1,276,398</td>
<td>0.83</td>
<td>-</td>
<td>-</td>
<td>- (Note 1)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>BCI and its subsidiaries</td>
<td>CEB</td>
<td>With the same ultimate parent company</td>
<td>1,193,411</td>
<td>0.38</td>
<td>-</td>
<td>-</td>
<td>630 (Note 1)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>BCI and its subsidiaries</td>
<td>CEA</td>
<td>With the same ultimate parent company</td>
<td>193,709</td>
<td>3.68</td>
<td>-</td>
<td>-</td>
<td>26,671 (Note 1)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>CEA</td>
<td>CEB</td>
<td>With the same ultimate parent company</td>
<td>943,962</td>
<td>2.30</td>
<td>-</td>
<td>-</td>
<td>146,874 (Note 1)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Rayonnant Technology and its subsidiaries</td>
<td>CHI and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td>263,964</td>
<td>6.13</td>
<td>-</td>
<td>-</td>
<td>- (Note 1)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Etrade and its subsidiaries</td>
<td>Compal Electronic, Inc.</td>
<td>Parent company</td>
<td>995,739</td>
<td>1.84</td>
<td>-</td>
<td>-</td>
<td>307,188 (Note 1)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Forever and its subsidiaries</td>
<td>HSI and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td>128,048</td>
<td>1.23</td>
<td>-</td>
<td>-</td>
<td>- (Note 1)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>HSI and its subsidiaries</td>
<td>Compal Electronic, Inc.</td>
<td>Parent company</td>
<td>7,960,864</td>
<td>10.38</td>
<td>-</td>
<td>-</td>
<td>7,667,057 (Note 1)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Arcadyan</td>
<td>Arcadyan AU</td>
<td>Arcadyan's subsidiary</td>
<td>135,262</td>
<td>5.16</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>118,749 (Note 1)</td>
<td></td>
</tr>
<tr>
<td>Arcadyan</td>
<td>Arcadyan USA</td>
<td>Arcadyan's subsidiary</td>
<td>3,444,196</td>
<td>5.26</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,212,352 (Note 1)</td>
<td></td>
</tr>
<tr>
<td>Arcadyan</td>
<td>Arcadyan Vietnam</td>
<td>Arcadyan's subsidiary</td>
<td>1,439,730 (Note 2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>- (Note 1)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Arcadyan</td>
<td>Arcadyan Germany</td>
<td>Arcadyan's subsidiary</td>
<td>208,003</td>
<td>2.56</td>
<td>-</td>
<td>-</td>
<td>15,897 (Note 1)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>CNC</td>
<td>Arcadyan</td>
<td>With the same ultimate parent company</td>
<td>2,871,117 (Note 3)</td>
<td>2.93</td>
<td>-</td>
<td>-</td>
<td>747,311 (Note 1)</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

**Note 1:** Balance as of February 16, 2024.
**Note 2:** Receivables due to purchasing on behalf of related parties.
**Note 3:** Accounts receivables due to processing raw material.

(Continued)
### Business relationships and significant intercompany transactions:

**Notes to Consolidated Financial Statements**

**(For the year ended December 31, 2023)**

<table>
<thead>
<tr>
<th>No. (Note 1)</th>
<th>Company name</th>
<th>Counter party</th>
<th>Relationship</th>
<th>Accounts name</th>
<th>Amount (In Thousands of New Taiwan Dollars)</th>
<th>Terms</th>
<th>Percentage of the consolidated net revenue or total assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>The Company</td>
<td>CBN</td>
<td>1 Sales Revenue</td>
<td>170,327</td>
<td>There is no significant difference of price to non-related parties. The credit period is net 90 days from the delivery.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>137,791</td>
<td>Accounts Receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>Arcadyan</td>
<td>1 Sales Revenue</td>
<td>1,418,650</td>
<td>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.</td>
<td>0.1%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>685,277</td>
<td>Accounts Receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>CEP</td>
<td>1 Sales Revenue</td>
<td>114,975</td>
<td>There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.</td>
<td>0.2%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>97,737</td>
<td>Accounts Receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>JUST and its subsidiaries</td>
<td>The Company</td>
<td>2 Sales Revenue</td>
<td>71,030,857</td>
<td>There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.</td>
<td>7.5%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,070,683</td>
<td>Accounts Receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>JUST and its subsidiaries</td>
<td>UCGI</td>
<td>2 Sales Revenue</td>
<td>211,855</td>
<td>There is no significant difference of price to non-related parties. The credit period is net 60 days, and will be adjusted if necessary.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>37,844</td>
<td>Accounts Receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>CIH and its subsidiaries</td>
<td>The Company</td>
<td>2 Sales Revenue</td>
<td>105,753,627</td>
<td>There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.</td>
<td>11.2%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>49,778,450</td>
<td>Accounts Receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>CIH and its subsidiaries</td>
<td>BCI and its subsidiaries</td>
<td>3 Sales Revenue</td>
<td>505,696</td>
<td>There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.</td>
<td>0.1%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9,236</td>
<td>Accounts Receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>CIH and its subsidiaries</td>
<td>HSI and its subsidiaries</td>
<td>3 Sales Revenue</td>
<td>8,058,473</td>
<td>There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.</td>
<td>0.9%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7,590,654</td>
<td>Accounts Receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>CIH and its subsidiaries</td>
<td>CEA</td>
<td>3 Sales Revenue</td>
<td>311,899</td>
<td>There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.</td>
<td>1.7%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>68,223</td>
<td>Accounts Receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>CIH and its subsidiaries</td>
<td>CEB</td>
<td>3 Sales Revenue</td>
<td>245,966</td>
<td>There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11,918</td>
<td>Accounts Receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>BCI and its subsidiaries</td>
<td>The Company</td>
<td>2 Sales Revenue</td>
<td>29,504,779</td>
<td>The price is based on BCI and its subsidiaries' operating cost. The credit period is net 120 days, and will be adjusted if necessary.</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9,497,819</td>
<td>Accounts Receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>BCI and its subsidiaries</td>
<td>CBI and its subsidiaries</td>
<td>3 Sales Revenue</td>
<td>346,858</td>
<td>The price is based on the operating cost. The credit period is net 120 days, and will be adjusted if necessary.</td>
<td>2.2%</td>
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<tr>
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<td></td>
<td>16,460</td>
<td>Accounts Receivable</td>
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<td></td>
</tr>
<tr>
<td>3</td>
<td>BCI and its subsidiaries</td>
<td>HSI and its subsidiaries</td>
<td>3 Sales Revenue</td>
<td>424,337</td>
<td>The price is based on the operating cost. The credit period is net 120 days, and will be adjusted if necessary.</td>
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<td>1,276,398</td>
<td>Accounts Receivable</td>
<td>0.3%</td>
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</tr>
<tr>
<td>3</td>
<td>BCI and its subsidiaries</td>
<td>CEB</td>
<td>3 Sales Revenue</td>
<td>315,316</td>
<td>The price is based on the operating cost. The credit period is net 120 days.</td>
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<tr>
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<td>402,431</td>
<td>Accounts Receivable</td>
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<td></td>
</tr>
<tr>
<td>3</td>
<td>BCI and its subsidiaries</td>
<td>CEA</td>
<td>3 Sales Revenue</td>
<td>688,172</td>
<td>The price is based on the operating cost. The credit period is net 120 days.</td>
<td>0.1%</td>
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<td>193,709</td>
<td>Accounts Receivable</td>
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</tr>
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<td>4</td>
<td>CEA</td>
<td>CEB</td>
<td>3 Sales Revenue</td>
<td>1,562,819</td>
<td>There is no significant difference of price to non-related parties. The credit period is net 45 days.</td>
<td>0.2%</td>
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</tr>
<tr>
<td></td>
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<td></td>
<td>943,962</td>
<td>Accounts Receivable</td>
<td>0.2%</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>CEP</td>
<td>The Company</td>
<td>2 Sales Revenue</td>
<td>189,437</td>
<td>There is no significant difference of price to non-related parties. The credit period is net 120 days.</td>
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<td></td>
<td>995,739</td>
<td>Accounts Receivable</td>
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<td>6</td>
<td>Etrade and its subsidiaries</td>
<td>The Company</td>
<td>2 Sales Revenue</td>
<td>2,973,830</td>
<td>The price is based on the operating cost. The credit period is net 60 days from delivery, and will be adjusted if necessary.</td>
<td>0.3%</td>
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<td></td>
<td></td>
<td>148,167</td>
<td>Accounts Receivable</td>
<td>0.2%</td>
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<td></td>
<td>Accounts Receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. (Note 1)</td>
<td>Company name</td>
<td>Counter party (Note 2)</td>
<td>Relationship</td>
<td>Accounts name</td>
<td>Amount</td>
<td>Terms</td>
<td>Percentage of the consolidated net revenue or total assets</td>
</tr>
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<td>--------------------------------------------</td>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td>7</td>
<td>Forever and its subsidiaries</td>
<td>HSI and its subsidiaries</td>
<td>3</td>
<td>Sales Revenue</td>
<td>212,507</td>
<td>There is no significant difference of price to non-related parties. The credit period is net 60 days from delivery.</td>
<td>-</td>
</tr>
<tr>
<td>8</td>
<td>Rayonnant and its subsidiaries</td>
<td>CBI and its subsidiaries</td>
<td>3</td>
<td>Sales Revenue</td>
<td>1,403,349</td>
<td>There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.</td>
<td>0.3%</td>
</tr>
<tr>
<td>8</td>
<td>Rayonnant and its subsidiaries</td>
<td>BCI and its subsidiaries</td>
<td>3</td>
<td>Sales Revenue</td>
<td>120,513</td>
<td>There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>HSI and its subsidiaries</td>
<td>The Company</td>
<td>2</td>
<td>Sales Revenue</td>
<td>66,824,371</td>
<td>There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.</td>
<td>7.1%</td>
</tr>
<tr>
<td>9</td>
<td>HSI and its subsidiaries</td>
<td>Etade and its subsidiaries</td>
<td>3</td>
<td>Sales Revenue</td>
<td>196,028</td>
<td>There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>HSI and its subsidiaries</td>
<td>CBI and its subsidiaries</td>
<td>3</td>
<td>Sales Revenue</td>
<td>694,749</td>
<td>There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.</td>
<td>0.1%</td>
</tr>
<tr>
<td>9</td>
<td>HSI and its subsidiaries</td>
<td>JUST and its subsidiaries</td>
<td>3</td>
<td>Sales Revenue</td>
<td>1,148,812</td>
<td>There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.</td>
<td>-</td>
</tr>
<tr>
<td>10</td>
<td>Arcadyan</td>
<td>Arcadyan Germany</td>
<td>3</td>
<td>Sales Revenue</td>
<td>1,028,804</td>
<td>There is no significant difference of price to non-related parties. The credit period is net 150 days from delivery.</td>
<td>0.1%</td>
</tr>
<tr>
<td>10</td>
<td>Arcadyan</td>
<td>Arcadyan USA</td>
<td>3</td>
<td>Sales Revenue</td>
<td>19,847,179</td>
<td>There is no significant difference of price to non-related parties. The credit period is net 120 days from delivery.</td>
<td>2.1%</td>
</tr>
<tr>
<td>10</td>
<td>Arcadyan</td>
<td>Arcadyan AU</td>
<td>3</td>
<td>Sales Revenue</td>
<td>1,075,651</td>
<td>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.</td>
<td>0.1%</td>
</tr>
<tr>
<td>10</td>
<td>Arcadyan</td>
<td>Arcadyan Vietnam</td>
<td>3</td>
<td>Other Receivable</td>
<td>135,262</td>
<td>The credit period is net 180 days from the end of the month of delivery and depended on funding demand.</td>
<td>-</td>
</tr>
<tr>
<td>11</td>
<td>CNC</td>
<td>Arcadyan</td>
<td>3</td>
<td>Processing Revenue</td>
<td>8,605,578</td>
<td>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.</td>
<td>0.9%</td>
</tr>
<tr>
<td>12</td>
<td>Arcadyan Vietnam</td>
<td>Arcadyan</td>
<td>3</td>
<td>Processing Revenue</td>
<td>3,346,396</td>
<td>The credit period is net 180 days from the end of the month of delivery and depended on funding demand.</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

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

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

(Continued)
<table>
<thead>
<tr>
<th>Investor Company</th>
<th>Investor Company</th>
<th>Location</th>
<th>Main Businesses and Products</th>
<th>Original Investment Amount</th>
<th>Ending Balance</th>
<th>Net income (loss) of investee</th>
<th>Share of investee</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Continued)</td>
<td></td>
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</tbody>
</table>

### Notes to Consolidated Financial Statements

#### Table 9: The information on investors for the year ended December 31, 2023 (excluding information on investors in Mainland China):

(December 31, 2023)

<table>
<thead>
<tr>
<th>Investor Company</th>
<th>Investor Company</th>
<th>Location</th>
<th>Main Businesses and Products</th>
<th>Original Investment Amount</th>
<th>Ending Balance</th>
<th>Net income (loss) of investee</th>
<th>Share of investee</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Just CDH (HK)</td>
<td>Hong Kong</td>
<td>Investment</td>
<td></td>
<td>1,912,845</td>
<td>1,912,845</td>
<td>62,298</td>
<td>100%</td>
<td></td>
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</tr>
<tr>
<td>Gempal Arcadyan</td>
<td>Hsinchu City</td>
<td>Manufacturing and small-sale of computers and electronic components</td>
<td>689,997</td>
<td>689,997</td>
<td>82,687</td>
<td>100%</td>
<td>81,687</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Pakcom</td>
<td>Taipei City</td>
<td>Selling of mobile phones</td>
<td>100,000</td>
<td>100,000</td>
<td>80,000</td>
<td>100%</td>
<td>80,000</td>
<td></td>
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</tr>
<tr>
<td>Acalsa</td>
<td>New Taipei City</td>
<td>Manufacturing, processing, and import/export business of industrial motherboards</td>
<td>547,395</td>
<td>547,395</td>
<td>14,924</td>
<td>100%</td>
<td>12,924</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>CUMIE</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td></td>
<td>4,313,094</td>
<td>4,313,094</td>
<td>147,000</td>
<td>100%</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Compal</td>
<td>New Taipei City</td>
<td>Investing and developing businesses, such as public construction and specific zones</td>
<td>100,000</td>
<td>100,000</td>
<td>30,000</td>
<td>100%</td>
<td>30,000</td>
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<td></td>
</tr>
<tr>
<td>AEI U.S.A</td>
<td>Investment</td>
<td>Sales and maintenance of LCD TVs</td>
<td>1,003,335</td>
<td>1,003,335</td>
<td>147,750</td>
<td>100%</td>
<td>147,750</td>
<td></td>
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<tr>
<td>MELI</td>
<td>U.S.A</td>
<td>Sales and maintenance of LCD TVs</td>
<td>-</td>
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</tr>
<tr>
<td>CII Smart</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td></td>
<td>51,360</td>
<td>51,360</td>
<td>100%</td>
<td>100%</td>
<td></td>
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</tr>
<tr>
<td>UTA</td>
<td>U.S.A</td>
<td>Sales of automotive electronics products</td>
<td>1,000</td>
<td>1,000</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td></td>
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<tr>
<td>CBI (HK)</td>
<td>Hong Kong</td>
<td>Investment</td>
<td></td>
<td>2,296,811</td>
<td>2,296,811</td>
<td>74,803</td>
<td>100%</td>
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<tr>
<td>Jangut</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td></td>
<td>225,662</td>
<td>225,662</td>
<td>6,750</td>
<td>100%</td>
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<tr>
<td>FWT</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td></td>
<td>457,585</td>
<td>457,585</td>
<td>14,924</td>
<td>100%</td>
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<tr>
<td>CCM</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td></td>
<td>156,596</td>
<td>156,596</td>
<td>5,100</td>
<td>100%</td>
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</table>

### Notes to Consolidated Financial Statements (Continued)

#### Table 9: The information on investors for the year ended December 31, 2023 (excluding information on investors in Mainland China):

(December 31, 2023)

<table>
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<tr>
<th>Investor Company</th>
<th>Investor Company</th>
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<td>Investment</td>
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<td>4,313,094</td>
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<td>147,000</td>
<td>100%</td>
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<tr>
<td>Compal</td>
<td>New Taipei City</td>
<td>Investing and developing businesses, such as public construction and specific zones</td>
<td>100,000</td>
<td>100,000</td>
<td>30,000</td>
<td>100%</td>
<td>30,000</td>
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<td>147,750</td>
<td>100%</td>
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<td>MELI</td>
<td>U.S.A</td>
<td>Sales and maintenance of LCD TVs</td>
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<td>Investment</td>
<td></td>
<td>51,360</td>
<td>51,360</td>
<td>100%</td>
<td>100%</td>
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<td>UTA</td>
<td>U.S.A</td>
<td>Sales of automotive electronics products</td>
<td>1,000</td>
<td>1,000</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
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<td></td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Investment Company</th>
<th>Inv. Company</th>
<th>Location</th>
<th>Main Businesses and Products</th>
<th>Original Investment Amount</th>
<th>Ending Balance</th>
<th>Percentage of Ownership</th>
<th>Net income (loss) on investment</th>
<th>Share of profit/loss of investee</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ark</td>
<td>Goal</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>68,950,000</td>
<td>68,950,000</td>
<td>100%</td>
<td>4,058,000</td>
<td>4,058,000</td>
<td>(Note 2)</td>
</tr>
<tr>
<td>EIE</td>
<td>CVC</td>
<td>Vietnam</td>
<td>R&amp;D, manufacturing, sales, and maintenance of notebook PCs, computer monitors, LCD TVs and electronic components</td>
<td>2,057,235</td>
<td>2,057,235</td>
<td>67,800%</td>
<td>167,800</td>
<td>417,702</td>
<td>Investment gain (loss) recognized by EIE</td>
</tr>
<tr>
<td>Goal</td>
<td>CMB</td>
<td>Vietnam</td>
<td>Construction and investment in infrastructure in the Thanh Dien industrial district of Hanoi</td>
<td>389,054</td>
<td>389,054</td>
<td>12,700%</td>
<td>302,617</td>
<td>12,700%</td>
<td>Investment gain (loss) recognized by Goal</td>
</tr>
<tr>
<td>BCI</td>
<td>CMB</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>2,481,578</td>
<td>2,481,578</td>
<td>88,820%</td>
<td>5,728,510</td>
<td>88,820%</td>
<td>Investment gain (loss) recognized by BCI</td>
</tr>
<tr>
<td>IRI</td>
<td>HRI</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>307,050</td>
<td>307,050</td>
<td>18,000%</td>
<td>3,402,728</td>
<td>18,000%</td>
<td>Investment gain (loss) recognized by BCI</td>
</tr>
<tr>
<td>COREI</td>
<td>BHR</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>4,513,635</td>
<td>4,513,635</td>
<td>147,800%</td>
<td>8,670,640</td>
<td>147,800%</td>
<td>Investment gain (loss) recognized by COREI</td>
</tr>
<tr>
<td>BHR</td>
<td>Muhara</td>
<td>Cayman Islands</td>
<td>Investment</td>
<td>155,060</td>
<td>155,060</td>
<td>-</td>
<td>136,054</td>
<td>-</td>
<td>(5,137)</td>
</tr>
<tr>
<td>CBN</td>
<td>U.S.A</td>
<td>Manufacturing</td>
<td>249,032</td>
<td>249,032</td>
<td>1</td>
<td>266,137</td>
<td>1</td>
<td>Investment gain (loss) recognized by BHR</td>
<td>(Note 2)</td>
</tr>
<tr>
<td>IRI</td>
<td>HRI</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>1,136,855</td>
<td>1,136,855</td>
<td>37,800%</td>
<td>900,555</td>
<td>37,800%</td>
<td>Investment gain (loss) recognized by BHR</td>
</tr>
<tr>
<td>HBJ</td>
<td>HBJ</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>184,210</td>
<td>-</td>
<td>6,000%</td>
<td>270,145</td>
<td>6,000%</td>
<td>Investment gain (loss) recognized by BHI</td>
</tr>
<tr>
<td>CIV</td>
<td>Vietnam</td>
<td>R&amp;D, manufacturing, sales, and maintenance of notebook PCs, computer monitors, LCD TVs and electronic components</td>
<td>1,856,070</td>
<td>-</td>
<td>100%</td>
<td>1,494,312</td>
<td>-</td>
<td>100%</td>
<td>Investment gain (loss) recognized by BHR</td>
</tr>
<tr>
<td>Reonor</td>
<td>GIA</td>
<td>British Virgin Islands</td>
<td>Selling of mobile phones</td>
<td>61,410</td>
<td>61,410</td>
<td>-</td>
<td>101,047</td>
<td>-</td>
<td>100%</td>
</tr>
<tr>
<td>Netlink</td>
<td>Netlink</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>767,621</td>
<td>767,621</td>
<td>25,800%</td>
<td>(184,553)</td>
<td>25,800%</td>
<td>Investment gain (loss) recognized by Netlink</td>
</tr>
<tr>
<td>Unicore</td>
<td>覆露</td>
<td>Investment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Arcadyan Holding</td>
<td>Arcadyan Holding</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>1,871,037</td>
<td>1,071,837</td>
<td>47,780%</td>
<td>2,806,966</td>
<td>167,760%</td>
<td>Investment gain (loss) recognized by Arcadyan Holding</td>
</tr>
<tr>
<td>Arcadyan USA</td>
<td>UK USA</td>
<td>Technology support and sale of wireless network products</td>
<td>23,839</td>
<td>23,839</td>
<td>1</td>
<td>52,028</td>
<td>1</td>
<td>Investment gain (loss) recognized by Arcadyan USA</td>
<td>(Note 2)</td>
</tr>
<tr>
<td>Arcadyan Germany</td>
<td>Germany</td>
<td>Technology support and sale of wireless network products</td>
<td>1,123</td>
<td>1,123</td>
<td>0.5%</td>
<td>99,059</td>
<td>0.5%</td>
<td>Investment gain (loss) recognized by Arcadyan Germany</td>
<td>(Note 2)</td>
</tr>
<tr>
<td>Arcadyan Korea</td>
<td>Korea</td>
<td>Sales of wireless network products</td>
<td>2,678</td>
<td>2,678</td>
<td>20%</td>
<td>35,176</td>
<td>20%</td>
<td>Investment gain (loss) recognized by Arcadyan Korea</td>
<td>(Note 2)</td>
</tr>
<tr>
<td>Zil-Bao</td>
<td>Foshan City</td>
<td>Investment</td>
<td>40,000</td>
<td>48,880</td>
<td>34,880%</td>
<td>34,880</td>
<td>(60,213)</td>
<td>Investment gain (loss) recognized by Zil-Bao</td>
<td>(Note 2)</td>
</tr>
<tr>
<td>TTI</td>
<td>Taipai City</td>
<td>R&amp;D and sales of household digital products</td>
<td>300,724</td>
<td>308,724</td>
<td>25,826%</td>
<td>153,138</td>
<td>25,826%</td>
<td>Investment gain (loss) recognized by TTI</td>
<td>(Note 2)</td>
</tr>
<tr>
<td>Arcadyan UK</td>
<td>UK</td>
<td>Technical support of wireless network products</td>
<td>1,998</td>
<td>1,998</td>
<td>50%</td>
<td>5,048</td>
<td>50%</td>
<td>Investment gain (loss) recognized by Arcadyan UK</td>
<td>(Note 2)</td>
</tr>
<tr>
<td>Arcadyan AU</td>
<td>Australia</td>
<td>Sales of wireless network products</td>
<td>1,161</td>
<td>1,161</td>
<td>50%</td>
<td>60,715</td>
<td>50%</td>
<td>Investment gain (loss) recognized by Arcadyan AU</td>
<td>(Note 2)</td>
</tr>
<tr>
<td>Arcadyan RU</td>
<td>Russia</td>
<td>Sales of wireless network products</td>
<td>7,072</td>
<td>7,872</td>
<td>-</td>
<td>3,212</td>
<td>-</td>
<td>(1,060)</td>
<td>Investment gain (loss) recognized by Arcadyan RU</td>
</tr>
<tr>
<td>ZIB</td>
<td>Foshan County</td>
<td>Sales of communication and electronic components</td>
<td>11,925</td>
<td>11,925</td>
<td>53%</td>
<td>9,061</td>
<td>53%</td>
<td>(13,620)</td>
<td>Investment gain (loss) recognized by ZIB</td>
</tr>
<tr>
<td>Arcadyan and Zil-Bao</td>
<td>Arcadyan Brazil</td>
<td>Brazil</td>
<td>Sales of wireless network products</td>
<td>81,593</td>
<td>81,593</td>
<td>968%</td>
<td>(85,572)</td>
<td>968%</td>
<td>Investment gain (loss) recognized by Arcadyan and Zil-Bao</td>
</tr>
<tr>
<td>Arcadyan India</td>
<td>India</td>
<td>Sales of wireless network products</td>
<td>76,991</td>
<td>28,110</td>
<td>19,800%</td>
<td>49,996</td>
<td>19,800%</td>
<td>(63,275)</td>
<td>Investment gain (loss) recognized by Arcadyan India</td>
</tr>
<tr>
<td>Arcadyan Holding</td>
<td>Hong Kong</td>
<td>Investment</td>
<td>891,980</td>
<td>693,880</td>
<td>29,850%</td>
<td>1,500,681</td>
<td>29,850%</td>
<td>362,862</td>
<td>Investment gain (loss) recognized by Arcadyan Holding</td>
</tr>
<tr>
<td>Arch Holding</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>338,691</td>
<td>338,691</td>
<td>25%</td>
<td>622,780</td>
<td>35%</td>
<td>(270,719)</td>
<td>Investment gain (loss) recognized by Arch Holding</td>
</tr>
<tr>
<td>ZTE</td>
<td>Suzhou</td>
<td>Investment</td>
<td>36,846</td>
<td>36,846</td>
<td>1,200%</td>
<td>10,284</td>
<td>1,200%</td>
<td>(2,052)</td>
<td>Investment gain (loss) recognized by ZTE</td>
</tr>
<tr>
<td>TTEC</td>
<td>Supe</td>
<td>Sales of household digital electronic products</td>
<td>9,926</td>
<td>9,926</td>
<td>0.7%</td>
<td>2,683</td>
<td>0.7%</td>
<td>(1,057)</td>
<td>Investment gain (loss) recognized by TTEC</td>
</tr>
<tr>
<td>Quant</td>
<td>Qingdao</td>
<td>Investment</td>
<td>35,925</td>
<td>35,925</td>
<td>1,170%</td>
<td>9,457</td>
<td>1,170%</td>
<td>(2,960)</td>
<td>Investment gain (loss) recognized by Quant</td>
</tr>
<tr>
<td>Shopee</td>
<td>Arcadyan Vietnam</td>
<td>Manufacturing of wireless network products</td>
<td>290,441</td>
<td>290,441</td>
<td>1,170%</td>
<td>1,375,946</td>
<td>1,170%</td>
<td>362,769</td>
<td>Investment gain (loss) recognized by Shopee</td>
</tr>
<tr>
<td>Zil-Bao</td>
<td>Hanoi</td>
<td>Produces and sales of communication and electronic components</td>
<td>26,722</td>
<td>26,722</td>
<td>1,140%</td>
<td>232,561</td>
<td>1,140%</td>
<td>(331,628)</td>
<td>Investment gain (loss) recognized by Zil-Bao</td>
</tr>
<tr>
<td>Rayonnant Technology</td>
<td>APM</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>207,645</td>
<td>207,645</td>
<td>8,651%</td>
<td>206,289</td>
<td>8,651%</td>
<td>41,217</td>
</tr>
<tr>
<td>Etonic Co., Ltd.</td>
<td>Taoyuan City</td>
<td>R&amp;D and manufacturing of electronic materials</td>
<td>27,300</td>
<td>27,300</td>
<td>1,140%</td>
<td>1,140</td>
<td>1,140%</td>
<td>-</td>
<td>Investment gain (loss) recognized by Etonic Co., Ltd.</td>
</tr>
</tbody>
</table>

(Note 2) The information on investee companies is provided on a pro-rata basis.
### Table 9: The information on investees for the year ended December 31, 2023 (excluding information on investees in Mainland China):

(Continued)

| Investor Company | Investee Company | Location | Main Businesses and Products | Original Investment Amount (In Thousands of New Taiwan Dollars/shares) | Ending Balance (In Thousands of New Taiwan Dollars/shares) | Net income (losses) of investee (In Thousands of New Taiwan Dollars) | Shares of profits/losses of investee recognized by CRHI (Note 2) | Shares of profits/losses of investee recognized by APHL (Note 2) | Shares of profits/losses of investee recognized by HHT (Note 2) | Shares of profits/losses of investee recognized by HHA (Note 2) | Shares of profits/losses of investee recognized by CBN Investment (Note 2) |
|------------------|-----------------|----------|-----------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|
| CBN               | CBNB            | Belgium  | The import and export business of broadband network products and related components, as well as technical support and advisory services | 6,842                                             | 6,842                                           | 20                                               | 10%                                                                 | 5,206                                                                 | 10%                                                                 | (344)                                                                 | Investment gain (losses) recognized by CBN |
|                  | CBNN            | Netherlands | The import and export business of broadband network products and related components, as well as technical support and advisory services | 7,014                                             | 7,014                                           | 20                                               | 10%                                                                 | 6,287                                                                 | 10%                                                                 | (164)                                                                 | Investment gain (losses) recognized by CBN |
|                  | Starmems        | Taiwan   | R&D of MEMS microphone related products | 10,000                                            | 10,000                                          | 1,000                                            | 10%                                                                 | 5,382                                                                 | 10%                                                                 | (56,374)                                                                 | Investment gain (losses) recognized by CBN |
| RH                | Win Yan Technology Holding and its subsidiaries | Mauritius | Investment | 2,755,942                           | 2,755,942                                       | 95,862                                           | 37%                                                                 | 85,862                                                                 | 37%                                                                 | (677,928)                                                                 | Investment gain (losses) recognized by IGH |
| GLB               | PT GLB Biotechnology Indonesia | Indonesia | Manufacturing and wholesaling of medical equipment | 88,506                                            | -                                               | 42                                               | 99%                                                                 | 83,655                                                                 | 99%                                                                 | 351                                                                 | Investment gain (losses) recognized by GLB |
| Mactech           | Taiwan Intelligent Robotics Company, Ltd. | Taipei City | Manufacturing of equipment and lighting | 43,200                                            | 43,200                                          | 2,160                                            | 15%                                                                 | 5,234                                                                 | 20%                                                                 | (1,369)                                                                 | Investment gain (losses) recognized by Mactech |
| Finaidus Systems  | Poindus Investment | Taipei City | Investment holding | 4,100                                             | 4,100                                          | (133)                                            | 100%                                                                 | 488                                                                 | (133)                                                                 | (67)                                                                 | Investment gain (losses) recognized by Finaidus Systems |
|                  | Poindus UK      | UK       | Sales of PCs and peripherals | 14,297                                             | 14,297                                          | 300                                               | 100%                                                                 | (1,142)                                                                 | 100%                                                                 | (7,165)                                                                 | Investment gain (losses) recognized by Poindus Systems |
|                  | Poindus GmbH    | Germany | Sales of PCs and peripherals | 57,712                                            | 57,712                                          | 0.002                                             | 100%                                                                 | 3,314                                                                 | 0.002                                                                 | (7,306)                                                                 | Investment gain (losses) recognized by Poindus Systems |
| Poindus Investment | Poindus Investment | Germany | Sales of PCs and peripherals | 1,721                                             | 1,721                                          | (13)                                              | 100%                                                                 | 70                                                                 | (13)                                                                 | (13)                                                                 | Investment gain (losses) recognized by Poindus Investment |

Note 1: The carrying value had been deducted $558,812 and $531,435 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.
### Table 10  Information on investment in Mainland China:

<table>
<thead>
<tr>
<th>Name of investee</th>
<th>Main businesses and products</th>
<th>Total amount of paid-in capital</th>
<th>Method of investment</th>
<th>Accumulated outflow of investment from January 1, 2023</th>
<th>Outflow</th>
<th>Percentage of ownership (Note 6)</th>
<th>Investment income (losses) of the investee</th>
<th>Book value of accumulated remittance of earnings in current period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changbao Electronic</td>
<td>Manufacturing and sales of notebook PCs, mobile phones, and Digital products</td>
<td>$1,136,085 (Note 2)</td>
<td>(Note 3)</td>
<td>$1,136,085</td>
<td>$736,920</td>
<td>100%</td>
<td>$204,302</td>
<td>$27,565,297</td>
</tr>
<tr>
<td>Sheng Bao Precision (Kunshan) Co., Ltd.</td>
<td>Manufacturing and sales of magnetostrictive materials and related precision electronic components</td>
<td>$589,460 (Note 2)</td>
<td>(Note 3)</td>
<td>$589,460</td>
<td>$368,460</td>
<td>100%</td>
<td>$87,694</td>
<td>$5,053,795</td>
</tr>
<tr>
<td>Compal Precision Module (Shanxi) Co., Ltd.</td>
<td>Research and development, and manufacturing notebook PCs and related components</td>
<td>$250,651 (Note 2)</td>
<td>(Note 3)</td>
<td>$250,651</td>
<td>$125,012</td>
<td>100%</td>
<td>$406,180</td>
<td></td>
</tr>
<tr>
<td>FIP</td>
<td>Manufacturing of auto parts and accessories</td>
<td>$302,926 (Note 2)</td>
<td>(Note 3)</td>
<td>$302,926</td>
<td>$156,596</td>
<td>51%</td>
<td>$24,564</td>
<td></td>
</tr>
<tr>
<td>CIT</td>
<td>Manufacturing and sales of notebook PCs</td>
<td>$30,705 (Note 2)</td>
<td>(Note 3)</td>
<td>$30,705</td>
<td>$17,294</td>
<td>100%</td>
<td>$17,294</td>
<td></td>
</tr>
<tr>
<td>CGS</td>
<td>Maintenance and warranty service of notebook PCs</td>
<td>$8,655 (Note 2)</td>
<td>(Note 3)</td>
<td>$8,655</td>
<td>$23,859</td>
<td>100%</td>
<td>$23,859</td>
<td></td>
</tr>
<tr>
<td>LIZ Electronics (Kashmir) Co., Ltd.</td>
<td>Production and processing chip components, ceramic capacitors, diodes, and other laser electronic components and related precision electronic equipment; selling self-produced products</td>
<td>$499,201 (Note 1)</td>
<td>(Note 3)</td>
<td>$499,201</td>
<td>$409,201</td>
<td>41%</td>
<td>$28,494</td>
<td></td>
</tr>
<tr>
<td>LIZ Electronics (Nanning) Co., Ltd.</td>
<td>Research &amp; development, and manufacturing chip components (chip carriers, ceramic chip dies, self-produced products) and providing after-sale service. Performing wholesale and trading business of electronic components, semiconductor materials, and electronic components, and space parts</td>
<td>$45,136 (Note 2)</td>
<td>(Note 3)</td>
<td>$45,136</td>
<td>$329,358</td>
<td>100%</td>
<td>$329,358</td>
<td></td>
</tr>
<tr>
<td>CMC</td>
<td>Research &amp; development, and manufacturing laser electronic components, precision cavity mold design and manufacturing for standard parts for molds, and selling self-produced products</td>
<td>$371,531 (Note 1)</td>
<td>(Note 3)</td>
<td>$371,531</td>
<td>$125,216</td>
<td>100%</td>
<td>$27,565,297</td>
<td></td>
</tr>
<tr>
<td>CDE</td>
<td>Manufacturing and sales of LED TVs</td>
<td>$736,920 (Note 2)</td>
<td>(Note 3)</td>
<td>$736,920</td>
<td>$328,816</td>
<td>100%</td>
<td>$328,816</td>
<td></td>
</tr>
<tr>
<td>CIE</td>
<td>International trade and distribution of computers and electronic components</td>
<td>$42,987 (Note 2)</td>
<td>(Note 3)</td>
<td>$42,987</td>
<td>$326,816</td>
<td>100%</td>
<td>$326,816</td>
<td></td>
</tr>
<tr>
<td>CIP</td>
<td>Manufacturing of notebook PCs</td>
<td>$368,460 (Note 2)</td>
<td>(Note 3)</td>
<td>$368,460</td>
<td>$551,963</td>
<td>100%</td>
<td>$551,963</td>
<td></td>
</tr>
<tr>
<td>CPP</td>
<td>Manufacturing and sales of LCD TVs</td>
<td>$371,531 (Note 1)</td>
<td>(Note 3)</td>
<td>$371,531</td>
<td>$125,216</td>
<td>100%</td>
<td>$27,565,297</td>
<td></td>
</tr>
<tr>
<td>CST</td>
<td>Manufacturing of notebook PCs</td>
<td>$30,705 (Note 2)</td>
<td>(Note 3)</td>
<td>$30,705</td>
<td>$17,294</td>
<td>100%</td>
<td>$17,294</td>
<td></td>
</tr>
<tr>
<td>Sheng Bao Precision Electronics (Tianjin) Co., Ltd.</td>
<td>Research &amp; development, and manufacturing laser electronic components, precision cavity mold design and manufacturing for standard parts for molds, and selling self-produced products</td>
<td>$156,596 (Note 2)</td>
<td>(Note 3)</td>
<td>$156,596</td>
<td>$551,963</td>
<td>100%</td>
<td>$551,963</td>
<td></td>
</tr>
<tr>
<td>CEQ</td>
<td>Manufacturing and sales of notebook PCs and related components. Also provides related maintenance and warranty services</td>
<td>$307,050 (Note 1)</td>
<td>(Note 3)</td>
<td>$307,050</td>
<td>$125,216</td>
<td>100%</td>
<td>$27,565,297</td>
<td></td>
</tr>
<tr>
<td>CEC</td>
<td>R&amp;D and manufacturing of notebook PCs, tablet PCs, digital products, network switches, wireless AP, and automobile electronic products</td>
<td>$2,481,578 (Note 1)</td>
<td>(Note 3)</td>
<td>$2,481,578</td>
<td>$326,816</td>
<td>100%</td>
<td>$326,816</td>
<td></td>
</tr>
<tr>
<td>CEE</td>
<td>Corporate management consulting, financial and tax consulting, investment consulting, and investment management consulting services</td>
<td>$24,564 (Note 2)</td>
<td>(Note 3)</td>
<td>$24,564</td>
<td>$572</td>
<td>100%</td>
<td>$27,565,297</td>
<td></td>
</tr>
<tr>
<td>CMS</td>
<td>Manufacturing and selling of magnesium alloy injection molding</td>
<td>$12,056 (Note 2)</td>
<td>(Note 3)</td>
<td>$12,056</td>
<td>$326,816</td>
<td>100%</td>
<td>$326,816</td>
<td></td>
</tr>
<tr>
<td>ChanJiao Electronics Technology (Chongqing) Co., Ltd.</td>
<td>Production and marketing of magnesium alloy molding</td>
<td>$1,842,500 (Note 2)</td>
<td>(Note 3)</td>
<td>$1,842,500</td>
<td>$351,756</td>
<td>100%</td>
<td>$351,756</td>
<td></td>
</tr>
</tbody>
</table>

(Continued)
**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

**Table 10 Information on investment in Mainland China:**

(December 31, 2023)

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

<table>
<thead>
<tr>
<th>Name of investee</th>
<th>Main businesses and products</th>
<th>Total amount of paid-in capital (Note 2)</th>
<th>Method of investment</th>
<th>Accumulated outflow of investment from Taiwan as of January 1, 2023</th>
<th>Investment flows (Note 8)</th>
<th>Accumulated outflow of investment from Taiwan as of December 31, 2023</th>
<th>Investment income (losses) of the investee</th>
<th>Net income (losses) of the investee</th>
<th>Percentage of ownership (Note 6)</th>
<th>Investment income (losses)</th>
<th>Accumulated remittance of earnings in current period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rayonnant (Taicang)</td>
<td>Manufacturing and sales of aluminum and magnesium alloy products</td>
<td>552,080</td>
<td>Direct investment</td>
<td>383,813</td>
<td>383,813</td>
<td>39,622</td>
<td>100%</td>
<td>39,622</td>
<td>429,761</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>CEC Nanjing</td>
<td>Manufacturing and processing of mobile phones and tablet PCs</td>
<td>829,055</td>
<td>Direct investment</td>
<td>675,510</td>
<td>675,510</td>
<td>119,549</td>
<td>100%</td>
<td>119,549</td>
<td>(1,301,509)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>CDCN</td>
<td>Manufacturing and processing of mobile phones and tablet PCs</td>
<td>178,089</td>
<td>Direct investment</td>
<td>178,089</td>
<td>178,089</td>
<td>4,985</td>
<td>100%</td>
<td>4,985</td>
<td>84,009</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>CBWN</td>
<td>Manufacturing and processing of mobile phones and tablet PCs</td>
<td>1,004,545</td>
<td>Direct investment</td>
<td>583,393</td>
<td>583,393</td>
<td>331,497</td>
<td>100%</td>
<td>331,497</td>
<td>778,240</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Haushalt</td>
<td>R&amp;D and manufacturing of electronic communication equipment</td>
<td>61,410</td>
<td>Direct investment</td>
<td>61,410</td>
<td>61,410</td>
<td>2,929</td>
<td>100%</td>
<td>2,929</td>
<td>2,486</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

Arcadyan

<table>
<thead>
<tr>
<th>Name of investee</th>
<th>Main businesses and products</th>
<th>Total amount of paid-in capital (Note 2)</th>
<th>Method of investment</th>
<th>Accumulated outflow of investment from Taiwan as of January 1, 2023</th>
<th>Investment flows (Note 8)</th>
<th>Accumulated outflow of investment from Taiwan as of December 31, 2023</th>
<th>Investment income (losses) of the investee</th>
<th>Net income (losses) of the investee</th>
<th>Percentage of ownership (Note 6)</th>
<th>Investment income (losses)</th>
<th>Accumulated remittance of earnings in current period</th>
</tr>
</thead>
<tbody>
<tr>
<td>SVA-Arcadyan</td>
<td>R&amp;D and sales of wireless network products</td>
<td>248,711</td>
<td>Direct investment</td>
<td>412,061</td>
<td>412,061</td>
<td>6,885</td>
<td>100%</td>
<td>6,885</td>
<td>41,114</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>CMC</td>
<td>Manufacturing and wireless network products</td>
<td>382,277</td>
<td>Direct investment</td>
<td>338,093</td>
<td>338,093</td>
<td>207,710</td>
<td>100%</td>
<td>207,710</td>
<td>622,790</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>TAI</td>
<td>Manufacturing of household electronics products</td>
<td>371,684</td>
<td>Direct investment</td>
<td>35,311</td>
<td>35,311</td>
<td>4,331</td>
<td>100%</td>
<td>4,331</td>
<td>27,020</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

Hongflying

<table>
<thead>
<tr>
<th>Name of investee</th>
<th>Main businesses and products</th>
<th>Total amount of paid-in capital (Note 2)</th>
<th>Method of investment</th>
<th>Accumulated outflow of investment from Taiwan as of January 1, 2023</th>
<th>Investment flows (Note 8)</th>
<th>Accumulated outflow of investment from Taiwan as of December 31, 2023</th>
<th>Investment income (losses) of the investee</th>
<th>Net income (losses) of the investee</th>
<th>Percentage of ownership (Note 6)</th>
<th>Investment income (losses)</th>
<th>Accumulated remittance of earnings in current period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hengflying-Kundan</td>
<td>Production of touch panels and related components</td>
<td>1,226,200</td>
<td>Direct investment</td>
<td>1,222,181</td>
<td>1,222,181</td>
<td>249,493</td>
<td>100%</td>
<td>249,493</td>
<td>(1,477,911)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Hengflying-Zhejiang</td>
<td>Production of touch panels and related components</td>
<td>276,545</td>
<td>Direct investment</td>
<td>-</td>
<td>-</td>
<td>1,333</td>
<td>100%</td>
<td>1,333</td>
<td>27,020</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

Luxcon

<table>
<thead>
<tr>
<th>Name of investee</th>
<th>Main businesses and products</th>
<th>Total amount of paid-in capital (Note 2)</th>
<th>Method of investment</th>
<th>Accumulated outflow of investment from Taiwan as of January 1, 2023</th>
<th>Investment flows (Note 8)</th>
<th>Accumulated outflow of investment from Taiwan as of December 31, 2023</th>
<th>Investment income (losses) of the investee</th>
<th>Net income (losses) of the investee</th>
<th>Percentage of ownership (Note 6)</th>
<th>Investment income (losses)</th>
<th>Accumulated remittance of earnings in current period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxcon</td>
<td>Manufacturing of notebook PCs and related modules</td>
<td>460,875</td>
<td>Direct investment</td>
<td>199,552</td>
<td>199,552</td>
<td>1,019</td>
<td>100%</td>
<td>1,019</td>
<td>141,779</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

Petrolus Systems

<table>
<thead>
<tr>
<th>Name of investee</th>
<th>Main businesses and products</th>
<th>Total amount of paid-in capital (Note 2)</th>
<th>Method of investment</th>
<th>Accumulated outflow of investment from Taiwan as of January 1, 2023</th>
<th>Investment flows (Note 8)</th>
<th>Accumulated outflow of investment from Taiwan as of December 31, 2023</th>
<th>Investment income (losses) of the investee</th>
<th>Net income (losses) of the investee</th>
<th>Percentage of ownership (Note 6)</th>
<th>Investment income (losses)</th>
<th>Accumulated remittance of earnings in current period</th>
</tr>
</thead>
</table>

(see Table 10 continued)

(ii) Limitation on investment in Mainland China:

<table>
<thead>
<tr>
<th>Names of companies</th>
<th>Accumulated investment in Mainland China as of December 31, 2023</th>
<th>Investment amounts authorized by Investment Commission of Ministry of Economic Affairs</th>
<th>Limitation on investment in Mainland China by Investment Commission of Ministry of Economic Affairs</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Company</td>
<td>16,658,599 (US$542,537)</td>
<td>24,221,609 (US$788,849)</td>
<td>(Note 6)</td>
</tr>
<tr>
<td>Arcadyan</td>
<td>785,465 (US$25,581)</td>
<td>1,054,287 (US$34,336)</td>
<td>8,881,334</td>
</tr>
<tr>
<td>Hengflying</td>
<td>1,439,205 (US$46,872)</td>
<td>1,439,205 (US$46,872)</td>
<td>(Note 13)</td>
</tr>
<tr>
<td>Petrolus Systems</td>
<td>30,705 (US$1,000)</td>
<td>30,705 (US$1,000)</td>
<td>322,110</td>
</tr>
</tbody>
</table>

Note 1: Indirectly invested in Mainland China through subsidiaries registered in the third region.

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

Note 3: Investments held by Kunshan Ronco Electronics Co., Ltd. (“RT”), Compal Investment (Jiansu) Co., Ltd. (“CIP”), Compal Electronic (Shenzhen) Co., Ltd. (“CES”), Compal Electronics (China) Co., Ltd. (“CFC”) and Compal Smart Device (Chongqing) Co., Ltd. (“CSD”) through their own funds.

Note 4: The basis for recognition of investment profit and loss is based on the financial statements that verified by CPA.

Note 5: Including the investment amount of sold or dissolved companies, including Beijing Compower Xintong Electronic Technology Co., Ltd., VAP Optoelectronics (Shanghai) Corp., Electronics Technology (Shanghai) Ltd., Luxcon, VIP (HK) Electronics Technology Co., Ltd. and the increased investment amount form merging with Compal Communication Co., Ltd.

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

Note 7: Arcadyan paid US$1,620 thousand and acquired 100% shares of SVA Arcadyan from Acton Asia through Arcadyan Holding in 2010.

Note 8: Arcadyan paid US$1,961 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 TCH 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 rate at the balance sheet date or the average exchange rate.

Note 12: The Company had an accumulated investment amounting to US$7,550 thousand in the previous years. In the first half of 2014, Hengflying paid the Company and LG US$3,184 thousand and US$3,151 thousand, respectively, for organization restructuring, to obtain 100% ownership of Luxcon.

Note 13: The net equity of Hengflying is negative at December 31, 2023.

(iii) Significant transactions:

For the year ended December 31, 2023, 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”. 
Attachment II
COMPAL ELECTRONICS, INC.

Parent Company Only Financial Statements

With Independent Auditors’ Report
For the Years Ended December 31, 2023 and 2022

Address: No.581 & 581-1, Ruiguang Rd., Neihu District, Taipei, Taiwan
Telephone: (02)8797-8588
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<td>76〜86</td>
</tr>
</tbody>
</table>
Independent Auditor’s Report

To COMPAL ELECTRONICS, INC.:

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Inventory valuation

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

Description of key audit matters:

The inventory is measured at the lower of cost or net realizable value. The short life cycle of electronic products may cause significant changes in customers’ demand and sales of related products. Consequently, the book value of inventory may be lower than the net realizable value of inventory. Therefore, the valuation of inventory is one of the key audit matters.
Our key audit procedures performed in respect of the above area included the following:

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

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

Notes to Readers

The accompanying parent company only financial statements are intended only to present the 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 audit such parent company only financial statements are those generally accepted and applied in the Republic of China.
## COMPAL ELECTRONICS, INC.

### Balance Sheets

**December 31, 2023 and 2022**

(Expressed in Thousands of New Taiwan Dollars)

<table>
<thead>
<tr>
<th>Assets</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>%</td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1100</td>
<td>Cash and cash equivalents (note (6)(a))</td>
<td>$ 20,511,690</td>
</tr>
<tr>
<td>1150</td>
<td>Notes and accounts receivable, net (note (6)(d))</td>
<td>171,991,962</td>
</tr>
<tr>
<td>1180</td>
<td>Notes and accounts receivable due from related parties, net (notes (6)(d) and (7))</td>
<td>11,475,862</td>
</tr>
<tr>
<td>1200</td>
<td>Other receivables, net (notes (6)(e) and (7))</td>
<td>3,951,773</td>
</tr>
<tr>
<td>1310</td>
<td>Inventories (note (6)(f))</td>
<td>51,043,492</td>
</tr>
<tr>
<td>1470</td>
<td>Other current assets</td>
<td>1,278,640</td>
</tr>
<tr>
<td></td>
<td><strong>Total current assets</strong></td>
<td>259,853,419</td>
</tr>
<tr>
<td><strong>Non-current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1550</td>
<td>Investments accounted for using equity method (note (6)(g))</td>
<td>105,496,882</td>
</tr>
<tr>
<td>1510</td>
<td>Non-current financial assets at fair value through profit or loss (note (6)(b))</td>
<td>337,855</td>
</tr>
<tr>
<td>1517</td>
<td>Non-current financial assets at fair value through other comprehensive income (note (6)(c))</td>
<td>6,197,710</td>
</tr>
<tr>
<td>1600</td>
<td>Property, plant and equipment (note (6)(j))</td>
<td>2,234,288</td>
</tr>
<tr>
<td>1755</td>
<td>Rights-of-use assets (note (6)(k))</td>
<td>688,466</td>
</tr>
<tr>
<td>1780</td>
<td>Intangible assets</td>
<td>349,922</td>
</tr>
<tr>
<td>1840</td>
<td>Deferred tax assets (note (6)(p))</td>
<td>2,763,469</td>
</tr>
<tr>
<td>1990</td>
<td>Other non-current assets</td>
<td>3,781,754</td>
</tr>
<tr>
<td></td>
<td><strong>Total non-current assets</strong></td>
<td>26,274,300</td>
</tr>
<tr>
<td></td>
<td><strong>Total assets</strong></td>
<td>$ 378,293,762</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Equity</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>%</td>
</tr>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2100</td>
<td>Short-term borrowings (note (6)(l))</td>
<td>$ 46,917,800</td>
</tr>
<tr>
<td>2130</td>
<td>Notes and accounts payable</td>
<td>657,526</td>
</tr>
<tr>
<td>2170</td>
<td>Notes and accounts payable to related parties (note (7))</td>
<td>30,947,046</td>
</tr>
<tr>
<td>2180</td>
<td>Other payables (note (7))</td>
<td>12,312,111</td>
</tr>
<tr>
<td></td>
<td><strong>Current liabilities</strong></td>
<td>56,390,469</td>
</tr>
<tr>
<td><strong>Non-current liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2540</td>
<td>Long-term borrowings (note (6)(m))</td>
<td>12,525,000</td>
</tr>
<tr>
<td>2570</td>
<td>Deferred tax liabilities (note (6)(p))</td>
<td>690,462</td>
</tr>
<tr>
<td>2580</td>
<td>Non-current lease liabilities (note (6)(n))</td>
<td>568,858</td>
</tr>
<tr>
<td>2640</td>
<td>Non-current net defined benefit liability (note (6)(o))</td>
<td>828,769</td>
</tr>
<tr>
<td></td>
<td><strong>Total non-current liabilities</strong></td>
<td>16,607,766</td>
</tr>
<tr>
<td></td>
<td><strong>Total liabilities</strong></td>
<td>$ 258,671,767</td>
</tr>
<tr>
<td><strong>Equity:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3110</td>
<td>Ordinary share</td>
<td>44,071,466</td>
</tr>
<tr>
<td>3200</td>
<td>Capital surplus</td>
<td>4,270,915</td>
</tr>
<tr>
<td>3300</td>
<td>Retained earnings</td>
<td>1,785,947</td>
</tr>
<tr>
<td>3400</td>
<td>Other equity interest</td>
<td>566,858</td>
</tr>
<tr>
<td>3500</td>
<td>Treasury shares</td>
<td>866,455</td>
</tr>
<tr>
<td></td>
<td><strong>Total equity</strong></td>
<td>$ 119,621,995</td>
</tr>
<tr>
<td></td>
<td><strong>Total liabilities and equity</strong></td>
<td>$ 378,293,762</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
COMPAL ELECTRONICS, INC.
Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

<table>
<thead>
<tr>
<th>2023</th>
<th>Amount</th>
<th>%</th>
<th>2022</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>4000</td>
<td>Net sales revenue (notes (6)(s) and (7))</td>
<td>$874,914,215</td>
<td>100.0</td>
<td>1,003,642,791</td>
<td>100.0</td>
</tr>
<tr>
<td>5000</td>
<td>Cost of sales (notes (6)(f), (6)(o), (7) and (12))</td>
<td>846,864,149</td>
<td>96.8</td>
<td>975,074,956</td>
<td>97.2</td>
</tr>
<tr>
<td>5100</td>
<td>Gross profit</td>
<td>28,050,066</td>
<td>3.2</td>
<td>28,567,835</td>
<td>2.8</td>
</tr>
<tr>
<td>6000</td>
<td>Operating expenses: (notes (6)(o) and (12))</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6100</td>
<td>Selling expenses</td>
<td>4,668,460</td>
<td>0.5</td>
<td>6,211,342</td>
<td>0.6</td>
</tr>
<tr>
<td>6200</td>
<td>Administrative expenses</td>
<td>2,966,700</td>
<td>0.4</td>
<td>2,831,405</td>
<td>0.3</td>
</tr>
<tr>
<td>6300</td>
<td>Research and development expenses</td>
<td>13,086,935</td>
<td>1.5</td>
<td>12,263,065</td>
<td>1.2</td>
</tr>
<tr>
<td>6400</td>
<td>Total operating expenses</td>
<td>20,722,095</td>
<td>2.4</td>
<td>21,305,812</td>
<td>2.1</td>
</tr>
<tr>
<td>7000</td>
<td>Net operating income</td>
<td>7,327,971</td>
<td>0.8</td>
<td>7,262,023</td>
<td>0.7</td>
</tr>
<tr>
<td>7100</td>
<td>Non-operating income and expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7110</td>
<td>Interest income (note (6)(u))</td>
<td>1,001,520</td>
<td>0.1</td>
<td>367,313</td>
<td>-</td>
</tr>
<tr>
<td>7120</td>
<td>Other gains and losses, net (note (6)(u))</td>
<td>46,734</td>
<td>-</td>
<td>790,769</td>
<td>0.1</td>
</tr>
<tr>
<td>7130</td>
<td>Finance costs (note (6)(n))</td>
<td>(4,059,174)</td>
<td>(0.5)</td>
<td>(2,546,827)</td>
<td>(0.3)</td>
</tr>
<tr>
<td>7140</td>
<td>Other income (note (6)(u))</td>
<td>304,391</td>
<td>0.1</td>
<td>334,311</td>
<td>-</td>
</tr>
<tr>
<td>7150</td>
<td>Share of profit of associates and joint ventures accounted for using equity method (note (6)(g))</td>
<td>4,088,258</td>
<td>0.5</td>
<td>1,826,023</td>
<td>0.2</td>
</tr>
<tr>
<td>7200</td>
<td>Total non-operating income and expenses</td>
<td>1,381,729</td>
<td>0.2</td>
<td>771,589</td>
<td>-</td>
</tr>
<tr>
<td>7300</td>
<td>Profit from continuing operations before tax</td>
<td>8,709,700</td>
<td>1.0</td>
<td>8,033,612</td>
<td>0.7</td>
</tr>
<tr>
<td>7400</td>
<td>Less: Income tax expenses (note (6)(p))</td>
<td>1,042,073</td>
<td>0.1</td>
<td>745,320</td>
<td>0.1</td>
</tr>
<tr>
<td>7500</td>
<td>Profit</td>
<td>7,667,627</td>
<td>0.9</td>
<td>7,288,292</td>
<td>0.6</td>
</tr>
<tr>
<td>8300</td>
<td>Other comprehensive income:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8310</td>
<td>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8311</td>
<td>Gains (losses) on remeasurements of defined benefit plans</td>
<td>(12,857)</td>
<td>-</td>
<td>134,331</td>
<td>-</td>
</tr>
<tr>
<td>8316</td>
<td>Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income</td>
<td>828,717</td>
<td>0.1</td>
<td>(610,977)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>8330</td>
<td>Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss</td>
<td>463,228</td>
<td>-</td>
<td>(434,424)</td>
<td>-</td>
</tr>
<tr>
<td>8349</td>
<td>Income tax related to components of other comprehensive income that will not be reclassified to profit or loss</td>
<td>119,156</td>
<td>-</td>
<td>3,589</td>
<td>-</td>
</tr>
<tr>
<td>8350</td>
<td>Components of other comprehensive income that will not be reclassified to profit or loss (note (6)(g))</td>
<td>1,159,932</td>
<td>0.1</td>
<td>(914,659)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>8360</td>
<td>Components of other comprehensive income (loss) that will be reclassified to profit or loss</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8361</td>
<td>Exchange differences on translation of foreign financial statements</td>
<td>(376,004)</td>
<td>-</td>
<td>7,183,714</td>
<td>0.7</td>
</tr>
<tr>
<td>8380</td>
<td>Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss</td>
<td>107,239</td>
<td>-</td>
<td>78,865</td>
<td>-</td>
</tr>
<tr>
<td>8399</td>
<td>Income tax related to components of other comprehensive income that will be reclassified to profit or loss</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>8400</td>
<td>Components of other comprehensive income that will be reclassified to profit or loss</td>
<td>(268,765)</td>
<td>-</td>
<td>7,262,579</td>
<td>0.7</td>
</tr>
<tr>
<td>8500</td>
<td>Other comprehensive income</td>
<td>891,167</td>
<td>0.1</td>
<td>6,347,920</td>
<td>0.6</td>
</tr>
<tr>
<td>8550</td>
<td>Total comprehensive income</td>
<td>$8,558,794</td>
<td>1.0</td>
<td>13,636,212</td>
<td>1.2</td>
</tr>
</tbody>
</table>

Earnings per share (note (6)(r))

| 9750 | Basic earnings per share | $1.76 | 1.67 |
| 9850 | Diluted earnings per share | $1.75 | 1.66 |

See accompanying notes to financial statements.
COMPAL ELECTRONICS, INC.
Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

<table>
<thead>
<tr>
<th>Retained earnings</th>
<th>Total other equity interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income</td>
</tr>
<tr>
<td>Ordinary shares</td>
<td>Capital surplus</td>
</tr>
<tr>
<td>Balance at January 1, 2022</td>
<td>$44,071,466</td>
</tr>
<tr>
<td>Profit for the year ended December 31, 2022</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>-</td>
</tr>
<tr>
<td>Appropriation and distribution of retained earnings:</td>
<td>-</td>
</tr>
<tr>
<td>Legal reserve appropriated</td>
<td>-</td>
</tr>
<tr>
<td>Special reserve appropriated</td>
<td>-</td>
</tr>
<tr>
<td>Cash dividends of ordinary share</td>
<td>-</td>
</tr>
<tr>
<td>Changes in ownership interests in subsidiaries</td>
<td>-</td>
</tr>
<tr>
<td>Changes in equity of associates and joint ventures accounted for using equity method</td>
<td>-</td>
</tr>
<tr>
<td>Adjustments of capital surplus for cash dividends received by subsidiaries</td>
<td>-</td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
</tr>
<tr>
<td>Disposal of investments in equity instruments measured at fair value through other comprehensive income</td>
<td>-</td>
</tr>
<tr>
<td>Balance at December 31, 2022</td>
<td>$44,071,466</td>
</tr>
<tr>
<td>Profit for the year ended December 31, 2023</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>-</td>
</tr>
<tr>
<td>Appropriation and distribution of retained earnings:</td>
<td>-</td>
</tr>
<tr>
<td>Legal reserve appropriated</td>
<td>-</td>
</tr>
<tr>
<td>Reversal of special reserve</td>
<td>-</td>
</tr>
<tr>
<td>Cash dividends of ordinary share</td>
<td>-</td>
</tr>
<tr>
<td>Cash dividends from capital surplus</td>
<td>-</td>
</tr>
<tr>
<td>Changes in ownership interests in subsidiaries</td>
<td>-</td>
</tr>
<tr>
<td>Changes in equity of associates and joint ventures accounted for using equity method</td>
<td>-</td>
</tr>
<tr>
<td>Adjustments of capital surplus for cash dividends received by subsidiaries</td>
<td>-</td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
</tr>
<tr>
<td>Disposal of investments in equity instruments measured at fair value through other comprehensive income</td>
<td>-</td>
</tr>
<tr>
<td>Balance at December 31, 2023</td>
<td>$44,071,466</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
COMPAL ELECTRONICS, INC.

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

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from (used in) operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>$8,709,700</td>
<td>8,033,612</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustments to reconcile profit (loss):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>1,343,643</td>
<td>1,292,481</td>
</tr>
<tr>
<td>Expected credit loss</td>
<td>49,027</td>
<td>10,992</td>
</tr>
<tr>
<td>Net (gain) loss on financial assets or liabilities at fair value through profit or loss</td>
<td>(47,871)</td>
<td>17,430</td>
</tr>
<tr>
<td>Finance cost</td>
<td>4,059,174</td>
<td>2,546,827</td>
</tr>
<tr>
<td>Interest income</td>
<td>(1,001,520)</td>
<td>(367,313)</td>
</tr>
<tr>
<td>Dividend income</td>
<td>(90,278)</td>
<td>(60,493)</td>
</tr>
<tr>
<td>Share of profit of subsidiaries, associates and joint ventures accounted for using equity method</td>
<td>(4,088,258)</td>
<td>(1,826,023)</td>
</tr>
<tr>
<td>Others</td>
<td>340</td>
<td>7,903</td>
</tr>
<tr>
<td>Total adjustments to reconcile profit (loss)</td>
<td>224,257</td>
<td>1,620,904</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in operating assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) decrease in notes and accounts receivable</td>
<td>(76,980)</td>
<td>92,993,745</td>
</tr>
<tr>
<td>Decrease in other receivables</td>
<td>255,955</td>
<td>861,286</td>
</tr>
<tr>
<td>Decrease in inventories</td>
<td>2,020,665</td>
<td>7,894,260</td>
</tr>
<tr>
<td>Increase in other current assets</td>
<td>(432,044)</td>
<td>(440,998)</td>
</tr>
<tr>
<td>Total changes in operating assets</td>
<td>1,767,596</td>
<td>101,308,293</td>
</tr>
<tr>
<td>Changes in operating liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in notes and accounts payable</td>
<td>9,129,059</td>
<td>(56,853,309)</td>
</tr>
<tr>
<td>(Decrease) increase in other payables</td>
<td>(600,839)</td>
<td>2,252,516</td>
</tr>
<tr>
<td>Increase in refund liabilities</td>
<td>751,240</td>
<td>456,262</td>
</tr>
<tr>
<td>Decrease in contract liabilities</td>
<td>(2,520)</td>
<td>(332,145)</td>
</tr>
<tr>
<td>(Decrease) increase in other current liabilities</td>
<td>(630,456)</td>
<td>936,481</td>
</tr>
<tr>
<td>Others</td>
<td>(10,915)</td>
<td>(14,859)</td>
</tr>
<tr>
<td>Total changes in operating liabilities</td>
<td>8,635,569</td>
<td>(53,555,054)</td>
</tr>
<tr>
<td>Total changes in operating assets and liabilities</td>
<td>10,403,165</td>
<td>47,753,239</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>10,627,422</td>
<td>49,374,143</td>
</tr>
<tr>
<td>Cash inflow generated from operations</td>
<td>19,337,122</td>
<td>57,407,755</td>
</tr>
<tr>
<td>Interest received</td>
<td>945,368</td>
<td>363,622</td>
</tr>
<tr>
<td>Dividends received</td>
<td>832,126</td>
<td>762,393</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(4,246,023)</td>
<td>(2,149,093)</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>(1,468,963)</td>
<td>(1,345,557)</td>
</tr>
<tr>
<td>Net cash flows from operating activities</td>
<td>15,399,630</td>
<td>55,039,120</td>
</tr>
<tr>
<td>Cash flows from (used in) investing activities:</td>
<td>8,709,700</td>
<td>8,033,612</td>
</tr>
<tr>
<td>Acquisition of financial assets at fair value through profit or loss and through other comprehensive income</td>
<td>(2,326,911)</td>
<td>(293,452)</td>
</tr>
<tr>
<td>Proceeds from disposal of financial assets at fair value through other comprehensive income</td>
<td>47,921</td>
<td>10,028</td>
</tr>
<tr>
<td>Acquisition of investments accounted for using equity method</td>
<td>(3,979,240)</td>
<td>(723,290)</td>
</tr>
<tr>
<td>Proceeds from capital reduction and liquidation of investments</td>
<td>3,420</td>
<td>2,010</td>
</tr>
<tr>
<td>Acquisition of property, plant and equipment</td>
<td>(256,391)</td>
<td>(332,902)</td>
</tr>
<tr>
<td>Proceeds from disposal of property, plant and equipment</td>
<td>65,706</td>
<td>-</td>
</tr>
<tr>
<td>Increase in other receivables due from related parties</td>
<td>(101,447)</td>
<td>(1,417,334)</td>
</tr>
<tr>
<td>Acquisition of intangible assets</td>
<td>(337,007)</td>
<td>(558,111)</td>
</tr>
<tr>
<td>Others</td>
<td>168,895</td>
<td>(116,556)</td>
</tr>
<tr>
<td>Net cash flows used in investing activities</td>
<td>(6,715,054)</td>
<td>(3,429,007)</td>
</tr>
<tr>
<td>Cash flows from (used in) financing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease in short-term borrowings</td>
<td>(6,150,779)</td>
<td>(25,899,341)</td>
</tr>
<tr>
<td>Proceeds from long-term borrowings</td>
<td>44,267,025</td>
<td>70,109,500</td>
</tr>
<tr>
<td>Repayments of long-term borrowings</td>
<td>(51,524,725)</td>
<td>(72,884,500)</td>
</tr>
<tr>
<td>Payment of lease liabilities</td>
<td>(438,966)</td>
<td>(439,591)</td>
</tr>
<tr>
<td>Cash dividends paid</td>
<td>(5,288,576)</td>
<td>(8,814,294)</td>
</tr>
<tr>
<td>Others</td>
<td>(2,559)</td>
<td>4,428</td>
</tr>
<tr>
<td>Net cash flows used in financing activities</td>
<td>(19,138,586)</td>
<td>(28,923,798)</td>
</tr>
<tr>
<td>Net (decrease) increase in cash and cash equivalents</td>
<td>(10,454,064)</td>
<td>22,685,715</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of period</td>
<td>30,965,694</td>
<td>8,279,979</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of period</td>
<td>$20,511,690</td>
<td>30,965,694</td>
</tr>
</tbody>
</table>
COMPAL ELECTRONICS, INC.
Notes to the Financial Statements
For the years ended December 31, 2023 and 2022
(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 is primarily 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 financial statements:

The accompanying parent-company-only financial statements were authorized for issuance by the Board of Directors and issued on February 29, 2024.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2023:

● Amendments to IAS 1 “Disclosure of Accounting Policies”

● Amendments to IAS 8 “Definition of Accounting Estimates”

● Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

In addition, the Company has adopted Amendments to IAS 12 “International Tax Reform – Pillar Two Model Rules” on May 23, 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which applies retrospectively, and require new disclosures about the Pillar Two exposure for annual reporting periods beginning on or after January 1, 2023. However, because on December 31, 2023, no new legislation to implement the top-up tax was enacted or substantively enacted in any jurisdiction in which the Company operates and no related deferred taxes were recognized at that date, the retrospective application has no impact on the parent-company-only financial statements. The Company is closely monitoring developments related to the implementation of the international tax reforms introducing a global minimum top-up tax.

(Continued)
(b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its financial statements:

- 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”

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

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its 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 IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies:

The material accounting policies presented in the parent-company-only financial statements are summarized as follows. The following accounting policies were applied consistently throughout the periods presented in the parent-company-only financial statements.

(a) Statement of compliance

These parent-company-only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts in the statement of financial position, the parent-company-only financial statements have been prepared on the historical cost basis:

1) Financial instruments measured at fair value through profit or loss are measured at fair value;

2) Financial assets at fair value through other comprehensive income are measured at fair value;
3) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note (4)(q).

(ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the Company operates. The parent-company-only financial statements are presented in New Taiwan Dollar, which is the Company’s functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(c) Foreign currency

(i) Foreign currency transaction

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the year adjusted for the effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of translation.

Foreign currency differences arising on retranslation are recognized in profit or loss, except for the following differences which are recognized in other comprehensive income arising on the retranslation:

1) fair value through other comprehensive income financial assets;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent the hedge is effective

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the Company’s functional currency at exchange rates of the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to the Company’s functional currency at average rate. Foreign currency differences are recognized in other comprehensive income, and presented in the foreign currency translation differences in equity.

(Continued)
When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Company disposes of only part of investment in an associate of joint venture that includes a foreign operation while retaining significant or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such items are considered to form part of a net investment in the foreign operation and are recognized in other comprehensive income, and presented in the translation reserve in equity.

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

An asset is classified 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 the asset within twelve months after the reporting period; or

(iv) The asset is cash and cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified 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) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not impact its classification.

(e) Cash and cash equivalents

Cash comprise cash on hand and demand deposits. Cash equivalents are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes are reclassified as cash equivalents.

(Continued)
(f) Financial instruments

(i) Financial assets

Financial assets are classified into the following categories: measured at amortized cost, fair value through other comprehensive income (“FVOCI”) and fair value through profit or loss (“FVTPL”).

The Company shall reclassify all affected financial assets only when it changes its business model for managing its financial assets.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

• it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

• its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss. A regular way purchase or sale of financial assets is recognized and derecognized, as applicable, using trade date accounting.

2) Fair value through other comprehensive income (“FVOCI”)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

• it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

• its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Some accounts receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Company, therefore, those receivables are measured at FVOCI and presented as accounts receivable.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

(Continued)
A financial asset measured at FVOCI is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment losses, deriving from debt investments are recognized in profit or loss; whereas dividends deriving from equity investments are recognized as income in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses of financial assets measured at FVOCI are recognized in OCI. On derecognition, gains and losses accumulated in OCI of debt investments are reclassified to profit or loss. However, gains and losses accumulated in OCI of equity investments are reclassified to retain earnings instead of profit or loss. A regular way purchase or sale of financial assets is recognized and derecognized, as applicable, using trade date accounting.

Dividend income derived from equity investments is recognized on the date that the Company’s right to receive payment is established, which in the case of quoted securities is normally the date the shareholders' meeting approved the earning distribution.

3) Fair value through profit or loss ("FVTPL")

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets in this category are measured at fair value at initial recognition. Attributable transaction costs are recognized in profit or loss as incurred. Subsequent changes that are measured at fair value, which take into account any dividend and interest income, are recognized in profit or loss. A regular way purchase or sale of financial assets is recognized and derecognized, as applicable, using trade date accounting.

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized costs, notes and accounts receivable, other receivable, guarantee deposit and other financial assets), debt investments measured at FVOCI, and accounts receivable measured at FVOCI.

The Company measures loss allowances at an amount equal to lifetime expected credit loss ("ECL"), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

(Continued)
Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company’s historical experience and informed credit assessment as well as forward-looking information.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of “investment grade which is considered to be BBB- or higher per Standard & Poor’s, Baa3 or higher per Moody’s or twA or higher per Taiwan Ratings”.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 90 days past due or the borrower is unlikely to pay its credit obligations to the Company in full.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. An evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
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Notes to Parent-Company-Only Financial Statements

• the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

• it is probable that the borrower will enter bankruptcy or other financial reorganization; or

• the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in other comprehensive income instead of reducing the carrying amount of the asset. The Company recognizes the amount of expected credit losses (or reversal) in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

5) Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the assets expire, or when the Company transfers substantially all the risks and rewards of ownership of the financial assets.

On derecognition of a debt instrument in its entirety, the Company recognizes the difference between its carrying amount and the sum of the consideration received or receivable and any cumulative gain or loss that had been recognized in other comprehensive income and presented in “other equity – unrealized gains or losses on fair value through other comprehensive income”, in profit or loss, and presented it in the line item of non-operating income.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss, and presented in the line item of non-operating income and expenses. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

(Continued)
(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt or equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual agreement.

Equity instruments refer to surplus equities of the assets after the deduction of all the debts for any contracts. Equity instruments issued are recognized as the amount of consideration received, less, the direct cost of issuing.

Interest and loss or gain related to financial liabilities are recognized as profit or loss and are reported under non-operating income and expenses. Financial liabilities are reclassified as equity when converted, and conversions do not generate profit or loss.

2) Financial liabilities at fair value through profit or loss

A financial liability is classified in this category if acquired principally for the purpose of selling in the short term. This type of financial liability is measured at fair value at the time of initial recognition, and attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value, and changes therein, which take into account any interest expense, are recognized in profit or loss, and are included in non-operating income or expenses.

3) Other financial liabilities

Financial liabilities not classified as held-for-trading or designated as at fair value through profit or loss, which comprise loans and borrowings, notes and accounts payable and other payable, are measured at fair value, plus, any directly attributable transaction cost at the time of initial recognition. Subsequent to initial recognition, they are measured at amortized cost calculated using the effective interest method other than significant interest on short-term loans and payables. Interest expense not capitalized as capital cost is recognized in profit or loss, and is included in non-operating income or expenses.

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligation has been discharged, cancelled or expired. The difference between the carrying amount of a financial liability removed and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss, and is included in non-operating income or expenses.

5) Offsetting of financial assets and liabilities

The Company presents financial assets and liabilities on a net basis when the Company has the legally enforceable right to offset and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

(Continued)
(iii) Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Derivatives are initially measured at fair value. Any attributable transaction costs thereof are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss and are included in the line item of non-operating income. When a derivative is designated as, and effective for, a hedging instrument, its timing of recognition in profit or loss is determined based on the nature of the hedging relationship. When the fair value of a derivative instrument is positive, it is classified as a financial asset, whereas when the fair value is negative, it is classified as a financial liability.

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the non-financial asset’s host contract are not closely related to the embedded derivatives and the host contract is not measured at FVTPL.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted-average-cost principle and includes expenditure incurred in acquiring the inventories, production or transition costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less, the estimated costs of completion and selling expenses.

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less, any accumulated impairment losses.

The parent-company-only financial statements include the Company’s share of the profit or loss and other comprehensive income of equity-accounted investees after adjustments to align the accounting policies with those of the Company from the date that significant influence commences until the date that significant influence ceases. When changes in an associate’s equity are not recognized in profit or loss or other comprehensive income of the associate and such changes do not affect the Company’s ownership percentage of the associate, the Company recognizes the changes in ownership interests of its associate in capital surplus in proportion to its ownership.

Unrealized profits resulting from the transactions between the Company and an associate are eliminated to the extent of the Company’s interest in the associate. Unrealized losses on transactions with associates are eliminated in the same way, except to the extent that the underlying asset is impaired.

(Continued)
When the Company’s share of losses exceeds its interest in associates, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

The Company shall discontinue the use of the equity method from the date when its investment ceases to be an associate or a joint venture. The Company shall measure the retained interest at fair value. The difference between the fair value of retained interest and proceeds from disposal, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Company shall account for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the entity shall reclassify the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued. If an entity’s ownership interest in an associate or a joint venture is reduced while the entity continues to apply the equity method, the entity shall reclassify the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Company shall continue to apply the equity method without remeasuring the retained interest.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company’s proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus, however, when the balance of the capital surplus arising from the investment was insufficient, the difference charged or credited to retained earnings. If the Company’s ownership interest is reduced due to the additional subscription to the shares of associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate shall be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(i) Investment in subsidiaries

When preparing the parent-company-only financial statements, investment in subsidiaries which are controlled by the Company is accounted for using the equity method. Under the equity method, the amounts of net income, other comprehensive income and equity attributable to shareholders of the Company in the parent-company-only financial statement are equal to those in the consolidated financial statements.

Changes in the Company’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(Continued)
Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributed to the acquisition of the asset. The cost of the software is capitalized as part of the property, plant and equipment if the purchase of the software is necessary for the property, plant and equipment to be capable of operating.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately, unless the useful life and the depreciation method of a significant part of an item of property, plant and equipment are the same as the useful life and depreciation method of another significant part of that same item.

The gain or loss arising from the derecognition of an item of property, plant and equipment shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and it shall be recognized as other gains and losses.

(ii) Subsequent cost

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. The carrying amount of those parts that are replaced is derecognized. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

The depreciable amount of an asset is determined after deducting its residual amount, and it shall be allocated on a systematic basis over its useful life. Items of property, plant and equipment with the same useful life may be grouped in determining the depreciation charge. The remainder of the items may be depreciated separately. The depreciation charge for each period shall be recognized in profit or loss.

Land has an unlimited useful life and therefore is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

1) Buildings: 35~50 years
2) Building improvement: 2~12 years
3) Research equipment: 3~5 years
4) Other equipment: 0.5~5 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date. If expectations differ from the previous estimates, the change is accounted for as a change in an accounting estimate.

(Continued)
(k) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company’s estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying assets, or
- there is a change of its assessment on whether it will exercise an extension or termination option; or
- there is any lease modifications

(Continued)
When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery and office equipment that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(l) Intangible assets

(i) Goodwill

1) Initial recognition

   Goodwill arising from acquisition of subsidiaries is included in intangible assets. The measurement of initial recognition of goodwill, please refer to note (4)(t).

2) Subsequent measurement

   Goodwill is measured at cost less accumulated impairment losses.

   Goodwill related to an investment accounted for using equity method is included in the carrying amount of the investment, and not allocated to any asset, including goodwill, forms part of the carrying amount of the investment accounted for using the equity method.

(ii) Research & Development

During the research phase, activities are carried out to obtain and understand new scientific or technical knowledge. Expenditures during this phase are recognized in profit or loss as incurred.

(Continued)
Expenses arising from the development phase shall be recognized as an intangible asset if all the conditions described below can be demonstrated; otherwise, they will be recognized in profit or loss as incurred.

1) The technical feasibility of completing the intangible asset so that it will be available for use or sale.

2) Its intention to complete the intangible asset and use or sell it.

3) Its ability to use or sell the intangible asset.

4) How the intangible asset will generate probable future economic benefits.

5) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

6) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Capitalized expenditure arising from the development phase is measured at cost less accumulated amortization and accumulated impairment losses.

(iii) Other intangible assets

Other intangible assets that are acquired by the Company are measured at cost, less accumulated amortization and any accumulated impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(v) Amortization

The amortizable amount is the cost of an asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and intangible assets with all indefinite useful life, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

1) Patents: the shorter of contract period and estimated useful lives

2) Computer software: 1~6 years

The residual value, the amortization period, and the amortization method for an intangible asset with a finite useful life shall be reviewed at least annually at each fiscal year-end. Any change shall be accounted for as changes in accounting estimates.

(Continued)
(m) Impairment of non-derivative financial assets

Non-derivative financial assets except for inventories, deferred tax assets, and assets arising from employee benefits are assessed at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company shall estimate the recoverable amount of the asset. If it is not possible to determine the recoverable amount (fair value less cost to sell and value in use) for the individual asset, then the Company will have to determine the recoverable amount for the asset's cash-generating unit.

The Company assesses goodwill and intangible assets, which have indefinite useful lives and are not available for use, on an annual basis and recognizes an impairment loss on excess of carrying value over the recoverable amount.

The recoverable amount for an individual asset or a cash-generating unit is the higher of its fair value, less costs to sell and its value in use. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss shall be recognized immediately in profit or loss.

For the purpose of impairment testing, goodwill acquired in a business combination shall, from the acquisition date, be allocated to each of the acquirer’s cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units or group of units. If the carrying amount of the cash-generating units exceeds the recoverable amount of the unit, the entity shall recognize the impairment loss and the impairment loss shall be allocated to reduce the carrying amount of each asset in the unit. Reversal of an impairment loss for goodwill is prohibited.

The Company assesses at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. An impairment loss recognized in prior periods for an asset other than goodwill shall be reversed if, and only if, there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. That increase is a reversal of an impairment loss.

(n) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(Continued)
(o) Treasury stock

Repurchased shares are recognized under treasury shares (a contra-equity account) based on its repurchase price (including all directly accountable costs), and net of tax. Gains on disposal of treasury shares should be recognized under Capital Reserve – Treasury Shares Transactions; losses on disposal of treasury shares should be offset against existing capital reserves arising from similar types of treasury shares. If there are insufficient capital reserves to be offset against, then such losses should be accounted for under retained earnings. The carrying amount of treasury shares should be calculated using the weighted average different types of repurchase.

During the cancellation of treasury shares, Capital Reserve – Share Premiums and Share Capital should be debited proportionately. Gains on cancellation of treasury shares should be recognized under existing capital reserves arising from similar types of treasury shares; losses on cancellation of treasury shares should be offset against existing capital reserves arising from similar types of treasury shares. If there are insufficient capital reserves to be offset against, then such losses should be accounted for under retained earnings.

(p) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company’s main types of revenue are explained below.

(i) Sale of goods

The Company manufactures and sells electronic products to electronic products brand vendor. The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer’s acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company assesses sales discounts based on historical experience, management’s judgment and other known reasons. Such allowances are recognized as a deduction of sales revenue in the same period in which sales are made. The aforementioned provisions are expected to settle over the next year. A refund liability is recognized for expected discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales of electronic products are made with a credit term which is consistent with the market practice.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

(Continued)
(ii) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(q) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company’s net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Company’s obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Company. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities.

If the benefits of a plan are improved, the pension cost incurred from the portion of the increased benefit relating to past service by employees, is recognized immediately in profit or loss.

Re-measurement of net defined benefit liability (asset) (including actuarial gains, losses and the return on plan asset and changes in the effect of the asset ceiling, excluding any amounts included in net interest) is recognized in other comprehensive income (loss). The effect of re-measurement of the defined benefit plan is charged to retained earnings.

The Company recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment comprises any resulting change in the fair value of plan assets and change in the present value of defined benefit obligation.
Notes to Parent-Company-Only Financial Statements

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(r) Share-based payment

The grant-date fair value of share-based payment awards granted to employee is recognized as employee expenses, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of award that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions, and there is no true-up for differences between expected and actual outcomes.

(s) Income taxes

Income tax expenses include both current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

The Company has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Company has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Current taxes include tax payables and tax deduction receivables on taxable gains (losses) for the year calculated using the statutory tax rate on the reporting date or the actual legislative tax rate, as well as tax adjustments related to prior years.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes shall not be recognized for the following exceptions:

(i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences.

(Continued)
(ii) Temporary differences arising from equity investments in subsidiaries or joint ventures where there is a high probability that such temporary differences will not reverse.

(iii) Initial recognition of goodwill.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities may be offset against each other if the following criteria are met:

(i) The entity has the legal right to settle tax assets and liabilities on a net basis; and

(ii) the taxing of deferred tax assets and liabilities fulfill one of the below scenarios:

1) levied by the same taxing authority; or

2) levied by different taxing authorities, but where each such authority intends to settle tax assets and liabilities (where such amounts are significant) on a net basis every year of the period of expected asset realization or debt liquidation, or where the timing of asset realization and debt liquidation is matched.

A deferred tax asset should be recognized for the carry-forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the unused tax losses, unused tax credits, and deductible temporary differences can be utilized. Such unused tax losses, unused tax credits, and deductible temporary differences shall also be re-evaluated every year on the financial reporting date, and they shall be adjusted based on the probability that future taxable profit that will be available against which the unused tax losses, unused tax credits, and deductible temporary differences can be utilized.

The surtax on unappropriated earnings is recoded as current tax expense in the following year after the resolution to appropriate retained earnings is approved in a stockholders’ meeting.

(t) Business combination

Goodwill is measured as an aggregation of the consideration transferred (which generally is measured at fair value at the acquisition date) and as an amount of any non-controlling interest in the acquiree, net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed (generally at fair value). If the residual balance is negative, the Company shall re-assess whether it has correctly identified all of the assets acquired and liabilities assumed, and recognize a gain on the bargain purchase thereafter.

All the transaction costs incurred for the business combination are recognized immediately as the Company’s expenses when incurred, except for the issuance of debt or equity instruments.
If the business combination is achieved in stages, the Company shall measure any non-controlling equity interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets. Other non-controlling interest is measured (1) at fair value at the acquisition date or (2) by using other valuation techniques acceptable under the IFRS as endorsed by the FSC.

In a business combination achieved in stages, the Company shall re-measure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in profit or loss. In prior reporting periods, the Company may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognized in other comprehensive income shall be recognized on the same basis as would be required if the Company had disposed directly of the previously held equity interest. If the disposal of the equity interest required a reclassification to profit or loss, such an amount shall be reclassified to profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Company shall retrospectively adjust the provisional amounts recognized at the acquisition date, or recognize additional assets or liabilities to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

(u) Earnings per share

The Company discloses the basic and diluted earnings per share attributable to ordinary equity holders of the Company. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholder of the Company divided by weighted average number of ordinary shares outstanding. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company divided by weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. Dilutive potential ordinary shares comprise employee compensation not yet approved by the Board of Directors.

(v) Operating segments

The operating segment information is disclosed within the consolidated financial statements but not disclosed in the parent-company-only financial statements.

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

In preparing these financial statements, management has made 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.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

(Continued)
There are no critical judgments in applying the accounting policies that have significant effect on the amounts recognized in the financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows.

(a) Recognition and measurement of refund liabilities

Because of the sales returns and allowances, the Company records refund liabilities (sales returns and allowances provisions) for estimated returns and other allowances in the same period the related revenue is recorded. The estimate is made based on historical experience, market and economic conditions, and any other known factors using the expected value or the most likely amount, and it could be different from actual sales returns and allowances, therefore, the management periodically reviews the adequacy of the estimation used.

(b) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial changes, there may be significant differences in the net realizable value of inventories. Refer to note (6)(f) for further description of the valuation of inventories.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>$ 2,399</td>
<td>3,504</td>
</tr>
<tr>
<td>Checking accounts and demand deposits</td>
<td>17,422,781</td>
<td>27,183,895</td>
</tr>
<tr>
<td>Time deposits</td>
<td>2,472,410</td>
<td>652,991</td>
</tr>
<tr>
<td>Cash equivalents</td>
<td>614,100</td>
<td>3,125,304</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 20,511,690</strong></td>
<td><strong>30,965,694</strong></td>
</tr>
</tbody>
</table>

Please refer to note (6)(v) 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 Company.
(b) Financial assets at fair value through profit or loss

<table>
<thead>
<tr>
<th>Non-current financial assets mandatorily measured at fair value through profit or loss:</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-derivative financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock unlisted in domestic markets</td>
<td>$158,680</td>
<td>117,150</td>
</tr>
<tr>
<td>Fund in foreign market</td>
<td>$179,175</td>
<td>132,417</td>
</tr>
<tr>
<td>Total</td>
<td>$337,855</td>
<td>249,567</td>
</tr>
</tbody>
</table>

For the market risk related to the financial instruments, please refer to note (6)(v).

As of December 31, 2023 and 2022, the Company did not provide any aforementioned financial assets as collaterals for its loans.

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

<table>
<thead>
<tr>
<th>Equity investments at fair value through other comprehensive income</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock listed in domestic markets</td>
<td>$2,752,235</td>
<td>1,688,060</td>
</tr>
<tr>
<td>Stock listed in foreign markets</td>
<td>2,906,241</td>
<td>579,341</td>
</tr>
<tr>
<td>Stock unlisted in domestic markets</td>
<td>276,342</td>
<td>782,312</td>
</tr>
<tr>
<td>Stock unlisted in foreign markets</td>
<td>262,892</td>
<td>84,127</td>
</tr>
<tr>
<td>Total</td>
<td>$6,197,710</td>
<td>3,133,840</td>
</tr>
</tbody>
</table>

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

For the year ended December 31, 2022, the Company has sold all of its shareholdings, measured at fair value through other comprehensive income, in GENKI SANGA HOLDINGS CO., LTD. The fair value of the shares upon disposal amounted to $10,028, resulting in a cumulative gain of $2,838, which was reclassified from other comprehensive income to retained earnings.

For the year ended December 31, 2023, the Company has sold all of its shareholdings, measured at fair value through other comprehensive income, in Genovior Biotech Corp. The fair value of the shares upon disposal amounted to $47,921, resulting in a cumulative gain of $17,790, which was reclassified from other comprehensive income to retained earnings.

(Continued)
The Company held the shareholdings, measured at fair value through other comprehensive income, in Taiwan Star Telecom Corporation Limited (“Taiwan Star”), which was absorbed and merged by Taiwan Mobile Co., Ltd. (“Taiwan Mobile”) on December 1, 2023, as the date of the merger. In this stock swap case, the shareholdings of Taiwan Star were exchanged for the exchange consideration of $317,172 on the date of the merger, resulting in a cumulative loss on disposal of $663,293, which was reclassified from other equity to retained earnings.

If there is an increase (decrease) in the market price by 5% on the reporting date of the equity securities held by the Company, the increase (decrease) in other comprehensive income (pre-tax) for the years ended December 31, 2023 and 2022, will be $309,886 and $156,692, respectively. These analyses are performed on the same basis for the period and assume that all other variables remain the same.

For the Company’s information of market risk, please refer to note (6)(v).

As of December 31, 2023 and 2022, the Company did not provide any financial assets at fair value through other comprehensive income as collaterals for its loans.

(d) Notes and accounts receivable

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable – measured at amortized cost</td>
<td>$ 158,625,335</td>
<td>170,615,775</td>
</tr>
<tr>
<td>Accounts receivable – fair value through other comprehensive income</td>
<td>28,158,504</td>
<td>16,091,084</td>
</tr>
<tr>
<td></td>
<td>186,783,839</td>
<td>186,706,859</td>
</tr>
<tr>
<td>Less: allowance for uncollectible accounts recorded as credit balance of investments in equity method</td>
<td>(3,691,908)</td>
<td>(3,642,881)</td>
</tr>
<tr>
<td></td>
<td>(24,107)</td>
<td>(27,599)</td>
</tr>
<tr>
<td></td>
<td><strong>$ 183,067,824</strong></td>
<td><strong>183,036,379</strong></td>
</tr>
<tr>
<td>Notes and accounts receivable, net</td>
<td><strong>$ 171,591,962</strong></td>
<td><strong>169,758,431</strong></td>
</tr>
<tr>
<td>Notes and accounts receivable – related parties, net</td>
<td><strong>$ 11,475,862</strong></td>
<td><strong>13,277,948</strong></td>
</tr>
</tbody>
</table>

The Company 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 Company 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.
The loss allowance provision of notes and accounts receivable were determined as follows:

<table>
<thead>
<tr>
<th>Credit rating</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying amount of notes and accounts receivable</td>
<td>Weighted-average ECL rate</td>
</tr>
<tr>
<td>Level A</td>
<td>$176,317,572</td>
<td>0%</td>
</tr>
<tr>
<td>Level B</td>
<td>6,847,571</td>
<td>1.069%</td>
</tr>
<tr>
<td>Level C</td>
<td>3,618,696</td>
<td>100%</td>
</tr>
<tr>
<td>$186,783,839</td>
<td></td>
<td>3,691,908</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Overdue 1 to 180 days</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,419,193</td>
<td>1,306,052</td>
<td></td>
</tr>
</tbody>
</table>

The movements in the allowance for notes and accounts receivable were as follow:

<table>
<thead>
<tr>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at January 1</td>
<td>$3,642,881</td>
</tr>
<tr>
<td>Impairment losses recognized</td>
<td>49,027</td>
</tr>
<tr>
<td>Balance at December 31</td>
<td>$3,691,908</td>
</tr>
</tbody>
</table>

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

(Continued)
The Company entered into accounts receivable factoring agreements with banks. As of December 31, 2023 and 2022, except for the amount used under the actual sales amount in accordance with certain agreements, the factoring amount granted by the banks were USD 2,100,000 thousands and USD 1,600,000 thousands, respectively. Based on the agreements, the Company 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 Company derecognized the above account receivables 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 Company 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 December 31, 2023 and 2022, accounts receivable factored were recovered.

The Company, customers, and banks signed the three-party contracts in which the banks purchase accounts receivable from the Company. The total amount of the accounts receivable should not exceed the facility limit provided by the banks to the Company’s customers. Based on the contracts, the banks have no right to request the Company to repurchase the accounts receivable. Thus, this is a non-recourse accounts receivable transfer. As of December 31, 2023 and 2022, accounts receivable factored were recovered.

The details of the factored accounts receivable at the reporting date were as follows:

<table>
<thead>
<tr>
<th>Purchaser</th>
<th>Accounts receivable factored (gross)</th>
<th>Amount advanced</th>
<th>Amount recognized in other receivables</th>
<th>Collateral</th>
<th>Amount derecognized</th>
<th>Interest rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Institution</td>
<td>$13,185,468</td>
<td>-</td>
<td>13,185,468</td>
<td>-</td>
<td>13,185,468</td>
<td>6.01%~6.20%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 31, 2022</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchaser</td>
<td>Accounts receivable factored (gross)</td>
<td>Amount advanced</td>
<td>Amount recognized in other receivables</td>
<td>Collateral</td>
<td>Amount derecognized</td>
<td>Interest rate</td>
</tr>
<tr>
<td>Financial Institution</td>
<td>$30,110,005</td>
<td>-</td>
<td>30,110,005</td>
<td>-</td>
<td>30,110,005</td>
<td>4.74%~5.61%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 31, 2023</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As of December 31, 2023 and 2022, the Company did not provide any aforementioned notes and accounts receivable as collaterals.

(e) Other receivables

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other receivables - loans to subsidiaries</td>
<td>$3,208,385</td>
<td>2,979,700</td>
</tr>
<tr>
<td>Other receivables - related parties</td>
<td>281,621</td>
<td>221,214</td>
</tr>
<tr>
<td>Others</td>
<td>461,767</td>
<td>661,570</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,951,773</strong></td>
<td><strong>3,862,484</strong></td>
</tr>
</tbody>
</table>

(Continued)
As of December 31, 2023 and 2022, none of other receivables were past due.

(f) Inventories

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finished goods</td>
<td>$10,291,518</td>
<td>15,471,653</td>
</tr>
<tr>
<td>Work in progress</td>
<td>1,414,789</td>
<td>1,276,477</td>
</tr>
<tr>
<td>Raw materials</td>
<td>39,337,185</td>
<td>36,316,027</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$51,043,492</strong></td>
<td><strong>$53,064,157</strong></td>
</tr>
</tbody>
</table>

(i) During the years ended December 31, 2023 and 2022, inventory cost recognized as cost of sales amounted to $846,864,149 and $975,074,956, respectively.

(ii) Due to sale and scrap of slow-moving inventories, the net realizable value of inventory recovered, and the reversal of inventory write-down and slow-moving losses amounted to $1,775,969 for the year ended December 31, 2023. The loss due to the write-down of inventories to net realizable value amounted $937,684 for the year ended December 31, 2022.

(iii) As of December 31, 2023 and 2022, the Company did not provide any inventories as collaterals for its loans.

(g) Investments accounted for using equity method

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

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidiaries</td>
<td>$101,604,769</td>
<td>93,821,244</td>
</tr>
<tr>
<td>Associates</td>
<td>3,051,907</td>
<td>3,259,336</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>104,656,676</td>
<td>97,080,580</td>
</tr>
</tbody>
</table>

Plus: Recorded as accounts receivable and other receivables-related parties

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2022</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit balance of investments in equity method (recorded as other non-current liability)</td>
<td>$224,107</td>
<td>$227,599</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$827,770</strong></td>
<td><strong>961,854</strong></td>
</tr>
</tbody>
</table>

Less: unrealized profits or losses

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2022</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>(211,671)</td>
<td>(10,157)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$105,496,882</strong></td>
<td><strong>98,259,876</strong></td>
</tr>
</tbody>
</table>

(i) Subsidiaries

Please refer to the consolidated financial statement for the year ended December 31, 2023.

(Continued)
(ii) Associates

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

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allied Circuit Co., Ltd. (“Allied Circuit”)</td>
<td>$1,574,448</td>
<td>$1,031,010</td>
</tr>
<tr>
<td>Avalue Technology Inc. (“Avalue”)</td>
<td>$1,783,426</td>
<td>$1,214,819</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,357,874</strong></td>
<td><strong>2,245,829</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Company’s share of the loss of associates</td>
<td>$(269,077)</td>
<td>$(179,262)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying amount of individually immaterial associates</td>
<td>$3,051,907</td>
<td>$3,259,336</td>
</tr>
<tr>
<td>The Company’s share of the net income (loss) of associates:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss from continuing operations</td>
<td>$(269,077)</td>
<td>$(179,262)</td>
</tr>
<tr>
<td>Other comprehensive income (loss)</td>
<td>2,077</td>
<td>149,704</td>
</tr>
<tr>
<td>Total comprehensive income (loss)</td>
<td>$(267,000)</td>
<td>$(29,558)</td>
</tr>
</tbody>
</table>

(iii) As of December 31, 2023 and 2022, the Company did not provide any investments accounted for using equity method as collaterals for its loans.

(h) Corporate combination

In order to accelerate the deployment in the industrial PCs market, the Company made a tender offer for 56% ownership of Poindus Systems Corp, Ltd. (“Poindus Systems”) at a total price of $353,046 on March 7, 2022. The aforementioned price was paid, and the settlement had been completed.

Goodwill arising from the acquisition of 56% ownership is as follows:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consideration transferred</td>
<td>$353,046</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>247,882</td>
</tr>
<tr>
<td>Less: fair value of identifiable net assets</td>
<td>$(563,868)</td>
</tr>
<tr>
<td><strong>Total Goodwill</strong></td>
<td><strong>$37,060</strong></td>
</tr>
</tbody>
</table>

(Continued)
Goodwill is mainly derived from the business value of Poindus Systems in the industrial PCs market. It is expected that the business of Poindus System and the Company business will be integrated to generate synergy.

(i) Changes in subsidiaries’ equity

(i) Changes in subsidiaries’ equity did not result in the Company’s loss of control

1) Cancellation of subsidiaries’ restricted shares and conversion of convertible bonds

   Arcadyan Technology Corp. ("Arcadyan") canceled 30 thousand restricted shares in the year ended December 31, 2022. Whereas, Arcadyan issued 3,892 thousand new shares due to the conversion of convertible bonds during 2022. This event resulted in a decrease of 0.59% of the ownership of the Company and its subsidiaries in Arcadyan in the year ended December 31, 2022.

   Compal Broadband Network Inc. ("CBN") canceled 364 thousand and 469 thousand restricted shares in the years ended December 31, 2023 and 2022. These two events, respectively, resulted in an increase of 0.32% and 0.43% the ownership of the Company and its subsidiaries in CBN in the years ended December 31, 2023 and 2022.

2) Issuance of new shares for cash of subsidiaries

   The Company purchased newly issued shares of Aco Smartcare Co., Ltd. ("Aco Smartcare") amounting to $69,083 at a percentage different from its existing ownership percentage in July, 2023, resulting in an increase in the ownership of the Company in Aco Smartcare from 52.04% to 71.46%.

3) The acquisition of additional equity in the subsidiary

   In June 2022, the Company acquired 0.12% of equity interest in General Life Biotechnology Co., Ltd. ("GLB") from minority shareholders with $700 in cash, increasing equity from 50.00% to 50.12%.

4) The following summarizes the effect of changes in equity of the Company due to changes in the ownership interest of subsidiaries:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital surplus – changes in ownership interest in subsidiaries</td>
<td>$2,213</td>
<td>33,397</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>(16,652)</td>
<td>(2,260)</td>
</tr>
<tr>
<td></td>
<td>$14,439</td>
<td>31,137</td>
</tr>
</tbody>
</table>

(Continued)
(j) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company for the years ended December 31, 2023 and 2022, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Buildings and building improvement</th>
<th>Other equipment</th>
<th>Under construction and prepayment for purchase of equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance on January 1, 2023</td>
<td>$1,047,797</td>
<td>2,449,934</td>
<td>3,042,254</td>
<td>23,257</td>
<td>6,563,242</td>
</tr>
<tr>
<td>Additions</td>
<td>3,384</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposals and derecognitions</td>
<td>(16,139)</td>
<td>(362,323)</td>
<td></td>
<td></td>
<td>(378,462)</td>
</tr>
<tr>
<td>Reclassifications</td>
<td>10,719</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance on December 31, 2023</td>
<td>$1,047,797</td>
<td>2,447,898</td>
<td>2,917,420</td>
<td>28,056</td>
<td>6,441,171</td>
</tr>
<tr>
<td>Additions</td>
<td>36,218</td>
<td></td>
<td>198,484</td>
<td>98,200</td>
<td>332,902</td>
</tr>
<tr>
<td>Disposals and derecognitions</td>
<td>(100,195)</td>
<td>(91,188)</td>
<td></td>
<td></td>
<td>(191,383)</td>
</tr>
<tr>
<td>Reclassifications</td>
<td>(42,487)</td>
<td></td>
<td>144,906</td>
<td>(102,419)</td>
<td>-</td>
</tr>
<tr>
<td>Balance on December 31, 2022</td>
<td>$1,047,797</td>
<td>2,449,934</td>
<td>3,042,254</td>
<td>23,257</td>
<td>6,453,242</td>
</tr>
<tr>
<td><strong>Depreciation and impairments loss:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance on January 1, 2023</td>
<td>$-</td>
<td>1,650,666</td>
<td>2,495,267</td>
<td></td>
<td>4,145,933</td>
</tr>
<tr>
<td>Depreciation for the period</td>
<td>90,763</td>
<td>295,867</td>
<td></td>
<td></td>
<td>386,630</td>
</tr>
<tr>
<td>Disposals and derecognitions</td>
<td>(16,139)</td>
<td>(309,541)</td>
<td></td>
<td></td>
<td>(325,680)</td>
</tr>
<tr>
<td>Balance on December 31, 2023</td>
<td>$-</td>
<td>1,725,290</td>
<td>2,481,593</td>
<td></td>
<td>4,206,883</td>
</tr>
<tr>
<td>Balance on January 1, 2022</td>
<td>$-</td>
<td>1,682,354</td>
<td>2,254,406</td>
<td></td>
<td>3,936,760</td>
</tr>
<tr>
<td>Depreciation for the period</td>
<td>110,767</td>
<td>275,322</td>
<td></td>
<td></td>
<td>386,089</td>
</tr>
<tr>
<td>Disposals and derecognitions</td>
<td>(99,968)</td>
<td>(76,948)</td>
<td></td>
<td></td>
<td>(176,916)</td>
</tr>
<tr>
<td>Reclassifications</td>
<td>(42,487)</td>
<td>42,487</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Balance on December 31, 2022</td>
<td>$-</td>
<td>1,650,666</td>
<td>2,495,267</td>
<td></td>
<td>4,145,933</td>
</tr>
<tr>
<td><strong>Carrying amounts:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance on December 31, 2023</td>
<td>$1,047,797</td>
<td>722,608</td>
<td>435,827</td>
<td>28,056</td>
<td>2,234,288</td>
</tr>
<tr>
<td>Balance on January 1, 2022</td>
<td>$1,047,797</td>
<td>874,044</td>
<td>535,646</td>
<td>27,476</td>
<td>2,484,963</td>
</tr>
<tr>
<td>Balance on December 31, 2022</td>
<td>$1,047,797</td>
<td>799,268</td>
<td>546,987</td>
<td>23,257</td>
<td>2,417,309</td>
</tr>
</tbody>
</table>

As of December 31, 2023 and 2022, the Company did not provide property, plant and equipment as collateral for its borrowing.
(k) Right-of-use assets

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

<table>
<thead>
<tr>
<th>Cost</th>
<th>Buildings</th>
<th>Vehicles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance on January 1, 2023</td>
<td>$ 2,068,450</td>
<td>28,723</td>
<td>2,097,173</td>
</tr>
<tr>
<td>Additions</td>
<td>478,563</td>
<td>-</td>
<td>478,563</td>
</tr>
<tr>
<td>Deductions</td>
<td>(462,408)</td>
<td>(26,659)</td>
<td>(489,067)</td>
</tr>
<tr>
<td>Balance on December 31, 2023</td>
<td>$ 2,084,605</td>
<td>2,064</td>
<td>2,086,669</td>
</tr>
<tr>
<td>Balance on January 1, 2022</td>
<td>$ 2,263,891</td>
<td>28,374</td>
<td>2,292,265</td>
</tr>
<tr>
<td>Additional</td>
<td>151,796</td>
<td>532</td>
<td>152,328</td>
</tr>
<tr>
<td>Deductions</td>
<td>(347,237)</td>
<td>(183)</td>
<td>(347,420)</td>
</tr>
<tr>
<td>Balance on December 31, 2022</td>
<td>$ 2,068,450</td>
<td>28,723</td>
<td>2,097,173</td>
</tr>
</tbody>
</table>

Depreciation:

<table>
<thead>
<tr>
<th>Depreciation</th>
<th>Buildings</th>
<th>Vehicles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance on January 1, 2023</td>
<td>$ 1,040,187</td>
<td>23,620</td>
<td>1,063,807</td>
</tr>
<tr>
<td>Depreciation for the period</td>
<td>435,903</td>
<td>4,119</td>
<td>440,022</td>
</tr>
<tr>
<td>Deductions</td>
<td>(423,802)</td>
<td>(26,659)</td>
<td>(450,461)</td>
</tr>
<tr>
<td>Balance on December 31, 2023</td>
<td>$ 1,052,288</td>
<td>1,080</td>
<td>1,053,368</td>
</tr>
<tr>
<td>Balance on January 1, 2022</td>
<td>$ 927,542</td>
<td>17,464</td>
<td>945,006</td>
</tr>
<tr>
<td>Depreciation for the period</td>
<td>440,095</td>
<td>6,156</td>
<td>446,251</td>
</tr>
<tr>
<td>Deductions</td>
<td>(327,450)</td>
<td>-</td>
<td>(327,450)</td>
</tr>
<tr>
<td>Balance on December 31, 2022</td>
<td>$ 1,040,187</td>
<td>23,620</td>
<td>1,063,807</td>
</tr>
</tbody>
</table>

Carrying amount:

<table>
<thead>
<tr>
<th>Carrying amount</th>
<th>Buildings</th>
<th>Vehicles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance on December 31, 2023</td>
<td>$ 1,032,317</td>
<td>984</td>
<td>1,033,301</td>
</tr>
<tr>
<td>Balance on January 1, 2022</td>
<td>$ 1,336,349</td>
<td>10,910</td>
<td>1,347,259</td>
</tr>
<tr>
<td>Balance on December 31, 2022</td>
<td>$ 1,028,263</td>
<td>5,103</td>
<td>1,033,366</td>
</tr>
</tbody>
</table>

(l) Short-term borrowings

The details of short-term borrowings were as following:

<table>
<thead>
<tr>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsecured bank loans</td>
<td>$ 46,917,800</td>
</tr>
<tr>
<td>Unused credit line for short-term borrowings</td>
<td>$ 106,729,000</td>
</tr>
<tr>
<td>Range of interest rates</td>
<td>1.62%~6.15%</td>
</tr>
</tbody>
</table>

For information on the Company’s interest risk, foreign currency risk and liquidity risk, please refer to note (6)(v).
(m) Long-term borrowings

The details of long-term borrowings were as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Currency</th>
<th>Range of annual interest rates</th>
<th>Maturity year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2023</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured bank loans</td>
<td>TWD</td>
<td>1.64%~2.10%</td>
<td>2024~2027</td>
<td>$21,425,000</td>
</tr>
<tr>
<td>Unsecured bank loans</td>
<td>USD</td>
<td>6.10%</td>
<td>2024</td>
<td>1,842,300</td>
</tr>
<tr>
<td>Less: current portion</td>
<td></td>
<td></td>
<td></td>
<td>(10,742,300)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>$12,525,000</td>
</tr>
<tr>
<td>Unused credit line for long-term borrowings</td>
<td></td>
<td></td>
<td></td>
<td>$21,725,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>Currency</th>
<th>Range of annual interest rates</th>
<th>Maturity year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2022</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured bank loans</td>
<td>TWD</td>
<td>1.48%~2.06%</td>
<td>2023~2026</td>
<td>$30,525,000</td>
</tr>
<tr>
<td>Less: current portion</td>
<td></td>
<td></td>
<td></td>
<td>(19,300,000)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>$11,225,000</td>
</tr>
<tr>
<td>Unused credit line for long-term borrowings</td>
<td></td>
<td></td>
<td></td>
<td>$12,969,000</td>
</tr>
</tbody>
</table>

For information on the Company’s interest risk, foreign currency risk and liquidity risk, please refer to note (6)(v).

(n) Lease liabilities

The details of lease liabilities were as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Current</th>
<th>Non-current</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2023</td>
<td>$352,900</td>
<td>$688,466</td>
</tr>
<tr>
<td>December 31, 2022</td>
<td>$249,553</td>
<td>$791,427</td>
</tr>
</tbody>
</table>

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

The amounts recognized in profit or loss was as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on lease liabilities</td>
<td>$14,735</td>
<td>$15,115</td>
</tr>
<tr>
<td>Expenses relating to leases of low-value assets or short-term leases</td>
<td>$21,770</td>
<td>$9,113</td>
</tr>
</tbody>
</table>
The amounts recognized in the statement of cash flows for the Company was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cash outflow for leases</td>
<td>$475,471</td>
<td>$463,819</td>
</tr>
</tbody>
</table>

(i) Building leases

The Company leases buildings for its office and factory space, typically run for a period of 1~10 years.

(ii) Other leases

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

(o) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligations at present value and plan assets at fair value were as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present value of defined benefit obligations</td>
<td>$ (1,173,609)</td>
<td>(1,185,366)</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>604,726</td>
<td>618,425</td>
</tr>
<tr>
<td>Net defined benefit liabilities</td>
<td>$ (568,883)</td>
<td>(566,941)</td>
</tr>
</tbody>
</table>

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Labor Pension Fund Supervisory Committee. With regard to the utilization of the funds, minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with interest rates offered by local banks.
The balance of the Company’s labor pension reserve account in the Bank of Taiwan amounted to $581,007 (excluding the ending balance of interest receivable) as of December 31, 2023. For information on the utilization of the labor pension fund assets including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in the present value of the defined benefit obligations

The movements in the present value of defined benefit obligations for the Company were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit obligations on January 1</td>
<td>(1,185,366)</td>
<td>(1,318,160)</td>
</tr>
<tr>
<td>Current service costs and interest</td>
<td>(22,953)</td>
<td>(13,894)</td>
</tr>
<tr>
<td>Remeasurements of net benefit liabilities</td>
<td>(16,367)</td>
<td>87,865</td>
</tr>
<tr>
<td>Benefit paid by the plan</td>
<td>51,077</td>
<td>58,823</td>
</tr>
<tr>
<td>Defined benefit obligations on December 31</td>
<td>(1,173,609)</td>
<td>(1,185,366)</td>
</tr>
</tbody>
</table>

3) Movements of the fair value of defined benefit plan assets

The movements in the fair value of the defined benefit plan assets for the Company were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value of plan assets on January 1</td>
<td>618,425</td>
<td>602,029</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>9,811</td>
<td>4,317</td>
</tr>
<tr>
<td>Remeasurements of net benefit plan assets</td>
<td>3,510</td>
<td>46,466</td>
</tr>
<tr>
<td>Contributions paid by the employer</td>
<td>24,057</td>
<td>24,436</td>
</tr>
<tr>
<td>Benefits paid by the plan</td>
<td>(51,077)</td>
<td>(58,823)</td>
</tr>
<tr>
<td>Fair value of plan assets on December 31</td>
<td>604,726</td>
<td>618,425</td>
</tr>
</tbody>
</table>

4) Expenses recognized in profit or loss

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

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current service cost</td>
<td>$3,711</td>
<td>3,952</td>
</tr>
<tr>
<td>Net interest on the net defined benefit liability (asset)</td>
<td>9,431</td>
<td>5,625</td>
</tr>
<tr>
<td></td>
<td>$13,142</td>
<td>9,577</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>$427</td>
<td>351</td>
</tr>
<tr>
<td>Selling expenses</td>
<td>612</td>
<td>456</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>3,270</td>
<td>2,394</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>8,833</td>
<td>6,376</td>
</tr>
<tr>
<td></td>
<td>$13,142</td>
<td>9,577</td>
</tr>
</tbody>
</table>
5) Actuarial assumptions

The following were the Company’s principal actuarial assumptions at the reporting date:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>1.40%</td>
<td>1.70%</td>
</tr>
<tr>
<td>Future salary increase rate</td>
<td>3.00%</td>
<td>3.00%</td>
</tr>
</tbody>
</table>

The expected allocation payment made by the Company to the defined benefit plans for the one year period after the reporting date is $24,691.

The weighted-average lifetime of the defined benefit plan is 7.6 years.

6) Sensitivity analysis

If the main actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

<table>
<thead>
<tr>
<th>Effects to the defined benefit obligation</th>
<th>Increased 0.25%</th>
<th>Decreased 0.25%</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2023</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discount rate</td>
<td>(21,684)</td>
<td>22,385</td>
</tr>
<tr>
<td>Future salary increasing rate</td>
<td>21,987</td>
<td>(21,412)</td>
</tr>
<tr>
<td>December 31, 2022</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discount rate</td>
<td>(23,229)</td>
<td>23,998</td>
</tr>
<tr>
<td>Future salary increasing rate</td>
<td>23,643</td>
<td>(23,005)</td>
</tr>
</tbody>
</table>

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation on the net defined benefit liabilities in the balance sheets.

The method and assumption used in the sensitivity analysis is consistent with prior period.

(Continued)
(ii) Defined contribution plans

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

The Company recognized the pension costs under the defined contribution method amounting to $433,882 and $421,223 for the years ended December 31, 2023 and 2022, respectively. Payment was made to the Bureau of Labor Insurance.

(p) Income taxes

(i) Income tax expenses

1) The amount of income tax for the years ended December 31, 2023 and 2022, was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current tax expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recognized during the period</td>
<td>$1,365,434</td>
<td>$1,627,923</td>
</tr>
<tr>
<td>Undistributed earnings additional tax</td>
<td>$424,610</td>
<td>$157,833</td>
</tr>
<tr>
<td>Tax credit of investment</td>
<td>(412,301)</td>
<td>(638,549)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,377,743</td>
<td>1,147,207</td>
</tr>
<tr>
<td>Deferred tax expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recognition and reversal of temporary differences</td>
<td>(335,670)</td>
<td>(401,887)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income tax expense</td>
<td>$1,042,073</td>
<td>$745,320</td>
</tr>
</tbody>
</table>

2) The amount of income tax recognized in other comprehensive income for the years ended December 31, 2023 and 2022, was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Items that will not be reclassified subsequently to profit or loss:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remeasurement of defined benefit obligation</td>
<td>$2,571</td>
<td>26,866</td>
</tr>
<tr>
<td>Unrealized gains (losses) on equity instruments at fair value through other comprehensive income</td>
<td>121,727</td>
<td>23,277</td>
</tr>
<tr>
<td></td>
<td>$119,156</td>
<td>3,589</td>
</tr>
</tbody>
</table>
3) The income tax expense that was reconciled between the actual income tax expense and profit before tax for the years ended December 31, 2023 and 2022, was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before tax</td>
<td>$ 8,709,700</td>
<td>$ 8,033,612</td>
</tr>
<tr>
<td>Income tax calculated based on tax rate</td>
<td>$ 1,741,940</td>
<td>$ 1,606,722</td>
</tr>
<tr>
<td>Undistributed earnings additional tax</td>
<td>424,610</td>
<td>157,833</td>
</tr>
<tr>
<td>Estimated tax effect of tax exemption on investment income, net</td>
<td>(134,725)</td>
<td>(372,094)</td>
</tr>
<tr>
<td>Realized investment loss</td>
<td>(132,659)</td>
<td>(98,000)</td>
</tr>
<tr>
<td>Investment tax credit</td>
<td>(412,301)</td>
<td>(638,549)</td>
</tr>
<tr>
<td>Changes in temporary differences</td>
<td>(865,073)</td>
<td>362,434</td>
</tr>
<tr>
<td>Adjustment of estimated difference and other</td>
<td>420,281</td>
<td>(273,026)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>$ 1,042,073</td>
<td>$ 745,320</td>
</tr>
</tbody>
</table>

(ii) Deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2023 and 2022 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Unrealized exchange gains, net</th>
<th>Other comprehensive income</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance on January 1, 2023</td>
<td>$ 975,482</td>
<td>286,548</td>
<td></td>
</tr>
<tr>
<td>Recognized in profit or loss</td>
<td>758,888</td>
<td>150,248</td>
<td></td>
</tr>
<tr>
<td>Recognized in other comprehensive income</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Balance on December 31, 2023</td>
<td>$ 1,734,370</td>
<td>436,796</td>
<td></td>
</tr>
<tr>
<td>Balance on January 1, 2022</td>
<td>$ 394,836</td>
<td>195,296</td>
<td></td>
</tr>
<tr>
<td>Recognized in profit or loss</td>
<td>580,646</td>
<td>91,252</td>
<td></td>
</tr>
<tr>
<td>Recognized in other comprehensive income</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Balance on December 31, 2022</td>
<td>$ 975,482</td>
<td>286,548</td>
<td></td>
</tr>
</tbody>
</table>

(Continued)
COMPAL ELECTRONICS, INC.

Notes to Parent-Company-Only Financial Statements

<table>
<thead>
<tr>
<th>Unrealized exchange gains, net</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance on January 1, 2022</td>
<td>$ (504,663)</td>
<td>(445,664)</td>
</tr>
<tr>
<td>Amount increased through business combination</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recognized in profit or loss</td>
<td>(250,368)</td>
<td>-</td>
</tr>
<tr>
<td>Recognized in other comprehensive income</td>
<td>-</td>
<td>23,277</td>
</tr>
<tr>
<td>Balance on December 31, 2022</td>
<td>$ (755,031)</td>
<td>(422,387)</td>
</tr>
</tbody>
</table>

(iii) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

<table>
<thead>
<tr>
<th>Tax effect of deductible temporary differences</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 472,981</td>
<td>738,878</td>
<td></td>
</tr>
</tbody>
</table>

The Company assesses and considers that some of the income tax reduction items may be unrealized, hence they are not recognized as deferred tax assets.

(iv) Unrecognized deferred tax assets and liabilities related to investments in subsidiaries

The temporary differences associated with investment in subsidiaries were not recognized as deferred income tax assets and liabilities as the Company has the ability to control the reversal of these temporary differences which are not expected to reverse in the foreseeable future.

As of December 31, 2023 and 2022, the aggregate deductible temporary differences relating to investments in subsidiaries not recognized as deferred tax assets amounted to $3,070,351 and $2,618,241, respectively.

As of December 31, 2023 and 2022, the aggregate taxable temporary differences relating to investments in subsidiaries not recognized as deferred tax liabilities amounted to $71,217,500 and $68,285,943, respectively.

(v) Examination and approval

The Company’s tax returns for the year through 2020 were assessed by the tax authorities.

(q) Capital and other equities

(i) Ordinary shares

As of December 31, 2023 and 2022, the Company’s authorized common stock consisting of 6,000,000 thousand shares with a par value of 10 New Taiwan dollar per share amounted to $60,000,000 of which 4,407,147 thousand shares were issued. All issued shares were paid up upon issuance.

(Continued)
(ii) Capital surplus

The balances of capital surplus were as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional paid-in capital</td>
<td>$ 1,018,088</td>
<td>1,898,477</td>
</tr>
<tr>
<td>Treasury share transactions</td>
<td>2,781,989</td>
<td>2,721,968</td>
</tr>
<tr>
<td>Difference between consideration and carrying amount arising from acquisition or disposal of subsidiaries</td>
<td>36,766</td>
<td>36,766</td>
</tr>
<tr>
<td>Recognition of changes in ownership interests in subsidiaries</td>
<td>158,285</td>
<td>156,072</td>
</tr>
<tr>
<td>Changes in equity of associates and joint ventures accounted for using equity method</td>
<td>275,787</td>
<td>265,297</td>
</tr>
<tr>
<td></td>
<td><strong>$ 4,270,915</strong></td>
<td><strong>5,078,580</strong></td>
</tr>
</tbody>
</table>

In accordance with the ROC Company Act, realized capital reserves can only be used to increase the common stock or distributed as cash dividends after offsetting losses. The aforementioned capital reserves include share premiums and donation gains. In accordance with the Securities Offering and Issuance Guidelines, the amount of capital reserves to be reclassified under share capital shall not exceed 10% of the actual share capital amount.

The Company’s Board of Directors’ meeting respectively held on March 15, 2023 and March 15, 2022, approved to distribute cash of $881,429 and $1,762,859 (representing 0.2 and 0.4 New Taiwan dollars per share), by using capital surplus.

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

(iii) Retained earnings

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

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

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

1) Legal reverse

When a company incurs no loss, it may, in pursuant to a resolution to be adopted by the shareholders’ meeting as required, distribute its legal reserve by issuing new shares and distributing stock dividends or distributing cash to shareholders. Only the portion of the legal reserve which exceeds 25% of the paid-in capital may be distributed.

2) Special reverse

During earnings distribution, if the Company has already reclassified a portion of earnings to special reserve, it shall make supplemental allocation of special reserve for any difference between the amount of the current-period total net reduction of other shareholders’ equity and the amount it has already allocated. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than after-tax net profit in the period, that are included in the undistributed current-period earnings and the undistributed prior-period earnings. A portion of undistributed prior-period earnings shall be reclassified to special earnings reserve to account for cumulative changes to the net reduction of other shareholders’ equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders’ equity shall qualify for additional distributions.

3) Earnings distribution

Distribution for the earnings of 2022 and 2021 were approved in the meeting of the Board of Directors held on March 15, 2023 and March 15, 2022, respectively. The relevant information was as follows:

<table>
<thead>
<tr>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount per share</td>
<td>Total amount</td>
</tr>
<tr>
<td>Cash dividends distributed to common shareholders</td>
<td>$ 1.0</td>
</tr>
</tbody>
</table>

(Continued)
Distribution for the earnings of 2023 was approved in the meeting of the Board of Directors held on February 29, 2024. The relevant information was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Amount per share</th>
<th>Total amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash dividends distributed to common shareholders from the unappropriated earnings</td>
<td>$1.00</td>
<td>4,407,147</td>
</tr>
</tbody>
</table>

The related information of the earnings distribution for the year ended December 31, 2023, can be accessed through the Market Observation Post System website after the related meeting.

(iv) Treasury stock

The subsidiaries of the Company did not sell the ordinary shares of the Company in the years ended December 31, 2023 and 2022. As of December 31, 2023, 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 39.85 and 23.05 New Taiwan dollars per share as of December 31, 2023 and 2022, 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.

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

<table>
<thead>
<tr>
<th></th>
<th>Exchange differences on transaction of foreign operation financial statements</th>
<th>Unrealized gain (loss) from financial assets at fair value through other comprehensive income</th>
<th>Unearned compensation for restricted employee shares and others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance on January 1, 2023</td>
<td>$1,469,711</td>
<td>461,103</td>
<td>(12,290)</td>
<td>(1,943,104)</td>
</tr>
<tr>
<td>The Company</td>
<td>(376,004)</td>
<td>1,352,493</td>
<td>-</td>
<td>976,489</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>202,049</td>
<td>354,102</td>
<td>8,854</td>
<td>565,005</td>
</tr>
<tr>
<td>Associates</td>
<td>(103,664)</td>
<td>117,980</td>
<td>-</td>
<td>14,316</td>
</tr>
<tr>
<td>Balance on December 31, 2023</td>
<td>$1,747,330</td>
<td>1,363,472</td>
<td>(3,436)</td>
<td>(387,294)</td>
</tr>
<tr>
<td>Balance on January 1, 2022</td>
<td>$8,744,705</td>
<td>537,830</td>
<td>125</td>
<td>(8,206,750)</td>
</tr>
<tr>
<td>The Company</td>
<td>7,183,714</td>
<td>(590,539)</td>
<td>-</td>
<td>6,593,175</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>9,700</td>
<td>420,019</td>
<td>(12,415)</td>
<td>(422,734)</td>
</tr>
<tr>
<td>Associates</td>
<td>81,580</td>
<td>11,625</td>
<td>-</td>
<td>93,205</td>
</tr>
<tr>
<td>Balance on December 31, 2022</td>
<td>$1,469,711</td>
<td>461,103</td>
<td>(12,290)</td>
<td>(1,943,104)</td>
</tr>
</tbody>
</table>

(Continued)
(r) Earnings per share

The Company’s basic and diluted earnings per share are calculated as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic earnings per share:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit attributable to ordinary shareholders of the Company</td>
<td>$7,667,627</td>
<td>7,288,292</td>
</tr>
<tr>
<td>Weighted-average number of outstanding ordinary shares (in thousands)</td>
<td>4,357,130</td>
<td>4,357,130</td>
</tr>
<tr>
<td><strong>Diluted earnings per share:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit attributable to ordinary shareholders of the Company (after adjustment of potential diluted ordinary shares)</td>
<td>$7,667,627</td>
<td>7,288,292</td>
</tr>
<tr>
<td>Weighted-average number of outstanding ordinary shares of potential diluted ordinary shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted-average number of outstanding ordinary shares (in thousands)</td>
<td>4,357,130</td>
<td>4,357,130</td>
</tr>
<tr>
<td>Effect of potential diluted common stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee compensation (in thousands)</td>
<td>26,813</td>
<td>43,369</td>
</tr>
<tr>
<td>Weighted-average number of ordinary shares (after adjustment of potential diluted ordinary shares) (in thousands)</td>
<td>4,383,943</td>
<td>4,400,499</td>
</tr>
</tbody>
</table>

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

<table>
<thead>
<tr>
<th>Primary geographical markets:</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$347,866,867</td>
<td>422,138,779</td>
</tr>
<tr>
<td>China</td>
<td>134,279,955</td>
<td>128,937,847</td>
</tr>
<tr>
<td>Netherlands</td>
<td>59,845,035</td>
<td>67,399,114</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>31,850,768</td>
<td>40,249,464</td>
</tr>
<tr>
<td>Others</td>
<td>301,071,590</td>
<td>344,917,587</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$874,914,215</td>
<td>1,003,642,791</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Major products:</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>5C related electronic products</td>
<td>$873,568,649</td>
<td>1,002,242,692</td>
</tr>
<tr>
<td>Others</td>
<td>1,345,566</td>
<td>1,400,099</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$874,914,215</td>
<td>1,003,642,791</td>
</tr>
</tbody>
</table>

(Continued)
(ii) Contract balance

<table>
<thead>
<tr>
<th>Notes and accounts receivable (including related parties)</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
<th>January 1, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 186,783,839</td>
<td>186,706,859</td>
<td>279,700,604</td>
<td></td>
</tr>
<tr>
<td>Less: allowance for impairment</td>
<td>(3,691,908)</td>
<td>(3,642,881)</td>
<td>(3,632,789)</td>
</tr>
<tr>
<td>Less: credit balances of investments in equity method</td>
<td>(24,107)</td>
<td>(27,599)</td>
<td>(3,097)</td>
</tr>
<tr>
<td>Total</td>
<td>$ 183,067,824</td>
<td>183,036,379</td>
<td>276,064,718</td>
</tr>
<tr>
<td>Contract liabilities</td>
<td>$ 697,526</td>
<td>700,046</td>
<td>1,032,191</td>
</tr>
</tbody>
</table>

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

The amounts of revenue recognized for the years ended December 31, 2023 and 2022 that was included in the balances of contract liability at the beginning of the period were $700,046 and $1,032,191, 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.

(t) 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 $814,143 and $750,945, respectively, and directors’ compensation of $43,051 and $39,709 for the years ended December 31, 2023 and 2022, 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 related information can be accessed through the Market Observation Post System website. There is no difference between the amount approved in the Board of Directors’ meeting and those recognized in the financial statements in 2023 and 2022.

(Continued)
There is no differences between the amount estimated and recognized in the financial statements in 2022. The related information can be accessed through the Market observation Post System website.

(u) Non-operating income and expenses

(i) Interest income

The interest income for the years ended December 31, 2023 and 2022, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income from bank deposits</td>
<td>$789,016</td>
<td>283,350</td>
</tr>
<tr>
<td>Other interest income</td>
<td>212,504</td>
<td>83,963</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,001,520</strong></td>
<td><strong>367,313</strong></td>
</tr>
</tbody>
</table>

(ii) Other income

The other income for the years ended December 31, 2023 and 2022, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend revenue</td>
<td>$90,278</td>
<td>60,493</td>
</tr>
<tr>
<td>Government grants</td>
<td>84,444</td>
<td>107,861</td>
</tr>
<tr>
<td>Rental revenue</td>
<td>26,602</td>
<td>16,993</td>
</tr>
<tr>
<td>Other revenue</td>
<td>103,067</td>
<td>148,964</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$304,391</strong></td>
<td><strong>334,311</strong></td>
</tr>
</tbody>
</table>

(iii) Other gains and losses

The other gains and losses for the years ended December 31, 2023 and 2022, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gains (losses) on financial assets and liabilities at fair value through profit or loss, net</td>
<td>$47,871</td>
<td>(17,430)</td>
</tr>
<tr>
<td>Foreign currency exchange (losses) gains, net</td>
<td>(799)</td>
<td>818,212</td>
</tr>
<tr>
<td>Others</td>
<td>(338)</td>
<td>(10,013)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$46,734</strong></td>
<td><strong>790,769</strong></td>
</tr>
</tbody>
</table>

(v) Financial instruments

(i) Credit risk

1) The carrying amount of financial assets represents the maximum amount exposed to credit risk.

The Company’s customers are mainly from the high-tech industry. The Company does not concentrate on a specific customer and the sales regions are widely spread, thus there should be no concern on the significant concentrations of accounts receivable credit risk. And in order to mitigate accounts receivable credit risk, the Company constantly assesses the financial status of the customers.

(Continued)
2) Receivables and debt securities

For information of exposure to credit risk of notes and accounts receivable, please refer to note (6)(d).

Other financial assets at amortized cost includes 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)(f)). Due to the counter parties and the performing parties of the Company’s time deposits are financial institutions with investment grade and above, these time deposits are considered to have low credit risk.

(ii) Liquidity risk

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

<table>
<thead>
<tr>
<th></th>
<th>Carrying Amount</th>
<th>Contractual cash flows</th>
<th>Within 1 year</th>
<th>1 ~ 2 years</th>
<th>Over 2 years</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>December 31, 2023</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-derivative financial liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured borrowings</td>
<td>$ 70,185,100</td>
<td>(70,185,100)</td>
<td>(57,660,100)</td>
<td>(3,500,000)</td>
<td>(9,025,000)</td>
</tr>
<tr>
<td>Notes and accounts payable</td>
<td>163,311,482</td>
<td>(163,311,482)</td>
<td>(163,311,482)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other payables</td>
<td>12,332,111</td>
<td>(12,332,111)</td>
<td>(12,332,111)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lease liabilities–current and non-current</td>
<td>1,041,366</td>
<td>(1,066,268)</td>
<td>(364,918)</td>
<td>(316,947)</td>
<td>(384,403)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 246,870,059</td>
<td>(246,894,961)</td>
<td>(233,668,611)</td>
<td>(3,816,947)</td>
<td>(9,409,403)</td>
</tr>
<tr>
<td><strong>December 31, 2022</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-derivative financial liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured borrowings</td>
<td>$ 83,593,579</td>
<td>(83,593,579)</td>
<td>(72,368,579)</td>
<td>(5,400,000)</td>
<td>(5,825,000)</td>
</tr>
<tr>
<td>Notes and accounts payable</td>
<td>154,182,423</td>
<td>(154,182,423)</td>
<td>(154,182,423)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other payables</td>
<td>13,119,799</td>
<td>(13,119,799)</td>
<td>(13,119,799)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lease liabilities–current and non-current</td>
<td>1,040,980</td>
<td>(1,072,067)</td>
<td>(262,093)</td>
<td>(297,430)</td>
<td>(512,544)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 251,936,781</td>
<td>(251,967,868)</td>
<td>(239,932,894)</td>
<td>(5,697,430)</td>
<td>(6,337,544)</td>
</tr>
</tbody>
</table>

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

(Continued)
(iii) Currency risk

1) Exposure to foreign currency risk

The Company’s significant exposure to foreign currency risk was as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Foreign currency</td>
<td>Exchange rate</td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monetary items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>USD to TWD</td>
<td>$ 6,898,443</td>
<td>30.705</td>
</tr>
<tr>
<td>THB to TWD</td>
<td>3,237,791</td>
<td>0.8976</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monetary items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>USD to TWD</td>
<td>6,832,196</td>
<td>30.705</td>
</tr>
</tbody>
</table>

2) Sensitivity analysis

The Company’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 the Company’s functional currency as of December 31, 2023 and 2022, would have increased (decreased) the net profit before tax as follows. The analysis is performed on the same basis for both periods.

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD (against the TWD)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strengthening 5%</td>
<td>$ 101,706</td>
<td>1,004,085</td>
</tr>
<tr>
<td>Weakening 5%</td>
<td>(101,706)</td>
<td>(1,004,085)</td>
</tr>
</tbody>
</table>

3) Exchange gains and losses of monetary items

As the Company deals with diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. For the years ended December 31, 2023 and 2022, the foreign exchange (loss) gains, including both realized and unrealized, amounted to loss $799 and gain $818,212, respectively.

(iv) Interest rate analysis

The interest risk exposure from financial assets and liabilities has been disclosed in the note of liquidity risk management.
The following sensitivity analysis is based on the risk exposure to interest rate on the derivative and non-derivative financial instruments on the reporting date. Regarding the assets and liabilities with variable interest rates, the analysis is on the basis of the assumption that the amount of assets and liabilities outstanding at the reporting date were outstanding throughout the year. The rate of change is expressed as the interest rate increase or decrease by 0.25%, when reporting to management internally, which also represents the assessment of the Company’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 years ended December 31, 2023 and 2022, which would be mainly resulted from the bank savings and borrowings with variable interest rates.

<table>
<thead>
<tr>
<th>Interest increased by 0.25%</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>14,727</td>
<td></td>
<td>28,128</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest decreased by 0.25%</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>(14,727)</td>
<td></td>
<td>(28,128)</td>
</tr>
</tbody>
</table>

(v) Fair value information

1) The categories and fair value of financial instruments

The Company’s financial assets and liabilities at fair value through profit or loss 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 in an active market in which the fair value cannot be reasonably measured.

<table>
<thead>
<tr>
<th>December 31, 2023</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Book value</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss—non-current</td>
<td></td>
</tr>
<tr>
<td>Non-derivative financial assets mandatorily measured at fair value through profit or loss</td>
<td>$ 337,855</td>
</tr>
<tr>
<td>Financial assets at fair value through other comprehensive income</td>
<td></td>
</tr>
<tr>
<td>Stocks listed on domestic markets</td>
<td>2,752,235</td>
</tr>
<tr>
<td>Stocks listed on foreign markets</td>
<td>2,906,241</td>
</tr>
<tr>
<td>Stocks unlisted on domestic markets</td>
<td>276,342</td>
</tr>
<tr>
<td>Stocks unlisted on foreign markets</td>
<td>262,892</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>28,158,504</td>
</tr>
<tr>
<td>Subtotal</td>
<td>34,356,214</td>
</tr>
</tbody>
</table>

(Continued)
### COMPAL ELECTRONICS, INC.

**Notes to Parent-Company-Only Financial Statements**

#### December 31, 2023

<table>
<thead>
<tr>
<th>Financial assets measured at amortized cost</th>
<th>Book value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>20,511,690</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Notes and accounts receivable, net</td>
<td>143,433,458</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Notes and accounts receivable due from related parties, net</td>
<td>11,475,862</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other receivables</td>
<td>3,951,773</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Refundable deposits -current and non-current</td>
<td>337,145</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Subtotal</td>
<td>179,709,928</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total: $ 214,403,997

#### December 31, 2022

<table>
<thead>
<tr>
<th>Financial assets at fair value through profit or loss–non-current</th>
<th>Book value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-derivative financial assets mandatorily measured at fair value through profit or loss</td>
<td>$ 249,567</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>249,567</td>
</tr>
</tbody>
</table>

#### Fair Value

**Continued**
COMPAL ELECTRONICS, INC.
Notes to Parent-Company-Only Financial Statements

December 31, 2022

<table>
<thead>
<tr>
<th>Financial assets measured at amortized cost</th>
<th>Book value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>30,965,694</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Notes and accounts receivable, net</td>
<td>153,667,347</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Notes and accounts receivable due from related parties, net</td>
<td>13,277,948</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other receivables</td>
<td>3,862,484</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Refundable deposits – current and non-current</td>
<td>506,040</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>202,279,513</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 221,754,004</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial liabilities measured at amortized cost</th>
<th>Book value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term borrowings</td>
<td>$ 53,068,579</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Notes and accounts payable</td>
<td>78,000,744</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Notes and accounts payable to related parties</td>
<td>76,181,679</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other payables</td>
<td>13,119,799</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lease liabilities–current and non-current</td>
<td>1,040,980</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Long-term borrowings current portion</td>
<td>19,300,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>11,225,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deposits received</td>
<td>4,598</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 251,941,379</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

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

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

a) Financial assets measured at amortized cost and financial 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.

(Continued)
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 balance sheet date.

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

b) Derivative financial instruments

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

4) Transfer from one level to another

There was no transfer form one level to another in the year ended December 31, 2022.

The Company held an investment in equity of Airoha Technology Corp., which is classified as fair value through other comprehensive income, with the fair value of $124,054 and $114,137 at December 31, 2023 and 2022, respectively. The fair value of the investment was previously categorized as Level 3 at December 31, 2022. This was because the shares were not listed on the exchange market and was measured by significant unobservable inputs. In October 2023, Airoha Technology Corp. listed its equity shares on an exchange and they are currently actively traded in the market. Because the equity shares now have a published price quotation in an active market, the fair value measurement was transferred from Level 3 to Level 1 as of December 31, 2023.
The Company held an investment in equity of Taiwan Star with a fair value of $418,658, which was classified as a financial asset at fair value through other comprehensive income as of December 31, 2022. The investment was categorized as Level 3 as of December 31, 2022, because the shares were not listed on the exchange market and were measured by significant unobservable inputs. On December 1, 2023, Taiwan Star was absorbed and merged by Taiwan Mobile, and Taiwan Star’s shares were exchanged for Taiwan Mobile’s shares, wherein they were actively traded, thus their fair value measurement was transferred from Level 3 to Level 1 as of December 31, 2023.

5) Changes in Level 3

The change in Level 3 at fair value in the years ended December 31, 2023 and 2022, were as follow:

<table>
<thead>
<tr>
<th>Financial assets at fair value through profit or loss</th>
<th>Financial assets at fair value through other comprehensive income</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance on January 1, 2023</td>
<td>$ 249,567</td>
<td>866,439</td>
</tr>
<tr>
<td>Total gains and losses recognized:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In profit or loss</td>
<td>47,871</td>
<td>-</td>
</tr>
<tr>
<td>In other comprehensive income</td>
<td>-</td>
<td>(143,488)</td>
</tr>
<tr>
<td>Purchased</td>
<td>40,417</td>
<td>308,850</td>
</tr>
<tr>
<td>Disposal</td>
<td>-</td>
<td>(47,921)</td>
</tr>
<tr>
<td>Proceeds of capital reduction of investment</td>
<td>-</td>
<td>(3,420)</td>
</tr>
<tr>
<td>Transferred out form Level 3</td>
<td>-</td>
<td>(441,226)</td>
</tr>
<tr>
<td>Balance on December 31, 2023</td>
<td>$ 337,855</td>
<td>539,234</td>
</tr>
<tr>
<td>Balance on January 1, 2022</td>
<td>$ 222,303</td>
<td>795,967</td>
</tr>
<tr>
<td>Total gains and losses recognized:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In profit or loss</td>
<td>(17,430)</td>
<td>-</td>
</tr>
<tr>
<td>In other comprehensive income</td>
<td>-</td>
<td>(166,248)</td>
</tr>
<tr>
<td>Purchased</td>
<td>44,694</td>
<td>248,758</td>
</tr>
<tr>
<td>Disposal</td>
<td>-</td>
<td>(10,028)</td>
</tr>
<tr>
<td>Proceeds of capital reduction of investment</td>
<td>-</td>
<td>(2,010)</td>
</tr>
<tr>
<td>Balance on December 31, 2022</td>
<td>$ 249,567</td>
<td>866,439</td>
</tr>
</tbody>
</table>

For the years ended December 31, 2023 and 2022, 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”, respectively were as follows:

<table>
<thead>
<tr>
<th>Total gains and losses recognized:</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>In profit or loss (as “other gains and losses, net”)</td>
<td>$ 47,871</td>
<td>(17,430)</td>
</tr>
<tr>
<td>In other comprehensive income (as “unrealized gains and losses from equity instruments at fair value through other comprehensive income”)</td>
<td>$ (90,840)</td>
<td>(169,524)</td>
</tr>
</tbody>
</table>

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

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

Most of fair value measurements of the Company 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:

<table>
<thead>
<tr>
<th>Item</th>
<th>Valuation technique</th>
<th>Significant unobservable inputs</th>
<th>Inter-relationships between significant unobservable inputs and fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets at fair value through other comprehensive income — equity investment without an active market</td>
<td>Comparable market approach</td>
<td>Price-Book ratio multiples (0.75<del>2.09 and 2.04</del>2.89, respectively, on December 31, 2023 and 2022)</td>
<td>The higher the multiple is, the higher the fair value will be.</td>
</tr>
<tr>
<td></td>
<td>(Price-Book ratio method and Earnings multiplier method)</td>
<td>Multiples of earnings (17.25 on December 31, 2022)</td>
<td>The higher the multiple is, the higher the fair value will be.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lack-of-Marketability discount rate (40%~65% on December 31, 2023 and 2022)</td>
<td>The higher the Lack-of-Marketability discount rate is, the lower the fair value will be.</td>
</tr>
<tr>
<td>Financial assets at fair value through other comprehensive income</td>
<td>Net asset value method</td>
<td>Net asset value</td>
<td>Inapplicable</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>Net asset value method</td>
<td>Net asset value</td>
<td>Inapplicable</td>
</tr>
</tbody>
</table>

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

The Company’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 impact on other comprehensive income or loss are as follows:

<table>
<thead>
<tr>
<th>Input</th>
<th>December 31, 2023</th>
<th>Move up or down</th>
<th>Other comprehensive income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets at fair value through other comprehensive income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price-Book ratio multiples</td>
<td>5%</td>
<td>$8,434</td>
<td>$8,311</td>
</tr>
<tr>
<td>Lack-of-Marketability discount rate</td>
<td>5%</td>
<td>$2,962</td>
<td>$3,085</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Input</th>
<th>December 31, 2022</th>
<th>Move up or down</th>
<th>Other comprehensive income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets at fair value through other comprehensive income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price-Book ratio multiples</td>
<td>5%</td>
<td>$6,617</td>
<td>$6,433</td>
</tr>
<tr>
<td>Multiples of earnings</td>
<td>5%</td>
<td>$2,787</td>
<td>$2,771</td>
</tr>
<tr>
<td>Lack-of-Marketability discount rate</td>
<td>5%</td>
<td>$3,428</td>
<td>$3,628</td>
</tr>
</tbody>
</table>

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.

(w) Financial risk management

(i) Overview

The Company is exposed to the following risks arising from financial instruments:

1) Credit risk
2) Liquidity risk
3) Market risk

In this note expressed the information on risk exposure and objectives, policies and procedures of risk measurement and management of the Company. For detailed information, please refer to the related notes of each risk.

(Continued)
(ii) Structure of risk management

The Company’s finance management department provides business services for the overall internal department. It sets the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations.

The Company minimizes the risk exposure through derivative financial instruments. The Board of Directors regulated the use of derivative financial instruments in accordance with the Company’s policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investments of excess liquidity. The internal auditors of the Company continue with the review of the amount of the risk exposure in accordance with the Company’s policies and the risk management policies and procedures. The Company has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers and investment securities.

1) Accounts receivable and other receivables

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company’s standard payment and delivery terms and conditions are offered. The Company’s review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, and these limits are reviewed periodically.

2) Investments

The credit risks exposure in the bank deposits, investments with fixed income and other financial instruments are measured and monitored by the Company’s finance department. Since the Company’s transaction counterparties and the contractually obligated counterparties are banks, financial institutes and corporate organizations with good credits, there are no compliance issues, and therefore, no significant credit risk.

3) Guarantees

Pursuant to the Company’s policies, it is only permissible to provide financial guarantees to subsidiaries and companies that the Company has business with. As of December 31, 2023 and 2022, the guarantees provide to the subsidiaries amounted to $400,816 and $149,014, respectively.

(Continued)
COMPAL ELECTRONICS, INC.
Notes to Parent-Company-Only Financial Statements

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities which be settled by delivering cash or another financial asset.

The Company manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company’s management supervises the banking facilities and ensures in compliance with the terms of the loan agreements. Please refer to notes (6)(l) and (6)(m) for unused credit lines of short-term and long-term borrowings as of December 31, 2023 and 2022.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices which will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of the Company, primarily USD.

As for other monetary assets and liabilities denominated in other foreign currencies, when short-term imbalance takes place, the Company buys or sells foreign currencies at spot rate to ensure that the net exposure is kept on an acceptable level.

2) Interest rate risk

The Company borrows funds on fixed and variable interest rates, which has a risk exposure to changes in fair value and cash flow. Therefore, the Company manages the interest rates risk by maintaining an adequate combination of fixed and variable interest rates.

3) Other price risk

The Company is exposed to equity price risk arising from investments in listed equity securities.

(x) Capital management

The policy of capital management made by the Board of Directors is to maintain a strong capital base so as to stabilize the confidence of the investors, creditors and the public market and to sustain future development of the business. Capital consists of ordinary shares, capital surplus and retained earnings. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

(Continued)
The Company monitors the capital structure by way of periodical review the debt ratio. As of December 31, 2023 and 2022, the debt ratio was as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total liabilities</td>
<td>$258,671,767</td>
<td>$263,238,657</td>
</tr>
<tr>
<td>Total assets</td>
<td>$378,293,762</td>
<td>$379,533,411</td>
</tr>
<tr>
<td>Debt ratio</td>
<td>68%</td>
<td>69%</td>
</tr>
</tbody>
</table>

The Company could purchase its own shares in the public market in accordance with the corresponding rules and regulations. The timing of the purchases depends on market prices.

As of December 31, 2023, there were no changes in the Company’s approach of capital management.

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

The Company’s investing and financing activities which did not affect the current cash flow in the years ended December 31, 2023 and 2022 were acquisition of right-of-use assets by leasing, please refer to note (6)(k).

Reconciliation of liabilities arising from financial activities was as follows:

<table>
<thead>
<tr>
<th></th>
<th>January 1, 2023</th>
<th>Other non-cash changes</th>
<th>December 31, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term borrowings</td>
<td>$53,068,579</td>
<td>(6,150,779)</td>
<td>46,917,800</td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>30,525,000</td>
<td>(7,257,700)</td>
<td>23,267,300</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>1,040,980</td>
<td>(438,966)</td>
<td>1,041,366</td>
</tr>
<tr>
<td>Deposits received</td>
<td>4,598</td>
<td>(3,599)</td>
<td>999</td>
</tr>
<tr>
<td>Total liabilities from financing activities</td>
<td>$84,639,157</td>
<td>(13,851,044)</td>
<td>71,227,465</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>January 1, 2022</th>
<th>Other non-cash changes</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term borrowings</td>
<td>$78,967,920</td>
<td>(25,899,341)</td>
<td>53,068,579</td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>24,300,000</td>
<td>6,225,000</td>
<td>30,525,000</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>1,349,136</td>
<td>(439,591)</td>
<td>1,040,980</td>
</tr>
<tr>
<td>Deposits received</td>
<td>170</td>
<td>4,428</td>
<td>4,598</td>
</tr>
<tr>
<td>Total liabilities from financing activities</td>
<td>$104,617,226</td>
<td>(20,109,504)</td>
<td>84,639,157</td>
</tr>
</tbody>
</table>
(7) Related-party transactions:

(a) Name and relationship with related parties

The following are the Company’s subsidiaries and entities that had transactions with related party during the periods covered in the parent-company-only financial statements.

<table>
<thead>
<tr>
<th>Name of related party</th>
<th>Relationship with the Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panpal Technology Corp. (“Panpal”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Gempal Technology Corp. (“Gempal”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Hong Ji Capital Co., Ltd. (“Hong Ji”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Hong Jin Investment Co., Ltd. (“Hong Jin”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Arcadyan</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Rayonnant Technology Co., Ltd. (“Rayonnant Technology”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>HengHao Technology Co., Ltd. (“HengHao”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Ripal Optotronics Co., Ltd. (“Ripal”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Auscom Engineering Inc. (“Auscom”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Just International Ltd. (“Just”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal International Holding Co., Ltd. (“CIH”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Electronics (Holding) Ltd. (“CEH”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Bizcom Electronics, Inc. (“Bizcom”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Flight Global Holding Inc. (“FGH”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>High Shine Industrial Corp. (“HSI”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Europe (Poland) Sp. z o. o. (“CEP”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Big Chance International Co., Ltd. (“BCI”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Rayonnant Holdings Limited (“CRH”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Core Profit Holdings Limited (“CORE”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compalead Electronics B.V. (“CPE”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compalead Eletronica do Brasil Industria e Comercio Ltda. (“CEB”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Display Holding (HK) Limited (“CDH (HK)”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Electronics International Ltd. (“CII”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal International Ltd. (“CPI”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Electronics (China) Co., Ltd. (“CPC”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Optoelectronics (Kunshan) Co., Ltd. (“CPO”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal System Trading (Kunshan) Co., Ltd. (“CST”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Smart International Trading Ltd. (“Smart”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Amexcom Electronics Inc. (“AEI”) (Note)</td>
<td>The Company’s subsidiary</td>
</tr>
</tbody>
</table>

(Continued)
## Notes to Parent-Company-Only Financial Statements

<table>
<thead>
<tr>
<th>Name of related party</th>
<th>Relationship with the Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexcom Electronics, LLC (“MEL”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Mexcom Technologies, LLC (“MTL”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Mexico Electromex S.A de C.V. (“CMX”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Americas (US) Inc. (“CUS”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Electronics N.A. Inc. (“CNA”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal International Holding (HK) Limited (“CIH (HK)”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Jenpal International Ltd. (“Jenpal”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Prospect Fortune Group Ltd. (“PFG”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Electronics Technology (Kunshan) Co., Ltd. (“CET”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Information (Kunshan) Co., Ltd. (“CIC”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Information Technology (Kunshan) Co., Ltd. (“CIT”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Kunshan Botai Electronics Co., Ltd. (“BT”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Digital Technology (Kunshan) Co., Ltd. (“CDT”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compower Global Service Co., Ltd. (“CGS”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Investment (Jiansu) Co., Ltd. (“CIJ”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Display Electronics (Kunshan) Co., Ltd. (“CDE”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Etrade Management Co., Ltd. (“Etrade”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Webtek Technology Co., Ltd. (“Webtek”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Forever Young Technology Inc. (“Forever”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Unicom Global, Inc. (“UCGI”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Palcom International Corporation (“Palcom”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Communication (Nanjing) Co., ltd. (“CCI Nanjing”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Digital Communication (Nanjing) Co., Ltd. (“CDCN”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Wireless Communication (Nanjing) Co., Ltd. (“CWCN”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Hanhelt Communication (Nanjing) Co., Ltd. (“Hanhelt”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Giant Rank Trading Ltd. (“GIA”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Arcadyan Technology N.A. Corp. (“Arcadyan USA”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Arcadyan Germany Technology GmbH (“Arcadyan Germany”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Arcadyan Technology Corporation Korea (“Arcadyan Korea”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Arcadyan India Private Limited (“Arcadyan India”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Arcadyan Holding (BVI) Corp. (“Arcadyan Holding”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Arcadyan do Brasil Ltda. (“Arcadyan Brasil”)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Arcadyan Technology Limited (“Arcadyan UK”)</td>
<td>The Company’s subsidiary</td>
</tr>
</tbody>
</table>

(Continued)
<table>
<thead>
<tr>
<th>Name of related party</th>
<th>Relationship with the Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arcadyan Technology Australia Pty Ltd. (&quot;Arcadyan AU&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Arcadyan Technology Corporation (Russia), LLC. (&quot;Arcadyan RU&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Zhi-Bao Technology Inc. (&quot;Zhi-Bao&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Tatung Technology Inc. (&quot;TTI&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>CBN</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Broadband Networks Belgium BVBA (&quot;CBBN&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Broadband Networks Netherlands B.V. (&quot;CBBN&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Sinoprime Global Inc. (&quot;Sinoprime&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Arcadyan Technology (Vietnam) Co., Ltd. (&quot;Arcadyan Vietnam&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Arcadyan Technology (Shanghai) corp. (&quot;SVA Arcadyan&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Arch Holding (BVI) Corp. (&quot;Arch Holding&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Networking (Kunshan) Co., Ltd. (&quot;CNC&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Quest International Group Co., Ltd. (&quot;Quest&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Exquisite Electronic Co., Ltd. (&quot;Exquisite&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Tatung Home Appliances (Wujiang) Co., Ltd. (&quot;THAC&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Tatung Technology of Japan Co., Ltd. (&quot;TTJC&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Intelligent Universal Enterprise Ltd. (&quot;IUE&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Goal Reach Enterprises Ltd. (&quot;Goal&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal (Vietnam) Co., Ltd. (&quot;CVC&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Development &amp; Management (Vietnam) Co., Ltd. (&quot;CDM&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Allied Power Holding Corp. (&quot;APH&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Primetek Enterprises Limited (&quot;PEL&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Rayonnant Technology (HK) Co., Ltd. (&quot;Rayonnant Technology (HK)&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Royonnant Technology (Taicang) Co., Ltd. (&quot;Rayonnant Technology (Taicang)&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>HengHao Holdings A Co., Ltd. (&quot;HHA&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>HengHao Holdings B Co., Ltd. (&quot;HHB&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>HengHao Optoelectronics Technology (Kunshan) Co., Ltd. (&quot;HengHao Kunshan&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>LUCOM Display Technology (Kunshan) Limited (&quot;Lucom&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>HengHao Optoelectronics Technology (Zhejiang) Co., Ltd. (&quot;HengHao Zhejiang&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Center Mind International Co., Ltd. (&quot;CMI&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Prisco International Co., Ltd. (&quot;PRI&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Electronic (Sichuan) Co., Ltd. (&quot;CIS&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
</tbody>
</table>

(Continued)
<table>
<thead>
<tr>
<th>Name of related party</th>
<th>Relationship with the Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compal Electronic (Chongqing) Co., Ltd. (&quot;CEQ&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Electronic (Chengdu) Co., Ltd. (&quot;CEC&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Management (Chengdu) Co., Ltd. (&quot;CMC&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Smart Device (Chongqing) Co., Ltd. (&quot;CSD&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>FIPOLL Electronics (Chongqing) Co., Ltd. (&quot;FIP&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Billion Sea Holdings Limited (&quot;BSH&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Mithera Capital Io LP (&quot;Mithera&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal USA (Indiana), Inc. (&quot;CIN&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Electronics (Vietnam) Co., Ltd. (&quot;CEV&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Fortune Way Technology Corp. (&quot;FWT&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>General Life Biotechnology Co., Ltd. (&quot;GLB&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>PT GLB BIOTECHNOLOGY INDONESIA</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Mactech Co., Ltd. (&quot;Mactech&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Electronics India Private Limited (&quot;CEIN&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Shennona Corporation (&quot;Shennona&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Unicore BioMedical Co., Ltd. (&quot;Unicore&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Raycore Biotech Co., Ltd. (&quot;Raycore&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Hippo Screen Neurotech Co., Ltd. (&quot;Hippo Screen&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Shennona Co., Ltd. (&quot;Shennona TW&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Aco Smartcare</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Starmems Semiconductor Corp. (&quot;Starmems Semiconductor&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Kinpo&amp;Compal Group Assets Development Corporation (&quot;Kinpo&amp;Compal Assets Development&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Electronica DA Amazonia LTDA (&quot;CEA&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Wise Electronic (Vietnam) Co., Ltd. (&quot;CWV&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>CGS Technology (Poland) Sp. z o.o. (&quot;CGSP&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Ruifang Health Assets Development Corporation (&quot;Compal Ruifang&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Healthcare &amp; Technology Ltd. (&quot;Compal Healthcare&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Poindus Systems Corp, Ltd. (&quot;Poindus Systems&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Poindus Investment Co., Ltd. (&quot;Poindus Investment&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>QiJie Electronics (Shenzhen) Co., Ltd. (&quot;QiJie&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Poindus Systems UK Limited (&quot;Poindus UK&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Adasys GmbH Elektronische Komponenten (&quot;Adasys&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Poindus Systems GmbH Großhandel mit EDV. Oberursel (&quot;Poindus GmbH&quot;)</td>
<td>The Company’s subsidiary</td>
</tr>
<tr>
<td>Compal Connector Manufacture Ltd. (&quot;CCM&quot;)</td>
<td>A joint venture company</td>
</tr>
</tbody>
</table>

(Continued)
<table>
<thead>
<tr>
<th>Name of related party</th>
<th>Relationship with the Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compal Precision Module (Jiangsu) Co., Ltd. (“CPM”)</td>
<td>An associate</td>
</tr>
<tr>
<td>Changbao Electronic Technology (Chongqing) Co., Ltd. (“Changbao”)</td>
<td>An associate</td>
</tr>
<tr>
<td>Avalue</td>
<td>An associate</td>
</tr>
<tr>
<td>Crownpo Technology Inc. (“Crownpo”)</td>
<td>An associate</td>
</tr>
<tr>
<td>Allied Circuit</td>
<td>An associate</td>
</tr>
<tr>
<td>LIZ Electronics (Kunshan) Co., Ltd. (“LIZK”)</td>
<td>An associate</td>
</tr>
<tr>
<td>LIZ Electronics (Nantong) Co., Ltd. (“LIZN”)</td>
<td>An associate</td>
</tr>
<tr>
<td>ARCE Therapeutics Co., Ltd. (“ARCE”)</td>
<td>An associate</td>
</tr>
<tr>
<td>Raypal Biomedical Co., Ltd. (“Raypal”)</td>
<td>An associate</td>
</tr>
<tr>
<td>Hong Ya Technology Corporation (“Hong Ya Technology”)</td>
<td>An associate</td>
</tr>
<tr>
<td>Kinpo Group Management Consultant Company (“Kinpo Group Management”)</td>
<td>An associate</td>
</tr>
<tr>
<td>AcBel Polytech Inc. (AcBel) and its subsidiaries (“AcBel”)</td>
<td>The Chairman of the Board is the first degree of kinship of the Chairman of the Company</td>
</tr>
<tr>
<td>Cal-Comp Electronics (Thailand) Public Company Limited (“Cal-Comp”)</td>
<td>The same Chairman of the Board with the Company</td>
</tr>
<tr>
<td>Kinpo Electronics, Inc. (“Kinpo”)</td>
<td>The same Chairman of the Board with the Company</td>
</tr>
</tbody>
</table>

Note: Since the liquidation of AEI was completed in February 2023, AEI was no longer being the Company’s subsidiary.

(b) Transactions with key management personnel

Key management personnel remunerations comprised:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term employee benefits</td>
<td>$533,774</td>
<td>478,681</td>
</tr>
<tr>
<td>Post-employment benefits</td>
<td>5,711</td>
<td>5,925</td>
</tr>
<tr>
<td></td>
<td><strong>$539,485</strong></td>
<td><strong>484,606</strong></td>
</tr>
</tbody>
</table>

There are no termination benefits and other long-term benefits.
(c) Significant related-party transactions

(i) Sale of goods to related parties

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

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidiaries</td>
<td>$1,924,106</td>
<td>6,778,358</td>
</tr>
<tr>
<td>Associates</td>
<td>168</td>
<td>171</td>
</tr>
<tr>
<td>Other related parties</td>
<td>15,710</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,939,984</strong></td>
<td><strong>6,778,529</strong></td>
</tr>
</tbody>
</table>

Sales prices for related parties were similar to those of the third-party customers. The collection period was 45~180 days for related parties.

(ii) Purchase of goods from related parties

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

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidiaries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSD</td>
<td>$64,959,343</td>
<td>129,409,933</td>
</tr>
<tr>
<td>Others</td>
<td>211,169,833</td>
<td>249,433,436</td>
</tr>
<tr>
<td></td>
<td>276,129,176</td>
<td>378,843,369</td>
</tr>
<tr>
<td>Associates</td>
<td>1,431</td>
<td>633</td>
</tr>
<tr>
<td>Other related parties</td>
<td>45,844,067</td>
<td>31,370,385</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$321,974,674</strong></td>
<td><strong>410,214,387</strong></td>
</tr>
</tbody>
</table>

Purchase prices and payment period from related parties were similar to those from third-party suppliers. The payment period was 60~120 days for related parties.

(iii) Product warranty service expenses

The product warranty service expenses paid to subsidiaries for the years ended December 31, 2023 and 2022, amounted to $361,120 and $316,155, respectively. As of December 31, 2023 and 2022, the unpaid warranty service expenses were recorded as other payables.

(iv) Technical service expense

The Company engaged its subsidiaries to research and develop of notebooks, and the related technical service expenses for the years ended December 31, 2023 and 2022, amounted to $197,057 and $203,283, respectively. As of December 31, 2023 and 2022, the unpaid technical service expenses were recorded as other payables.

(Continued)
(v) Receivables due from relate parties

The receivables arising from the transactions mentioned above, the sale of machinery and equipment to related parties, and the purchasing of equipment, mold and others on behalf of the related parties as of December 31, 2023 and 2022, were as follows:

<table>
<thead>
<tr>
<th>Account</th>
<th>Related party categories</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes and accounts receivable</td>
<td>Subsidiaries</td>
<td>$ 5,092,643</td>
<td>8,934,638</td>
</tr>
<tr>
<td>Notes and accounts receivable</td>
<td>Other related parties</td>
<td>6,407,326</td>
<td>4,370,909</td>
</tr>
<tr>
<td>Other receivables</td>
<td>Subsidiaries - UCGI</td>
<td>74,672</td>
<td>195,183</td>
</tr>
<tr>
<td>Other receivables</td>
<td>Subsidiaries - Others</td>
<td>205,371</td>
<td>24,710</td>
</tr>
<tr>
<td>Other receivables</td>
<td>Associates</td>
<td>1,514</td>
<td>1,321</td>
</tr>
<tr>
<td>Other receivables</td>
<td>Other related parties</td>
<td>64</td>
<td>-</td>
</tr>
</tbody>
</table>

Less: Credit balance of investments accounted for using the equity method

(24,107) (27,599)

$ 11,757,483 13,499,162

As of December 31, 2023 and 2022, the Company’s investment accounted for using the equity method in subsidiaries was a credit balance, recorded as a deduction from account receivables and other receivables (other receivables) – related party. Please refer to note (6)(g).

(vi) Payables to related parties

The payables to related parties as of December 31, 2023 and 2022, were as follows:

<table>
<thead>
<tr>
<th>Account</th>
<th>Related party categories</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes and accounts payable</td>
<td>Subsidiaries - CIT</td>
<td>$ 36,056,165</td>
<td>32,506,355</td>
</tr>
<tr>
<td>Notes and accounts payable</td>
<td>Subsidiaries - Others</td>
<td>36,734,285</td>
<td>35,192,564</td>
</tr>
<tr>
<td>Notes and accounts payable</td>
<td>Associates</td>
<td>628</td>
<td>493</td>
</tr>
<tr>
<td>Notes and accounts payable</td>
<td>Other related parties</td>
<td>9,573,358</td>
<td>8,482,267</td>
</tr>
<tr>
<td>Other payables</td>
<td>Subsidiaries</td>
<td>233,282</td>
<td>206,212</td>
</tr>
<tr>
<td>Other payables</td>
<td>Other related parties</td>
<td>21,788</td>
<td>20,327</td>
</tr>
</tbody>
</table>

$ 82,619,506 76,408,218

(Continued)
(vii) Property transactions—Acquisitions of financial assets

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

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Item</th>
<th>Number of shares</th>
<th>Object</th>
<th>Acquisition price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other related party–</td>
<td>Acquisition of financial assets at fair</td>
<td>6,685 thousand</td>
<td>Common stocks of Acbel</td>
<td>259,378</td>
</tr>
<tr>
<td>Acbel</td>
<td>through other comprehensive income</td>
<td></td>
<td>through cash capital increase</td>
<td></td>
</tr>
<tr>
<td>Other related party–</td>
<td>1,249,470 thousand</td>
<td>Common stocks of Cal-Comp issued through cash capital increase</td>
<td>1,718,266</td>
<td></td>
</tr>
<tr>
<td>Cal- Comp</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(viii) Property transactions—Disposal of property, plant and equipment

In 2023, the Company sold machinery to the Company’s subsidiary, CVC. The disposal proceeds in this transaction were $245,656, and the outstanding amount was $187,645, which was recorded as other receivables. Because it was an inter-group transaction, the disposal gain, $201,514, was unrealized and it was recorded as a deduction from investments accounted for using the equity method.

(ix) Loans to related parties

The interest rate of unsecured loans to subsidiaries was 2.19%~6.19%, and the Company had assessed that no bad debt expenses should be recognized. As of December 31, 2023 and 2022, the loans due to related parties were recorded as other receivables.

<table>
<thead>
<tr>
<th>Account</th>
<th>Related party categories</th>
<th>December 31, 2023</th>
<th>December 31, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other receivables</td>
<td>Subsidiaries - CEB</td>
<td>$ 921,150</td>
<td>767,750</td>
</tr>
<tr>
<td>Other receivables</td>
<td>Subsidiaries - CEA</td>
<td>1,995,825</td>
<td>1,381,950</td>
</tr>
<tr>
<td>Other receivables</td>
<td>Subsidiaries - HengHao</td>
<td>200,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Other receivables</td>
<td>Subsidiaries - UCGI</td>
<td>230,000</td>
<td>230,000</td>
</tr>
<tr>
<td>Other receivables</td>
<td>Subsidiaries - CEP</td>
<td>61,410</td>
<td>-</td>
</tr>
<tr>
<td>Other receivables</td>
<td>Subsidiaries - Kinpo &amp; Compal Assets Development</td>
<td>-</td>
<td>600,000</td>
</tr>
<tr>
<td>Less: Credit balance of investments in equity method</td>
<td></td>
<td>(200,000)</td>
<td>(200,000)</td>
</tr>
</tbody>
</table>

$ 3,208,385  2,979,700

(Continued)
As of December 31, 2023 and 2022, the Company’s investment accounted for using the equity method in some subsidiaries was a credit balance, recorded as a deduction from other receivables – related parties (classified as other receivables). Please refer to note (6)(g).

(x) Guarantees

As of December 31, 2023 and 2022, the guarantees provided to subsidiaries were $400,816 and $149,014, respectively.

(8) Pledged assets: None.

(9) Commitments and contingencies:

The details of commitments and contingencies were as follows:

(a) Huawei Technologies Co., Ltd. filed an infringement litigation against the Group on October 28, 2022. The Group will carefully evaluate the litigation, discuss with related client for the following strategies and actions, and engage professional attorneys, to protect the rights and reputation of the Company from any damage.

(b) In August 2019, Inventec Corporation filed a lawsuit to the Taiwan Taipei District Prosecutors Office against the Company concerning its former employees who joined the Company. This is deemed as an act of violation according to the Trade Secret Law and Copyright Law. The Company engaged lawyers to defend its right on this matter. Currently, the case is still in progress in Taipei District Court; therefore, the Company cannot make any reasonable estimation regarding the possible impact on its business operation.

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

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Other:

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

<table>
<thead>
<tr>
<th>By item</th>
<th>Operating costs</th>
<th>Operating expenses</th>
<th>Total</th>
<th>Operating costs</th>
<th>Operating expenses</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee benefits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary</td>
<td>1,087,584</td>
<td>11,160,350</td>
<td>12,247,934</td>
<td>1,171,256</td>
<td>10,508,656</td>
<td>11,679,912</td>
</tr>
<tr>
<td>Labor and health insurance</td>
<td>79,553</td>
<td>757,930</td>
<td>837,483</td>
<td>87,235</td>
<td>705,361</td>
<td>792,596</td>
</tr>
<tr>
<td>Pension</td>
<td>29,177</td>
<td>417,847</td>
<td>447,024</td>
<td>32,961</td>
<td>397,839</td>
<td>430,800</td>
</tr>
<tr>
<td>Remuneration of directors</td>
<td>-</td>
<td>53,010</td>
<td>53,010</td>
<td>-</td>
<td>49,668</td>
<td>49,668</td>
</tr>
<tr>
<td>Others</td>
<td>133,880</td>
<td>438,592</td>
<td>572,472</td>
<td>145,492</td>
<td>456,164</td>
<td>601,656</td>
</tr>
<tr>
<td>Depreciation</td>
<td>145,727</td>
<td>680,925</td>
<td>826,652</td>
<td>158,378</td>
<td>673,962</td>
<td>832,340</td>
</tr>
<tr>
<td>Amortization</td>
<td>9,067</td>
<td>507,924</td>
<td>516,991</td>
<td>10,331</td>
<td>449,810</td>
<td>460,141</td>
</tr>
</tbody>
</table>

(Continued)
For the years ended December 31, 2023 and 2022, the information on the number of employees and employee benefit expense of the Company is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees (Average salaries)</td>
<td>8,720</td>
<td>9,066</td>
</tr>
<tr>
<td>Number of directors (non-employees)</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Average benefit expense of employees</td>
<td>$1,620</td>
<td>$1,491</td>
</tr>
<tr>
<td>Average salary expense of employees</td>
<td>$1,406</td>
<td>$1,290</td>
</tr>
<tr>
<td>Percentage of change in average salary expense of employees</td>
<td>8.99 %</td>
<td>6.26 %</td>
</tr>
<tr>
<td>Remuneration received by supervisors</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Information about salary and compensation policies (including directors, managers and employees) of the Company is as follows:

Directors’ remuneration is allocated according to the terms of the Articles of the Incorporation, and no more than 2% of the Company’s pre-tax profit in the fiscal year, excluding employees’ and directors’ compensations, shall be paid to directors as remuneration along with reasonable compensation based on other factors to be taken into consideration, such as the Company’s operational performance and the individual directors’ contribution to the Company’s performance.

Remuneration of the independent directors’ of the Company is allocated according to the terms of the Articles of the Incorporation, as well as the involvement level in the corporate operation, contribution value, responsibility that is taken, risk that is borne by the independent directors and reference of competitors from the same industry. The remuneration is proposed by the Remuneration Committee and resolved by the Board of Directors.

The Company’s remuneration policy for managers has been established based on various factors including the Company’s wage policy, the average wage offered by competitors for the same position, the duties and responsibilities for the position in question, and the manager’s actual contribution to the Company’s operational objectives.

The Company’s procedure for determining remuneration takes into account the Company’s overall operational performance as well as includes employee’s personal performance and their contribution to the Company’s performance in order to determine a reasonable compensation. Relevant salaries and compensations are reviewed by the Remuneration Committee and resolved by the Board of Directors. The Company will frequently examine the latest developments in the global economy, international financial environment, and change of the industry condition in order to predict its operational development, profit status, operational risks and changes in pertinent regulations in the near future in order to review the compensation system, thereby reach a balance between the Company’s sustainable operation and relevant risk control.

(Continued)
(13) Other disclosures:

(a) Information on significant transactions

The following were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company for the year ended December 31, 2023:

(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 December 31, 2023 (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: Please refer to Table 4

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: Please refer to Table 5

(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 6

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 7

(ix) Trading in derivative instruments: None.

(b) Information on investees: Please refer to Table 8

(c) Information on investment in mainland China: Please refer to Table 9

(d) Major shareholders:

<table>
<thead>
<tr>
<th>Shareholder’s Name</th>
<th>Shareholding</th>
<th>Shares</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF</td>
<td>269,519,000</td>
<td></td>
<td>6.74 %</td>
</tr>
</tbody>
</table>

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:

Please refer to the consolidated financial report of 2023.
### Statement of cash and cash equivalents

**December 31, 2023**

(Expressed in thousands of New Taiwan Dollars; in thousands of Foreign Currency)

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>TWD</td>
<td>$ 2,399</td>
</tr>
<tr>
<td>Checking account and demand deposits</td>
<td>Foreign currency (US$561,580 and others)</td>
<td>165,374</td>
</tr>
<tr>
<td></td>
<td></td>
<td>17,257,407</td>
</tr>
<tr>
<td></td>
<td>Foreign currency (USD$80,000, Maturity date: 2024.1.5~2024.1.25, Rate: 5.65%~5.85%)</td>
<td>2,456,400</td>
</tr>
<tr>
<td></td>
<td>Foreign currency (CNY$3,700, Maturity date: 2024.1.8~2024.2.6, Rate: 2.50%~2.75%)</td>
<td>16,010</td>
</tr>
<tr>
<td>Time deposits</td>
<td></td>
<td>2,472,410</td>
</tr>
<tr>
<td>Cash equivalents:</td>
<td>Bonds purchased under resale agreements</td>
<td>614,100</td>
</tr>
<tr>
<td></td>
<td>Foreign currency (US$20,000, Maturity date: 2024.1.5, Rate: 5.65%~5.68%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>614,100</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$ 20,511,690</td>
</tr>
</tbody>
</table>

Note: The exchange rate is 30.705 New Taiwan dollars for 1 US Dollar; 4.327 New Taiwan Dollars for 1 CNY.
COMPAL ELECTRONICS, INC.

Statement of notes and accounts receivable

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>D Company</td>
<td>Sales of non-related parties</td>
<td>$ 101,627,280</td>
</tr>
<tr>
<td>E Company</td>
<td>&quot;</td>
<td>24,205,094</td>
</tr>
<tr>
<td>A Company</td>
<td>&quot;</td>
<td>21,891,893</td>
</tr>
<tr>
<td>B Company</td>
<td>&quot;</td>
<td>9,960,534</td>
</tr>
<tr>
<td>Others (Note)</td>
<td>&quot;</td>
<td>17,599,069</td>
</tr>
</tbody>
</table>

$175,283,870

Less: allowance for uncollectible accounts
(3,691,908)

Notes and accounts receivable, net

$ 171,591,962

Note: The amount of individual client included in others does not exceed 5% of the account balance.

Statement of inventories

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
<th>Net Realizable Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finished goods</td>
<td>$10,291,518</td>
<td>10,584,200</td>
</tr>
<tr>
<td>Work in progress</td>
<td>1,414,789</td>
<td>1,414,789</td>
</tr>
<tr>
<td>Raw materials</td>
<td>39,337,185</td>
<td>39,337,185</td>
</tr>
<tr>
<td>Total</td>
<td>$51,043,492</td>
<td>51,336,174</td>
</tr>
<tr>
<td>Investor Company</td>
<td>Number of shares</td>
<td>Amount (including exchange differences on transaction of foreign financial statements)</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>------------------</td>
<td>--------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Aco Smartcare</td>
<td>-</td>
<td>1,545,807</td>
</tr>
<tr>
<td>CMX</td>
<td>21,862</td>
<td>-</td>
</tr>
<tr>
<td>Etrade</td>
<td>382</td>
<td>827,670</td>
</tr>
<tr>
<td>Gempal</td>
<td>2,354</td>
<td>1,926</td>
</tr>
<tr>
<td>Kinpo Group Management</td>
<td>1,994,000</td>
<td>2,564</td>
</tr>
<tr>
<td>Kinpo &amp; Compal Assets Development</td>
<td>92,753</td>
<td>126,890</td>
</tr>
<tr>
<td>Komag Technology</td>
<td>104,646,519</td>
<td>17,862</td>
</tr>
<tr>
<td>Lipo Holding Co., Ltd. (&quot;LIPCO&quot;)</td>
<td>1,545,807</td>
<td>2,662,827</td>
</tr>
<tr>
<td>LSI</td>
<td>344</td>
<td>467,514</td>
</tr>
<tr>
<td>Lycon</td>
<td>699,410</td>
<td>6,084</td>
</tr>
<tr>
<td>Memoryteck Technology</td>
<td>6,472</td>
<td>73,748</td>
</tr>
<tr>
<td>MRC</td>
<td>4,926</td>
<td>467,514</td>
</tr>
<tr>
<td>Raypal</td>
<td>-</td>
<td>1,545,807</td>
</tr>
<tr>
<td>Rayonnan Technology</td>
<td>1,545,807</td>
<td>2,662,827</td>
</tr>
<tr>
<td>Ripal</td>
<td>-</td>
<td>1,545,807</td>
</tr>
<tr>
<td>Siltron Technology</td>
<td>1,994,000</td>
<td>2,564</td>
</tr>
<tr>
<td>SMT</td>
<td>17,862</td>
<td>-</td>
</tr>
<tr>
<td>SunSemi</td>
<td>3,580</td>
<td>467,514</td>
</tr>
<tr>
<td>Unicore</td>
<td>4,926</td>
<td>73,748</td>
</tr>
<tr>
<td>Xina</td>
<td>344</td>
<td>467,514</td>
</tr>
<tr>
<td>YAMA</td>
<td>2,854</td>
<td>27,256</td>
</tr>
<tr>
<td>Yonam</td>
<td>92,753</td>
<td>126,890</td>
</tr>
</tbody>
</table>

Note 1: Increase in current period included purchasing long-term investments, adjusting by using equity method of capital surplus, unrealized gains from financial assets measured at fair value through other comprehensive income, and subsidiaries received cash dividends from the parent company.

Note 2: Decrease in current period included cash dividends distributed from long-term investments for using the equity method, adjustment by equity method of capital surplus and retained earnings, unrealized gain on disposal of fixed assets, remeasurement of defined benefit plans, and unrealized loss from financial assets measured at fair value through other comprehensive income.

Note 3: The unit price is calculated by the closing price of the Taiwan Stock Exchange as of December 31, 2023.

Note 4: The unit price is calculated by the closing price of Taipei Exchange as of December 31, 2023.

(Continued)
Statement of financial assets measured at fair value through other comprehensive income - non-current
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

<table>
<thead>
<tr>
<th>Investee Company</th>
<th>Beginning Balance</th>
<th>Increase (Note 1)</th>
<th>Decrease (Note 2)</th>
<th>Ending Balance</th>
<th>Collaterals or Pledged Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Shares</td>
<td>Amount</td>
<td>Number of Shares</td>
<td>Amount</td>
<td>Number of Shares</td>
</tr>
<tr>
<td>Kinpo</td>
<td>124,044</td>
<td>1,674,591</td>
<td>-</td>
<td>341,120</td>
<td>-</td>
</tr>
<tr>
<td>Cal-Comp</td>
<td>281,233</td>
<td>579,341</td>
<td>1,272,906</td>
<td>2,326,900</td>
<td>-</td>
</tr>
<tr>
<td>Taiwan Star</td>
<td>98,046</td>
<td>418,658</td>
<td>-</td>
<td>-</td>
<td>98,046</td>
</tr>
<tr>
<td>Taiwan Mobile</td>
<td>-</td>
<td>-</td>
<td>3,197</td>
<td>317,172</td>
<td>-</td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
<td>461,250</td>
<td>-</td>
<td>649,068</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$ 3,133,840</td>
<td>3,634,260</td>
<td>570,390</td>
<td>6,197,710</td>
<td></td>
</tr>
</tbody>
</table>

Note 1: Increase included transfer of the invested company's surplus to capital, acquiring financial assets at fair value through other comprehensive income through stock exchange due to merger and absorption, purchasing financial assets at fair value through other comprehensive income, unrealized gains on financial instruments at fair value, and deferred tax for unrealized gains.

Note 2: Decrease included disposal of financial assets at fair value through other comprehensive income, the adjustment of the unrealized loss of financial assets according to fair value, eliminating financial assets at fair value through other comprehensive income through stock exchange due to merger and absorption, the reduction of capital, and the return from liquidation.
COMPAL ELECTRONICS, INC.

Statement of property, plant and equipment

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Please refer to Note (6)(j).

Statement of short-term borrowings

December 31, 2023

<table>
<thead>
<tr>
<th>Creditor</th>
<th>Description</th>
<th>Contract Period</th>
<th>Interest Rate</th>
<th>Loan Commitments</th>
<th>Collaterals or Pledged Assets</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>China Construction Bank Corporation</td>
<td>Credit Loans</td>
<td>2023.11~2024.03</td>
<td>Note</td>
<td>$ 6,141,000</td>
<td>None</td>
<td>5,977,550</td>
</tr>
<tr>
<td>DBS Bank Limited</td>
<td>&quot;</td>
<td>2023.12~2024.01</td>
<td>&quot;</td>
<td>6,141,000</td>
<td>None</td>
<td>4,605,750</td>
</tr>
<tr>
<td>Bank of Communications Co., Ltd.</td>
<td>&quot;</td>
<td>2023.11~2024.03</td>
<td>&quot;</td>
<td>6,141,000</td>
<td>None</td>
<td>3,000,000</td>
</tr>
<tr>
<td>E.SUN Commercial Bank</td>
<td>&quot;</td>
<td>2023.10~2024.01</td>
<td>&quot;</td>
<td>4,000,000</td>
<td>None</td>
<td>3,684,600</td>
</tr>
<tr>
<td>United Overseas Bank</td>
<td>&quot;</td>
<td>2023.11~2024.01</td>
<td>&quot;</td>
<td>4,605,750</td>
<td>None</td>
<td>3,070,500</td>
</tr>
<tr>
<td>Taipei Fubon Commercial Bank Co., Ltd.</td>
<td>&quot;</td>
<td>2023.10~2024.01</td>
<td>&quot;</td>
<td>4,145,175</td>
<td>None</td>
<td>4,074,675</td>
</tr>
<tr>
<td>Cathay United Bank</td>
<td>&quot;</td>
<td>2023.12~2024.01</td>
<td>&quot;</td>
<td>5,526,900</td>
<td>None</td>
<td>5,526,900</td>
</tr>
<tr>
<td>Bank Sinopac Company Limited</td>
<td>&quot;</td>
<td>2023.12~2024.02</td>
<td>&quot;</td>
<td>2,000,000</td>
<td>None</td>
<td>1,200,000</td>
</tr>
<tr>
<td>Mega International Commercial Bank Co., Ltd.</td>
<td>&quot;</td>
<td>2023.11~2024.02</td>
<td>&quot;</td>
<td>2,000,000</td>
<td>None</td>
<td>1,688,775</td>
</tr>
<tr>
<td>Oversea-Chinese Banking Corporation Limited</td>
<td>&quot;</td>
<td>2023.11~2024.02</td>
<td>&quot;</td>
<td>3,070,500</td>
<td>None</td>
<td>1,500,000</td>
</tr>
<tr>
<td>HSBC Bank (Taiwan) Limited</td>
<td>&quot;</td>
<td>2023.12~2024.03</td>
<td>&quot;</td>
<td>1,842,300</td>
<td>None</td>
<td>1,842,300</td>
</tr>
<tr>
<td>The Hongkong and Shanghai Banking Corporation Limited</td>
<td>&quot;</td>
<td>2023.12~2024.03</td>
<td>&quot;</td>
<td>4,759,275</td>
<td>None</td>
<td>4,298,700</td>
</tr>
<tr>
<td>Banco Bilbao Vizcaya Argentaria Bank</td>
<td>&quot;</td>
<td>2023.12~2024.01</td>
<td>&quot;</td>
<td>6,448,050</td>
<td>None</td>
<td>6,448,050</td>
</tr>
</tbody>
</table>

$ 56,820,950                                          46,917,800

Note: The range of interest rates of aforementioned loans were 1.62%~6.15%.
### Statement of notes and accounts payable

**December 31, 2023**

(Expressed in thousands of New Taiwan Dollars)

<table>
<thead>
<tr>
<th>Suppliers</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>E Company</td>
<td>$22,370,967</td>
</tr>
<tr>
<td>C Company</td>
<td>8,721,574</td>
</tr>
<tr>
<td>J Company</td>
<td>8,469,099</td>
</tr>
<tr>
<td>A Company</td>
<td>8,177,892</td>
</tr>
<tr>
<td>B Company</td>
<td>4,688,693</td>
</tr>
<tr>
<td>D Company</td>
<td>4,387,295</td>
</tr>
<tr>
<td>Others (Note)</td>
<td>24,131,526</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$80,947,046</strong></td>
</tr>
</tbody>
</table>

Note: The amount of individual vendor included in others does not exceed 5% of the account balance.

(Continued)
## Statement of long-term borrowings

**December 31, 2023**

(Expressed in thousands of New Taiwan Dollars)

<table>
<thead>
<tr>
<th>Creditor</th>
<th>Loan Commitments</th>
<th>Amount</th>
<th>Amount</th>
<th>Contract Period</th>
<th>Interest Rate</th>
<th>Amount</th>
<th>Collaterals or Pledged Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of Taiwan</td>
<td>$ 5,000,000</td>
<td>1,000,000</td>
<td>3,500,000</td>
<td>2023.12–2026.12</td>
<td>Note</td>
<td>4,500,000</td>
<td>None</td>
</tr>
<tr>
<td>Yuan Ta Commercial Bank</td>
<td>3,000,000</td>
<td>3,000,000</td>
<td>-</td>
<td>2023.12–2024.03</td>
<td>&quot;</td>
<td>3,000,000</td>
<td>None</td>
</tr>
<tr>
<td>Taipei Fubon Commercial Bank Co., Ltd.</td>
<td>3,000,000</td>
<td>2,842,300</td>
<td>-</td>
<td>2023.11–2024.02</td>
<td>&quot;</td>
<td>2,842,300</td>
<td>None</td>
</tr>
<tr>
<td>E.SUN Commercial Bank</td>
<td>2,000,000</td>
<td>1,900,000</td>
<td>-</td>
<td>2021.11–2024.11</td>
<td>&quot;</td>
<td>1,900,000</td>
<td>None</td>
</tr>
<tr>
<td>Shanghai Commercial and Savings Bank</td>
<td>2,300,000</td>
<td>-</td>
<td>2,300,000</td>
<td>2023.06–2027.06</td>
<td>&quot;</td>
<td>2,300,000</td>
<td>None</td>
</tr>
<tr>
<td>Far Eastern International Bank Co., Ltd.</td>
<td>1,000,000</td>
<td>-</td>
<td>1,000,000</td>
<td>2022.11–2025.09</td>
<td>&quot;</td>
<td>1,000,000</td>
<td>None</td>
</tr>
<tr>
<td>CTBC Bank Co., Ltd.</td>
<td>3,500,000</td>
<td>-</td>
<td>900,000</td>
<td>2023.11–2026.11</td>
<td>&quot;</td>
<td>900,000</td>
<td>None</td>
</tr>
<tr>
<td>Taiwan Corporative Bank</td>
<td>1,000,000</td>
<td>-</td>
<td>1,000,000</td>
<td>2022.05–2025.05</td>
<td>&quot;</td>
<td>1,000,000</td>
<td>None</td>
</tr>
<tr>
<td>Chang Hwa Bank</td>
<td>3,000,000</td>
<td>-</td>
<td>3,000,000</td>
<td>2022.05–2026.05</td>
<td>&quot;</td>
<td>3,000,000</td>
<td>None</td>
</tr>
<tr>
<td>Bank of America</td>
<td>5,066,325</td>
<td>2,000,000</td>
<td>-</td>
<td>2023.09–2024.09</td>
<td>&quot;</td>
<td>2,000,000</td>
<td>None</td>
</tr>
<tr>
<td>Bank SinoPac Co., Ltd.</td>
<td>3,300,000</td>
<td>-</td>
<td>825,000</td>
<td>2022.12–2026.12</td>
<td>&quot;</td>
<td>825,000</td>
<td>None</td>
</tr>
</tbody>
</table>

**Total** 32,166,325 10,742,300 12,525,000 23,267,300

Note: The range of interest rates of aforementioned loans were 1.64%–6.10%.

(Continued)
## Statement of lease liabilities

**December 31, 2023**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Lease term</th>
<th>Discount rate</th>
<th>Ending balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>For office and factory space</td>
<td>1~10 years</td>
<td>1.60%</td>
<td>$1,040,368</td>
</tr>
<tr>
<td>Vehicles</td>
<td>For operating activities</td>
<td>3~5 years</td>
<td>1.60%</td>
<td>998</td>
</tr>
</tbody>
</table>

Less : Current portion

Lease liabilities – Non-Current

$(352,900) 

$688,466

## Statement of other payables

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll payables and year-end</td>
<td>Payroll for December 2023, estimated year-end bonuses for 2023, and employees and directors’ compensations</td>
<td>$4,752,076</td>
</tr>
<tr>
<td>Import and export fee payables</td>
<td></td>
<td>882,650</td>
</tr>
<tr>
<td>Technical service fee payables</td>
<td></td>
<td>1,070,188</td>
</tr>
<tr>
<td>Others (Note)</td>
<td></td>
<td>5,627,197</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$12,332,111</td>
</tr>
</tbody>
</table>

Note: The amount of each item in others does not exceed 5% of the account balance.
## Statement of operating revenue

For the year ended December 31, 2023

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales revenue:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5C electronic products</td>
<td>Note</td>
<td>$875,425,008</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>680,475</td>
</tr>
<tr>
<td>Less: Sales return</td>
<td></td>
<td>(779,184)</td>
</tr>
<tr>
<td>Sales allowance</td>
<td></td>
<td>(1,757,650)</td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td></td>
<td>$873,568,649</td>
</tr>
<tr>
<td><strong>Other operating revenue:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service and processing revenue</td>
<td></td>
<td>1,345,566</td>
</tr>
<tr>
<td><strong>Net sales revenue</strong></td>
<td></td>
<td>$874,914,215</td>
</tr>
</tbody>
</table>

Note: Due to multi-categories, it’s hard to be classified in categories.
## COMPAL ELECTRONICS, INC.

**Statement of operating costs**

**For the year ended December 31, 2023**

(Expressed in thousands of New Taiwan Dollars)

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Raw materials</strong></td>
<td></td>
</tr>
<tr>
<td>Raw materials, beginning of the year</td>
<td>$ 40,296,164</td>
</tr>
<tr>
<td>Add: Purchases</td>
<td>530,395,314</td>
</tr>
<tr>
<td>Less: Raw materials, end of the year</td>
<td>(41,514,319)</td>
</tr>
<tr>
<td>Transferred to operating expense</td>
<td>(18,215)</td>
</tr>
<tr>
<td>Cost of material sold</td>
<td>26,156,601</td>
</tr>
<tr>
<td>Scraps</td>
<td>(1,680,095)</td>
</tr>
<tr>
<td>Raw materials used</td>
<td>553,635,450</td>
</tr>
<tr>
<td>Direct labor</td>
<td>553,586</td>
</tr>
<tr>
<td>Manufacturing expenses</td>
<td>1,219,070</td>
</tr>
<tr>
<td><strong>Total Manufacturing costs</strong></td>
<td>555,408,106</td>
</tr>
<tr>
<td>Add: Work-in-process, beginning of the year</td>
<td>1,276,477</td>
</tr>
<tr>
<td>Others</td>
<td>3</td>
</tr>
<tr>
<td>Less: Work-in-process, end of the year</td>
<td>(1,414,789)</td>
</tr>
<tr>
<td>Scraps</td>
<td>(15,352)</td>
</tr>
<tr>
<td>Cost of finished goods</td>
<td>555,254,445</td>
</tr>
<tr>
<td>Add: Finished goods, beginning of the year</td>
<td>15,479,353</td>
</tr>
<tr>
<td>Purchases</td>
<td>308,536,527</td>
</tr>
<tr>
<td>Others</td>
<td>1,707,327</td>
</tr>
<tr>
<td>Less: Finished goods, end of the year</td>
<td>(10,326,252)</td>
</tr>
<tr>
<td>Transferred to operating expense (entertainment expense, sample expense, and others)</td>
<td>(980,466)</td>
</tr>
<tr>
<td>Costs of sales of finished goods and processing costs</td>
<td>869,670,934</td>
</tr>
<tr>
<td>Maintenance costs</td>
<td>3,430,338</td>
</tr>
<tr>
<td>Cost of material sold</td>
<td>(26,156,601)</td>
</tr>
<tr>
<td>Allowance for obsolescence loss and inventory valuation</td>
<td>(1,775,969)</td>
</tr>
<tr>
<td>Scrap loss of inventory</td>
<td>1,695,447</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>$ 846,864,149</td>
</tr>
</tbody>
</table>
COMPAL ELECTRONICS, INC.

Statement of operating expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

<table>
<thead>
<tr>
<th>Item</th>
<th>Selling expenses</th>
<th>Administrative expenses</th>
<th>Research and development expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll expenses</td>
<td>$365,677</td>
<td>1,804,081</td>
<td>8,990,592</td>
</tr>
<tr>
<td>Export expenses</td>
<td>271,649</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Royalty expenses</td>
<td>290,665</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Research expenses</td>
<td>-</td>
<td>-</td>
<td>1,520,277</td>
</tr>
<tr>
<td>Shipping expenses</td>
<td>3,025,462</td>
<td>7,859</td>
<td>2,764</td>
</tr>
<tr>
<td>Sample expenses</td>
<td>474,904</td>
<td>9</td>
<td>1,536</td>
</tr>
<tr>
<td>Others (Note)</td>
<td>240,103</td>
<td>1,154,751</td>
<td>2,571,766</td>
</tr>
<tr>
<td>Total</td>
<td>$4,668,460</td>
<td>2,966,700</td>
<td>13,086,935</td>
</tr>
</tbody>
</table>

Note: The amount of each item in others does not exceed 5% of the account balance.
### Table 1  Loans to other parties:

(December 31, 2023)

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of borrower</th>
<th>Name of related party</th>
<th>Account name</th>
<th>Related party</th>
<th>Account balance</th>
<th>Collateral balance</th>
<th>Curreny</th>
<th>Related party balance</th>
<th>Collateral balance</th>
<th>Date of termination</th>
<th>Date of expiration</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>The Company</td>
<td>UCGI</td>
<td>Other</td>
<td>receivables</td>
<td>Y 460,000</td>
<td>Operating demand</td>
<td>230,000</td>
<td>Y 230,000</td>
<td>2.10%-2.29%</td>
<td>Operating demand</td>
<td>23,924,399</td>
<td>(Note 1)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>Hongji Kinpo</td>
<td>Other</td>
<td>receivables</td>
<td>Y 400,000</td>
<td>Operating demand</td>
<td>200,000</td>
<td>Y 200,000</td>
<td>2.19%-2.29%</td>
<td>Operating demand</td>
<td>23,924,399</td>
<td>(Note 1)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>CEI</td>
<td>Other</td>
<td>receivables</td>
<td>Y 1,751,250</td>
<td>Operating demand</td>
<td>921,150</td>
<td>921,150</td>
<td>5.06%-6.19%</td>
<td>Operating demand</td>
<td>23,924,399</td>
<td>(Note 1)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>Arcadyan</td>
<td>Other</td>
<td>receivables</td>
<td>Y 1,150,000</td>
<td>Operating demand</td>
<td>550,000</td>
<td>-</td>
<td>2.16%-2.29%</td>
<td>Operating demand</td>
<td>4,555,887</td>
<td>(Note 1)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>CGSP CEP</td>
<td>Other</td>
<td>receivables</td>
<td>Y 1,508,925</td>
<td>Operating demand</td>
<td>1,995,825</td>
<td>1,995,825</td>
<td>5.06%-6.19%</td>
<td>Operating demand</td>
<td>23,924,399</td>
<td>(Note 1)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>CPC CICC</td>
<td>Other</td>
<td>receivables</td>
<td>Y 686,700</td>
<td>Operating demand</td>
<td>432,700</td>
<td>432,700</td>
<td>2.10%-2.29%</td>
<td>Operating demand</td>
<td>2,832,493</td>
<td>(Note 3)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>CIT CCI Nanjing</td>
<td>Other</td>
<td>receivables</td>
<td>Y 2,249,750</td>
<td>Operating demand</td>
<td>2,149,350</td>
<td>1,780,890</td>
<td>6.61%</td>
<td>Operating demand</td>
<td>27,655,296</td>
<td>(Note 4)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>CIT Rayonnant Technology (Taicang)</td>
<td>Other</td>
<td>receivables</td>
<td>Y 81,063</td>
<td>Operating demand</td>
<td>-</td>
<td>-</td>
<td>6.61%</td>
<td>Operating demand</td>
<td>27,655,296</td>
<td>(Note 4)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>CEA</td>
<td>Other</td>
<td>receivables</td>
<td>Y 1,887,150</td>
<td>Operating demand</td>
<td>921,150</td>
<td>921,150</td>
<td>5.75%-6.61%</td>
<td>Operating demand</td>
<td>27,655,296</td>
<td>(Note 4)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>CEP</td>
<td>Other</td>
<td>receivables</td>
<td>Y 64,850</td>
<td>Operating demand</td>
<td>-</td>
<td>-</td>
<td>6.61%</td>
<td>Operating demand</td>
<td>45,060,928</td>
<td>(Note 2)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>CPC</td>
<td>Other</td>
<td>receivables</td>
<td>Y 324,250</td>
<td>Operating demand</td>
<td>307,050</td>
<td>307,050</td>
<td>6.09%</td>
<td>Operating demand</td>
<td>3,111,110</td>
<td>(Note 5)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>CPC</td>
<td>Other</td>
<td>receivables</td>
<td>Y 972,750</td>
<td>Operating demand</td>
<td>921,150</td>
<td>921,150</td>
<td>6.09%</td>
<td>Operating demand</td>
<td>3,111,110</td>
<td>(Note 5)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>CIT Rayonnant Technology (Taicang)</td>
<td>Other</td>
<td>receivables</td>
<td>Y 532,660</td>
<td>Operating demand</td>
<td>259,820</td>
<td>173,000</td>
<td>2.00%-2.29%</td>
<td>Operating demand</td>
<td>5,045,678</td>
<td>(Note 6)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>CPC</td>
<td>Other</td>
<td>receivables</td>
<td>Y 600,000</td>
<td>Operating demand</td>
<td>-</td>
<td>-</td>
<td>2.29%</td>
<td>Operating demand</td>
<td>964,878</td>
<td>(Note 7)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>CCI</td>
<td>Other</td>
<td>receivables</td>
<td>Y 1,200,000</td>
<td>Operating demand</td>
<td>600,000</td>
<td>600,000</td>
<td>2.13%-2.29%</td>
<td>Operating demand</td>
<td>2,376,223</td>
<td>(Note 7)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>CPC</td>
<td>Other</td>
<td>receivables</td>
<td>Y 1,783,375</td>
<td>Operating demand</td>
<td>1,688,775</td>
<td>1,688,775</td>
<td>6.61%</td>
<td>Operating demand</td>
<td>10,930,282</td>
<td>(Note 6)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>CCI</td>
<td>Other</td>
<td>receivables</td>
<td>Y 324,250</td>
<td>Operating demand</td>
<td>307,050</td>
<td>307,050</td>
<td>6.09%</td>
<td>Operating demand</td>
<td>10,930,282</td>
<td>(Note 6)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>CCI</td>
<td>Other</td>
<td>receivables</td>
<td>Y 583,650</td>
<td>Operating demand</td>
<td>506,633</td>
<td>337,756</td>
<td>6.61%</td>
<td>Operating demand</td>
<td>8,255,369</td>
<td>(Note 9)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>CPC</td>
<td>Other</td>
<td>receivables</td>
<td>Y 600,000</td>
<td>Operating demand</td>
<td>-</td>
<td>-</td>
<td>2.29%</td>
<td>Operating demand</td>
<td>964,878</td>
<td>(Note 10)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>CCI</td>
<td>Other</td>
<td>receivables</td>
<td>Y 15,000</td>
<td>Operating demand</td>
<td>5,000</td>
<td>5,000</td>
<td>2.19%-2.29%</td>
<td>Operating demand</td>
<td>13,749</td>
<td>(Note 10)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>CGSP CEP</td>
<td>Other</td>
<td>receivables</td>
<td>Y 64,850</td>
<td>Operating demand</td>
<td>61,410</td>
<td>-</td>
<td>6.61%</td>
<td>Operating demand</td>
<td>92,753</td>
<td>(Note 11)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>Kang &amp; Comp Group Assets Development Corporation</td>
<td>Other</td>
<td>receivables</td>
<td>Y 450,000</td>
<td>Operating demand</td>
<td>430,000</td>
<td>430,000</td>
<td>2.29%</td>
<td>Operating demand</td>
<td>477,167</td>
<td>(Note 12)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>Ho Chih Sen, Medical Management Consulting Co., Ltd.</td>
<td>Other</td>
<td>receivables</td>
<td>Y 35,000</td>
<td>Operating demand</td>
<td>35,000</td>
<td>20,000</td>
<td>2.19%</td>
<td>Operating demand</td>
<td>154,819</td>
<td>(Note 13)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>Amadahy Brasil</td>
<td>Other</td>
<td>receivables</td>
<td>Y 63,720</td>
<td>Operating demand</td>
<td>-</td>
<td>-</td>
<td>5.00%</td>
<td>Operating demand</td>
<td>2,960,444</td>
<td>(Note 14)</td>
</tr>
<tr>
<td>0</td>
<td>The Company</td>
<td>Amadahy Brasil</td>
<td>Other</td>
<td>receivables</td>
<td>Y 64,870</td>
<td>Operating demand</td>
<td>61,410</td>
<td>42,987</td>
<td>5.50%</td>
<td>Operating demand</td>
<td>2,960,444</td>
<td>(Note 14)</td>
</tr>
</tbody>
</table>

(Continued)
## Table 1: Loans to other parties:

(December 31, 2023)

| No. | Name of party | Name of receivables | Account name | Related party name | Account number | Range of usage during the period | Actual usage during the period | Credit limits | Maximum amount for lending to others Note | Actual usage during the period | Reason for lending to others Note | Allotment of amount for lending to others Note | Individual lending loan | Individual lending loan | Cultural | Commercial | Notes to Parent-Company-Only Financial Statements |
|-----|---------------|---------------------|--------------|-------------------|----------------|-------------------|-------------------|-----------------------|-----------------------------|-------------------|----------------------------------|----------------------------------|-----------------------|-------------------|-------------------|-----------------------|
| 15  | Arcadian Vietnam | Other receivables | Y 304,800 | 1.00% | Transaction for business between two parties | 14,676,990 | - | - | - | - | Total amount for lending to other parties Note 7: should 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 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 limited by 80% of two endorsements/guarantees for the borrower when calculating. | Note 1: According to the Company's Procedures for Lending Funds to Other Parties, the total amount of loans to others shall not exceed 40% of the net worth of the Company. When a short-term financing facility with the borrower is necessary, the borrower should be the ultimate parent company's 100% directly or indirectly owned overseas subsidiaries or the ultimate parent company's 100% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two 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 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 limited by 80% of two endorsements/guarantees for the borrower when calculating. | Note 2: According to Citic's Procedures for Lending Funds to Other Parties, the total amount of loans to other parties shall not exceed 40% of the net worth of Citic. When a short-term financing facility with Citic 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 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 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 limited by 80% of two endorsements/guarantees for the borrower when calculating. | Note 3: According to CPC's Procedures for Lending Funds to Other Parties, the total amount of loans to other parties 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 lendable capital, and shall be combined with the company'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 limited by 80% of two 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 other parties 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 indirectly owned overseas subsidiaries or the ultimate parent company’s 100% directly, the total amount of loans is limited by 80% of two endorsements/guarantees for the borrower when calculating. | Note 5: According to GPA's Procedures for Lending Funds to Other Parties, the total amount of loans to other parties shall not exceed 40% of the net worth of GPAL. When a short-term financing facility with GPA 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 GPA’s total amount of lendable capital, and shall be combined with the company’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 limited by 80% of two endorsements/guarantees for the borrower when calculating. | Note 6: According to Jiant’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties shall not exceed 40% of the net worth of Jiant. When a short-term financing facility with Jiant 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 Jiant’s total amount of lendable capital, and shall be combined with the company’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 limited by 80% of two endorsements/guarantees for the borrower when calculating. | Note 7: According to Adasys’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties shall not exceed 40% of the net worth of Adasys. To borrowers having business relationship with Adasys, the total amount for lending the borrower shall not exceed 80% of the transaction amount in the last fiscal year or the expected amount for the current year, nor shall it exceed 20% of the net worth of Adasys. Also, the amount shall be combined with the Adasys’ endorsements/guarantees for the borrower when calculating. When a short-term financing facility is necessary, the borrower should be Adasys’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 Adasys, and shall be combined with the Adasys’s endorsements/guarantees for the borrower when calculating. | Note 8: According to Arcadian Holdings’s Procedures of Lending Funds to Other Parties, the total amount of loans to other parties shall not exceed 40% of the net worth of Arcadian Holdings. When a short-term financing facility is necessary, the borrower should be Arcadian Holdings’ 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 Arcadian Holdings, and shall be combined with the Arcadian Holdings’s endorsements/guarantees for the borrower when calculating. |

### Notes to Parent-Company-Only Financial Statements

1. According to the Company’s Procedures for Lending Funds to Other Parties, the total amount of loans to others shall not exceed 40% of the net worth of the Company. When a short-term financing facility with the borrower is necessary, the total amount for lending to any company shall not exceed 10% of the borrower’s net worth, nor shall it be more than 50% of the Company’s lendable amount, 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 share to 30% of the aforementioned amount, but the maximum amount shall not exceed 50% of the Company’s total funds lending, and shall be calculated together with the amount of guarantees endorsed by the Company for each subsidiary.

2. According to Citic’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties shall not exceed 40% of the net worth of Citic. When a short-term financing facility with Citic 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 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 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 limited by 80% of two endorsements/guarantees for the borrower when calculating.

3. According to CPC’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties 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 lendable capital, and shall be combined with the company’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 limited by 80% of two endorsements/guarantees for the borrower when calculating.

4. According to CPO’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties 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 indirectly owned overseas subsidiaries or the ultimate parent company’s 100% directly, the total amount of loans is limited by 80% of two endorsements/guarantees for the borrower when calculating.

5. According to GPA’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties shall not exceed 40% of the net worth of GPA. When a short-term financing facility with GPA 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 GPA’s total amount of lendable capital, and shall be combined with the company’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 limited by 80% of two endorsements/guarantees for the borrower when calculating.

6. According to Jiant’s Procedures for Lending Funds to Other Parties, the total amount of loans to other parties shall not exceed 40% of the net worth of Jiant. When a short-term financing facility with Jiant 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 Jiant’s total amount of lendable capital, and shall be combined with the company’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 limited by 80% of two endorsements/guarantees for the borrower when calculating.
### Table 2 Guarantees and endorsements for other parties:

(December 31, 2023)

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of guarantor</th>
<th>Parent company endorsements to third parties on behalf of subsidiary</th>
<th>Subsidiary endorsements to third parties on behalf of parent company</th>
<th>Endorsements guarantees to third parties on behalf of companies in Mainland China</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>The Company CEP</td>
<td>-</td>
<td>-</td>
<td>Y</td>
</tr>
<tr>
<td>0</td>
<td>The Company CEB</td>
<td>-</td>
<td>-</td>
<td>Y</td>
</tr>
<tr>
<td>0</td>
<td>The Company HengHao Kunshan</td>
<td>-</td>
<td>-</td>
<td>Y</td>
</tr>
<tr>
<td>1</td>
<td>Arcadyan Arcadyan AU</td>
<td>-</td>
<td>-</td>
<td>Y</td>
</tr>
<tr>
<td>2</td>
<td>Poindus Systems QiJie</td>
<td>-</td>
<td>-</td>
<td>Y</td>
</tr>
</tbody>
</table>

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 20% 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 20% 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: According to Poindus Systems’ Procedures for Endorsement and Guarantee, Poindus Systems only endorses and guarantees to subsidiaries wherein it holds 100% of their voting shares. Poindus Systems’ endorsement and guarantee for a subsidiary shall not exceed 35% of its net worth and the total amount of endorsements/guarantees shall not exceed 35% of its net worth.

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

Note 5: Subsidiary whose over 50% common stock is indirectly owned.

(Continued)
<table>
<thead>
<tr>
<th>Name of holder</th>
<th>Category and name of security</th>
<th>Relationship with security issuer</th>
<th>Account name</th>
<th>Ending balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMPAL ELECTRONICS, INC.</td>
<td>Notes to Parent-Company-Only Financial Statements</td>
<td>(Continued)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Company</td>
<td>-</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>3,197</td>
<td>315,254</td>
</tr>
<tr>
<td>Kinpo</td>
<td>-</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>124,044</td>
<td>2,015,711</td>
</tr>
<tr>
<td>Cal-Comp</td>
<td>-</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>1,554,139</td>
<td>2,906,241</td>
</tr>
<tr>
<td>HWA VI Venture Capital Corp.</td>
<td>-</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>48</td>
<td>13,553</td>
</tr>
<tr>
<td>HWA Chi Venture Capital Corp.</td>
<td>-</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>53</td>
<td>13,515</td>
</tr>
<tr>
<td>mProbe Ltd.</td>
<td>-</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>4,000</td>
<td>10,800</td>
</tr>
<tr>
<td>AcBel</td>
<td>-</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>6,685</td>
<td>274,754</td>
</tr>
<tr>
<td>Chen Feng Optoelectronics</td>
<td>-</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>6,685</td>
<td>101,676</td>
</tr>
<tr>
<td>PrimeSensor Technology Inc.</td>
<td>-</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>868</td>
<td>13,361</td>
</tr>
<tr>
<td>Ganzin Technology, Inc.</td>
<td>-</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>2,000</td>
<td>36,000</td>
</tr>
<tr>
<td>Airoha Technology Corp.</td>
<td>-</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>215</td>
<td>124,055</td>
</tr>
<tr>
<td>ITH Corporation</td>
<td>-</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>8,000</td>
<td>225,989</td>
</tr>
<tr>
<td>Clean Energy Fund</td>
<td>-</td>
<td>Financial assets at fair value through profit or loss-non-current</td>
<td>-</td>
<td>179,175</td>
</tr>
<tr>
<td>CDIB Partners Investment Holding Corp.</td>
<td>-</td>
<td>Financial assets at fair value through profit or loss-non-current</td>
<td>5,000</td>
<td>91,000</td>
</tr>
<tr>
<td>Phoenix Innovation Investment Corporation.</td>
<td>-</td>
<td>Financial assets at fair value through profit or loss-non-current</td>
<td>6,000</td>
<td>67,680</td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
<td>Financial assets at fair value through profit or loss and other comprehensive income</td>
<td>146,801</td>
<td>146,801</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Table 3: Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures): (December 31, 2023)

<table>
<thead>
<tr>
<th>Name of holder</th>
<th>Category and name of security</th>
<th>Relationship with security issuer</th>
<th>Account name</th>
<th>Ending balance</th>
<th>Shares/Units (Thousands)</th>
<th>Holding percentage (%)</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Carrying value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Panpal</td>
<td>Others</td>
<td>-</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td></td>
<td>9,384</td>
<td>9,384</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>3,917,425</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compal Electronics, Inc.</td>
<td>The parent company</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>18,369</td>
<td>732,019</td>
<td>- 732,019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lian Hong Art. Co., Ltd.</td>
<td>-</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>2,291</td>
<td>71,365</td>
<td>6% 71,365</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td></td>
<td>952</td>
<td>952</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>804,336</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hong Ji</td>
<td>SUVIN Optronics Co., Ltd. (&quot;SUVIN Optronics&quot;)</td>
<td>-</td>
<td>Financial assets at fair value through other comprehensive income-non-current</td>
<td>380</td>
<td>1% -</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>83,554</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mactech Taichung International Golf Country Club</td>
<td>-</td>
<td>11,790</td>
<td>- 11,790</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>83,554</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mactech Taichung International Golf Country Club</td>
<td>-</td>
<td>11,790</td>
<td>- 11,790</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>83,554</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>HHB HWALLAR OPTRONICS (Fuzhou) CO., LTD.</td>
<td>-</td>
<td>-</td>
<td>19% -</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>502,738</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>BT Suzhou Genki Fukong Health Management Co., Ltd.</td>
<td>-</td>
<td>4,328</td>
<td>17% 4,328</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>502,738</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>CIT Kunqiao Phase II (Suzhou) Emerging Industry Venture Capital Partnership Fund</td>
<td>-</td>
<td>502,738</td>
<td>- 502,738</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>328,807</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note 1: The carrying value is the remaining amount after deducting accumulated impairment.

(Continued)
### Table 4  Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:

(For the year ended December 31, 2023)

<table>
<thead>
<tr>
<th>Name of company</th>
<th>Security Account name</th>
<th>Shares/ Units</th>
<th>Price</th>
<th>Cost</th>
<th>Gain (loss) on disposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Company</td>
<td>Kinpo &amp; Compal Group Development Corporation</td>
<td>52,500</td>
<td>505,547</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Company</td>
<td>Arcadyan Holding</td>
<td>281,233</td>
<td>579,341</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 1: Cash-capital.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 2: Others refer to investment income using equity method and foreign currency translation differences of foreign operations.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 3: Stock dividends.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 4: Others refer to unrealized gain and loss on financial assets and its deferred taxes.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 5: Subsidiary whose over 50% common stock is directly owned.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 6: Subsidiary whose over 50% common stock is indirectly owned.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 7: The same chairman of the Company.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Table 5  Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:

(For the year ended December 31, 2023)

<table>
<thead>
<tr>
<th>Name of company</th>
<th>Security Account name</th>
<th>Shares/ Units</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Company</td>
<td>Kinpo &amp; Compal Group Development Corporation</td>
<td>52,500</td>
<td>505,547</td>
</tr>
<tr>
<td>The Company</td>
<td>Arcadyan Holding</td>
<td>281,233</td>
<td>579,341</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BSH</td>
<td>EUV</td>
<td>47,760</td>
<td>1,804,421</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 1: Cash-capital.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 2: Others refer to investment income using equity method and foreign currency translation differences of foreign operations.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 3: Stock dividends.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 4: Others refer to unrealized gain and loss on financial assets and its deferred taxes.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 5: Subsidiary whose over 50% common stock is directly owned.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 6: Subsidiary whose over 50% common stock is indirectly owned.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 7: The same chairman of the Company.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Continued)
## Table 6  Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(For the year ended December 31, 2023)

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Counter party</th>
<th>Nature of relationship</th>
<th>Transaction details</th>
<th>Transactions with terms different from others</th>
<th>Notes Accounts receivable (payable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Company</td>
<td>CBN</td>
<td>The Company's subsidiaries</td>
<td>Sale (71,032,371)</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
</tr>
<tr>
<td></td>
<td>Arcadyan</td>
<td>The Company's subsidiaries</td>
<td>Sale (1,418,691)</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
</tr>
<tr>
<td></td>
<td>BCI</td>
<td>Subsidiaries wholly owned by the Company</td>
<td>Sale (114,975)</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
</tr>
<tr>
<td></td>
<td>HSI</td>
<td>Subsidiaries wholly owned by the Company</td>
<td>Purchase 189,417</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
</tr>
<tr>
<td></td>
<td>CIH</td>
<td>Subsidiaries wholly owned by the Company</td>
<td>Purchase 105,753,627</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
</tr>
<tr>
<td></td>
<td>Eta</td>
<td>Subsidiaries wholly owned by the Company</td>
<td>Sale 71,038,857</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
</tr>
<tr>
<td></td>
<td>HSI</td>
<td>Subsidiaries wholly owned by the Company</td>
<td>Purchase 66,824,371</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
</tr>
<tr>
<td></td>
<td>BCT</td>
<td>Subsidiaries wholly owned by the Company</td>
<td>Purchase 29,504,779</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
</tr>
<tr>
<td></td>
<td>Etra</td>
<td>Subsidiaries wholly owned by the Company</td>
<td>Purchase 2,973,830</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
</tr>
<tr>
<td></td>
<td>Kangs</td>
<td>The same chairman of the Company</td>
<td>Purchase 43,822,993</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
</tr>
<tr>
<td></td>
<td>Compal Electronics, Inc.</td>
<td>Parent company</td>
<td>Sale (71,030,857)</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
</tr>
<tr>
<td></td>
<td>UCGL</td>
<td>With the same ultimate parent company</td>
<td>Sale (211,853)</td>
<td>60 days Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
</tr>
<tr>
<td></td>
<td>HSI</td>
<td>With the same ultimate parent company</td>
<td>Purchase 1,148,812</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
</tr>
<tr>
<td></td>
<td>Etra</td>
<td>With the same ultimate parent company</td>
<td>Purchase 148,167</td>
<td>60 days Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
</tr>
<tr>
<td></td>
<td>Compal Electronics, Inc.</td>
<td>Parent company</td>
<td>Sale (105,753,627)</td>
<td>120 days Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
</tr>
<tr>
<td></td>
<td>BCT</td>
<td>With the same ultimate parent company</td>
<td>Sale (505,696)</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
</tr>
<tr>
<td></td>
<td>HSI</td>
<td>With the same ultimate parent company</td>
<td>Sale (8,058,473)</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
</tr>
<tr>
<td></td>
<td>CEB</td>
<td>With the same ultimate parent company</td>
<td>Sale (245,966)</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
</tr>
<tr>
<td></td>
<td>CEA</td>
<td>With the same ultimate parent company</td>
<td>Sale (311,899)</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference, and adjustments will be made based on demand for funding if necessary.</td>
</tr>
</tbody>
</table>
### Table 6: Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(For the year ended December 31, 2023)

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Counterparty</th>
<th>Nature of relationship</th>
<th>Transaction</th>
<th>Total Amount (In Thousands of New Taiwan Dollars)</th>
<th>Percentage of total purchases (sales)</th>
<th>Payment terms</th>
<th>Unit price</th>
<th>Payment Terms</th>
<th>Ending Balance (In Thousands of New Taiwan Dollars)</th>
<th>Notes/Accounts receivable (payable)</th>
<th>Percentage of total notes/accounts receivable (payable)</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>BCI and its subsidiaries</td>
<td>Parent company</td>
<td>Sale</td>
<td>Sale (29,504,779)</td>
<td>92.2%</td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>Markup based on BCI and its subsidiaries' cost</td>
<td>9,497,819</td>
<td>93.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BCI and its subsidiaries</td>
<td>Parent company</td>
<td>Sale</td>
<td>Sale (346,858)</td>
<td>0.9%</td>
<td>120 days</td>
<td>According to markup pricing</td>
<td>Adjustments will be made based on demand for funding if necessary</td>
<td>16,460</td>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BCI and its subsidiaries</td>
<td>Parent company</td>
<td>Sale</td>
<td>Sale (424,337)</td>
<td>4.1%</td>
<td>120 days</td>
<td>According to markup pricing</td>
<td>Adjustments will be made based on demand for funding if necessary</td>
<td>1,276,398</td>
<td>1.7%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEA</td>
<td>Parent company</td>
<td>Sale</td>
<td>Sale (688,172)</td>
<td>1.1%</td>
<td>120 days</td>
<td>According to markup pricing</td>
<td>There is no significant difference</td>
<td>193,789</td>
<td>0.9%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEB</td>
<td>Parent company</td>
<td>Sale</td>
<td>Sale (315,316)</td>
<td>0.8%</td>
<td>120 days</td>
<td>According to markup pricing</td>
<td>There is no significant difference</td>
<td>402,431</td>
<td>3.3%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CII and its subsidiaries</td>
<td>Parent company</td>
<td>Sale</td>
<td>Sale (505,896)</td>
<td>1.6%</td>
<td>120 days</td>
<td>According to markup pricing</td>
<td>Adjustments will be made based on demand for funding</td>
<td>(9,256)</td>
<td>(0.0)%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology and its subsidiaries</td>
<td>Parent company</td>
<td>Sale</td>
<td>Sale (120,513)</td>
<td>0.5%</td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference</td>
<td>(25,132)</td>
<td>(0.1)%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CPM</td>
<td>Parent company</td>
<td>Sale</td>
<td>Sale (172,286)</td>
<td>0.5%</td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference</td>
<td>(12,690)</td>
<td>(0.0)%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acbel and its subsidiaries</td>
<td>Parent company</td>
<td>Sale</td>
<td>Sale (230,457)</td>
<td>0.7%</td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference</td>
<td>(102,674)</td>
<td>(0.3)%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEA</td>
<td>CEB</td>
<td>Sale</td>
<td>Sale (1,562,819)</td>
<td>(21.3)%</td>
<td>45 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference</td>
<td>943,962</td>
<td>36.8%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BCI and its subsidiaries</td>
<td>Parent company</td>
<td>Sale</td>
<td>Sale (688,172)</td>
<td>11.3%</td>
<td>120 days</td>
<td>According to markup pricing</td>
<td>There is no significant difference</td>
<td>(193,709)</td>
<td>(25.8)%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CII and its subsidiaries</td>
<td>Parent company</td>
<td>Sale</td>
<td>Sale (311,899)</td>
<td>5.1%</td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference</td>
<td>(68,229)</td>
<td>(9.1)%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEB</td>
<td>Parent company</td>
<td>Sale</td>
<td>Sale (315,316)</td>
<td>8.0%</td>
<td>120 days</td>
<td>According to markup pricing</td>
<td>There is no significant difference</td>
<td>(402,431)</td>
<td>(28.8)%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEA</td>
<td>Parent company</td>
<td>Sale</td>
<td>Sale (1,562,819)</td>
<td>38.9%</td>
<td>45 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference</td>
<td>(943,962)</td>
<td>(67.6)%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CII and its subsidiaries</td>
<td>Parent company</td>
<td>Sale</td>
<td>Sale (245,966)</td>
<td>6.1%</td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference</td>
<td>(11,918)</td>
<td>(0.8)%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEP</td>
<td>Parent company</td>
<td>Sale</td>
<td>Sale (189,437)</td>
<td>91.7%</td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference</td>
<td>-</td>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEA</td>
<td>Parent company</td>
<td>Sale</td>
<td>Sale (114,975)</td>
<td>100.0%</td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>There is no significant difference</td>
<td>(97,757)</td>
<td>89.2%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Continued)
<table>
<thead>
<tr>
<th>Company Name</th>
<th>COUNTER party</th>
<th>Nature of relationship</th>
<th>Purchase/ (Sale)</th>
<th>Percentage of total purchases/ (sales)</th>
<th>Unit price</th>
<th>Payment terms</th>
<th>Notes/Accounts receivable</th>
<th>ENDING BALANCE</th>
<th>PERCENTAGE of total notes/accounts receivable (payable)</th>
<th>NOTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arcadyan</td>
<td>Parent company</td>
<td>Sale</td>
<td>(2,975,836)</td>
<td>(84.9)%</td>
<td></td>
<td>Net 60 days from delivery</td>
<td>According to markup pricing</td>
<td>995,739</td>
<td>92.7%</td>
<td></td>
</tr>
<tr>
<td>Arcadyan GmbH</td>
<td>Parent company</td>
<td>Sale</td>
<td>(1,481,168)</td>
<td>(4.2)%</td>
<td></td>
<td>Net 60 days from delivery</td>
<td>According to markup pricing</td>
<td>-</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Arcadyan N.A.</td>
<td>Parent company</td>
<td>Purchase</td>
<td>196,028</td>
<td>10.2%</td>
<td></td>
<td>Net 60 days from delivery</td>
<td>Similar to non-related parties</td>
<td>-</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Arcadyan A.I.</td>
<td>Parent company</td>
<td>Sale</td>
<td>(212,507)</td>
<td>100.0%</td>
<td></td>
<td>Net 60 days from delivery</td>
<td>Similar to non-related parties</td>
<td>128,048</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td>Rayonnant Technology and its subsidiaries</td>
<td>Parent company</td>
<td>Sale</td>
<td>(410,349)</td>
<td>(92.1)%</td>
<td></td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>7,965,844</td>
<td>99.6%</td>
<td></td>
</tr>
<tr>
<td>BCT and its subsidiaries</td>
<td>Parent company</td>
<td>Sale</td>
<td>(120,513)</td>
<td>(7.9)%</td>
<td></td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>89,976</td>
<td>0.4%</td>
<td></td>
</tr>
<tr>
<td>BSI and its subsidiaries</td>
<td>Parent company</td>
<td>Sale</td>
<td>(666,247,571)</td>
<td>(97.1)%</td>
<td></td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>(Continued)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BSI and its subsidiaries</td>
<td>Parent company</td>
<td>Sale</td>
<td>(894,749)</td>
<td>(1.0)%</td>
<td></td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>-</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>BSI and its subsidiaries</td>
<td>Parent company</td>
<td>Sale</td>
<td>(1,148,812)</td>
<td>(1.6)%</td>
<td></td>
<td>120 days</td>
<td>Similar to non-related parties</td>
<td>-</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>BSI and its subsidiaries</td>
<td>Parent company</td>
<td>Sale</td>
<td>(196,026)</td>
<td>(0.3)%</td>
<td></td>
<td>Net 60 days from delivery</td>
<td>Similar to non-related parties</td>
<td>(1,276,398)</td>
<td>2.9%</td>
<td></td>
</tr>
<tr>
<td>CBN</td>
<td>Parent company</td>
<td>Purchase</td>
<td>160,983</td>
<td>17.0%</td>
<td></td>
<td>Net 90 days from delivery</td>
<td>-</td>
<td>No significant difference</td>
<td>(110,494)</td>
<td>60.0%</td>
</tr>
<tr>
<td>Arcadyan Germany</td>
<td>Arcadyan's subsidiary</td>
<td>Sale</td>
<td>(1,025,804)</td>
<td>(2.9)%</td>
<td></td>
<td>Net 150 days from delivery</td>
<td>-</td>
<td>208,003</td>
<td>2.0%</td>
<td></td>
</tr>
<tr>
<td>Arcadyan N.A.</td>
<td>Arcadyan's subsidiary</td>
<td>Sale</td>
<td>(19,847,179)</td>
<td>(42.0)%</td>
<td></td>
<td>Net 120 days from delivery</td>
<td>-</td>
<td>3,444,196</td>
<td>39.0%</td>
<td></td>
</tr>
<tr>
<td>Arcadyan A.I.</td>
<td>Arcadyan's subsidiary</td>
<td>Sale</td>
<td>(1,075,651)</td>
<td>(2.6)%</td>
<td></td>
<td>Net 60 days from the end of the month of delivery</td>
<td>-</td>
<td>135,262</td>
<td>2.0%</td>
<td></td>
</tr>
<tr>
<td>Compal Electronic, Inc.</td>
<td>Parent company</td>
<td>Purchase</td>
<td>1,497,276</td>
<td>2.0%</td>
<td></td>
<td>Net 60 days from the end of the month of delivery</td>
<td>-</td>
<td>(685,277)</td>
<td>6.0%</td>
<td></td>
</tr>
<tr>
<td>CNC</td>
<td>Arcadyan's subsidiary</td>
<td>Purchase</td>
<td>8,605,578</td>
<td>(12.0)%</td>
<td></td>
<td>Net 120 days from delivery</td>
<td>According to markup pricing</td>
<td>(2,871,117)</td>
<td>26.0%</td>
<td>(Note 1)</td>
</tr>
<tr>
<td>Arcadyan Vietnam</td>
<td>Arcadyan's subsidiary</td>
<td>Purchase</td>
<td>3,406,396</td>
<td>(5.0)%</td>
<td></td>
<td>Net 180 days from the end of the month of delivery</td>
<td>According to markup pricing</td>
<td>-</td>
<td>- (Note 2)</td>
<td>(Note 1)</td>
</tr>
<tr>
<td>CNC</td>
<td>Arcadyan's subsidiary</td>
<td>Sale</td>
<td>(6,605,578)</td>
<td>(100.0)%</td>
<td></td>
<td>Net 120 days from delivery</td>
<td>According to markup pricing</td>
<td>2,871,117</td>
<td>(100.0)%</td>
<td>(Note 1)</td>
</tr>
</tbody>
</table>

*Notes:*
- There is no significant difference, and adjustments will be made based on demand for funding if necessary.
- There is no significant difference, and adjustments will be made based on demand for funding if necessary.
- According to markup pricing.

*Notes to Parent-Company-Only Financial Statements*
### Notes to Parent-Company-Only Financial Statements

#### Table 6  Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(For the year ended December 31, 2023)

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Counterparty</th>
<th>Nature of relationship</th>
<th>Transaction details</th>
<th>Transaction with terms different from others</th>
<th>Notes/Accounts receivable</th>
<th>Percentage of total notes/accounts receivable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arcadyan</td>
<td>Arcadyan</td>
<td>With the same ultimate parent company</td>
<td>Sale 3,346,396 (100.0)%</td>
<td>Net 180 days from the end of the month of delivery</td>
<td>According to markup pricing</td>
<td>- (Note 2)</td>
</tr>
<tr>
<td>Arcadyan</td>
<td>Arcadyan</td>
<td>With the same ultimate parent company</td>
<td>Purchase 1,028,804 100.0%</td>
<td>Net 150 days from delivery</td>
<td>-</td>
<td>- (208,003) (100.0)%</td>
</tr>
<tr>
<td>Arcadyan</td>
<td>Arcadyan</td>
<td>With the same ultimate parent company</td>
<td>Purchase 19,047,179 100.0%</td>
<td>Net 120 days from delivery</td>
<td>-</td>
<td>- (1,444,196) (100.0)%</td>
</tr>
<tr>
<td>Arcadyan</td>
<td>Arcadyan</td>
<td>With the same ultimate parent company</td>
<td>Purchase 1,075,651 100.0%</td>
<td>Net 60 days from the end of the month of delivery</td>
<td>-</td>
<td>- (155,202) (100.0)%</td>
</tr>
</tbody>
</table>

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

Note 2: The amount of receivables on December 31, 2023 is 1,439,730 thousand dollars.

(Continued)
### Table 7: Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(December 31, 2023)

<table>
<thead>
<tr>
<th>Name of Company</th>
<th>Counter-party</th>
<th>Nature of relationship</th>
<th>Ending Balance</th>
<th>Turnover rate</th>
<th>Overdue</th>
<th>Action taken</th>
<th>Amount</th>
<th>Action taken</th>
<th>Amount</th>
<th>Allowance for bad debts</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Company</td>
<td>Arcadyan</td>
<td>The Company's subsidiary</td>
<td>685,277</td>
<td>1.33</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(Note 1)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>The Company</td>
<td>CBN</td>
<td>The Company's subsidiary</td>
<td>137,791</td>
<td>0.86</td>
<td>-</td>
<td>-</td>
<td>95,958 (Note 1)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Company</td>
<td>Just and its subsidiaries</td>
<td>The Company's subsidiary</td>
<td>4,050,926 (Note 2)</td>
<td>0.46</td>
<td>-</td>
<td>-</td>
<td>4,050,926 (Note 1)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Company</td>
<td>Cal-Comp</td>
<td>The same chairman of the Company</td>
<td>6,407,361 (Note 2)</td>
<td>0.22</td>
<td>-</td>
<td>-</td>
<td>6,406,905 (Note 1)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Just and its subsidiaries</td>
<td>Compal Electronic, Inc.</td>
<td>Parent company</td>
<td>2,070,603</td>
<td>37.47</td>
<td>-</td>
<td>-</td>
<td>1,450,425 (Note 1)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CIH and its subsidiaries</td>
<td>Compal Electronic, Inc.</td>
<td>Parent company</td>
<td>49,778,450</td>
<td>2.17</td>
<td>-</td>
<td>-</td>
<td>47,287,744 (Note 1)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CIH and its subsidiaries</td>
<td>HSI and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td>7,590,654</td>
<td>1.37</td>
<td>-</td>
<td>-</td>
<td>(Note 1)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BCI and its subsidiaries</td>
<td>Compal Electronic, Inc.</td>
<td>Parent company</td>
<td>9,497,819</td>
<td>3.22</td>
<td>-</td>
<td>-</td>
<td>9,497,819 (Note 1)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BCI and its subsidiaries</td>
<td>HSI and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td>1,276,398</td>
<td>0.83</td>
<td>-</td>
<td>-</td>
<td>(Note 1)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BCI and its subsidiaries</td>
<td>CEB</td>
<td>With the same ultimate parent company</td>
<td>1,193,411</td>
<td>0.38</td>
<td>-</td>
<td>-</td>
<td>630 (Note 1)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BCI and its subsidiaries</td>
<td>CEA</td>
<td>With the same ultimate parent company</td>
<td>193,709</td>
<td>3.68</td>
<td>-</td>
<td>-</td>
<td>26,671 (Note 1)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BCI and its subsidiaries</td>
<td>CEB</td>
<td>With the same ultimate parent company</td>
<td>943,962</td>
<td>2.30</td>
<td>-</td>
<td>-</td>
<td>146,874 (Note 1)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rayonnant Technology and its subsidiaries</td>
<td>CH and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td>263,964</td>
<td>6.13</td>
<td>-</td>
<td>-</td>
<td>(Note 1)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Etrade and its subsidiaries</td>
<td>Compal Electronic, Inc.</td>
<td>Parent company</td>
<td>995,739</td>
<td>1.84</td>
<td>-</td>
<td>-</td>
<td>307,188 (Note 1)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forever and its subsidiaries</td>
<td>HSI and its subsidiaries</td>
<td>With the same ultimate parent company</td>
<td>128,048</td>
<td>1.23</td>
<td>-</td>
<td>-</td>
<td>(Note 1)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HSI and its subsidiaries</td>
<td>Compal Electronic, Inc.</td>
<td>Parent company</td>
<td>7,960,864</td>
<td>10.38</td>
<td>-</td>
<td>-</td>
<td>7,667,057 (Note 1)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arcadyan</td>
<td>Arcadyan AU</td>
<td>Arcadyan's subsidiary</td>
<td>135,262</td>
<td>5.16</td>
<td>-</td>
<td>-</td>
<td>118,749 (Note 1)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arcadyan</td>
<td>Arcadyan USA</td>
<td>Arcadyan's subsidiary</td>
<td>3,444,196</td>
<td>5.26</td>
<td>-</td>
<td>-</td>
<td>3,212,352 (Note 1)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arcadyan</td>
<td>Arcadyan Vietnam</td>
<td>Arcadyan's subsidiary</td>
<td>1,439,730</td>
<td>(Note 2)</td>
<td>-</td>
<td>-</td>
<td>(Note 1)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arcadyan</td>
<td>Arcadyan Germany</td>
<td>Arcadyan's subsidiary</td>
<td>208,003</td>
<td>2.56</td>
<td>-</td>
<td>-</td>
<td>15,897 (Note 1)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CNC</td>
<td>Arcadyan</td>
<td>With the same ultimate parent company</td>
<td>2,871,117</td>
<td>2.93</td>
<td>-</td>
<td>-</td>
<td>747,311 (Note 1)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note 1: Balance as of February 16, 2024.
Note 2: Receivables due to purchasing on behalf of related parties.
Note 3: Accounts receivables due to processing raw material.

(Continued)
## Table 8: The information on investees for the year ended December 31, 2023 (excluding information on investees in Mainland China):

### (Continued)

<table>
<thead>
<tr>
<th>Investor Company</th>
<th>Main Businesses and Products</th>
<th>Original Investment Amount</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kinpo &amp; Compal Group Assets Development Corporation</td>
<td>Real estate development leasing and related management business</td>
<td>4,025,000</td>
<td>3,986,402</td>
</tr>
<tr>
<td>Biscorn</td>
<td>Warranty services and marketing of LCD TVs and notebook PCs</td>
<td>36,369</td>
<td>99,111</td>
</tr>
<tr>
<td>Star</td>
<td>Investment</td>
<td>1,480,509</td>
<td>1,585,771</td>
</tr>
<tr>
<td>CHI</td>
<td>Investment</td>
<td>1,787,680</td>
<td>1,757,767</td>
</tr>
<tr>
<td>Pangu</td>
<td>Investment</td>
<td>5,171,837</td>
<td>4,766,551</td>
</tr>
<tr>
<td>Kinpol</td>
<td>Investment</td>
<td>900,036</td>
<td>729,447</td>
</tr>
<tr>
<td>Kinpo Group Management</td>
<td>Consultation, training services, etc.</td>
<td>3,000</td>
<td>3,618,630</td>
</tr>
<tr>
<td>Rival</td>
<td>Manufacturing of electric appliance and audiovisual electric products</td>
<td>60,000</td>
<td>114,640</td>
</tr>
<tr>
<td>Ursone</td>
<td>Management &amp; Consultant, rental and leasing business and wholesale and retail of medical equipment</td>
<td>200,000</td>
<td>67,233</td>
</tr>
<tr>
<td>Lead-Honor</td>
<td>Manufacturing of electric appliance and audiovisual electric products</td>
<td>42,000</td>
<td>-</td>
</tr>
<tr>
<td>JEH</td>
<td>Investment</td>
<td>34</td>
<td>-</td>
</tr>
<tr>
<td>Shermont Taiwan</td>
<td>Management &amp; Consultant, rental and leasing business, wholesaler and retailer of precision instruments and international trade</td>
<td>20,000</td>
<td>17,859</td>
</tr>
<tr>
<td>Altech Circuit</td>
<td>Production and sales of PCB boards</td>
<td>395,388</td>
<td>204,120</td>
</tr>
<tr>
<td>Poindus Systems</td>
<td>Design and manufacture of PCbs and peripheral equipment</td>
<td>255,046</td>
<td>18,886</td>
</tr>
<tr>
<td>Ace Smartcare</td>
<td>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</td>
<td>159,083</td>
<td>65,174</td>
</tr>
<tr>
<td>LPPI</td>
<td>Investment</td>
<td>489,450</td>
<td>43,115</td>
</tr>
<tr>
<td>CPTE</td>
<td>Investment</td>
<td>197,463</td>
<td>898,170</td>
</tr>
<tr>
<td>Starwaves</td>
<td>R&amp;D of MEMS microphone related products</td>
<td>35,000</td>
<td>12,239</td>
</tr>
<tr>
<td>Crownpro</td>
<td>Manufacturing, processing, and selling transistor chips, networking chips, diodes, multilayer ceramic capacitors, noninvasive devices, and selling electronic products</td>
<td>149,847</td>
<td>621</td>
</tr>
<tr>
<td>Hong Jie</td>
<td>Investment</td>
<td>1,000,000</td>
<td>1,019,200</td>
</tr>
<tr>
<td>Hong Jia</td>
<td>Investment</td>
<td>255,000</td>
<td>254,101</td>
</tr>
<tr>
<td>Munch</td>
<td>Manufacturing of equipment and lighting, renting of equipment and international trading</td>
<td>219,601</td>
<td>272,981</td>
</tr>
<tr>
<td>Anacore</td>
<td>R&amp;D of notebook PC related products and components</td>
<td>101,747</td>
<td>164,166</td>
</tr>
<tr>
<td>Arcadyan</td>
<td>R&amp;D, manufacturing and sales of wireless network, integrated broadband electronics, and mobile office products</td>
<td>1,325,132</td>
<td>2,654,945</td>
</tr>
<tr>
<td>FBH</td>
<td>Investment</td>
<td>2,758,741</td>
<td>2,461,165</td>
</tr>
<tr>
<td>Shanema</td>
<td>Medical care IoT business</td>
<td>48,210</td>
<td>16,223</td>
</tr>
<tr>
<td>BSI</td>
<td>Investment</td>
<td>1,346,814</td>
<td>413,515</td>
</tr>
<tr>
<td>TSP</td>
<td>Maintenance and warranty services of notebook PCs</td>
<td>90,156</td>
<td>92,753</td>
</tr>
<tr>
<td>Rapp</td>
<td>Concussion immunotherapy and regenerative medicine</td>
<td>209,078</td>
<td>167,855</td>
</tr>
</tbody>
</table>

### Notes to Parent-Company-Only Financial Statements

<table>
<thead>
<tr>
<th>Investment</th>
<th>Location</th>
<th>Main Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kinpol</td>
<td>Taipei City</td>
<td>Management &amp; Consultant, rental and leasing business and wholesale and retail sale of precision instruments and international trade</td>
</tr>
<tr>
<td>Biscorn</td>
<td>Milpitas, USA</td>
<td>Warranty services and marketing of LCD TVs and notebook PCs</td>
</tr>
<tr>
<td>Star</td>
<td>British Virgin Islands</td>
<td>Investment</td>
</tr>
<tr>
<td>CHI</td>
<td>British Virgin Islands</td>
<td>Investment</td>
</tr>
<tr>
<td>Pangu</td>
<td>Taipei City</td>
<td>Investment</td>
</tr>
<tr>
<td>Kinpol</td>
<td>Taipei City</td>
<td>Investment</td>
</tr>
<tr>
<td>Rival</td>
<td>Taipei City</td>
<td>Manufacturing of electric appliance and audiovisual electric products</td>
</tr>
<tr>
<td>Ursone</td>
<td>Taipei City</td>
<td>Management &amp; Consultant, rental and leasing business and wholesale and retail of medical equipment</td>
</tr>
<tr>
<td>Lead-Honor</td>
<td>Taipei City</td>
<td>Manufacturing of electric appliance and audiovisual electric products</td>
</tr>
<tr>
<td>JEH</td>
<td>British Virgin Islands</td>
<td>Investment</td>
</tr>
<tr>
<td>Shermont Taiwan</td>
<td>Taipei City</td>
<td>Management &amp; Consultant, rental and leasing business, wholesaler and retailer of precision instruments and international trade</td>
</tr>
<tr>
<td>Altech Circuit</td>
<td>Taipei City</td>
<td>Production and sales of PCB boards</td>
</tr>
<tr>
<td>Poindus Systems</td>
<td>Taipei City</td>
<td>Design and manufacture of PCBs and peripheral equipment</td>
</tr>
<tr>
<td>Ace Smartcare</td>
<td>Hsinchu City</td>
<td>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</td>
</tr>
<tr>
<td>LPPI</td>
<td>Cayman Islands</td>
<td>Investment</td>
</tr>
<tr>
<td>CPTE</td>
<td>The Netherlands</td>
<td>Investment</td>
</tr>
<tr>
<td>Starwaves</td>
<td>Hsinchu County</td>
<td>R&amp;D of MEMS microphone related products</td>
</tr>
<tr>
<td>Crownpro</td>
<td>Taipei City</td>
<td>Manufacturing, processing, and selling transistor chips, networking chips, diodes, multilayer ceramic capacitors, noninvasive devices, and selling electronic products</td>
</tr>
<tr>
<td>Hong Jie</td>
<td>Taipei City</td>
<td>Investment</td>
</tr>
<tr>
<td>Hong Jia</td>
<td>Taipei City</td>
<td>Investment</td>
</tr>
<tr>
<td>Munch</td>
<td>Taichung City</td>
<td>Manufacturing of equipment and lighting, renting of equipment and international trading</td>
</tr>
<tr>
<td>Anacore</td>
<td>Austin, TX USA</td>
<td>R&amp;D of notebook PC related products and components</td>
</tr>
<tr>
<td>Arcadyan</td>
<td>Hsinchu City</td>
<td>R&amp;D, manufacturing and sales of wireless network, integrated broadband electronics, and mobile office products</td>
</tr>
<tr>
<td>FBH</td>
<td>British Virgin Islands</td>
<td>Investment</td>
</tr>
<tr>
<td>Shanema</td>
<td>Dallas, USA</td>
<td>Medical care IoT business</td>
</tr>
<tr>
<td>BSI</td>
<td>British Virgin Islands</td>
<td>Investment</td>
</tr>
<tr>
<td>TSP</td>
<td>Poland</td>
<td>Maintenance and warranty services of notebook PCs</td>
</tr>
<tr>
<td>Rapp</td>
<td>Taipei City</td>
<td>Concussion immunotherapy and regenerative medicine</td>
</tr>
</tbody>
</table>

### (Continued)
### Table 8: The information on investees for the year ended December 31, 2023 (excluding information on investees in Mainland China):

(December 31, 2023)

<table>
<thead>
<tr>
<th>Investor Company</th>
<th>Original Investment Amount</th>
<th>Ending Balance</th>
<th>Net income (losses) of investee</th>
<th>Share of profits/losses of investee</th>
<th>Percentage of Ownership</th>
<th>Net income (losses) recognized by Panpal</th>
<th>Net income (losses) recognized by Compal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Company</strong></td>
<td><strong>December 31, 2022</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ARCE</td>
<td>170,100</td>
<td>40,000</td>
<td>40,540</td>
<td>104,286</td>
<td>100%</td>
<td>(11,342)</td>
<td>(24,604)</td>
</tr>
<tr>
<td>Hippo Screen</td>
<td>112,000</td>
<td>112,000</td>
<td>9,100</td>
<td>10,571</td>
<td>91%</td>
<td>(24,827)</td>
<td>(24,827)</td>
</tr>
<tr>
<td>Infinite</td>
<td>127,026</td>
<td>127,026</td>
<td>4,648</td>
<td>24,850</td>
<td>28%</td>
<td>(26,017)</td>
<td>(7,212)</td>
</tr>
<tr>
<td>Hsinhua</td>
<td>5,720,747</td>
<td>5,720,747</td>
<td>20,015</td>
<td>21,558</td>
<td>100%</td>
<td>15,876</td>
<td>25,773</td>
</tr>
<tr>
<td>BCI</td>
<td>2,636,031</td>
<td>2,636,031</td>
<td>90,020</td>
<td>9,128,247</td>
<td>100%</td>
<td>572,422</td>
<td>572,422</td>
</tr>
<tr>
<td>CBM</td>
<td>254,827</td>
<td>254,827</td>
<td>29,000</td>
<td>499,329</td>
<td>49%</td>
<td>(142,984)</td>
<td>(142,984)</td>
</tr>
<tr>
<td>Rayonnant Technology</td>
<td>295,000</td>
<td>295,000</td>
<td>29,500</td>
<td>1,211,614</td>
<td>35%</td>
<td>34,228</td>
<td>11,885</td>
</tr>
<tr>
<td>CRI</td>
<td>377,328</td>
<td>377,328</td>
<td>12,500</td>
<td>1,521,614</td>
<td>35%</td>
<td>19,254</td>
<td>19,254</td>
</tr>
<tr>
<td>Ascendant Private Equity Investment Ltd.</td>
<td>943,922</td>
<td>943,922</td>
<td>31,253</td>
<td>1,575,807</td>
<td>35%</td>
<td>105,756</td>
<td>105,756</td>
</tr>
<tr>
<td>Etrade</td>
<td>1,532,029</td>
<td>1,532,029</td>
<td>46,900</td>
<td>1,532,029</td>
<td>35%</td>
<td>(463,604)</td>
<td>105,856</td>
</tr>
<tr>
<td>Webtek</td>
<td>3,140</td>
<td>3,140</td>
<td>100%</td>
<td>610,994</td>
<td>100%</td>
<td>(151,589)</td>
<td>(151,589)</td>
</tr>
<tr>
<td>Faurus</td>
<td>1,575</td>
<td>1,575</td>
<td>50</td>
<td>1,545,807</td>
<td>100%</td>
<td>17,232</td>
<td>17,232</td>
</tr>
<tr>
<td>UCGE</td>
<td>609,997</td>
<td>609,997</td>
<td>20,000</td>
<td>82,467</td>
<td>100%</td>
<td>(80,146)</td>
<td>(80,146)</td>
</tr>
<tr>
<td>Pelcom</td>
<td>100,000</td>
<td>100,000</td>
<td>10,000</td>
<td>98,152</td>
<td>100%</td>
<td>11,359</td>
<td>11,359</td>
</tr>
<tr>
<td>Avalec</td>
<td>547,995</td>
<td>547,995</td>
<td>14,924</td>
<td>779,482</td>
<td>25%</td>
<td>602,154</td>
<td>125,916</td>
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<tr>
<td>CREIE</td>
<td>4,318,840</td>
<td>4,318,840</td>
<td>147,000</td>
<td>1,479,840</td>
<td>100%</td>
<td>417,529</td>
<td>417,529</td>
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<td>Compal Healthcare</td>
<td>380,000</td>
<td>380,000</td>
<td>30,000</td>
<td>380,478</td>
<td>100%</td>
<td>338</td>
<td>338</td>
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<tr>
<td>SLIB</td>
<td>247,560</td>
<td>247,560</td>
<td>15,035</td>
<td>379,314</td>
<td>50%</td>
<td>21,862</td>
<td>21,862</td>
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<tr>
<td>CMX</td>
<td>77,897</td>
<td>77,897</td>
<td>100%</td>
<td>92,642</td>
<td>100%</td>
<td>15,018</td>
<td>15,018</td>
</tr>
<tr>
<td><strong>Panpal</strong></td>
<td><strong>20,000</strong></td>
<td>20,000</td>
<td>2,000</td>
<td>20,003</td>
<td>100%</td>
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<td><strong>Compal</strong></td>
<td><strong>500,000</strong></td>
<td>500,000</td>
<td>30,000</td>
<td>538</td>
<td>100%</td>
<td>538</td>
<td>538</td>
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<tr>
<td><strong>Others</strong></td>
<td><strong>200,000</strong></td>
<td>200,000</td>
<td>15,035</td>
<td>309,314</td>
<td>100%</td>
<td>21,862</td>
<td>21,862</td>
</tr>
<tr>
<td><strong>(Continued)</strong></td>
<td><strong>77,897</strong></td>
<td>77,897</td>
<td>100%</td>
<td>92,642</td>
<td>100%</td>
<td>15,018</td>
<td>15,018</td>
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<tr>
<td>Investor Company</td>
<td>Investee Company</td>
<td>Location</td>
<td>Main Businesses and Products</td>
<td>Original Investment Amount</td>
<td>Ending Balance</td>
<td>Net income/losses of investee (In Thousands of New Taiwan Dollars)</td>
<td>Shares of investee's profits/losses recognized by investor</td>
</tr>
<tr>
<td>------------------</td>
<td>------------------</td>
<td>--------------</td>
<td>---------------------------------------------------------------------------------------------</td>
<td>----------------------------</td>
<td>----------------</td>
<td>---------------------------------------------------------------</td>
<td>---------------------------------------------------------</td>
</tr>
<tr>
<td>Hong Ji Arcadyan</td>
<td>Just CDH</td>
<td>Hong Kong</td>
<td>Telecommunication equipment and apparatus manufacturing, electronic parts and components manufacturing, captured telecom radio frequency equipment and materials import and manufacturing</td>
<td>1,912,845</td>
<td>1,912,845</td>
<td>62,298</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Allied Circuit</td>
<td>Taoyuan City</td>
<td>Production and selling of PCB boards</td>
<td>10,389</td>
<td>10,389</td>
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<td>2%</td>
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<td></td>
<td>Hong Ji Arcadyan</td>
<td>Hsinchu City</td>
<td>Telecommunication equipment and apparatus manufacturing, electronic parts and components manufacturing, captured telecom radio frequency equipment and materials import and manufacturing</td>
<td>131,942</td>
<td>131,942</td>
<td>4,609</td>
<td>2%</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Just CDH</td>
<td>CII</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>2,296,811</td>
<td>2,296,811</td>
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</tr>
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<td></td>
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<tr>
<td></td>
<td>CII</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>252,825</td>
<td>252,825</td>
<td>9,279</td>
<td>4%</td>
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<td></td>
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</tr>
<tr>
<td></td>
<td>CII</td>
<td>British Virgin Islands</td>
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<td>15,353</td>
<td>15,353</td>
<td>500</td>
<td>100%</td>
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<td></td>
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<tr>
<td></td>
<td>CII</td>
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<td>Investment</td>
<td>31</td>
<td>31</td>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>CII</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>31</td>
<td>31</td>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>CII</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>76,763</td>
<td>2,500</td>
<td>76,763</td>
<td>100%</td>
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<tr>
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<td>CII</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>76,763</td>
<td>2,500</td>
<td>76,763</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>CII</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>2,057,235</td>
<td>2,057,235</td>
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<td>100%</td>
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<td>CII</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>222,682</td>
<td>222,682</td>
<td>7,550</td>
<td>100%</td>
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<td>British Virgin Islands</td>
<td>Investment</td>
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<td>31</td>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>CII</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>457,505</td>
<td>457,505</td>
<td>14,000</td>
<td>100%</td>
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<tr>
<td></td>
<td>CII</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>156,596</td>
<td>156,596</td>
<td>5,100</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>CII</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>307,050</td>
<td>307,050</td>
<td>10,000</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>CII</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>307,050</td>
<td>307,050</td>
<td>10,000</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>CII</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>4,513,635</td>
<td>4,513,635</td>
<td>147,000</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>CII</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>155,060</td>
<td>155,060</td>
<td>-</td>
<td>99%</td>
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</table>
### Table 8: The information on investees for the year ended December 31, 2023 (excluding information on investees in Mainland China):

#### (In Thousands of New Taiwan Dollars)

<table>
<thead>
<tr>
<th>Investor Company</th>
<th>Investee Company</th>
<th>Location</th>
<th>Main Businesses and Products</th>
<th>Original Investment Amount</th>
<th>Ending Balance</th>
<th>Net income (losses) of investee</th>
<th>Shares of profits/losses of investee</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>BSH</td>
<td>BSH</td>
<td>U.S.A</td>
<td>Manufacturing</td>
<td>1,136,083</td>
<td>2,167,122</td>
<td>-1,031,045</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>BSH</td>
<td>BSI</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>1,216,083</td>
<td>1,216,083</td>
<td>41,515</td>
<td>41,515</td>
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<tr>
<td>BSI</td>
<td>HHSB</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>154,250</td>
<td>160,250</td>
<td>26,995</td>
<td>154,250</td>
<td></td>
</tr>
<tr>
<td>BSI</td>
<td>CEV</td>
<td>Vietnam</td>
<td>B&amp;R, manufacturing, sales, and maintenance of notebook PCs, component monitors, LCD TVs, mobile phones, smart watches, communication equipment, and other electronic products</td>
<td>1,658,070</td>
<td>1,694,332</td>
<td>36,796</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Forever</td>
<td>CLA</td>
<td>British Virgin Islands</td>
<td>Selling of mobile phones</td>
<td>-</td>
<td>-</td>
<td>-100%</td>
<td>-100%</td>
<td></td>
</tr>
<tr>
<td>CWV</td>
<td>HSI</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>61,410</td>
<td>61,410</td>
<td>2,518</td>
<td>100%</td>
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<tr>
<td>Webtek</td>
<td>BSI</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>757,625</td>
<td>757,625</td>
<td>35,993</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Unicore</td>
<td>RAYO</td>
<td>Taipei City</td>
<td>Animal medication retail and wholesale</td>
<td>-</td>
<td>-</td>
<td>-5%</td>
<td>-5%</td>
<td></td>
</tr>
<tr>
<td>Arcadyan</td>
<td>Arcadyan Holding</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>1,071,027</td>
<td>1,071,027</td>
<td>186,347</td>
<td>186,347</td>
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</tr>
<tr>
<td>Arcadyan USA</td>
<td>Arcadyan USA</td>
<td>U.S.A</td>
<td>Technology support and sales of wireless network products</td>
<td>23,055</td>
<td>23,055</td>
<td>19,720</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Arcadyan Germany</td>
<td>Arcadyan Germany</td>
<td>Germany</td>
<td>Technology support and sales of wireless network products</td>
<td>1,125</td>
<td>1,125</td>
<td>7,796</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Arcadyan Korea</td>
<td>Arcadyan Korea</td>
<td>Korea</td>
<td>Sales of wireless network products</td>
<td>2,679</td>
<td>2,679</td>
<td>11,608</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Zhi-Bao</td>
<td>ZHIB</td>
<td>Hsinchu City</td>
<td>Investment</td>
<td>40,000</td>
<td>40,000</td>
<td>2,053</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>NFI</td>
<td>NFI</td>
<td>Taipei City</td>
<td>B&amp;R and sales of household digital products</td>
<td>308,726</td>
<td>308,726</td>
<td>153,116</td>
<td>100%</td>
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</tr>
<tr>
<td>Arcadyan UK</td>
<td>Arcadyan UK</td>
<td>U.K.</td>
<td>Technical support of wireless network products</td>
<td>1,988</td>
<td>1,988</td>
<td>5,583</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Arcadyan AU</td>
<td>Arcadyan AU</td>
<td>Australia</td>
<td>Sales of wireless network products</td>
<td>1,161</td>
<td>1,161</td>
<td>3,212</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Arcadyan EU</td>
<td>Arcadyan EU</td>
<td>Russia</td>
<td>Sales of wireless network products</td>
<td>7,672</td>
<td>7,672</td>
<td>1,005</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>CHBN</td>
<td>CHBN</td>
<td>Hsinchu County</td>
<td>Sales of communication and electronic components</td>
<td>11,925</td>
<td>11,925</td>
<td>9,063</td>
<td>100%</td>
<td></td>
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<tr>
<td>Arcadyan and Zhi-Bao</td>
<td>Arcadyan Brasil</td>
<td>Brazil</td>
<td>Sales of wireless network products</td>
<td>81,593</td>
<td>81,593</td>
<td>45,570</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Arcadyan India</td>
<td>Arcadyan India</td>
<td>India</td>
<td>Sales of wireless network products</td>
<td>76,952</td>
<td>29,110</td>
<td>18,275</td>
<td>100%</td>
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</tbody>
</table>

(Continued)
<table>
<thead>
<tr>
<th>Investor Company</th>
<th>Investee Company</th>
<th>Location</th>
<th>Main Businesses and Products</th>
<th>Original Investment Amount</th>
<th>Ending Balance</th>
<th>Percentage of Ownership</th>
<th>Carrying Value</th>
<th>Net income (losses) of investee</th>
<th>Shares of profits/losses of investee</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acerayn Holding</td>
<td>Sinoprime</td>
<td>Vietnam</td>
<td>Manufacturing of wireless network products</td>
<td>890,445</td>
<td>890,445</td>
<td>-</td>
<td>100%</td>
<td>1,575,996</td>
<td>362,769</td>
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<tr>
<td>TTI</td>
<td>CBN</td>
<td>Hsinchu County</td>
<td>Produces and sells of communication and electronic components</td>
<td>36,272</td>
<td>36,272</td>
<td>13,140</td>
<td>19%</td>
<td>4,231,691</td>
<td>(677,928)</td>
<td></td>
</tr>
<tr>
<td>TTI</td>
<td>CBN</td>
<td>Taoyuan City</td>
<td>R&amp;D and manufacturing of electronic materials</td>
<td>27,300</td>
<td>27,300</td>
<td>1,820</td>
<td>21%</td>
<td>-</td>
<td>-</td>
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<td>CBEI</td>
<td>API</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>383,813</td>
<td>383,813</td>
<td>12,500</td>
<td>59%</td>
<td>306,661</td>
<td>-</td>
<td></td>
</tr>
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<td>APH</td>
<td>PEL</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>96,751</td>
<td>96,751</td>
<td>3,151</td>
<td>100%</td>
<td>4,555</td>
<td>1,595</td>
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<tr>
<td>Rayonnant (HK)</td>
<td>Forming Co., Ltd.</td>
<td>Taiwan R&amp;D of MEMS microphone related products</td>
<td>552,690</td>
<td>552,690</td>
<td>18,000</td>
<td>100%</td>
<td>459,161</td>
<td>39,622</td>
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<td>CHET</td>
<td>BRIA</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>1,429,235</td>
<td>1,429,235</td>
<td>48,802</td>
<td>100%</td>
<td>(1,322,489)</td>
<td>(234,485)</td>
<td></td>
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<tr>
<td>CHET</td>
<td>BRIA</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>1,439,513</td>
<td>1,439,513</td>
<td>48,802</td>
<td>89%</td>
<td>(1,584,042)</td>
<td>(249,738)</td>
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</tr>
<tr>
<td>CBN</td>
<td>CBNN</td>
<td>Belgium</td>
<td>The import and export business of broad band network products and related components, as well as technical support and advisory services</td>
<td>6,842</td>
<td>6,842</td>
<td>20</td>
<td>100%</td>
<td>5,266</td>
<td>534</td>
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<td>CBNN</td>
<td>Sinoprime Arcadyan</td>
<td>Indonesia</td>
<td>Manufacturing and wholesales of medical equipment</td>
<td>7,016</td>
<td>7,016</td>
<td>20</td>
<td>100%</td>
<td>6,267</td>
<td>614</td>
<td></td>
</tr>
<tr>
<td>Sinoprime</td>
<td>Arcadyan</td>
<td>Vietnam</td>
<td>Manufacturing of wireless network products</td>
<td>383,813</td>
<td>383,813</td>
<td>12,500</td>
<td>59%</td>
<td>306,661</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Zhi-Blue</td>
<td>CBN</td>
<td>Hsinchu County</td>
<td>Produces and sells of communication and electronic components</td>
<td>36,272</td>
<td>36,272</td>
<td>13,140</td>
<td>19%</td>
<td>4,231,691</td>
<td>(677,928)</td>
<td></td>
</tr>
<tr>
<td>BRIA</td>
<td>BBIA</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>1,429,235</td>
<td>1,429,235</td>
<td>48,802</td>
<td>100%</td>
<td>(1,322,489)</td>
<td>(234,485)</td>
<td></td>
</tr>
<tr>
<td>BRIA</td>
<td>CHET</td>
<td>British Virgin Islands</td>
<td>Investment</td>
<td>1,439,513</td>
<td>1,439,513</td>
<td>48,802</td>
<td>89%</td>
<td>(1,584,042)</td>
<td>(249,738)</td>
<td></td>
</tr>
<tr>
<td>PGI</td>
<td>Woh-Yuen Technology Holding Ltd. and its subsidiaries</td>
<td>Mauritius</td>
<td>Investment</td>
<td>2,755,942</td>
<td>2,755,942</td>
<td>95,062</td>
<td>37%</td>
<td>4,231,651</td>
<td>(677,928)</td>
<td></td>
</tr>
<tr>
<td>GLB</td>
<td>PT GLB Biotechnology Indonesia</td>
<td>Indonesia</td>
<td>Manufacturing and wholesales of medical equipment</td>
<td>80,586</td>
<td>-</td>
<td>42</td>
<td>99%</td>
<td>83,655</td>
<td>351</td>
<td></td>
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<tr>
<td>Mactech</td>
<td>Taiwan Intelligent Robotics Company, Ltd.</td>
<td>Taipei City</td>
<td>Manufacturing of equipment and lighting</td>
<td>45,200</td>
<td>45,200</td>
<td>2,100</td>
<td>15%</td>
<td>5,218</td>
<td>(3,560)</td>
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<td>Poindus Systems</td>
<td>Poindus Investment</td>
<td>Taoyuan City</td>
<td>Investment holding</td>
<td>4,100</td>
<td>4,100</td>
<td>(Note 2)</td>
<td>100%</td>
<td>496</td>
<td>(67)</td>
<td></td>
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<td>Poindus Systems</td>
<td>Poindus UK</td>
<td>UK</td>
<td>Sales of PCs and peripherals</td>
<td>14,297</td>
<td>14,297</td>
<td>500</td>
<td>100%</td>
<td>(11,342)</td>
<td>(7,165)</td>
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</tr>
</tbody>
</table>
### Notes to Parent-Company-Only Financial Statements

#### Table 8  The information on investees for the year ended December 31, 2023 (excluding information on investees in Mainland China): (December 31, 2023)

<table>
<thead>
<tr>
<th>Investee Company</th>
<th>Investor Company</th>
<th>Location</th>
<th>Main Businesses and Products</th>
<th>Original Investment Amount Ending Balance</th>
<th>Percentage of Ownership</th>
<th>Carrying Value</th>
<th>Net income (losses) of investor</th>
<th>Shares of profits/losses of investee</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unlisted Company</td>
<td>Poindus Systems</td>
<td>Germany</td>
<td>Sales of PCs and peripherals</td>
<td>57,712 57,712</td>
<td>0.002 100%</td>
<td>3,314</td>
<td>-</td>
<td>Investment gain (losses) recognized by Poindus Systems</td>
<td>(Continued)</td>
</tr>
<tr>
<td>Poindus Investment</td>
<td>Poindus GmbH</td>
<td>Germany</td>
<td>Sales of PCs and peripherals</td>
<td>1,721 1,721</td>
<td>(Note 2) 100%</td>
<td>70</td>
<td>-</td>
<td>Investment gain (losses) recognized by Poindus Investment</td>
<td></td>
</tr>
</tbody>
</table>

**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:** A limited company; therefore no number of shares.
### Table 9  Information on investment in Mainland China:

(December 31, 2023)

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

<table>
<thead>
<tr>
<th>Name of investor</th>
<th>Main businesses and products</th>
<th>Total amount of paid-in capital (In Thousands of New Taiwan Dollars / shares)</th>
<th>Method of investment</th>
<th>Accumulated outflow of investment from Taiwan as of January 1, 2023</th>
<th>Investment flows</th>
<th>Accumulated outflow of investment from Taiwan as of December 31, 2023</th>
<th>Net income (loss) of the investee</th>
<th>Percentage of ownership (Note 6)</th>
<th>Investment income (loss) (Note 6)</th>
<th>Book value</th>
<th>Accumulated remittance of earnings in current period</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPC</td>
<td>Manufacturing and sales of notebooks, ceramic capacitors, diodes, and other latest electronic components</td>
<td>1,330,868 (Note 1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,330,868</td>
<td>204,302</td>
<td>100%</td>
<td>2,599,553</td>
<td>-</td>
<td>2,798,518</td>
</tr>
<tr>
<td>CDT</td>
<td>Manufacturing and sales of notebook PCs, mobile phones, and Digital products</td>
<td>614,100 (Note 2)</td>
<td>-</td>
<td>614,100</td>
<td>-</td>
<td>1,544</td>
<td>100%</td>
<td>138,610</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CST</td>
<td>Manufacturing of notebook PCs</td>
<td>369,460 (Note 2)</td>
<td>-</td>
<td>369,460</td>
<td>-</td>
<td>87,604</td>
<td>100%</td>
<td>5,083,795</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CSD</td>
<td>Research, manufacture and sales of communication devices, mobile phones, electronic computer, smart watch, and provide related technology services</td>
<td>259,651 (Note 2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>125,012</td>
<td>100%</td>
<td>404,180</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FIP</td>
<td>Manufacturing of auto parts and accessories</td>
<td>302,926 (Note 2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,448)</td>
<td>60%</td>
<td>(866)</td>
<td>258,799</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>BT</td>
<td>Manufacturing of notebook PCs</td>
<td>30,705 (Note 2)</td>
<td>-</td>
<td>30,705</td>
<td>-</td>
<td>17,294</td>
<td>100%</td>
<td>98,654</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CGS</td>
<td>Maintenance and warranty service of notebook PCs</td>
<td>8,655 (Note 2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>23,859</td>
<td>100%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LIZ Electronics (Kashuhi) Co., Ltd.</td>
<td>Production and processing chip business, ceramic capacitors, diodes, and other latest electronic components and related precision electronic equipment; selling self-produced products</td>
<td>962,560 (Note 1)</td>
<td>489,298</td>
<td>489,298</td>
<td>(626,184)</td>
<td>41%</td>
<td>(270,536)</td>
<td>28,494</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LIZ Electronics (Nanning) Co., Ltd.</td>
<td>Research &amp; development, and manufacturing chip components (chip business, ceramic chip dies, 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</td>
<td>614,100 (Note 1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>45,136</td>
<td>48%</td>
<td>(238,701)</td>
<td>47,562</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CIC</td>
<td>Manufacturing of notebook PCs</td>
<td>369,460 (Note 2)</td>
<td>-</td>
<td>369,460</td>
<td>-</td>
<td>551,963</td>
<td>100%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CPO</td>
<td>Manufacturing and sales of LED TVs</td>
<td>371,531 (Note 1)</td>
<td>-</td>
<td>371,531</td>
<td>-</td>
<td>125,216</td>
<td>100%</td>
<td>3,111,085</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CIT</td>
<td>Manufacturing of notebook PCs</td>
<td>730,920 (Note 1)</td>
<td>-</td>
<td>730,920</td>
<td>-</td>
<td>1,840,495</td>
<td>100%</td>
<td>27,605,297</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CST</td>
<td>International trade and distribution of computers and electronic components</td>
<td>42,987 (Note 2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>125,012</td>
<td>100%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shang Bao Precision Electronics (Taizhou) Co., Ltd.</td>
<td>Research &amp; development, and manufacturing lead electronic components, precision cnc mold designs and manufacturing for standard parts for molds, and selling self-produced products</td>
<td>307,050 (Note 2)</td>
<td>156,596</td>
<td>156,596</td>
<td>(47,084)</td>
<td>51%</td>
<td>(20,013)</td>
<td>12,056</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CII</td>
<td>Investment and consulting services</td>
<td>479,998 (Note 1)</td>
<td>-</td>
<td>479,998</td>
<td>(92,422)</td>
<td>100%</td>
<td>(92,422)</td>
<td>2,551,776</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CDE</td>
<td>Manufacturing and sales of LED TVs</td>
<td>480,575 (Note 2)</td>
<td>(Note 3)</td>
<td>-</td>
<td>(92,361)</td>
<td>100%</td>
<td>(92,361)</td>
<td>2,510,825</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CIS</td>
<td>Outward investment and consulting services</td>
<td>2,481,578 (Note 1)</td>
<td>-</td>
<td>2,481,578</td>
<td>329,358</td>
<td>100%</td>
<td>329,358</td>
<td>5,724,819</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CEC</td>
<td>R&amp;D and manufacturing of notebook PCs, tablet PCs, digital products, network switches, wireless AP, and automobile electronic products</td>
<td>2,496,400 (Note 1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>328,816</td>
<td>100%</td>
<td>5,692,814</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CMC</td>
<td>Corporate management consulting, financial and tax consulting, investment consulting, and investment management consulting services</td>
<td>24,664 (Note 3)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>572</td>
<td>100%</td>
<td>25,360</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CEQ</td>
<td>R&amp;D, manufacturing and sales of notebook PCs and related components. Also provides related maintenance and warranty services</td>
<td>307,050 (Note 1)</td>
<td>-</td>
<td>307,050</td>
<td>-</td>
<td>243,065</td>
<td>100%</td>
<td>5,405,728</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Compal Precision Mobile (Hangzhou) Co., Ltd.</td>
<td>Manufacturing and selling of magnesium alloy injection molding</td>
<td>12,896,100 (Note 2)</td>
<td>-</td>
<td>2,537,062</td>
<td>(338,847)</td>
<td>37%</td>
<td>(197,326)</td>
<td>5,223,377</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Changhao Electronic Technology (Chungho) Co., Ltd.</td>
<td>Production and marketing of magnesium alloy molding</td>
<td>1,842,500 (Note 2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>351,756</td>
<td>37%</td>
<td>620,376</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(Continued)
(ii) Limitation on investment in Mainland China:

**Table 9 Information on investment in Mainland China:**

<table>
<thead>
<tr>
<th>Name of investee</th>
<th>Main businesses and products</th>
<th>Total amount of paid-in capital (In Thousands of New Taiwan Dollars / shares)</th>
<th>Method of investment</th>
<th>Accumulated outflow of investment from Taiwan as of January 1, 2023 (In Thousands of New Taiwan Dollars / shares)</th>
<th>Investment flows</th>
<th>Accumulated outflow of investment from Taiwan as of December 31, 2023 (In Thousands of New Taiwan Dollars / shares)</th>
<th>Net income (losses) of the investee</th>
<th>Percentage of ownership</th>
<th>Investment income (losses) (Note 6)</th>
<th>Accumulated remittance of earnings in current period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rayonnant (Taicang)</td>
<td>Manufacturing and sales of aluminum and magnesium alloy products</td>
<td>552,080 (Note 2)</td>
<td></td>
<td>353,813</td>
<td>Outflow</td>
<td>353,813</td>
<td>39,622</td>
<td>100%</td>
<td>39,622</td>
<td>456,761.</td>
</tr>
<tr>
<td>CEC Nanjing</td>
<td>Manufacturing and processing of mobile phones and tablet PCs</td>
<td>829,055 (Note 1)</td>
<td></td>
<td>675,510</td>
<td>Inflow</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CDCN</td>
<td>Manufacturing and processing of mobile phones and tablet PCs</td>
<td>178,089 (Note 1)</td>
<td></td>
<td>178,089</td>
<td>Outflow</td>
<td>-</td>
<td>(4,985)</td>
<td>100%</td>
<td>(4,985)</td>
<td>84,009.</td>
</tr>
<tr>
<td>CWCN</td>
<td>Manufacturing and processing of mobile phones and tablet PCs</td>
<td>1,504,545 (Note 1)</td>
<td></td>
<td>583,303</td>
<td>Inflow</td>
<td>-</td>
<td>583,303</td>
<td>100%</td>
<td>(331,697)</td>
<td>778,240</td>
</tr>
<tr>
<td>Hauwei</td>
<td>R&amp;D and manufacturing of electronic communication equipment</td>
<td>61,410 (Note 1)</td>
<td></td>
<td>61,410</td>
<td>Outflow</td>
<td>-</td>
<td>2,929</td>
<td>100%</td>
<td>2,929</td>
<td>2,416.</td>
</tr>
<tr>
<td>Arcadyan</td>
<td>R&amp;D and sales of wireless network products</td>
<td>248,711 (Note 1)</td>
<td></td>
<td>412,061</td>
<td>Inflow</td>
<td>412,061</td>
<td>6,885</td>
<td>100%</td>
<td>6,885</td>
<td>41,114.</td>
</tr>
<tr>
<td>CMC</td>
<td>Manufacturing and wireless network products</td>
<td>382,277 (Note 1)</td>
<td></td>
<td>338,093</td>
<td>Inflow</td>
<td>-</td>
<td>(207,710)</td>
<td>100%</td>
<td>(207,710)</td>
<td>622,780</td>
</tr>
<tr>
<td>TRAC</td>
<td>Manufacturing of household electronics products</td>
<td>371,684 (Note 1 - 9 - 10)</td>
<td></td>
<td>35,311</td>
<td>Inflow</td>
<td>-</td>
<td>4,331</td>
<td>100%</td>
<td>(4,331)</td>
<td>27,020.</td>
</tr>
<tr>
<td>Hongfie (Kunshan)</td>
<td>Production of touch panels and related modules</td>
<td>1,228,200 (Note 1)</td>
<td></td>
<td>1,222,181</td>
<td>Outflow</td>
<td>1,222,181</td>
<td>(249,493)</td>
<td>100%</td>
<td>(249,493)</td>
<td>(1,477,911)</td>
</tr>
<tr>
<td>Hongfie (Zhengjia)</td>
<td>Production of touch panels and related components</td>
<td>270,345 (Note 2)</td>
<td></td>
<td>-</td>
<td>Inflow</td>
<td>-</td>
<td>(1,333)</td>
<td>100%</td>
<td>(1,333)</td>
<td>275,022</td>
</tr>
<tr>
<td>Lucas</td>
<td>Manufacturing of notebook PCs and related modules</td>
<td>460,975 (Note 2)</td>
<td></td>
<td>199,552</td>
<td>Inflow</td>
<td>-</td>
<td>1,059</td>
<td>100%</td>
<td>1,059</td>
<td>141,779</td>
</tr>
<tr>
<td>Poledas Systems</td>
<td>Sales of PCs and peripherals</td>
<td>30,705 (Note 1)</td>
<td></td>
<td>30,705</td>
<td>Outflow</td>
<td>-</td>
<td>(2,051)</td>
<td>100%</td>
<td>(2,051)</td>
<td>9,889.</td>
</tr>
</tbody>
</table>

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: Investment held by Kunshan R&I Electronics Co., Ltd. ("KRC"), Compl Investment (Jiangsu) Co. Ltd. ("CIJ"), Compal Electronics (Shenzhen) Co., Ltd. ("CES"), Compal Electronics (China) Co., Ltd. ("CPC") and Compal Smart Device (Chongqing) Co., Ltd. ("CSD") through their own funds.

Note 4: The basis for recognition of investment profit and loss is based on the financial statements that verified by CPA.

Note 5: Including the investment amount of sold or dissolved companies, including Beijing Compoor Xuming Electronic Technology Co., Ltd., VAP Optronics (Shanghai) Corp., Electronics Technology (Shanghai) Ltd., Lumi, LUCP (Shenzhen) Electronics Technology Co., Ltd. and the increased investment amount form merging with Compal Communication Co., Ltd.

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

Note 7: Arcadyan paid US$1,420 thousand and acquired 100% shares of SVA Arcadyan from Acer Asia through Arcadyan Holding in 2010.

Note 8: Arcadyan paid US$861 thousand and acquired 100% shares of CMC from Just through Arcadyan Holding in 2007.

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

Note 10: Arcadyan’s subsidiary, TTI, increase the capital of TCH 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 rate on 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 Hongfie is negative at December 31, 2023.

(iii) Significant transactions:

For the year ended December 31, 2023, 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.”