



COMPAL ELECTRONICS, INC.

Meeting Handbook

2023 Annual General Shareholders' Meeting

No. 581, Ruiguang Rd., Neihu District, Taipei City, Taiwan

Convening Methods: Physical shareholders' meeting

June 21, 2023

FROM VISION TO REALITY

Innovation Empowered

This translated document is prepared in accordance with the Chinese version and is for reference only.
In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.

Table of Contents

I . Meeting Procedures	1
II . Meeting Agenda	3
1. Report Items	5
2. Ratification Items	11
3. Discussion Item	15
4. Special Motion	19
III . Attachments	
1. Business Report for the Year 2022	
2. Independent Auditors' Report	
3. Audit Committee's Review Report	
4. Financial Statements for the year 2022	
IV . Appendices	
1. Rules and Procedures of Shareholders Meeting	
2. Articles of Incorporation	
3. Shareholding of Directors	
4. The Impact of Non-compensated Distribution of Shares on the Company's Business Performance, Earnings Per Share, and Shareholder Return Rate	
5. Others	

Meeting Procedures

Compal Electronics, Inc.

2023 Annual General Shareholders' Meeting Procedures

1. Call Meeting to Order
2. Chairman's Address
3. Report Items
4. Ratification Items
5. Discussion Item
6. Special Motion(s)
7. Meeting Adjourned

Meeting Agenda

Compal Electronics, Inc.

2023 Annual General Shareholders' Meeting Agenda

Time : 9:00 am, June 21, 2023 (Wednesday)

Place : No. 581, Ruiguang Rd., Neihu District, Taipei City 11492, Taiwan

I. Report Items

1. Report on Business for the year 2022
2. Audit Committee's Review Report for the year 2022
3. Report of the distribution of compensation to employees and directors for the year 2022
4. Report of distribution of the cash dividends from Earnings for the year 2022
5. Report of status of the cash distribution from Capital Surplus

II. Ratification Items

1. To ratify the Business Report and Financial Statements for the year 2022
2. To ratify the Distribution of Earnings for the year 2022

III. Discussion Item

1. To approve the release of non-competition restrictions for Directors

IV. Special Motion(s)

V. Meeting Adjourned

Report Items

Item 1

Proposed by the Board of Directors

Proposal:

Report on Business for the year 2022

Explanatory Note:

The Business Report for the year 2022 is attached hereto as Attachment 1.

Item 2

Proposed by the Board of Directors

Proposal:

Audit Committee's Review Report for the year 2022

Explanatory Notes:

1. The Financial Statements and its related reports for the Year 2022 have been reviewed and examined by the Audit Committee and the review report was issued. The Financial Statements for the year 2022 have been audited by the Independent Auditors and the Independent Auditors' Report was issued, accordingly.
2. Independent Auditors' Report is attached hereto as Attachment 2.
3. Audit Committee's Review Report is attached hereto as Attachment 3.

Item 3

Proposed by the Board of Directors

Proposal:

Report of the distribution of compensation to employees and directors for the year 2022

Explanatory Note:

1. In accordance with the Articles of Incorporation of the Company, if there is any profit in a fiscal year, the Company's pre-tax profits in such fiscal year, prior to deduction of compensation to employees and directors, shall be distributed to employees as compensation in an amount of not less than two percent (2%) thereof and to directors as compensation in an amount of not more than two percent (2%) of such profits. Notwithstanding the foregoing, in the event that the Company has accumulated losses, the Company shall first reserve an amount to offset such accumulated losses.
2. The distribution of compensation to employees and directors for the year 2022, as approved by the Remuneration Committee and the Board of Directors, are NT\$750,945,090 and NT\$39,709,200, respectively. The compensations shall be distributed in the form of cash.

Item 4

Proposed by the Board of Directors

Proposal:

Report of distribution of the cash dividends from Earnings for the year 2022

Explanatory Note:

1. The proposal has been approved by the Board of Directors in accordance with authorization by the Company's Articles of Incorporation, and the amount of earnings for the year 2022 available for distribution to shareholders as dividend and bonus is NT\$4,407,146,625. Such amount is distributed in the form of cash dividend. Each shareholder will be entitled to receive a cash dividend of NT\$1.0 per share. Cash dividend shall be distributed and paid to each shareholder, rounded to the nearest NT dollar (truncate the numbers after decimal place). Fractional amounts will be aggregately recognized as other revenue in the accounting book of the Company.
2. The Board of Directors has approved to set an ex-dividend record date for distribution on April 27, 2023, and cash distribution has been paid out on May 19, 2023.

Item 5

Proposed by the Board of Directors

Proposal:

Report of status of the cash distribution from Capital Surplus

Explanatory Note:

1. The proposal has been approved by the Board of Directors in accordance with authorization by the Company's Articles of Incorporation, the Company proposed a cash distribution of NT\$881,429,325 from capital surplus derived from the amount of the subscription price in excess of par value of common shares issued by the Company. The cash is to be distributed to the registered shareholders on the record date, and the cash distribution per share will be NT\$0.2. Cash distribution from capital surplus shall be paid to each shareholder, rounded to the nearest NT dollar (truncate the numbers after decimal place). Fractional amounts will be aggregately recognized as other revenue in the accounting book of the Company.
2. The Board of Directors has approved to set record date of cash distribution from capital surplus on April 27, 2023, and cash distribution has been paid out on May 19, 2023.

Ratification Items

Item 1

Proposed by the Board of Directors

Proposal:

To ratify the Business Report and Financial Statements for the year 2022

Explanatory Notes:

1. The Business Report and Financial Statements for the year 2022 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 2022 financial statements and issued an audit report relating thereto.
2. The “Business Report for the Year 2022” and “Financial Statements for the Year 2022” are attached hereto as Attachments 1 and 4.

Resolved That:

Item 2

Proposed by the Board of Directors

Proposal:

To ratify the Distribution of Earnings for the year 2022

Explanatory Notes:

1. The Distribution of Earnings for the year 2022 has been approved by the Audit Committee and by the Board of Directors.
2. The “Distribution of Earnings for the year 2022” is attached. Please see page 14.

Resolved That:

Compal Electronics, Inc.

Earnings Distribution Proposal for the Year 2022

Unit: NT\$

Item	Amount
Unappropriated retained earnings in the beginning of the year	31,816,909,610
Add:	
Net income of 2022	7,288,292,281
Remeasurement of defined benefit plans	118,034,681
Reversal of special reserve resulting from other equity interest	6,263,645,393
Disposal of investments in equity instruments measured at fair value through other comprehensive income	2,838,470
Subtract:	
Legal reserve	(736,855,349)
Changes in ownership interests in subsidiaries	(2,259,851)
Changes in equity of associates and joint ventures accounted for using equity method	(38,352,095)
Retained earnings available for distribution as of December 31, 2022	44,712,253,140
Distribution item:	
Subtract:	
Subtract: Dividends to common shares holders (Note)	(4,407,146,625)
Unappropriated retained earnings as of December 31, 2022	40,305,106,515

Note: Cash dividends of NT\$1.0 per common share

Discussion Item

Item 1

Proposed by the Board of Directors

Proposal:

To approve the release of non-competition restrictions for Directors

Explanatory Notes:

1. As certain Directors of the Company may invest in or operate a business which is identical or similar to the business scope of the Company, without prejudice to any interest of Compal, it is proposed to approve the release of non-competition restrictions for these Directors in accordance with Article 209 of the Company Act.
2. Information of the Directors who concurrently serve in a position of other companies is attached hereto as attachment (see page 17). To approve the release of non-competition restrictions for Directors.

Resolved That :

Information of the Directors of Compal, concurrently serves in a position of other companies, is listed as follows:

Title	Name	Serves in positions of other companies
Chairman	Sheng-Hsiung Hsu	Director : Cal-Comp Precision (Thailand) Limited Group CEO : Kinpo Electronics, Inc. President : Cal-Comp Precision Holding Co., Ltd.
Vice Chairman	Jui-Tsung Chen	Chairman : River Regeneration and Rejuvenation Biotechnology Co. Ltd.
Director	Representative of Binpal Investment Co., Ltd.: Wen-Being Hsu	Chairman : Yuanbao Investment Co., Ltd.
Director	Representative of Kinpo Electronics Inc.: Chieh-Li Hsu	Chairman : AcSacca Solar Energy Co., Ltd., AcGile EV Power Inc., KangYang New Energy Co., Ltd., AcRay Energy Co., Ltd., AcTek Energy Co., Ltd., AcLeap Power Inc., Sumray Power Company AcLeap Power Inc., Sumray Power Company Director : Shangbao Enterprise Co., Ltd., Cal-Comp Precision (Thailand) Limited President : AcBel Electronic(Dong Guan) Co., Ltd., AcBel Electronic (Wuhan) Co., Ltd.
Director	Charng-Chyi Ko	Vice Chairman : OmniHealth Group, Inc.
Director	Chiung-Chi Hsu	Director : Jin Yongxiang Co., Ltd.
Independent Director	Min Chih Hsuan	Director : Htsensortek Co., Ltd.
Independent Director	Duei Tsai	Director : Daai Satellite TV Co., Ltd.

Special Motion(s)

Special Motion(s)

Attachments

Attachment 1

Business Report for the Year 2022

We sincerely thank all shareholders for your long-term support of Compal. 2022 was still a challenging year for most of the enterprises! The global economy and industry environment were under severe changes during the year, including the war, energy crisis, inflation, and continuous conflict between the U.S. and China. We faced difficult situations from the shortage of supplies, port congestion, demand over supply at the beginning of the year to the increasing inventory and decline of demand during the end of the year. In addition, the global economic momentum was weak, causing great challenges to business operations. Nevertheless, Compal is able to maintain business stability and continues to invest in innovation and prospective planning, in order to achieve the objective of long-term competitiveness of the company. We would like to present the following summary of our financial and business results for 2022 and the business outlook for 2023:

Financial and Business Results

Compal's 2022 consolidated revenue was NT\$1,073,246 million, a decline of 13% from last year. Nevertheless, with continuous effort in the product mix and efficiency improvement, the annual gross margin increased to 3.8% an increase of 3.4% from last year. The consolidated operating income was NT\$9,219 million, and the net income after tax attributable to the parent company was NT\$7,288 million, a decline of 42% from last year, and the earnings per share was NT\$1.67.

As the world heads toward the post-pandemic era, the market demand for computers and consumer electronic products has started to slow down in comparison to the last two years. As a result, the 5C product shipment of Compal in 2022 also indicated a decline from last year to 94 million units. Fortunately, we have been able to actively respond to such market change since the middle of last year through the measures of reduction of inventory and adjustment of production capacity, thereby allowing the operation and capital management to maintain stable during such downtime of the industry. In terms of the development of new businesses, Compal has been able to reach double-digit growths in the revenues from the businesses of servers, automotive electronics, wearable devices, mobile phones and 5G communication devices, promoting our diversification to move forward stably and continuously. We believe that these new businesses will be trend of the industry development and will also become the great support for continuous growth of Compal.

Investment in Innovation and Business Planning

Under the economic downturn, we uphold the long-term perspective and continue to invest in innovation and prospective business planning. Compal has participated in the German iF

Design award for a long period of time, and continues to achieve outstanding performance in the global enterprise innovation competition ranking. In 2022, both the health care system developed by the medical team of Compal and the brainwave detection system developed by the subsidiary have received the honor of national class award of “National Innovation Award”. With regard to the business planning, Compal has launched numerous deep-rooted investment plans in Taiwan, including the group’s headquarter smart innovation park at Beitou Shilin Technology Park in Taipei City, the medical long-term care facility building at Ruifang of New Taipei City, and the PC and 5G AIoT R&D center officially established in Kaohsiung City at southern Taiwan. While facing the trend of global supply chain diversification, to cope with the customer demands, Compal has also accelerated investment planning in Vietnam. In 2022, we have acquired the land use right of 40 ha of land at Thai Binh province, Vietnam, and we expect to establish the third factory of Compal in Vietnam. All of the above are important projects for Compal to establish long-term competitiveness and to achieve business objectives in a greater scale.

Corporate Sustainable Development

To strengthen corporate governance, to implement corporate social responsibility and to head toward the goal of sustainability, Compal has established the Sustainability Committee under the board of directors in 2022. In addition, tasks forces have also been established with respect to different aspects of environment (E), society (S) and governance (G), in order to implement ESG works in daily operation of the company. With regard to the global 2050 net zero emissions, Compal has also announced and established the medium and long term carbon reduction targets for the company. Through the method of “big-leading-small”, we have started to promote the greenhouse gas inventory of subsidiaries and to implement sustainability education and responsible supply chain management on the supply chain. In 2022, Compal was selected and ranked to be one of the “Taiwan Top100 Sustainable Benchmark Enterprises” by the Taiwan Institute for Sustainable Energy, and also received the honor of “Happiness Enterprise Award” presented by Job Bank for three consecutive years. In addition, Compal has received the rating of A in the MSCI ESG Rating. Furthermore, Compal has been selected to be one of the constituent stocks of FTSE4GOOD Index. All of above demonstrates the public’s recognition on Compal’s continuous effort in sustainable operation.

Future Outlook and Plan

After three years of pandemic, countries around the world are gradually relaxing epidemic control measures, and people’s live and industry economy are also recovering back to normal. Nevertheless, the global inflation pressure, raising interest rates among countries and geopolitics continue to develop in 2023, bringing uncertainties to the economy. For companies relying on export businesses, it will still be a challenging year. The market research institutions’ predictions on the economy and industry in 2023 are still conservative; however,

the economy during the second half of the year is expected to be better than the first half of the year. Despite the current economic downtime, we are still optimistic about the development of new technologies and markets as innovative technologies are the key to recovery and future growth.

While facing challenges, Compal will respond actively and seize opportunities. For 2023, the key business focus will be to continue the long-term promotion of the four main aspects of “Diversity, Digitization, Automation, Team Organization” in order to face the fast changing environment. In addition, we will further enhance the implementation of “Innovation, Talent Cultivation, Execution”, in order to establish long-term competitive advantages. Although the beginning of this year has been challenging, we expect that the business in 2023 will grow progressively, and the new businesses of servers, automotive electronics, medical care and 5G communication devices will also develop further stably. With regard to the sustainable development, we look forward to further extend our influence in order to expand the concept and action of ESG to our customers and cooperating supply chain. In addition, we plan to actively participate in the global initiatives, thereby responding to the expectation of all stakeholders on Compal and achieving the long-term sustainable value of the company.

We, again, sincerely appreciate your long-term support of Compal. We wish you:

Good Health and Prosperity!

Chairman of the Board: Sheng-Hsiung Hsu

President and Chief Executive Officer: Chung-Pin Wong

Accounting Officer: Cheng- Chiang Wang

Attachment 2

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 sheets as of December 31, 2022 and 2021, the statement of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended December 31, 2022 and 2021, 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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 identification, 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 members of 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)

March 15, 2023

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its 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.

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 sheets as of December 31, 2022 and 2021, and the consolidated statement of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the consolidated financial statements, including a summary of significant accounting 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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended December 31, 2022 and 2021, 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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, 2022 and 2021, 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)
March 15, 2023

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its 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.

Attachment 3

Audit Committee's Review Report

The Company's 2022 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 2022 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. 2023 Annual General Shareholders' Meeting

Chairman of the Audit Committee: Min Chih Hsuan

March 15, 2023

Attachment 4

(English Translation of Financial Report Originally Issued in Chinese)

COMPAL ELECTRONICS, INC.
Balance Sheets
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021			December 31, 2022		December 31, 2021	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and Equity				
Current assets:					Current liabilities:				
1100 Cash and cash equivalents	\$ 30,965,694	8.2	8,279,979	1.9	2100 Short-term borrowings	\$ 53,068,579	14.0	78,967,920	17.7
1170 Notes and accounts receivable, net	169,758,431	44.7	273,369,033	61.1	2130 Current contract liabilities	700,046	0.2	1,032,191	0.2
1180 Notes and accounts receivable due from related parties, net	13,277,948	3.5	2,695,685	0.6	2170 Notes and accounts payable	78,000,744	20.6	119,540,795	26.7
1200 Other receivables, net	3,862,484	1.0	3,265,442	0.7	2180 Notes and accounts payable to related parties	76,181,679	20.1	91,494,937	20.5
1310 Inventories	53,064,157	14.0	60,958,417	13.6	2200 Other payables	13,119,799	3.4	10,470,766	2.4
1470 Other current assets	<u>900,626</u>	<u>0.2</u>	<u>345,547</u>	<u>0.1</u>	2230 Current tax liabilities	3,872,974	1.0	4,071,326	0.9
	<u>271,829,340</u>	<u>71.6</u>	<u>348,914,103</u>	<u>78.0</u>	2280 Current lease liabilities	249,553	0.1	357,794	0.1
Non-current assets:					2300 Other current liabilities	2,005,816	0.5	1,069,335	0.2
1550 Investments accounted for using equity method	98,259,876	25.9	88,992,850	19.9	2365 Current refund liabilities	2,012,229	0.5	1,555,967	0.3
1510 Non-current financial assets at fair value through profit or loss	249,567	0.1	222,303	-	2322 Long-term borrowings, current portion	<u>19,300,000</u>	<u>5.1</u>	<u>15,675,000</u>	<u>3.5</u>
1517 Non-current financial assets at fair value through other comprehensive income	3,133,840	0.8	3,508,097	0.8		<u>248,511,419</u>	<u>65.5</u>	<u>324,236,031</u>	<u>72.5</u>
1600 Property, plant and equipment	2,417,309	0.6	2,484,963	0.6	Non-Current liabilities:				
1755 Right-of-use assets	1,033,366	0.3	1,347,259	0.3	2540 Long-term borrowings	11,225,000	3.0	8,625,000	1.9
1780 Intangible assets	529,906	0.1	431,936	0.1	2570 Deferred tax liabilities	1,177,418	0.3	950,327	0.2
1840 Deferred tax assets	1,743,609	0.5	1,118,220	0.2	2580 Non-current lease liabilities	791,427	0.2	991,342	0.2
1990 Other non-current assets	<u>336,598</u>	<u>0.1</u>	<u>328,483</u>	<u>0.1</u>	2640 Non-current net defined benefit liability	566,941	0.1	716,131	0.2
	<u>107,704,071</u>	<u>28.4</u>	<u>98,434,111</u>	<u>22.0</u>	2670 Non-current liabilities, others	<u>966,452</u>	<u>0.3</u>	<u>469,118</u>	<u>0.1</u>
						<u>14,727,238</u>	<u>3.9</u>	<u>11,751,918</u>	<u>2.6</u>
					Total liabilities	<u>263,238,657</u>	<u>69.4</u>	<u>335,987,949</u>	<u>75.1</u>
					Equity:				
					3110 Ordinary share	44,071,466	11.6	44,071,466	9.8
					3200 Capital surplus	5,078,580	1.3	6,724,856	1.5
					3300 Retained earnings	69,969,059	18.4	69,651,940	15.6
					3400 Other equity interest	(1,943,104)	(0.5)	(8,206,750)	(1.8)
					3500 Treasury shares	<u>(881,247)</u>	<u>(0.2)</u>	<u>(881,247)</u>	<u>(0.2)</u>
					Total equity	<u>116,294,754</u>	<u>30.6</u>	<u>111,360,265</u>	<u>24.9</u>
Total assets	<u>\$ 379,533,411</u>	<u>100.0</u>	<u>447,348,214</u>	<u>100.0</u>	Total liabilities and equity	<u>\$ 379,533,411</u>	<u>100.0</u>	<u>447,348,214</u>	<u>100.0</u>

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

COMPAL ELECTRONICS, INC.

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

	2022		2021	
	Amount	%	Amount	%
4000 Net sales revenue	\$ 1,003,642,791	100.0	1,171,613,858	100.0
5000 Cost of sales	975,074,956	97.2	1,143,709,503	97.6
Gross profit	28,567,835	2.8	27,904,355	2.4
Operating expenses:				
6100 Selling expenses	6,211,342	0.6	5,720,031	0.5
6200 Administrative expenses	2,831,405	0.3	2,677,154	0.3
6300 Research and development expenses	12,263,065	1.2	11,928,778	1.0
	21,305,812	2.1	20,325,963	1.8
Net operating income	7,262,023	0.7	7,578,392	0.6
Non-operating income and expenses:				
7100 Interest income	367,313	-	45,045	-
7020 Other gains and losses, net	790,769	0.1	591,365	0.1
7050 Finance costs	(2,546,827)	(0.3)	(692,890)	(0.1)
7190 Other income	334,311	-	347,999	-
7370 Share of profit of associates and joint ventures accounted for using equity method	1,826,023	0.2	6,573,057	0.6
Total non-operating income and expenses	771,589	-	6,864,576	0.6
7900 Profit from continuing operations before tax	8,033,612	0.7	14,442,968	1.2
7950 Less: Income tax expenses	745,320	0.1	1,810,301	0.1
Profit	7,288,292	0.6	12,632,667	1.1
8300 Other comprehensive income:				
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311 Gains (losses) on remeasurements of defined benefit plans	134,331	-	(46,186)	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(610,977)	(0.1)	466,327	-
8330 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	(434,424)	-	279,206	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	3,589	-	31,660	-
Components of other comprehensive income that will not be reclassified to profit or loss	(914,659)	(0.1)	667,687	-
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	7,183,714	0.7	(1,791,462)	(0.1)
8380 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	78,865	-	(63,362)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	7,262,579	0.7	(1,854,824)	(0.1)
8300 Other comprehensive income	6,347,920	0.6	(1,187,137)	(0.1)
8500 Total comprehensive income	<u>\$ 13,636,212</u>	<u>1.2</u>	<u>11,445,530</u>	<u>1.0</u>
Earnings per share				
9750 Basic earnings per share	<u>\$ 1.67</u>		<u>2.90</u>	
9850 Diluted earnings per share	<u>\$ 1.66</u>		<u>2.86</u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

COMPAL ELECTRONICS, INC.
Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Total other equity interest						
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Others	Total other equity interest	Treasury shares	Total equity
Balance at January 1, 2021	\$ 44,071,466	8,342,813	20,414,740	4,101,743	38,049,698	62,566,181	(6,888,977)	(376,952)	(779)	(7,266,708)	(881,247)	106,832,505
Profit for the year ended December 31, 2021	-	-	-	-	12,632,667	12,632,667	-	-	-	-	-	12,632,667
Other comprehensive income	-	-	-	-	(40,067)	(40,067)	(1,855,728)	707,754	904	(1,147,070)	-	(1,187,137)
Total comprehensive income	-	-	-	-	12,592,600	12,592,600	(1,855,728)	707,754	904	(1,147,070)	-	11,445,530
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	924,672	-	(924,672)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	3,164,965	(3,164,965)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(5,288,576)	(5,288,576)	-	-	-	-	-	(5,288,576)
Cash dividends from capital surplus	-	(1,762,859)	-	-	-	-	-	-	-	-	-	(1,762,859)
Changes in ownership interests in subsidiaries	-	61,825	-	-	(25,946)	(25,946)	-	14,709	-	14,709	-	50,588
Changes in equity of associates and joint ventures accounted for using equity method	-	2,132	-	-	(49,878)	(49,878)	-	49,878	-	49,878	-	2,132
Adjustments of capital surplus for cash dividends received by subsidiaries	-	80,027	-	-	-	-	-	-	-	-	-	80,027
Others	-	918	-	-	-	-	-	-	-	-	-	918
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	(142,441)	(142,441)	-	142,441	-	142,441	-	-
Balance at December 31, 2021	44,071,466	6,724,856	21,339,412	7,266,708	41,045,820	69,651,940	(8,744,705)	537,830	125	(8,206,750)	(881,247)	111,360,265
Profit for the year ended December 31, 2022	-	-	-	-	7,288,292	7,288,292	-	-	-	-	-	7,288,292
Other comprehensive income	-	-	-	-	118,035	118,035	7,274,994	(1,032,694)	(12,415)	6,229,885	-	6,347,920
Total comprehensive income	-	-	-	-	7,406,327	7,406,327	7,274,994	(1,032,694)	(12,415)	6,229,885	-	13,636,212
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	1,237,434	-	(1,237,434)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	940,042	(940,042)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(7,051,435)	(7,051,435)	-	-	-	-	-	(7,051,435)
Cash dividends from capital surplus	-	(1,762,859)	-	-	-	-	-	-	-	-	-	(1,762,859)
Changes in ownership interests in subsidiaries	-	33,397	-	-	(2,260)	(2,260)	-	-	-	-	-	31,137
Changes in equity of associates and joint ventures accounted for using equity method	-	(18,066)	-	-	(38,351)	(38,351)	-	36,599	-	36,599	-	(19,818)
Adjustments of capital surplus for cash dividends received by subsidiaries	-	100,035	-	-	-	-	-	-	-	-	-	100,035
Others	-	1,217	-	-	-	-	-	-	-	-	-	1,217
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	2,838	2,838	-	(2,838)	-	(2,838)	-	-
Balance at December 31, 2022	\$ 44,071,466	5,078,580	22,576,846	8,206,750	39,185,463	69,969,059	(1,469,711)	(461,103)	(12,290)	(1,943,104)	(881,247)	116,294,754

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

COMPAL ELECTRONICS, INC.
Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 8,033,612	14,442,968
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization	1,292,481	1,351,021
Expected credit loss	10,092	(2,005)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	17,430	(8,535)
Finance cost	2,546,827	692,890
Interest income	(367,313)	(45,045)
Dividend income	(60,493)	(65,011)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(1,826,023)	(6,573,057)
Others	7,903	762
Total adjustments to reconcile profit (loss)	<u>1,620,904</u>	<u>(4,648,980)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes and accounts receivable	92,993,745	(46,645,753)
Decrease (increase) in other receivables	861,286	(456,496)
Decrease (increase) in inventories	7,894,260	(5,166,069)
(Increase) decrease in other current assets	(440,998)	367,618
Total changes in operating assets	<u>101,308,293</u>	<u>(51,900,700)</u>
Changes in operating liabilities:		
(Decrease) increase in notes and accounts payable	(56,853,309)	22,408,059
Increase in other payables	2,252,516	1,208,152
Increase in refund liabilities	456,262	302,077
(Decrease) increase in contract liabilities	(332,145)	203,213
Increase in other current liabilities	936,481	378,822
Others	(14,859)	(17,109)
Total changes in operating liabilities	<u>(53,555,054)</u>	<u>24,483,214</u>
Total changes in operating assets and liabilities	<u>47,753,239</u>	<u>(27,417,486)</u>
Total adjustments	<u>49,374,143</u>	<u>(32,066,466)</u>
Cash inflow (outflow) generated from operations	57,407,755	(17,623,498)
Interest received	363,622	43,724
Dividends received	762,393	720,292
Interest paid	(2,149,093)	(658,932)
Income taxes paid	(1,345,557)	(451,858)
Net cash flows from (used in) operating activities	<u>55,039,120</u>	<u>(17,970,272)</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss and through other comprehensive income	(293,452)	(224,151)
Proceeds from disposal of financial assets at fair value through other comprehensive income	10,028	-
Acquisition of investments accounted for using equity method	(723,290)	(1,226,820)
Proceeds from capital reduction and liquidation of investments	2,010	13,725
Acquisition of property, plant and equipment	(332,902)	(296,453)
(Increase) decrease in other receivables due from related parties	(1,417,334)	382,796
Acquisition of intangible assets	(558,111)	(480,815)
Others	(116,556)	(224,104)
Net cash flows used in investing activities	<u>(3,429,607)</u>	<u>(2,055,822)</u>
Cash flows from (used in) financing activities:		
(Decrease) increase in short-term borrowings	(25,899,341)	22,976,240
Proceeds from long-term borrowings	79,109,500	49,654,536
Repayments of long-term borrowings	(72,884,500)	(44,459,976)
Payment of lease liabilities	(439,591)	(479,608)
Cash dividends paid	(8,814,294)	(7,051,435)
Others	4,428	(50)
Net cash flows (used in) from financing activities	<u>(28,923,798)</u>	<u>20,639,707</u>
Net increase (decrease) in cash and cash equivalents	22,685,715	613,613
Cash and cash equivalents at beginning of period	8,279,979	7,666,366
Cash and cash equivalents at end of period	<u>\$ 30,965,694</u>	<u>8,279,979</u>

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021			December 31, 2022		December 31, 2021	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and Equity				
Current assets:					Current liabilities:				
1100 Cash and cash equivalents	\$ 79,665,302	17.6	75,162,103	14.0	2100 Short-term borrowings	\$ 74,832,426	16.5	118,422,407	22.0
1110 Current financial assets at fair value through profit or loss	187	-	400,754	0.1	2120 Current financial liabilities at fair value through profit or loss	62,527	-	1,589	-
1170 Notes and accounts receivable, net (Note (6)(e))	186,804,648	41.2	288,436,522	53.7	2125 Current financial liabilities for hedging	47,809	-	-	-
1180 Notes and accounts receivable due from related parties, net	4,416,073	1.0	1,729,332	0.3	2130 Current contract liabilities	784,238	0.2	1,065,954	0.2
1200 Other receivables, net	2,369,411	0.5	2,445,690	0.5	2170 Notes and accounts payable	152,137,066	33.6	220,549,039	41.1
1310 Inventories	111,593,984	24.6	115,012,365	21.4	2180 Notes and accounts payable to related parties	9,701,032	2.1	3,517,324	0.7
1470 Other current assets	5,856,898	1.3	3,928,624	0.7	2200 Other payables	29,622,760	6.5	29,701,088	5.5
	<u>390,706,503</u>	<u>86.2</u>	<u>487,115,390</u>	<u>90.7</u>	2230 Current tax liabilities	7,202,033	1.6	7,013,976	1.3
Non-current assets:					2250 Current provisions	734,061	0.2	1,204,115	0.2
1550 Investments accounted for using equity method	8,047,569	1.7	8,369,312	1.6	2280 Current lease liabilities	1,813,555	0.4	625,292	0.1
1510 Non-current financial assets at fair value through profit or loss	558,909	0.1	259,778	-	2300 Other current liabilities	3,352,565	0.7	2,037,822	0.4
1517 Non-current financial assets at fair value through other comprehensive income	5,425,908	1.2	6,235,063	1.2	2365 Current refund liabilities	2,632,039	0.6	2,035,437	0.4
1600 Property, plant and equipment	28,808,211	6.4	26,990,364	5.0	2321 Bonds payable, current portion	-	-	326,571	0.1
1755 Right-of-use assets	13,705,316	3.0	3,066,218	0.6	2322 Long-term borrowings, current portion	19,462,800	4.3	15,741,481	2.9
1780 Intangible assets	1,722,165	0.4	1,548,508	0.3		<u>302,384,911</u>	<u>66.7</u>	<u>402,242,095</u>	<u>74.9</u>
1840 Deferred tax assets	2,393,778	0.5	1,646,524	0.3	Non-Current liabilities:				
1990 Other non-current assets	2,116,074	0.5	1,864,183	0.3	2540 Long-term borrowings	11,674,322	2.6	9,219,032	1.7
	<u>62,777,930</u>	<u>13.8</u>	<u>49,979,950</u>	<u>9.3</u>	2570 Deferred tax liabilities	1,247,342	0.3	1,226,805	0.2
					2580 Non-current lease liabilities	9,533,209	2.1	1,679,504	0.3
					2640 Non-current net defined benefit liability	660,019	0.1	822,033	0.2
					2670 Non-current liabilities, others	574,787	0.1	366,068	0.1
						<u>23,689,679</u>	<u>5.2</u>	<u>13,313,442</u>	<u>2.5</u>
						<u>326,074,590</u>	<u>71.9</u>	<u>415,555,537</u>	<u>77.4</u>
					Total liabilities				
					Equity:				
					Equity attributable to owners of parent:				
					3110 Ordinary share	44,071,466	9.7	44,071,466	8.2
					3200 Capital surplus	5,078,580	1.1	6,724,856	1.2
					3300 Retained earnings	69,969,059	15.4	69,651,940	13.0
					3400 Other equity interest	(1,943,104)	(0.4)	(8,206,750)	(1.5)
					3500 Treasury shares	(881,247)	(0.2)	(881,247)	(0.2)
						<u>116,294,754</u>	<u>25.6</u>	<u>111,360,265</u>	<u>20.7</u>
					36XX Non-controlling interests	11,115,089	2.5	10,179,538	1.9
					Total equity	<u>127,409,843</u>	<u>28.1</u>	<u>121,539,803</u>	<u>22.6</u>
Total assets	\$ 453,484,433	100.0	537,095,340	100.0	Total liabilities and equity	\$ 453,484,433	100.0	537,095,340	100.0

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

	2022		2021	
	Amount	%	Amount	%
4000 Net sales revenue	\$ 1,073,245,915	100.0	1,235,682,015	100.0
5000 Cost of sales	1,032,881,736	96.2	1,194,190,441	96.6
Gross profit	40,364,179	3.8	41,491,574	3.4
Operating expenses:				
6100 Selling expenses	8,232,253	0.8	7,088,418	0.6
6200 Administrative expenses	4,983,404	0.4	4,562,706	0.4
6300 Research and development expenses	17,929,525	1.7	16,491,857	1.3
	<u>31,145,182</u>	<u>2.9</u>	<u>28,142,981</u>	<u>2.3</u>
Net operating income	9,218,997	0.9	13,348,593	1.1
Non-operating income and expenses:				
7100 Interest income	3,089,926	0.3	2,017,314	0.2
7210 Other gains and losses, net	1,363,841	0.1	2,511,423	0.2
7050 Finance costs	(3,245,701)	(0.3)	(1,049,137)	(0.1)
7190 Other income	652,426	-	648,106	-
7590 Miscellaneous disbursements	(73,104)	-	(52,513)	-
7670 Impairment loss	(9,431)	-	(404,513)	-
Share of profit (loss) of associates and joint ventures accounted for using equity method	(272,824)	-	448,562	-
	<u>1,505,133</u>	<u>0.1</u>	<u>4,119,242</u>	<u>0.3</u>
Total non-operating income and expenses	1,505,133	0.1	4,119,242	0.3
7900 Profit from continuing operations before tax	10,724,130	1.0	17,467,835	1.4
7950 Less: Income tax expenses	2,182,603	0.2	3,727,347	0.3
Profit	8,541,527	0.8	13,740,488	1.1
8300 Other comprehensive income:				
Components of other comprehensive income that will not be reclassified to profit or loss				
8310 Gains (losses) on remeasurements of defined benefit plans	161,558	-	(56,056)	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(1,074,884)	(0.1)	630,396	0.1
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	(21,325)	-	135,751	-
8320 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(49,117)	-	50,190	-
8349 Components of other comprehensive income that will not be reclassified to profit or loss	(885,534)	(0.1)	659,901	0.1
Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8360 Exchange differences on translation of foreign financial statements	7,375,388	0.7	(1,892,168)	(0.2)
8368 Gains (losses) on hedging instrument	(47,809)	-	2,192	-
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	81,580	-	(25,372)	-
8370 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(12,026)	-	(17,539)	-
8399 Components of other comprehensive income that will be reclassified to profit or loss	7,421,185	0.7	(1,897,809)	(0.2)
	<u>6,535,651</u>	<u>0.6</u>	<u>(1,237,908)</u>	<u>(0.1)</u>
8300 Other comprehensive income	6,535,651	0.6	(1,237,908)	(0.1)
8500 Total comprehensive income	\$ 15,077,178	1.4	12,502,580	1.0
Profit, attributable to:				
8610 Profit, attributable to owners of parent	\$ 7,288,292	0.7	12,632,667	1.0
8620 Profit, attributable to non-controlling interests	1,253,235	0.1	1,107,821	0.1
	<u>\$ 8,541,527</u>	<u>0.8</u>	<u>13,740,488</u>	<u>1.1</u>
Comprehensive income attributable to:				
8710 Comprehensive income (loss), attributable to owners of parent	\$ 13,636,212	1.3	11,445,530	0.9
8720 Comprehensive income (loss), attributable to non-controlling interests	1,440,966	0.1	1,057,050	0.1
	<u>\$ 15,077,178</u>	<u>1.4</u>	<u>12,502,580</u>	<u>1.0</u>
Earnings per share				
9750 Basic earnings per share	\$ 1.67		2.90	
9850 Diluted earnings per share	\$ 1.66		2.86	

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent													
	Retained earnings						Total other equity interest				Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Others	Total other equity interest				
Balance at January 1, 2021	\$ 44,071,466	8,342,813	20,414,740	4,101,743	38,049,698	62,566,181	(6,888,977)	(376,952)	(779)	(7,266,708)	(881,247)	106,832,505	9,157,145	115,989,650
Profit for the year ended December 31, 2021	-	-	-	-	12,632,667	12,632,667	-	-	-	-	-	12,632,667	1,107,821	13,740,488
Other comprehensive income	-	-	-	-	(40,067)	(40,067)	(1,855,728)	707,754	904	(1,147,070)	-	(1,187,137)	(50,771)	(1,237,908)
Total comprehensive income	-	-	-	-	12,592,600	12,592,600	(1,855,728)	707,754	904	(1,147,070)	-	11,445,530	1,057,050	12,502,580
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	924,672	-	(924,672)	-	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	3,164,965	(3,164,965)	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(5,288,576)	(5,288,576)	-	-	-	-	-	(5,288,576)	-	(5,288,576)
Cash dividends from capital surplus	-	(1,762,859)	-	-	-	-	-	-	-	-	-	(1,762,859)	-	(1,762,859)
Changes in ownership interests in subsidiaries	-	61,825	-	-	(25,946)	(25,946)	-	14,709	-	14,709	-	50,588	-	50,588
Changes in equity of associates and joint ventures accounted for using equity method	-	2,132	-	-	(49,878)	(49,878)	-	49,878	-	49,878	-	2,132	-	2,132
Adjustments of capital surplus for cash dividends received by subsidiaries	-	80,027	-	-	-	-	-	-	-	-	-	80,027	-	80,027
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	(142,441)	(142,441)	-	142,441	-	142,441	-	-	-	-
Others	-	918	-	-	-	-	-	-	-	-	-	918	-	918
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(34,657)	(34,657)
Balance at December 31, 2021	<u>44,071,466</u>	<u>6,724,856</u>	<u>21,339,412</u>	<u>7,266,708</u>	<u>41,045,820</u>	<u>69,651,940</u>	<u>(8,744,705)</u>	<u>537,830</u>	<u>125</u>	<u>(8,206,750)</u>	<u>(881,247)</u>	<u>111,360,265</u>	<u>10,179,538</u>	<u>121,539,803</u>
Profit for the year ended December 31, 2022	-	-	-	-	7,288,292	7,288,292	-	-	-	-	-	7,288,292	1,253,235	8,541,527
Other comprehensive income	-	-	-	-	118,035	118,035	7,274,994	(1,032,694)	(12,415)	6,229,885	-	6,347,920	187,731	6,535,651
Total comprehensive income	-	-	-	-	7,406,327	7,406,327	7,274,994	(1,032,694)	(12,415)	6,229,885	-	13,636,212	1,440,966	15,077,178
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	1,237,434	-	(1,237,434)	-	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	940,042	(940,042)	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(7,051,435)	(7,051,435)	-	-	-	-	-	(7,051,435)	-	(7,051,435)
Cash dividends from capital surplus	-	(1,762,859)	-	-	-	-	-	-	-	-	-	(1,762,859)	-	(1,762,859)
Changes in ownership interests in subsidiaries	-	33,397	-	-	(2,260)	(2,260)	-	-	-	-	-	31,137	-	31,137
Changes in equity of associates and joint ventures accounted for using equity method	-	(18,066)	-	-	(38,351)	(38,351)	-	36,599	-	36,599	-	(19,818)	-	(19,818)
Adjustments of capital surplus for cash dividends received by subsidiaries	-	100,035	-	-	-	-	-	-	-	-	-	100,035	-	100,035
Others	-	1,217	-	-	-	-	-	-	-	-	-	1,217	-	1,217
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	2,838	2,838	-	(2,838)	-	(2,838)	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(505,415)	(505,415)
Balance at December 31, 2022	<u>\$ 44,071,466</u>	<u>5,078,580</u>	<u>22,576,846</u>	<u>8,206,750</u>	<u>39,185,463</u>	<u>69,969,059</u>	<u>(1,469,711)</u>	<u>(461,103)</u>	<u>(12,290)</u>	<u>(1,943,104)</u>	<u>(881,247)</u>	<u>116,294,754</u>	<u>11,115,089</u>	<u>127,409,843</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	\$ 10,724,130	17,467,835
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization	7,544,408	6,903,111
Expected credit loss	30,177	(17,646)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	23,672	(3,170)
Finance cost	3,245,701	1,049,137
Interest income	(3,089,926)	(2,017,314)
Dividend income	(128,597)	(143,686)
Compensation cost of share-based payments	22,025	33,407
Share of loss (profit) of associates and joint ventures accounted for using equity method	272,824	(448,562)
Losses (gains) on disposal of property, plant and equipment, and right-of-use assets	(7,086)	(1,969,560)
Impairment loss on financial assets	9,431	404,513
Others	(158)	706
Total adjustments to reconcile profit (loss)	<u>7,922,471</u>	<u>3,790,936</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in financial assets at fair value through profit or loss	400,567	1,844,499
Decrease (increase) in notes and accounts receivable	99,026,904	(57,806,973)
Decrease (increase) in other receivable	357,505	(746,025)
Decrease (increase) in inventories	3,761,054	(18,649,166)
Increase in other current assets	(1,523,444)	(434,580)
Decrease (increase) in other non-current assets	438,312	(251,890)
Total changes in operating assets	<u>102,460,898</u>	<u>(76,044,135)</u>
Changes in operating liabilities:		
Increase (decrease) in financial liabilities at fair value through profit or loss	60,938	(135,028)
(Decrease) Increase in notes and accounts payable	(62,369,969)	24,215,948
Increase in other payables	976,433	5,961,832
Increase in refund liabilities	596,602	460,968
(Decrease) increase in provisions	(472,840)	334,065
(Decrease) increase in contract liabilities	(281,716)	245,938
Increase in other current liabilities	1,309,581	567,356
Others	(18,337)	45,798
Total changes in operating liabilities	<u>(60,199,308)</u>	<u>31,696,877</u>
Total changes in operating assets and liabilities	<u>42,261,590</u>	<u>(44,347,258)</u>
Total adjustments	<u>50,184,061</u>	<u>(40,556,322)</u>
Cash inflow generated from operations	60,908,191	(23,088,487)
Interest received	2,813,791	1,975,718
Dividends received	270,042	302,344
Interest paid	(2,697,025)	(1,033,955)
Income taxes paid	(2,656,389)	(1,990,003)
Net cash flows from (used in) operating activities	<u>58,638,610</u>	<u>(23,834,383)</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss and through other comprehensive income	(587,240)	(859,403)
Proceeds from disposal of financial assets at fair value through profit or loss and through other comprehensive income	10,028	-
Acquisition of investments accounted for using equity method	(54,000)	(17,189)
Net cash flow from acquisition of subsidiaries	(135,971)	(197,002)
Proceeds from liquidation of investments	2,010	17,472
Acquisition of property, plant and equipment	(7,727,184)	(11,737,557)
Proceeds from disposal of property, plant and equipment	185,814	3,801,301
Acquisition of intangible assets	(659,132)	(960,300)
Increase in restricted assets	(795,029)	(936,497)
Others	(154,230)	(173,940)
Net cash flows from (used in) investing activities	<u>(9,914,934)</u>	<u>(11,063,115)</u>
Cash flows from (used in) financing activities:		
(Decrease) increase in short-term borrowings	(43,590,249)	25,424,931
Repayments of bonds payable	(7,400)	-
Proceeds from long-term borrowings	79,108,377	50,106,091
Repayments of long-term borrowings	(72,931,768)	(44,479,931)
Payment of lease liabilities	(2,422,290)	(835,037)
Cash dividends paid	(8,714,259)	(6,971,407)
Change in non-controlling interests	(1,062,788)	(692,982)
Others	207,983	26,093
Net cash flows from (used in) financing activities	<u>(49,412,394)</u>	<u>22,577,758</u>
Effect of exchange rate changes on cash and cash equivalents	<u>5,191,917</u>	<u>(1,645,080)</u>
Net increase (decrease) in cash and cash equivalents	<u>4,503,199</u>	<u>(13,964,820)</u>
Cash and cash equivalents at beginning of period	<u>75,162,103</u>	<u>89,126,923</u>
Cash and cash equivalents at end of period	<u>\$ 79,665,302</u>	<u>75,162,103</u>

See accompanying notes to consolidated financial statements.

Appendices

Appendix 1

Rules and Procedures of Shareholders Meeting of Compal Electronics, Inc.

1. The shareholders meeting of Compal Electronics, Inc. (the "Company") shall be conducted in accordance with these Rules and Procedures unless the law provides otherwise.
Unless otherwise stipulated by the securities regulatory authority, the convening of the shareholders meetings via video conference shall be handled in accordance with these Rules.
2. Shareholders, solicitors and proxies (hereinafter referred to as "shareholders") attending the shareholders meeting shall submit an attendance card for registration.
If the shareholders meeting is held by video conference, the shareholders intending to attend such meeting via video conference shall register with the Company 2 days prior to the meeting. For the video conferencing of the shareholders meeting, registration should be accepted on the video conference platform 30 minutes before the start of the meeting. Shareholders who have completed the registration shall be deemed to have attended the shareholders meeting in person.
3. The presence of shareholders in a shareholders meeting shall be calculated in accordance with the number of shares. The number of shares attended is calculated based on the attendance card and the number of shares registered on the video conference platform, plus the number of shares for which voting rights are exercised in writing or electronically.
4. The place for convening a shareholders meeting for the Company shall be held inside the premises of the Company, or any other place convenient for presence of shareholders, and suitable for holding of the said meeting. The time for commencing the said meeting shall not be earlier than 9am or later than 3pm.
When the Company convenes a video conferencing shareholders meeting, it is not subject to the restriction on the meeting place of the preceding paragraph.
When the Company convenes a video conferencing shareholders meeting, it shall provide appropriate alternatives for shareholders who have difficulty in attending the shareholders meeting by video.
Change of the method of convening the shareholders meeting shall be subject to a resolution by the board of directors, and shall be made before the shareholders meeting notice is released.
5. If a shareholders meeting is called by the Board of Directors, the Chairman of the Board shall preside at the said shareholders meeting. In case the Chairman is on leave of absence, or cannot exercise his/her powers and authority, the Vice Chairman shall act in lieu of him/her. If there is no Vice Chairman, or the Vice

Chairman is also on leave of absence, or cannot exercise his/her powers and authority, the Chairman shall designate a Managing Director to act in lieu of him/her; if there is no Managing Director, the Chairman shall designate a Director to act in lieu of him/her. If the Chairman does not designate a Director, the Managing Directors or Directors shall elect one from among themselves to act in lieu of the Chairman.

If a shareholders meeting is called by a person other than the Board of Directors, who has the right to call the meeting, said person shall preside at that meeting.

6. The Company may designate its lawyer, certified public accountant or other relevant persons to attend the shareholders meeting.

Persons handling affairs of meeting shall wear identification cards or arm badges.

7. The proceeding of the meeting shall be audio recorded or videotaped in its entirety and these tapes shall be kept for at least one year.

If the shareholders meeting is held by video conferencing, the Company shall record and preserve the materials of shareholders registration, booking, attendance, questions, voting and the Company's vote counting results; as well as record and videotape the entire meeting process continuously and uninterruptedly.

The above-mentioned materials and audio and video recordings shall be properly preserved by the Company during the Company existed life, and the audio and video recordings shall be provided to those handling video conference affairs for preservation.

8. The chairman of the meeting shall call the meeting to order at the time scheduled for the meeting, provided, however, that if the shareholders present do not represent a majority of the total amount of issued shares, the chairman of the meeting may postpone the meeting, provided, however, that the postponement of the said meeting shall be limited to two times, and the total time postponed shall not exceed one hour. If the meeting has been postponed for two times, but the shareholders present are still less than one-third of the total amount of issued shares, the chairman shall announce the meeting adjourned. If the shareholders meeting is held by video conferencing, the Company shall also announce the meeting adjourned on the video conferencing platform.

If shareholders who represent no less than one-third of the total amount of issued shares are present after two-times postponement mentioned in the preceding paragraph, the tentative resolution may be adopted in accordance with the Paragraph 1 of Article 175 of the Company Act. Shareholders will be notified of the tentative resolutions and the Company shall convene a shareholders meeting again within one month. If the shareholders meeting is held by video conferencing, shareholders who wish to attend the shareholders meeting by video conferencing shall re-register with the Company two days before the shareholders meeting.

Before the close of the said meeting, if the shareholders present represent a majority of the total amount of issued shares, the chairman of the meeting may

present the tentative resolution so adopted to the meeting for resolution in accordance with the provisions of Article 174 of the Company Act.

9. If a shareholders meeting is called by the Board of Directors, the meeting agenda shall be set by the Board of Directors, and the meeting shall be conducted in accordance with the said agenda. The agenda shall not be changed without a resolution made by the shareholders meeting.

If a shareholders meeting shall be called by a person, other than the Board of Directors, entitled to convene such meeting, the preceding provisions shall apply mutatis mutandis to the said meeting.

The chairman of the meeting shall not adjourn a meeting without resolution adopted by shareholders if the items (including extraordinary motions) listed in the agenda so arranged in the above two Paragraphs are not completed.

After close of the said meeting, shareholders shall not elect another person to serve as chairman and continue the meeting at the same place or at any other place.

10. When a shareholder present at the meeting wishes to speak, he/she shall first fill out a slip, specifying therein the major points of his/her speech, his/her serial number as a shareholder (or number of attendance) and his/her name, and the chairman of the meeting shall determine his/her order of giving a speech.

A shareholder who submits his/her slip for a speech but does not actually speak shall be considered as not having given a speech. If the contents of his/her speech shall be different from those specified on the slip, the contents of his/her speech shall prevail.

When a shareholder is giving a speech, the other shareholders shall not interrupt unless they have obtained the prior consent from the chairman of the meeting as well as the said shareholder, and the chairman of the meeting may stop such interruption.

11. Unless otherwise permitted by the chairman of the meeting, any shareholder shall not, for each discussion item, speak more than two times and each time shall not exceed 3 minutes. However, after obtaining consent of the chairman, the length of such speech may be extended for an additional 3 minutes.

If the speech of any shareholder violates the above provisions or his/her speech exceeds the scope of the discussion item, the chairman of the meeting may stop the speech of such shareholder.

When the shareholders meeting is held by video conferencing, the shareholders who participate by video conferencing may ask questions in text on the video conferencing platform of the shareholders' meeting after the meeting commencement and before the meeting adjournment announced by the chairman. The questions are subject to limitation of two times and 200 words for each discuss items, and in such case, the preceding article and the first two paragraphs of this article are not applicable.

12. Any legal entity designated as proxy by a shareholder(s) to be present at the shareholders meeting may appoint only one representative to attend such

meeting.

If a corporate shareholder who designates two or more representatives to represent it at the shareholders meeting, only one of the representatives so designated may speak on any one discussion item.

13. After the speech of a shareholder, the chairman of the meeting may respond himself/herself or appoint an appropriate person to respond.
14. The chairman of the meeting may announce to end the discussion of any discussion item and go into voting if the chairman considers that the discussion for a motion has reached the extent for making a resolution.
15. The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the chairman of the meeting, provided, however, that the person supervising the casting of votes shall be a shareholder. The results of resolution(s) shall be announced in the meeting, and recorded in the meeting minutes.
16. During the meeting, the chairman of the meeting may, at his/her discretion, set time for intermission.
17. Voting at a shareholders meeting shall be calculated based on the number of shares. A shareholder shall be entitled to one vote for each share held. If the shares are restricted shares or are deemed non-voting shares, the shareholders' voting rights shall be handled in accordance with the relevant provisions of the applicable law and the articles of incorporation of the Company.
18. Unless otherwise specifically provided for in the Company Act or the Articles of Incorporation of the Company, resolutions shall be adopted by a majority of votes represented by the shareholders present at a meeting.
The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is raised after solicitation by the chairman of the meeting.
When the shareholders' meeting is held by video conferencing, the Company shall immediately disclose the voting results and election results of various resolutions on the video conferencing platform of the shareholders meeting in accordance with regulations, and shall continue to disclose for at least 15 minutes after the chairman's announcement of meeting adjournment.
19. If there is amendment to or substitute for one discussion item, the chairman of the meeting may combine such amendment or substitute into the original discussion item, and determine their orders for resolution. If any one of the above has been adopted, the others shall be considered as rejected, upon which no further resolution shall be required.
20. For the number of shares obtained by the solicitor, the number of shares represented by the proxies, and the number of shares represented by attending shareholders in writing or electronically, the Company shall, on the day of the shareholders meeting, prepare a statistical statement in the prescribed format and disclose it clearly at the shareholders meeting place. When the shareholders meeting is held by video conferencing, the Company shall upload the

above-mentioned information to the video conferencing platform of the shareholders meeting at least 30 minutes before the start of the meeting, and continue to disclose it until the end of the meeting.

When the Company holds a video conferencing shareholder meeting, the total number of shares represented by shareholders present shall be disclosed on the video conferencing platform as meeting starting announced. The same process shall be carried out if the total number of shares and voting rights of the shareholders attending the meeting are otherwise counted during the meeting.

21. When the shareholders meeting is held by video conferencing, the chairman shall, when announcing the meeting starts, separately announce that unless there is no need for postponement or continuation of the meeting as stipulated in Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if before the meeting is adjourned, due to natural disasters, incidents or other force majeure events, it is difficult to participate in the meeting on the video conferencing platform or via video, and such difficulty lasts for 30 minutes or more, the date of the meeting should be postponed or resumed within five days. In such case, Article 182 of Company law is not applicable.
22. The chairman of the meeting may direct disciplinary personnel (or security personnel) to keep the order of the meeting. Such disciplinary personnel (or security personnel) shall wear badges bearing the words of "disciplinary personnel".
In order to keep the order of the meeting, shareholders shall obey directions made by the chairman of the meeting, disciplinary personnel (or security personnel). In case any person interrupts the meeting and, after being stopped by the chairman of the meeting three times, refuses to desist his/her interruption, the chairman of the meeting may ask the disciplinary personnel (or security personnel) to escort such shareholder to leave the meeting place.
23. These Rules and Procedures shall be effective from the date they are approved by the shareholders meeting. The same applies in case of amendments.
24. These Regulations were approved by the Annual General Shareholders Meeting and entered into force on May 4, 1990.

The 1st amendment was implemented after it was adopted by the resolution of the General Shareholders Meeting on March 27, 1996.

The 2nd amendment was implemented after it was adopted by the resolution of the General Shareholders Meeting on July 8, 1998.

The 3rd amendment was implemented after it was adopted by the resolution of the General Shareholders Meeting on June 24, 2022.

Appendix 2

Articles of Incorporation of Compal Electronics, Inc.

CHAPTER I GENERAL PROVISIONS

Article 1

The Company is organized under the Company Law and shall be named “仁寶電腦工業股份有限公司” and the English name shall be “Compal Electronics, Inc.”.

Article 2

The business scope of the Company shall be as follows:

1. To engage in CC01110 manufacturing business of computers and their peripheral equipments;
2. To engage in CC01080 manufacturing business of electronic parts and components;
3. To engage in CC01060 manufacturing business of wired communication machinery implements;
4. To engage in CC01070 manufacturing business of radio communication machinery implements;
5. To engage in CC01101 manufacturing business of telecom controlled radio frequency instruments;
6. To engage in F401021 import business of telecom controlled radio frequency instruments;
7. To engage in CB01010 manufacturing business of machinery equipments;
8. To engage in CB01020 manufacturing business of office machinery;
9. To engage in CE01990 manufacturing business of other optical & precision apparatus;
10. To engage in G801010 terminal business;
11. To engage in I501010 products design business;
12. To engage in I301010 information software services business;
13. To engage in F401010 international trade business;
14. To engage in F108031 Wholesale of Drugs, Medical Goods
15. To engage in F208031 Retail sale of Medical Equipments
16. To engage in CF01011 Medical Materials and Equipment Manufacturing
17. ZZ99999 All businesses that are not prohibited or restricted by laws, except those that are subject to special approval.

Article 3

The Company may provide guarantee to other companies to meet its business needs.

Article 4

The head office of the Company shall be in Taipei. When deemed necessary, the Company may set up branch offices or factories within or outside the Republic of China by resolutions of the Board of Directors.

Article 5 (Deleted)

Article 6

The re-investment amount of the Company may exceed 40% of its paid-in capital.

CHAPTER 2 SHARES

Article 7

The total capital of the Company shall be NT\$60,000,000,000 consisting of 6,000,000,000 shares with a par value of NT\$10 each (including 100,000,000 shares for employees' subscription to shares according to certificates of subscription or company bonds attaching the right of subscription to shares) which may be issued in several issues, and the shares that are not issued may be issued by the Board of Directors according to business requirement.

Article 7-1

When the Company issues employee share subscription warrants, employee share subscription rights and restricted stock for new shares or buy-back shares in accordance with the laws, the employees so granted or transferred may include the employees of the Company's subordinate companies who meet certain requirements.

Article 8

The share certificates of the Company shall be in registered form and shall be affixed with the signatures or seals of the director representing the Company, and shall be duly authenticated by the bank which is qualified to authenticate shares under the laws.

The Company may be exempted from printing any share certificate for the shares issued and shall appoint a centralized securities custody enterprise/ institution to make recordation of the issue of such shares.

Article 9

The shareholders shall fill out seal impression cards when opening accounts. The style of signature or seal impression card shall be kept by the Company or the Company's stock agency for recordation, and the same shall apply to alteration.

Article 10

Unless otherwise provided in laws and regulations and securities rules, the shareholders shall deal with stock affairs or exercise other relevant rights in accordance with the "Guidelines Governing the Processing of Stock Affairs by Public

Company”.

Article 11

No entry for transfer of shares shall be permitted within sixty (60) days prior to a regular shareholders' meeting; thirty (30) days prior to a special shareholders' meeting; and five (5) days prior to a record date set for distributing dividends and bonuses or other benefits.

CHAPTER 3 SHAREHOLDERS' MEETING

Article 12

Shareholders' meeting shall be of two types, regular shareholders' meeting and special shareholders' meeting. The regular shareholders' meeting shall be called by the board of directors once a year within six (6) months of the close of each fiscal year. The special shareholders' meeting may be called pursuant to law when deemed necessary. When the Company shareholders' meeting is held, it may be held by video conference or other methods announced by the central competent authority.

The requirements, operating procedures, and other matters to be complied with for a video conference meeting shall be handled in accordance with the relevant regulations of the securities regulatory authority.

Article 13

A shareholder who is unable to attend a shareholders' meeting may authorize a proxy to attend the meeting by a power of attorney printed by the Company duly signed or sealed and setting forth the vested power in accordance with the [Regulations Governing the Use of Proxy for Attending Shareholders' Meetings of Public Companies] prescribed by the competent authority.

Article 14

The Chairman of the Board of Directors shall preside at the shareholders' meetings. If the Chairman is unable to attend the meeting or to exercise his power and authority, the Vice Chairman of the Board of Directors shall act on his behalf. In case there is no Vice Chairman or the Vice Chairman is also absent or unable to exercise his power and authority, the Chairman shall designate a Managing Director to act on his behalf, or where there is no Managing Director, one of the Directors to act on his behalf. In the absence of such a designation, the Managing Directors or the Directors shall elect one from among themselves an acting chairman of the Board of Directors.

Article 15

Each shareholder of the Company shall have one (1) vote for each share held, unless otherwise provided in Article 179 of Company Act.

Article 16

Except as otherwise provided in the Company Act, a resolution shall be adopted at a shareholders' meeting attended by shareholders holding and representing a majority of the total issued and outstanding shares and at which meeting a majority of the votes held by the shareholders present shall be cast in favor of such resolution.

Article 17

Minutes of proceedings shall be prepared for all resolutions adopted at a shareholders' meeting, stating the date and place of the meeting, the abstract and results of proceedings, name of the chairman and the means by which a resolution is adopted, number of shareholders present and number of shares represented. A copy of the minutes of proceedings duly signed and sealed by the chairman shall be forwarded to each shareholder within twenty (20) days after the meeting.

The distribution process of meeting minutes is made in accordance with applicable laws and regulations.

CHAPTER 4 DIRECTORS AND COMMITTEES

Article 18

The Company shall have seven (7) to fifteen (15) Directors. Directors shall be elected by adopting candidate nomination system and being elected. There shall be at least three (3) Independent Directors among the Company's Directors.

The Directors' liability insurance may be bought by the Company for the liability of compensation they may bear according to law in their business scope during their term of office.

The number of seats, professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be in compliance with applicable laws and regulations.

Article 19

The Directors shall hold office for a term of three years and shall be eligible for re-election.

Re-election of Independent Directors shall be governed by applicable laws and regulations.

Article 20

When one-third (1/3) of the Directors have vacated their offices or all of the Independent Directors are discharged, the special shareholders' meeting shall be called by the Board of Directors within sixty (60) days for election of Directors and Independent Directors to fill the vacancies until the original term expires.

Article 21

The Directors shall form a Board of Directors. The Chairman and Vice Chairman of the Board of Directors shall be elected by and from among the Directors with the

concurrence of a majority of the Directors present at a Board of Directors' meeting attended by more than two-thirds (2/3) of the Directors. The Board chairman shall conduct all the business of the Company pursuant to the laws and regulations, Article of incorporation, and resolutions adopted at shareholders' meetings and Board of Directors' meetings.

Article 22

The business policies and other important matters of the Company shall be performed in accordance with the resolutions of the Board of Directors' meetings. Except as otherwise provided in the provisions of the relevant laws, the Board of Directors meeting shall be called and presided by the chairman of the Company. In the event the Board Chairman is absent or unable to perform his right or authority, he may designate Vice Chairman to act on his behalf. In case there is no Vice Chairman or the Vice Chairman is absent or unable to perform his power or authority, the Chairman may designate one Managing Director to act on his behalf, or where there is no Managing Director, one of the Directors to act on his behalf. In the absence of the designation, the Managing Directors or Directors shall elect one from among themselves.

Article 23

Except as otherwise provided in the Company Act, a Board of Directors' meeting at which a resolution is adopted shall be attended by a majority of the Directors and at which meeting a majority of those present shall vote in favor of such a resolution. If any Director is unable to attend a Board of Directors' meeting, he/she may appoint another Director to attend the meeting by proxy by executing a power of attorney in favor of the proxy specifying any limits on authority or powers in respect to the business to be transacted at the meeting; provided that the proxy shall accept the appointment of one Director only. Minutes of proceedings shall be prepared for the resolutions adopted at a Board of Directors' meeting and the provisions of Article 17 herein shall apply mutatis mutandis.

Article 24

Enhancing supervision functions and strengthening management mechanisms, the Board of Directors of the Company may set up committees. The organizational rules for each committee shall be promulgated respectively in accordance with relevant laws and regulations as well as the regulations and rules of the Company.

An Audit Committee is established according to Article 14-4 of the Securities and Exchange Act which consists of all Independent Directors. The Audit Committee shall have such powers and duties as the supervisors under the Company Act, the Securities and Exchange Act and other laws and regulations.

Article 25

In conducting the business of the Company, the Directors shall be paid remuneration,

regardless of whether the Company makes a profit or sustains a loss. The remuneration of Directors shall be submitted by the remuneration committee to the Board of Directors and decided by the Board of Directors in accordance with personal partake-in and contribution to the Company's operation and benchmarks in the same industry.

Article 26

Functions of the Board of Directors shall be as follows:

1. Appoint and remove managerial personnel;
2. Decide and amend business policies;
3. Examine budget and final account;
4. Propose for distribution of profits and covering of losses;
5. Approve for re-investment, extending loan to other companies, and pledge of assets;
6. Approve for endorsement, guarantee, acceptance to affiliates in excess of the total specified amounts (to be decided by the Board of Directors);
7. Approve for borrowing and financing in excess of total specified amounts (to be decided by the Board of Directors);
8. Establish and/or withdraw any main divisions of the Company and/or its domestic or overseas branches, and to prescribe and amend Articles of Incorporation and important rules by laws;
9. Approve for important contracts;
10. Approve for other important business; and
11. Appoint, discharge, and make payment to CPA.
12. To exercise other duties and powers granted in accordance with the laws and regulations, Articles of Incorporation, and by the shareholders' meetings.

Article 27

A Board of Directors' meeting shall be called with a seven days prior written notice setting forth the cause(s) of such meeting to all Directors, except there is an urgent need. In case of emergency, a Board of Directors' meeting may be called at any time. The meeting notice as referred to in the foregoing Paragraph shall set forth the cause(s) and be given via mail, e-mail or facsimile.

CHAPTER 5 OFFICERS

Article 28

The Company shall employ managers, their appointment and discharge shall be handled in accordance with Article 29 of the Company Act.

CHAPTER 6 FINANCIAL ACCOUNTS AND DISTRIBUTION OF PROFITS

Article 29

At the close of each fiscal year of the Company, the Board of Directors shall prepare the following statements/documents and present to the shareholders' meeting for ratification in accordance with the legal procedure:

1. business report;
2. financial statement;
3. proposal for distribution of profits or covering of losses.

The aforementioned proposal for distribution of profits, the distribution of dividends and bonuses to shareholders in cash which are under the resolution and have been adopted by the meeting of the Board of Directors which are authorized in accordance with the Company's Articles of Incorporation, will not need to be ratified by the shareholders' meeting when reported during the shareholders' meeting.

Article 30

If there is any profit in a fiscal year, the Company's pre-tax profits in such fiscal year, prior to deduction of compensation to employees and directors, shall be distributed to employees as compensation in an amount of not less than two percent (2%) thereof and to directors as compensation in an amount of not 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 accumulated losses.

The compensation to employees as mentioned above may be distributed in the form of stock or cash. Employees entitled to receive the said stock or cash may include the employees of the Company's subordinate companies who meet certain requirements.

Article 30-1

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 (10%) 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 in accordance with Second Paragraph of this Article or Article 29.

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

The lifecycle of the industry of the Company is in the growing stage. To meet the future capital needs and in consideration of capital budget, long-term financial

planning and onshore and offshore competition condition, as well as the need of shareholders for cash flow, if there is any profit after close of books, the dividend and bonds to be distributed to shareholders should not be less than thirty percent (30%) of the after-tax profit of such year and the cash dividend allocated by the Company each year shall not be lower than ten percent (10%) of the total dividend (including cash and share dividend) for such year.

Article 31

Once the total legal reserve equals the total capital, the Company may stop setting aside the legal reserve by shareholders' resolution.

CHAPTER 7 SUPPLEMENTAL PROVISIONS

Article 32

Matters not provided herein shall be governed by the Company Act.

Article 33

The organizational rules and handling procedures of the Company shall be separately prescribed by resolution of the Board of Directors.

Article 34 (Deleted)

Article 35

These Articles of Incorporation were prescribed by the promoters on April 16, 1984.

The 1st amendment was made on May 16, 1984;

The 2nd amendment was made on December 27, 1984;

The 3rd amendment was made on April 6, 1986;

The 4th amendment was made on July 18, 1986;

The 5th amendment was made on May 10, 1987;

The 6th amendment was made on June 13, 1987;

The 7th amendment was made on June 18, 1988;

The 8th amendment was made on May 27, 1989;

The 9th amendment was made on May 4, 1990;

The 10th amendment was made on June 23, 1990;

The 11th amendment was made on March 20, 1991;

The 12th amendment was made on April 30, 1992;

The 13th amendment was made on April 13, 1993;

The 14th amendment was made on April 23, 1994;

The 15th amendment was made on March 31, 1995;

The 16th amendment was made on March 27, 1996;

The 17th amendment was made on May 29, 1997;

The 18th amendment was made on April 8, 1998;

The 19th amendment was made on April 8, 1999;

The 20th amendment was made on March 30, 2000;
The 21st amendment was made on April 3, 2001;
The 22nd amendment was made on May 24, 2002;
The 23rd amendment was made on June 10, 2003;
The 24th amendment was made on June 10, 2005;
The 25th amendment was made on June 9, 2006;
The 26th amendment was made on June 15, 2007;
The 27th amendment was made on June 13, 2008;
The 28th amendment was made on June 19, 2009;
The 29th amendment was made on June 18, 2010;
The 30th amendment was made on June 24, 2011;
The 31st amendment was made on June 22, 2012.
The 32nd amendment was made on June 21, 2013.
The 33rd amendment was made on June 20, 2014.
The 34th amendment was made on June 26, 2015.
The 35th amendment was made on June 24, 2016.
The 36th amendment was made on June 21, 2019.
The 37th amendment was made on June 24, 2022.

Appendix 3

Compal Electronics, Inc. Shareholding of Directors

Book closure date: April 23, 2023

Position	Name	Shares
Chairman	Sheng-Hsiun Hsu	8,975,401
Vice Chairman	Jui-Tsung Chen	35,352,587
Director	Representative of Binpal Investment Co., Ltd.: Wen-Being Hsu	5,000,000
Director	Representative of Kinpo Electronics, Inc.: Chieh-Li Hsu	151,628,692
Director	Charng-Chyi Ko	7,896,867
Director	Sheng-Chieh Hsu	9,204,201
Director	Yen-Chia Chou	8,022,874
Director	Chung-Pin Wong	6,618,618
Director	Chiung-Chi Hsu	2,117,731
Director	Ming-Chih Chang	1,919,489
Director	Anthony Peter Bonadero	0
Director	Sheng-Hua Peng	835,000
Independent Director	Min Chih Hsuan	0
Independent Director	Duei Tsai	0
Independent Director	Wen-Chung Shen	2,836,000
Total		240,407,460

Note :

- The above-mentioned shares include the shares under trust with discretion reserved.
- In accordance with the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, where the paid-in capital of the company is more than NT\$10 billion but NT\$50 billion or less, the aggregate number of registered shares owned by all Directors shall not be less than three percent of the total issued shares; the aggregate number of registered shares owned by all Supervisors shall not be less than 0.3 percent of the total issued shares. The aggregate numbers of registered shares held by all Directors and Supervisors of Compal are listed below:
 - The aggregate number of the registered shares held by all Directors shall not less than 105,771,519 shares;
 - The Company has established an Audit Committee; therefore, the Supervisors’ shareholdings requirement is not applicable.

Appendix 4

The Impact of Non-compensated Distribution of Shares on the Company's Business Performance, Earnings Per Share, and Shareholder Return Rate:

This is not applicable as the Company did not publicly announce its financial forecast for 2023 in accordance with the regulations and Non-compensated Distribution of Shares is not proposed.

Appendix 5

Other

Acceptance of proposals submitted by shareholders at this Annual General Shareholders Meeting

1. In accordance with Article 172-1 of the Company Act, shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a general shareholders' meeting, provided that only one matter shall be allowed in each single proposal. The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words (including proposal, explanatory notes and punctuation marks), and any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the general shareholders' meeting where at his proposal is to be discussed and shall take part in the discussion of such proposal.
2. The proposal and accepting period of 2023 Annual General Shareholders Meeting is from March 31, 2023 to April 10, 2023.
3. No proposals are raised by shareholders during the said accepting period.