



**COMPAL ELECTRONICS, INC.**

# **Meeting Handbook**

## **2025 Annual General Shareholders' Meeting**

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

Convening Methods: Physical shareholders' meeting

**May 29, 2025**

FROM VISION TO REALITY

Innovation Empowered

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In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.

# Table of Contents

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I . Meeting Procedures .....	1
II . Meeting Agenda .....	3
1. Report Items .....	5
2. Ratification Items .....	10
3. Discussion Items.....	14
4. Special Motion .....	19
III . Attachments	
1. Business Report for the year 2024	
2. Independent Auditors' Report	
3. Audit Committee's Review Report	
4. Financial Statements for the year 2024	
IV . Appendices	
1. Rules and Procedures of Shareholders Meeting	
2. Articles of Incorporation	
3. Shareholding of Directors	
4. Others	

# Meeting Procedures

# Compal Electronics, Inc.

## 2025 Annual General Shareholders' Meeting Procedures

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

# Meeting Agenda

# Compal Electronics, Inc.

## 2025 Annual General Shareholders' Meeting Agenda

Time : 9:00 am, May 29, 2025 (Thursday )

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

### I. Report Items

1. Report on Business for the year 2024
2. Audit Committee's Review Report for the year 2024
3. Report of the Distribution of Compensation to Employees and Directors for the year 2024
4. Report of Distribution of the Cash Dividends from Earnings for the year 2024

### II. Ratification Items

1. To ratify the Business Report and Financial Statements for the year 2024
2. To ratify the Distribution of Earnings for the year 2024

### III. Discussion Items

1. To approve the amendment to the “Articles of Incorporation”
2. 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 2024

**Explanatory Note:**

The Business Report for the year 2024 is attached hereto as Attachment 1.



## Item 2

Proposed by the Board of Directors

### **Proposal:**

Audit Committee's Review Report for the year 2024

### **Explanatory Notes:**

1. The Financial Statements and its related reports for the year 2024 have been reviewed and examined by the Audit Committee and the review report was issued. The Financial Statements for the year 2024 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 2024

### **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 2024, as approved by the Remuneration Committee and the Board of Directors, are NT\$1,363,545,333 and NT\$72,722,418 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 2024

### **Explanatory Note:**

1. Pursuant to the Articles of Incorporation of the Company, the Board of Directors is authorized to approve the amount of earnings for the year 2024 available for distribution to shareholders as dividend and bonus. The approved amount is NT\$6,170,005,275 and such amount is distributed in the form of cash dividend. Each shareholder will be entitled to receive a cash dividend of NT\$1.4 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 4, 2025, and cash distribution has been paid out on April 25, 2025.

# Ratification Items

## Item 1

Proposed by the Board of Directors

### **Proposal:**

To ratify the Business Report and Financial Statements for the year 2024

### **Explanatory Notes:**

1. The Business Report and Financial Statements for the year 2024 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 2024 financial statements and issued an audit report relating thereto.
2. The “Business Report for the year 2024” and “Financial Statements for the year 2024” 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 2024

**Explanatory Notes:**

1. The Distribution of Earnings for the year 2024 has been approved by the Audit Committee and by the Board of Directors.
2. The “Earnings Distribution Table for the year 2024” is attached. Please see page 13.

**Resolved That:**

# Compal Electronics, Inc.

## Earnings Distribution Table for the year 2024

Unit: NT\$

Item	Amount
Unappropriated retained earnings in the beginning of the year	43,741,388,207
<b>Add:</b>	
Net income of 2024	10,042,410,362
Reversal of special reserve resulting from other equity interest	387,294,544
Remeasurement of defined benefit plans	67,374,537
Disposal of investments in equity instruments measured at fair value through other comprehensive income	5,765,336
<b>Subtract:</b>	
Legal reserve	(1,007,221,065)
Changes in ownership interests in subsidiaries	(7,088,267)
Changes in equity of associates and joint ventures accounted for using equity method	(36,251,317)
Retained earnings available for distribution as of December 31, 2024	53,193,672,337
Distribution item:	
<b>Subtract:</b>	
Dividends to common shares holders (Note)	(6,170,005,275)
Unappropriated retained earnings as of December 31, 2024	47,023,667,062

Note: Cash dividends of NT\$1.4 per common share

# Discussion Items



## Item 1

Proposed by the Board of Directors

**Proposal:**

To approve the amendment to the “Articles of Incorporation”

**Explanatory Notes:**

1. Amendment to the Articles of Incorporation is proposed to accommodate the requirements of applicable laws and regulations and business needs of the Company.
2. The Comparison Table Before and After Amendment to the Articles of Incorporation is attached. Please see page 16.

**Resolved That:**

Articles of Incorporation of Compal Electronics, Inc.  
Comparison Table Before and After Amendment

Before the Amendment	After the Amendment	Amendment Rationale
<p>Article 30</p> <p>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.</p> <p>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.</p>	<p>Article 30</p> <p>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.</p> <p><b><u>No less than eight percent of the amount of compensation to employee referred in the preceding paragraph shall be allocated as compensation distributions to the non-executive employees.</u></b></p> <p>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.</p>	<p>Revised to meet the law requirement and business needs</p>
<p>Article 35</p> <p>These Articles of Incorporation were prescribed by the promoters on April 16, 1984.</p> <p>1<sup>st</sup>~37<sup>th</sup> (omitted)</p>	<p>Article 35</p> <p>These Articles of Incorporation were prescribed by the promoters on April 16, 1984.</p> <p>1<sup>st</sup>~37<sup>th</sup> (omitted)</p> <p><b><u>The 38<sup>th</sup> amendment was made on May 29, 2025.</u></b></p>	<p>To add the amendment date</p>

## Item 2

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 18). 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
Director	Kinpo Electronics, Inc. Representative: Wei-Chang Chen	President: Cal-Comp Electronics and Communications Co., Ltd.
Director	Taiwan Venture Capital Co., Ltd. Representative: Charng-Chyi Ko	Chairman: OmniHealth Group, Inc.
	Taiwan Venture Capital Co., Ltd. (Note)	Director: OmniHealth Group, Inc.
Director	Chieh-Li Hsu	Chairman: Cal-Comp Electronics and Communications Co., Ltd., Huhua Hardware Electronics (Vietnam) Company Limited, OmniOn Power (Europe) GmbH, OmniOn Power Technology GmbH Director: Cal-Comp Precision (Yueyang) Co., Ltd., Cal-Comp Precision (Dongguan) Co., Ltd., OmniOn Power (Germany) GmbH, Cal-Comp Precision (Philippines), Inc., Cal-Comp Precision (Singapore) Limited Chief Strategy Officer : AcBel Polytech Inc. President: Huhua Hardware Electronics (Vietnam) Company Limited
Director	Chung-Pin Wong	Director: Taiwan Capital Biotechnology VIII Corporation, Varlink Limited
Director	Sheng-Hua Peng	Chairman: HippoScreen Neurotech Corp. Director: Aco Healthcare Co., Ltd., Kinpo Group Management Consultant Company, Kinpo & Compal Group Assets Development Corporation, Infinno Technology Corp. , Mactech Co., Ltd.
Independent Director	Lee-Chiou Chang	Chairman: T3EX Global Holdings Corp. Director: Anti-Microbial Savior BioteQ Co., Ltd. Supervisor: Tanvex Biologics Corporation
Independent Director	Tzu-Ting Huang	Independent Director: Flytech Technology Co., Ltd.

Note: Taiwan Venture Capital Co., Ltd. refers to the corporate shareholder that appoints Charng-Chyi Ko as the representative of corporate director.

## Special Motion(s)

## Special Motion(s)

# Attachments

## **Business Report for the year 2024**

Reflecting on 2024, we recognize it was a year filled with challenges and changes. The drastic shifts in global circumstances, including the ongoing Russia-Ukraine war, escalating conflicts in the Middle East, and geopolitical tensions between the U.S. and China, have posed significant challenges to global economic stability and business operations. According to the International Monetary Fund (IMF), global GDP growth is expected to stabilize at 3.2% in 2025. However, behind this stability lies a landscape fraught with uncertainty and structural economic challenges.

Compal has demonstrated robust profit growth in the post-pandemic era by adjusting our operational framework, enhancing efficiency, and optimizing our product mix. Nevertheless, given the rapid pace of industry competition and technological change, we must accelerate our growth strategies to ensure that Compal can move forward steadily as we approach our 40th anniversary, laying a solid foundation for future heights. Below, I outline the financial and business results for the year 2024, as well as our business outlook for 2025.

### **Financial and Business Results**

Compal's consolidated revenue for 2024 was NT\$910.253 billion, a decrease of 4% compared to the previous year. Despite declining consolidated revenue due to demand fluctuations and business adjustments, our effective strategies for enhancing profitability and operational capability increased our gross margin and operating profit margin, which rose from 4.5% and 1.3% in the previous year to 5.0% and 1.6%, respectively. Our consolidated operating profit for the year grew by 23% year-on-year, reaching NT\$14.842 billion, and net profit attributable to the parent company increased by 31% to NT\$10.042 billion, translating to earnings per share (EPS) of NT\$2.30. Operating and net profit margins have reached a ten-year high, further demonstrating Compal's solid value.

### **Transformation and Growth Strategy**

Amid intensifying industry competition and technological changes, Compal, while benefiting from solid support in our Computing and Smart Device sectors, has lacked contributions from a third pillar, resulting in insufficient revenue growth momentum. Therefore, we redefined five key emerging businesses last year: AI Applications, Cloud Servers, Auto Electronics, Advanced Communication, and MedTech, and actively invested resources into these areas. In the 2nd half of the year, we initiated the Compal Transformation Program, expanding our focus and investment in high-value businesses and growth engines, which will lay a solid foundation for Compal's future development.

A crucial aspect of this transformation is our comprehensive push for digitization and AI



applications, which includes three main strategic directions: (1) Internal AI Applications: Integrating AI into our internal management across R&D, procurement, smart manufacturing, supply chain management, and finance to enhance operational transparency, efficiency, and reduce human error. (2) AI Product Development: Accelerating our deployment both in the Cloud and Edge AI segments, including the design and production of AI servers, AI PCs, AI smartphones, and networking products. Particularly in the AI PC sector, Compal has closely collaborated with several chip partners to maintain our market leadership. (3) Cross-domain AI Technology Applications: Applying AI technologies to emerging new investment fields and subsidiaries, such as smart medical and smart long-term care, positioning Compal as an active participant in the AI transformation.

### **Geopolitical Risks and Global Strategy**

Regarding geopolitical risks, the ongoing conflicts in Ukraine and the Middle East and economic pressures in China pose potential threats to global stability. Recent U.S. international trade policy announcements, including new tariff measures, further impact global supply chains and economic relations. These risks continue to heighten inflationary pressures, challenging operational costs and market demand. In response to these challenges, we observe a trend of supply chain restructuring and an accelerated diversification strategy. Compal currently operates production bases or partners in nine countries, including Taiwan, China, Vietnam, Thailand, India, Poland, Brazil, Mexico, and the U.S., to mitigate risks associated with geopolitical tensions and tariff policies. Additionally, we are evaluating the potential expansion plans in North America and have announced capital increases for our Polish subsidiary CGS Technology (Poland) and our U.S. subsidiary Compal USA (Indiana) earlier this year. These strategies will help reduce reliance on any single region/or country, enhance supply chain flexibility, and better serve our global customers.

### **Sustainability and Innovation Progress**

In terms of corporate sustainability, Compal continues to advance its ESG efforts. Following the board's re-election in 2024, the independence and diversity of the new board have improved compared to the previous term. In terms of social responsibility, we are committed to promoting DEI initiatives to create a diverse and fulfilling workplace. Facing the challenges of climate change, Compal has become a new member of RE100, committing to achieve 100% renewable energy usage by 2050, with our carbon reduction goals officially validated by the Science-Based Targets initiative (SBTi).

In the realm of innovation, Compal's jointly developed "5G and AI-enabled Smart Mattress Care System" won two prestigious awards in 2024 - the R&D 100 Awards and the Special Contribution Award for Corporate Social Responsibility. Additionally, Compal received 20 iF Product Design Awards and ranked 11th in iF Global Creative Status.

Compal's performance in external evaluations has significantly improved through our comprehensive efforts in sustainability and innovation. We have been selected for several consecutive years in the FTSE4Good Index and FTSE4Good TIP Taiwan ESG Index, reflecting international recognition of Compal's long-term sustainable investment value. In 2024, Compal was once again named one of the "Top 100 Sustainable Companies in Taiwan" by the Taiwan Institute for Sustainable Energy (TAISE) and received the TCSA Taiwan Corporate Sustainability Award as well as the Global Corporate Sustainability Award, acknowledging our ongoing commitment to sustainability.

### **Future Outlook and Plans**

While international geopolitical risks remain uncertain, market research firms still anticipate growth opportunities in the industry for 2025, including the computer, server, and smartphone markets. We also see new opportunities within our core businesses. In the computer sector, the demand for corporate hardware upgrades and the widespread adoption of AI PCs are expected to drive new growth momentum. In the server segment, we are not only focusing on the enterprise market but also actively pursuing partnerships with cloud service providers (CSPs) to advance our AI server business. In non-PC products, although consumer product demand requires cautious observation, we will prioritize optimizing our product mix to enhance profitability while continuing to advance our five emerging businesses, aiming for non-PC revenue contributions to reach 40-50% in the mid-to-longer term. In addition to business development, the transformation of corporate culture and the rejuvenation of our management team are also key priorities, laying the groundwork for Compal's development over the coming decades.

For 2025, we look forward to Compal seizing new opportunities and challenges while pursuing steady progress, advancing with innovation and efficiency, achieving sustainable corporate development, and continually creating long-term value for our shareholders. Thank you once again to all shareholders for your support of Compal. Wishing you all safety, health, and success in all your endeavors!

Chairman of the Board: Jui-Tsung Chen

President and CEO: Anthony Peter Bonadero

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 sheet as of December 31, 2024 and 2023, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended December 31, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

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

### Key Audit Matters

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

#### Inventory valuation

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

#### Description of key audit matters:

Inventory stock resulting from production forecasting may lead to product obsolescence, which might fail to meet the market demands, resulting in a decline in orders. 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's accounting policy, inspecting the Company's inventory aging reports, analyzing the change of inventory aging, judgement of specific items, recalculate the estimated loss due to obsolescence and price decline according to Company policy.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG

Taipei, Taiwan (Republic of China)  
February 27, 2025

#### **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 sheet as of December 31, 2024 and 2023, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended December 31, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

## Basis for Opinion

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

## Key Audit Matters

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

## 1. Inventory valuation

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

Description of key audit matters:

Inventory stock resulting from production forecasting may lead to product obsolescence, which might fail to meet the market demands, resulting in a decline in orders. 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's accounting policy, inspecting the Group's inventory aging reports, analyzing the change of inventory aging, judgement of specific items, recalculate the estimated loss due to obsolescence and price decline according to the Group policy.

## Other Matter

Compal Electronics Inc, has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unqualified opinion.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG

Taipei, Taiwan (Republic of China)  
February 27, 2025

#### **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 2024 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 2024 financial statements and issued an audit report relating thereto. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

To Compal Electronics, Inc. 2025 Annual General Shareholders' Meeting

Chairman of the Audit Committee: Duh Kung Tsai

February 27, 2025

# Attachment 4

(English Translation of Financial Report Originally Issued in Chinese)

## COMPAL ELECTRONICS, INC.

### Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents	\$ 28,834,879	7.0	20,511,690	5.4	2100	Short-term borrowings	\$ 43,227,425	10.5	46,917,800	12.4
1170	Notes and accounts receivable, net	181,373,061	44.0	171,591,962	45.4	2130	Current contract liabilities	882,813	0.2	697,526	0.2
1180	Notes and accounts receivable due from related parties, net	16,591,135	4.0	11,475,862	3.0	2170	Notes and accounts payable	84,585,742	20.5	80,947,046	21.4
1200	Other receivables, net	4,473,175	1.1	3,951,773	1.1	2180	Notes and accounts payable to related parties	88,340,934	21.4	82,364,436	21.8
1310	Inventories	37,800,333	9.2	51,043,492	13.5	2200	Other payables	13,553,440	3.3	12,332,111	3.3
1470	Other current assets	<u>1,436,639</u>	<u>0.3</u>	<u>1,278,640</u>	<u>0.3</u>	2230	Current tax liabilities	3,310,414	0.8	3,781,754	1.0
		<u>270,509,222</u>	<u>65.6</u>	<u>259,853,419</u>	<u>68.7</u>	2280	Current lease liabilities	413,270	0.1	352,900	0.1
<b>Non-current assets:</b>						2300	Other current liabilities	3,721,399	0.9	1,375,360	0.4
1550	Investments accounted for using equity method	115,599,800	28.0	105,496,882	27.9	2365	Current refund liabilities	2,795,951	0.7	2,763,469	0.7
1510	Non-current financial assets at fair value through profit or loss	413,943	0.1	337,855	0.1	2322	Long-term borrowings, current portion	<u>14,300,000</u>	<u>3.4</u>	<u>10,742,300</u>	<u>2.8</u>
1517	Non-current financial assets at fair value through other comprehensive income	19,922,994	4.8	6,197,710	1.6			<u>255,131,388</u>	<u>61.8</u>	<u>242,274,702</u>	<u>64.1</u>
1600	Property, plant and equipment	2,216,550	0.5	2,234,288	0.6	<b>Non-Current liabilities:</b>					
1755	Right-of-use assets	1,022,124	0.2	1,033,301	0.3	2540	Long-term borrowings	9,025,000	2.2	12,525,000	3.3
1780	Intangible assets	628,556	0.2	349,922	0.1	2570	Deferred tax liabilities	3,834,784	0.9	1,785,947	0.5
1840	Deferred tax assets	1,875,198	0.5	2,568,652	0.7	2580	Non-current lease liabilities	620,504	0.2	688,466	0.2
1990	Other non-current assets	<u>462,064</u>	<u>0.1</u>	<u>221,733</u>	<u>-</u>	2640	Non-current net defined benefit liability	483,900	0.1	568,883	0.1
		<u>142,141,229</u>	<u>34.4</u>	<u>118,440,343</u>	<u>31.3</u>	2670	Non-current liabilities, others	<u>1,090,165</u>	<u>0.3</u>	<u>828,769</u>	<u>0.2</u>
								<u>15,054,353</u>	<u>3.7</u>	<u>16,397,065</u>	<u>4.3</u>
								<u>270,185,741</u>	<u>65.5</u>	<u>258,671,767</u>	<u>68.4</u>
						<b>Total liabilities</b>					
						<b>Equity:</b>					
						3110	Ordinary share	44,071,466	10.7	44,071,466	11.7
						3200	Capital surplus	3,472,941	0.8	4,270,915	1.0
						3300	Retained earnings	78,213,219	19.0	72,548,155	19.2
						3400	Other equity interest	17,588,331	4.2	(387,294)	(0.1)
						3500	Treasury shares	<u>(881,247)</u>	<u>(0.2)</u>	<u>(881,247)</u>	<u>(0.2)</u>
								<u>142,464,710</u>	<u>34.5</u>	<u>119,621,995</u>	<u>31.6</u>
						<b>Total equity</b>		<u>142,464,710</u>	<u>34.5</u>	<u>119,621,995</u>	<u>31.6</u>
<b>Total assets</b>		<u>\$ 412,650,451</u>	<u>100.0</u>	<u>378,293,762</u>	<u>100.0</u>	<b>Total liabilities and equity</b>		<u>\$ 412,650,451</u>	<u>100.0</u>	<u>378,293,762</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, 2024 and 2023**

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

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Net sales revenue</b>	\$ 840,187,238	100.0	874,914,215	100.0
5000	<b>Cost of sales</b>	812,326,668	96.7	846,864,149	96.8
	<b>Gross profit</b>	27,860,570	3.3	28,050,066	3.2
	<b>Operating expenses:</b>				
6100	Selling expenses	3,071,197	0.4	4,668,460	0.5
6200	Administrative expenses	3,227,295	0.4	2,966,700	0.4
6300	Research and development expenses	12,957,155	1.5	13,086,935	1.5
		19,255,647	2.3	20,722,095	2.4
	<b>Net operating income</b>	8,604,923	1.0	7,327,971	0.8
	<b>Non-operating income and expenses:</b>				
7100	Interest income	977,857	0.1	1,001,520	0.1
7020	Other gains and losses, net	1,847,152	0.2	46,734	-
7050	Finance costs	(3,147,794)	(0.4)	(4,059,174)	(0.5)
7190	Other income	511,683	0.1	304,391	0.1
7370	Share of profit of associates and joint ventures accounted for using equity method	2,756,057	0.4	4,088,258	0.5
	<b>Total non-operating income and expenses</b>	2,944,955	0.4	1,381,729	0.2
7900	<b>Profit from continuing operations before tax</b>	11,549,878	1.4	8,709,700	1.0
7950	<b>Less: Income tax expenses</b>	1,507,468	0.2	1,042,073	0.1
	<b>Profit</b>	10,042,410	1.2	7,667,627	0.9
8300	<b>Other comprehensive income:</b>				
8310	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>				
8311	Gains (losses) on remeasurements of defined benefit plans	72,315	-	(12,857)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	13,697,825	1.6	828,717	0.1
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	784,730	0.1	463,228	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	2,460,678	0.3	119,156	-
	Components of other comprehensive income that will not be reclassified to profit or loss	12,094,192	1.4	1,159,932	0.1
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	5,341,707	0.6	(376,004)	-
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	612,866	0.1	107,239	-
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	5,954,573	0.7	(268,765)	-
8300	<b>Other comprehensive income</b>	18,048,765	2.1	891,167	0.1
8500	<b>Total comprehensive income</b>	<u>\$ 28,091,175</u>	<u>3.3</u>	<u>8,558,794</u>	<u>1.0</u>
	<b>Earnings per share</b>				
9750	<b>Basic earnings per share</b>	<u>\$ 2.30</u>		<u>1.76</u>	
9850	<b>Diluted earnings per share</b>	<u>\$ 2.28</u>		<u>1.75</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, 2024 and 2023**  
**(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, 2023	\$ 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
Profit for the year ended December 31, 2023	-	-	-	-	7,667,627	7,667,627	-	-	-	-	-	7,667,627
Other comprehensive income	-	-	-	-	(2,238)	(2,238)	(277,619)	1,162,170	8,854	893,405	-	891,167
Total comprehensive income	-	-	-	-	7,665,389	7,665,389	(277,619)	1,162,170	8,854	893,405	-	8,558,794
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	736,855	-	(736,855)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(6,263,646)	6,263,646	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(4,407,147)	(4,407,147)	-	-	-	-	-	(4,407,147)
Cash dividends from capital surplus	-	(881,429)	-	-	-	-	-	-	-	-	-	(881,429)
Changes in ownership interests in subsidiaries	-	2,213	-	-	(16,652)	(16,652)	-	3,469	-	3,469	-	(10,970)
Changes in equity of associates and joint ventures accounted for using equity method	-	10,490	-	-	(16,991)	(16,991)	-	13,433	-	13,433	-	6,932
Adjustments of capital surplus for cash dividends received by subsidiaries	-	60,021	-	-	-	-	-	-	-	-	-	60,021
Others	-	1,040	-	-	-	-	-	-	-	-	-	1,040
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	(645,503)	(645,503)	-	645,503	-	645,503	-	-
Balance at December 31, 2023	44,071,466	4,270,915	23,313,701	1,943,104	47,291,350	72,548,155	(1,747,330)	1,363,472	(3,436)	(387,294)	(881,247)	119,621,995
Profit for the year ended December 31, 2024	-	-	-	-	10,042,410	10,042,410	-	-	-	-	-	10,042,410
Other comprehensive income	-	-	-	-	67,375	67,375	5,951,137	12,026,817	3,436	17,981,390	-	18,048,765
Total comprehensive income	-	-	-	-	10,109,785	10,109,785	5,951,137	12,026,817	3,436	17,981,390	-	28,091,175
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	698,624	-	(698,624)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(1,555,810)	1,555,810	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(4,407,147)	(4,407,147)	-	-	-	-	-	(4,407,147)
Cash dividends from capital surplus	-	(881,429)	-	-	-	-	-	-	-	-	-	(881,429)
Changes in ownership interests in subsidiaries	-	151	-	-	(7,088)	(7,088)	-	-	-	-	-	(6,937)
Changes in equity of associates and joint ventures accounted for using equity method	-	22,253	-	-	(36,251)	(36,251)	-	-	-	-	-	(13,998)
Adjustments of capital surplus for cash dividends received by subsidiaries	-	60,021	-	-	-	-	-	-	-	-	-	60,021
Others	-	1,030	-	-	-	-	-	-	-	-	-	1,030
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	5,765	5,765	-	(5,765)	-	(5,765)	-	-
Balance at December 31, 2024	\$ 44,071,466	3,472,941	24,012,325	387,294	53,813,600	78,213,219	4,203,807	13,384,524	-	17,588,331	(881,247)	142,464,710

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, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

	2024	2023
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 11,549,878	8,709,700
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization	1,299,565	1,343,643
Expected credit loss	73,438	49,027
Net loss (profit) on financial assets or liabilities at fair value through profit or loss	(56,831)	(47,871)
Finance cost	3,147,794	4,059,174
Interest income	(977,857)	(1,001,520)
Dividend income	(312,467)	(90,278)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(2,756,057)	(4,088,258)
Others	(81,522)	340
<b>Total adjustments to reconcile profit (loss)</b>	<b>336,063</b>	<b>224,257</b>
<b>Changes in operating assets and liabilities:</b>		
Changes in operating assets:		
Increase in notes and accounts receivable	(14,945,703)	(76,980)
Decrease in other receivables	85,958	255,955
Decrease in inventories	13,243,159	2,020,665
Increase in other current assets	(207,841)	(432,044)
<b>Total changes in operating assets</b>	<b>(1,824,427)</b>	<b>1,767,596</b>
Changes in operating liabilities:		
Increase in notes and accounts payable	9,615,194	9,129,059
Increase (decrease) in other payables	1,148,357	(600,839)
Increase in refund liabilities	32,482	751,240
Increase (decrease) in contract liabilities	185,287	(2,520)
Increase (decrease) in other current liabilities	2,346,039	(630,456)
Others	(12,668)	(10,915)
<b>Total changes in operating liabilities</b>	<b>13,314,691</b>	<b>8,635,569</b>
<b>Total changes in operating assets and liabilities</b>	<b>11,490,264</b>	<b>10,403,165</b>
<b>Total adjustments</b>	<b>11,826,327</b>	<b>10,627,422</b>
Cash inflow generated from operations	23,376,205	19,337,122
Interest received	1,010,722	945,368
Dividends received	1,148,538	832,126
Interest paid	(3,074,822)	(4,246,023)
Income taxes paid	(1,697,196)	(1,468,963)
<b>Net cash flows from operating activities</b>	<b>20,763,447</b>	<b>15,399,630</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through profit or loss and through other comprehensive income	(84,317)	(2,326,911)
Proceeds from disposal of financial assets at fair value through other comprehensive income	12,601	47,921
Acquisition of investments accounted for using equity method	(1,349,982)	(3,979,240)
Increase in prepayments for investments	(294,657)	-
Proceeds from capital reduction and liquidation of investments	25,000	3,420
Acquisition of property, plant and equipment	(341,725)	(256,391)
Proceeds from disposal of property, plant and equipment	65,058	65,706
Increase in other receivables due from related parties	(432,745)	(101,447)
Acquisition of intangible assets	(788,577)	(337,007)
Others	104,168	168,895
<b>Net cash flows used in investing activities</b>	<b>(3,085,176)</b>	<b>(6,715,054)</b>
<b>Cash flows from (used in) financing activities:</b>		
Decrease in short-term borrowings	(3,690,375)	(6,150,779)
Proceeds from long-term borrowings	38,589,280	44,267,025
Repayments of long-term borrowings	(38,531,580)	(51,524,725)
Payment of lease liabilities	(434,861)	(438,966)
Cash dividends paid	(5,288,576)	(5,288,576)
Others	1,030	(2,559)
<b>Net cash flows used in financing activities</b>	<b>(9,355,082)</b>	<b>(19,138,580)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>8,323,189</b>	<b>(10,454,004)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>20,511,690</b>	<b>30,965,694</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 28,834,879</b>	<b>20,511,690</b>

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, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars)**

Assets	December 31, 2024		December 31, 2023			Liabilities and Equity	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>				
1100 Cash and cash equivalents	\$ 78,947,882	17.1	72,479,480	16.6	2100	Short-term borrowings	\$ 57,900,401	12.5	58,974,271	13.5
1110 Current financial assets at fair value through profit or loss	145,132	-	52,062	-	2120	Current financial liabilities at fair value through profit or loss	-	-	164,535	-
1136 Current financial assets at amortized cost	5,103,852	1.1	-	-	2125	Current financial liabilities for hedging	-	-	14,246	-
1170 Notes and accounts receivable, net	193,396,543	41.7	187,280,320	42.9	2130	Current contract liabilities	3,263,230	0.7	767,327	0.2
1180 Notes and accounts receivable due from related parties, net	7,404,318	1.6	6,434,296	1.5	2170	Notes and accounts payable	148,979,182	32.1	148,398,334	34.0
1200 Other receivables, net	3,412,241	0.7	2,372,980	0.5	2180	Notes and accounts payable to related parties	9,753,530	2.1	10,597,650	2.4
1310 Inventories	84,831,955	18.3	95,102,692	21.8	2200	Other payables	30,179,530	6.5	30,464,866	7.0
1470 Other current assets	6,279,718	1.4	5,202,467	1.1	2230	Current tax liabilities	7,214,833	1.6	7,594,694	1.7
	<u>379,521,641</u>	<u>81.9</u>	<u>368,924,297</u>	<u>84.4</u>	2280	Current lease liabilities	1,955,763	0.4	2,001,766	0.5
<b>Non-current assets:</b>					2300	Other current liabilities	5,829,977	1.3	3,316,205	0.8
1550 Investments accounted for using equity method	7,344,492	1.6	7,448,351	1.7	2365	Current refund liabilities	3,672,551	0.8	3,573,141	0.8
1510 Non-current financial assets at fair value through profit or loss	1,359,358	0.3	1,217,512	0.3	2322	Long-term borrowings, current portion	<u>14,303,150</u>	<u>3.1</u>	<u>11,385,027</u>	<u>2.6</u>
1517 Non-current financial assets at fair value through other comprehensive income	23,755,567	5.1	9,116,008	2.1			<u>283,052,147</u>	<u>61.1</u>	<u>277,252,062</u>	<u>63.5</u>
1600 Property, plant and equipment	31,103,899	6.7	29,040,525	6.7	2540	<b>Non-Current liabilities:</b>				
1755 Right-of-use assets	13,350,548	2.9	13,793,968	3.2	2570	Long-term borrowings	12,235,001	2.6	15,285,590	3.5
1780 Intangible assets	1,718,456	0.4	1,462,162	0.3	2580	Deferred tax liabilities	3,998,864	0.9	1,985,324	0.5
1840 Deferred tax assets	2,839,073	0.6	3,615,912	0.8	2640	Non-current lease liabilities	6,777,080	1.4	8,329,451	1.9
1990 Other non-current assets	2,548,673	0.5	2,152,239	0.5	2670	Non-current net defined benefit liability	534,651	0.1	651,272	0.1
	<u>84,020,066</u>	<u>18.1</u>	<u>67,846,677</u>	<u>15.6</u>		Non-current liabilities, others	<u>478,182</u>	<u>0.1</u>	<u>494,422</u>	<u>0.1</u>
							<u>24,023,778</u>	<u>5.1</u>	<u>26,746,059</u>	<u>6.1</u>
						<b>Total liabilities</b>	<u>307,075,925</u>	<u>66.2</u>	<u>303,998,121</u>	<u>69.6</u>
						<b>Equity:</b>				
						<b>Equity attributable to owners of parent:</b>				
					3110	Ordinary share	44,071,466	9.5	44,071,466	10.1
					3200	Capital surplus	3,472,941	0.8	4,270,915	1.0
					3300	Retained earnings	78,213,219	16.9	72,548,155	16.6
					3400	Other equity interest	17,588,331	3.8	(387,294)	(0.1)
					3500	Treasury shares	<u>(881,247)</u>	<u>(0.2)</u>	<u>(881,247)</u>	<u>(0.2)</u>
							<u>142,464,710</u>	<u>30.8</u>	<u>119,621,995</u>	<u>27.4</u>
					36XX	<b>Non-controlling interests</b>	<u>14,001,072</u>	<u>3.0</u>	<u>13,150,858</u>	<u>3.0</u>
						<b>Total equity</b>	<u>156,465,782</u>	<u>33.8</u>	<u>132,772,853</u>	<u>30.4</u>
<b>Total assets</b>	<u>\$ 463,541,707</u>	<u>100.0</u>	<u>436,770,974</u>	<u>100.0</u>		<b>Total liabilities and equity</b>	<u>\$ 463,541,707</u>	<u>100.0</u>	<u>436,770,974</u>	<u>100.0</u>

See accompanying notes to consolidated financial statements.

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

**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the years ended December 31, 2024 and 2023**

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

		2024		2023	
		Amount	%	Amount	%
4000	Net sales revenue (Notes (6)(v) and (7))	\$ 910,253,024	100.0	946,714,800	100.0
5000	Cost of sales (Notes (6)(g), (6)(q), (7) and (12))	864,881,775	95.0	904,317,906	95.5
	<b>Gross profit</b>	<u>45,371,249</u>	<u>5.0</u>	<u>42,396,894</u>	<u>4.5</u>
	<b>Operating expenses:</b> (Notes (6)(q) and (12))				
6100	Selling expenses	6,196,249	0.7	6,372,101	0.7
6200	Administrative expenses	5,432,897	0.6	4,896,947	0.5
6300	Research and development expenses	18,900,065	2.1	19,080,135	2.0
		<u>30,529,211</u>	<u>3.4</u>	<u>30,349,183</u>	<u>3.2</u>
	<b>Net operating income</b>	<u>14,842,038</u>	<u>1.6</u>	<u>12,047,711</u>	<u>1.3</u>
	<b>Non-operating income and expenses:</b>				
7100	Interest income (Note (6)(x))	4,024,096	0.4	4,706,927	0.5
7210	Other gains and losses, net (Notes (6)(x) and (6)(z))	457,090	0.1	260,934	-
7050	Finance costs (Note (6)(p))	(4,037,352)	(0.4)	(5,052,372)	(0.5)
7190	Other income (Note (6)(x))	823,333	0.1	456,861	-
7590	Miscellaneous disbursements	(66,547)	-	(62,559)	-
7770	Share of profit (loss) of associates and joint ventures accounted for using equity method (Note (6)(h))	(694,470)	(0.1)	(467,077)	-
	<b>Total non-operating income and expenses</b>	<u>506,150</u>	<u>0.1</u>	<u>(157,286)</u>	<u>-</u>
7900	<b>Profit from continuing operations before tax</b>	<u>15,348,188</u>	<u>1.7</u>	<u>11,890,425</u>	<u>1.3</u>
7950	<b>Less: Income tax expenses</b> (Note (6)(r))	<u>3,653,527</u>	<u>0.4</u>	<u>2,759,747</u>	<u>0.3</u>
	<b>Profit</b>	<u>11,694,661</u>	<u>1.3</u>	<u>9,130,678</u>	<u>1.0</u>
8300	<b>Other comprehensive income:</b>				
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8311	Gains (losses) on remeasurements of defined benefit plans (Note (6)(q))	103,525	-	2,602	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	14,537,686	1.6	1,221,169	0.1
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	29,530	-	105,613	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note (6)(r))	2,569,257	0.3	170,975	-
	Components of other comprehensive income that will not be reclassified to profit or loss	<u>12,101,484</u>	<u>1.3</u>	<u>1,158,409</u>	<u>0.1</u>
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	5,785,253	0.7	(184,799)	-
8368	Gains (losses) on hedging instrument (Note (6)(y))	13,924	-	33,563	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	281,226	-	(103,664)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note (6)(r))	3,363	-	4,544	-
	Components of other comprehensive income that will be reclassified to profit or loss	<u>6,077,040</u>	<u>0.7</u>	<u>(259,444)</u>	<u>-</u>
8300	<b>Other comprehensive income (after tax)</b>	<u>18,178,524</u>	<u>2.0</u>	<u>898,965</u>	<u>0.1</u>
8500	<b>Total comprehensive income</b>	<u>\$ 29,873,185</u>	<u>3.3</u>	<u>10,029,643</u>	<u>1.1</u>
	<b>Profit, attributable to:</b>				
8610	Profit, attributable to owners of parent	10,042,410	1.1	7,667,627	0.8
8620	Profit, attributable to non-controlling interests	1,652,251	0.2	1,463,051	0.2
		<u>\$ 11,694,661</u>	<u>1.3</u>	<u>9,130,678</u>	<u>1.0</u>
	<b>Comprehensive income attributable to:</b>				
8710	Comprehensive income (loss), attributable to owners of parent	28,091,175	3.1	8,558,794	0.9
8720	Comprehensive income (loss), attributable to non-controlling interests	1,782,010	0.2	1,470,849	0.2
		<u>\$ 29,873,185</u>	<u>3.3</u>	<u>10,029,643</u>	<u>1.1</u>
	<b>Earnings per share</b> (Note (6)(u))				
9750	<b>Basic earnings per share</b>	<u>\$ 2.30</u>		<u>1.76</u>	
9850	<b>Diluted earnings per share</b>	<u>\$ 2.28</u>		<u>1.75</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 Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent													
	Total other equity interest											Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Retained earnings					Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury shares					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings					Total retained earnings				
Balance at January 1, 2023	\$ 44,071,466	5,078,580	22,576,846	8,206,750	39,185,463	69,969,059	(1,469,711)	(461,103)	(12,290)	(1,943,104)	(881,247)	116,294,754	11,115,089	127,409,843
Profit for the year ended December 31, 2023	-	-	-	-	7,667,627	7,667,627	-	-	-	-	-	7,667,627	1,463,051	9,130,678
Other comprehensive income	-	-	-	-	(2,238)	(2,238)	(277,619)	1,162,170	8,854	893,405	-	891,167	7,798	898,965
Total comprehensive income	-	-	-	-	7,665,389	7,665,389	(277,619)	1,162,170	8,854	893,405	-	8,558,794	1,470,849	10,029,643
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	736,855	-	(736,855)	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(6,263,646)	6,263,646	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(4,407,147)	(4,407,147)	-	-	-	-	-	(4,407,147)	-	(4,407,147)
Cash dividends from capital surplus	-	(881,429)	-	-	-	-	-	-	-	-	-	(881,429)	-	(881,429)
Changes in ownership interests in subsidiaries	-	2,213	-	-	(16,652)	(16,652)	-	3,469	-	3,469	-	(10,970)	-	(10,970)
Changes in equity of associates and joint ventures accounted for using equity method	-	10,490	-	-	(16,991)	(16,991)	-	13,433	-	13,433	-	6,932	-	6,932
Adjustments of capital surplus for cash dividends received by subsidiaries	-	60,021	-	-	-	-	-	-	-	-	-	60,021	-	60,021
Others	-	1,040	-	-	-	-	-	-	-	-	-	1,040	-	1,040
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	(645,503)	(645,503)	-	645,503	-	645,503	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	564,920	564,920
Balance at December 31, 2023	44,071,466	4,270,915	23,313,701	1,943,104	47,291,350	72,548,155	(1,747,330)	1,363,472	(3,436)	(387,294)	(881,247)	119,621,995	13,150,858	132,772,853
Profit for the year ended December 31, 2024	-	-	-	-	10,042,410	10,042,410	-	-	-	-	-	10,042,410	1,652,251	11,694,661
Other comprehensive income	-	-	-	-	67,375	67,375	5,951,137	12,026,817	3,436	17,981,390	-	18,048,765	129,759	18,178,524
Total comprehensive income	-	-	-	-	10,109,785	10,109,785	5,951,137	12,026,817	3,436	17,981,390	-	28,091,175	1,782,010	29,873,185
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	698,624	-	(698,624)	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(1,555,810)	1,555,810	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(4,407,147)	(4,407,147)	-	-	-	-	-	(4,407,147)	-	(4,407,147)
Cash dividends from capital surplus	-	(881,429)	-	-	-	-	-	-	-	-	-	(881,429)	-	(881,429)
Changes in ownership interests in subsidiaries	-	151	-	-	(7,088)	(7,088)	-	-	-	-	-	(6,937)	-	(6,937)
Changes in equity of associates and joint ventures accounted for using equity method	-	22,253	-	-	(36,251)	(36,251)	-	-	-	-	-	(13,998)	-	(13,998)
Adjustments of capital surplus for cash dividends received by subsidiaries	-	60,021	-	-	-	-	-	-	-	-	-	60,021	-	60,021
Others	-	1,030	-	-	-	-	-	-	-	-	-	1,030	-	1,030
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	5,765	5,765	-	(5,765)	-	(5,765)	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(931,796)	(931,796)
Balance at December 31, 2024	\$ 44,071,466	3,472,941	24,012,325	387,294	53,813,600	78,213,219	4,203,807	13,384,524	-	17,588,331	(881,247)	142,464,710	14,001,072	156,465,782

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, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars)**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 15,348,188	11,890,425
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss):		
Depreciation and amortization	7,867,845	7,873,526
Expected credit loss	50,508	70,161
Net gain on financial assets or liabilities at fair value through profit or loss	(39,048)	(44,367)
Finance cost	4,037,352	5,052,372
Interest income	(4,024,096)	(4,706,927)
Dividend income	(354,675)	(148,092)
Compensation cost of share-based payments	(6,274)	(2,972)
Share of loss of associates and joint ventures accounted for using equity method	694,470	467,077
Gain on disposal of property, plant and equipment	(15,021)	(43,977)
Gain on lease modification	(18,409)	(790)
<b>Total adjustments to reconcile profit</b>	<b>8,192,652</b>	<b>8,516,011</b>
<b>Changes in operating assets and liabilities:</b>		
Changes in operating assets:		
Increase in financial assets at fair value through profit or loss	(93,070)	(51,875)
Increase in notes and accounts receivable	(7,086,278)	(2,547,159)
(Increase) decrease in other receivable	(892,216)	55,383
Decrease in inventories	10,328,297	16,491,292
Increase in other current assets	(906,764)	(614,508)
Increase in other non-current assets	(686,427)	(431,265)
<b>Total changes in operating assets</b>	<b>663,542</b>	<b>12,901,868</b>
Changes in operating liabilities:		
(Decrease) Increase in financial liabilities at fair value through profit or loss	(164,535)	102,008
Decrease in notes and accounts payable	(324,189)	(2,842,114)
(Decrease) Increase in other payables	(380,825)	2,190,306
Increase in refund liabilities	99,410	941,102
Increase (decrease) in contract liabilities	2,495,903	(16,911)
Increase (decrease) in other current liabilities	2,512,331	(770,421)
Others	(13,096)	(6,193)
<b>Total changes in operating liabilities</b>	<b>4,224,999</b>	<b>(402,223)</b>
<b>Total changes in operating assets and liabilities</b>	<b>4,888,541</b>	<b>12,499,645</b>
<b>Total adjustments</b>	<b>13,081,193</b>	<b>21,015,656</b>
Cash inflow generated from operations	28,429,381	32,906,081
Interest received	3,888,027	4,636,183
Dividends received	617,719	347,078
Interest paid	(3,873,127)	(5,183,213)
Income taxes paid	(3,818,023)	(3,028,925)
<b>Net cash flows from operating activities</b>	<b>25,243,977</b>	<b>29,677,204</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at amortised cost	(5,103,852)	-
Acquisition of financial assets at fair value through profit or loss and through other comprehensive income	(202,033)	(3,148,973)
Proceeds from disposal of financial assets at fair value through other comprehensive income	12,601	47,921
Acquisition of investments accounted for using equity method	(570,196)	(98,160)
Net cash flow from acquisition of subsidiaries	(60,937)	-
Proceeds from capital reduction and liquidation of investments	36,123	3,992
Acquisition of property, plant and equipment	(7,098,856)	(7,169,728)
Proceeds from disposal of property, plant and equipment	461,816	326,557
Acquisition of intangible assets	(832,406)	(373,363)
Decrease in restricted assets	174,873	697,049
Others	175,272	194,245
<b>Net cash flows used in investing activities</b>	<b>(13,007,595)</b>	<b>(9,520,460)</b>
<b>Cash flows from (used in) financing activities:</b>		
Decrease in short-term loans	(1,083,663)	(15,858,155)
Proceeds from long-term borrowings	38,628,227	47,192,669
Repayments of long-term borrowings	(38,760,693)	(51,659,174)
Payment of lease liabilities	(2,048,370)	(2,114,467)
Cash dividends paid	(5,228,555)	(5,228,555)
Change in non-controlling interests	(1,025,350)	553,966
Others	(15,210)	(35,568)
<b>Net cash flows used in financing activities</b>	<b>(9,533,614)</b>	<b>(27,149,284)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>3,765,634</b>	<b>(193,282)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6,468,402</b>	<b>(7,185,822)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>72,479,480</b>	<b>79,665,302</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 78,947,882</b>	<b>72,479,480</b>

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

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

The 3<sup>rd</sup> 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 1<sup>st</sup> amendment was made on May 16, 1984;

The 2<sup>nd</sup> amendment was made on December 27, 1984;

The 3<sup>rd</sup> amendment was made on April 6, 1986;

The 4<sup>th</sup> amendment was made on July 18, 1986;

The 5<sup>th</sup> amendment was made on May 10, 1987;

The 6<sup>th</sup> amendment was made on June 13, 1987;

The 7<sup>th</sup> amendment was made on June 18, 1988;

The 8<sup>th</sup> amendment was made on May 27, 1989;

The 9<sup>th</sup> amendment was made on May 4, 1990;

The 10<sup>th</sup> amendment was made on June 23, 1990;

The 11<sup>th</sup> amendment was made on March 20, 1991;

The 12<sup>th</sup> amendment was made on April 30, 1992;

The 13<sup>th</sup> amendment was made on April 13, 1993;

The 14<sup>th</sup> amendment was made on April 23, 1994;

The 15<sup>th</sup> amendment was made on March 31, 1995;

The 16<sup>th</sup> amendment was made on March 27, 1996;

The 17<sup>th</sup> amendment was made on May 29, 1997;

The 18<sup>th</sup> amendment was made on April 8, 1998;

The 19<sup>th</sup> amendment was made on April 8, 1999;



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

## Appendix 3

### Compal Electronics, Inc. Shareholding of Directors

Book closure date: March 31, 2025

Position	Name	Shares
Chairman	Jui-Tsung Chen	35,352,587
Director	Representative of Kinpo Electronics, Inc.: Wei-Chang Chen	151,628,692
Director	Representative of Taiwan Venture Capital Co., Ltd.: Charng-Chyi Ko	1,380,000
Director	Sheng-Chieh Hsu	9,204,201
Director	Chieh-Li Hsu	4,117,569
Director	Representative of Binpal Investment Co., Ltd.: Wu-Chun Hsu	5,000,000
Director	Chung-Pin Wong	6,618,618
Director	Chiung-Chi Hsu	2,117,731
Director	Anthony Peter Bonadero	0
Director	Sheng-Hua Peng	835,000
Independent Director	Duh Kung Tsai	0
Independent Director	Wen-Chung Shen	2,836,000
Independent Director	Lee-Chiou Chang	0
Independent Director	Shui-Shu Hung	0
Independent Director	Tzu-Ting Huang	0
Total		219,090,398

Note :

1. The above-mentioned shares include the shares under trust with discretion reserved.
2. 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**

### **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 shareholder proposal accepting period for 2025 Annual General Shareholders Meeting is from March 7, 2025 to March 17, 2025.