

**COMPAL ELECTRONICS, INC.  
AND SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Nine Months Ended September 30, 2024 and 2023**

**Address: No.581 & 581-1, Ruiguang Rd., Neihu District, Taipei, Taiwan**  
**Telephone: (02)8797-8588**

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安侯建業聯合會計師事務所  
KPMG

台北市110615信義路5段7號68樓(台北101大樓)  
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,  
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666  
傳真 Fax + 886 2 8101 6667  
網址 Web kpmg.com/tw

## Independent Auditors' Review Report

To COMPAL ELECTRONICS, INC.:

### Introduction

We have reviewed the accompanying consolidated balance sheets of COMPAL ELECTRONICS, INC. and its subsidiaries (the "Group") as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, as well as the changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$41,187,557 thousand and \$37,546,289 thousand, constituting 9.2% and 7.9% of consolidated total assets as of September 30, 2024 and 2023, respectively, total liabilities amounting to \$17,247,151 thousand and \$15,609,191 thousand, constituting 5.7% and 4.6% of consolidated total liabilities as of September 30, 2024 and 2023, respectively, and the absolute value of total comprehensive income (loss) amounting to \$295,401 thousand, \$249,675 thousand, \$(246,733) thousand and \$99,486 thousand, constituting 11.9%, 4.0%, 1.6% and 0.9% of consolidated total comprehensive income (loss) for the three months and nine months ended September 30, 2024 and 2023, respectively.

### **Qualified Conclusion**

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of COMPAL ELECTRONICS, INC. and its subsidiaries as of September 30, 2024 and 2023, and of its consolidated financial performance for the three months and nine months ended September 30, 2024 and 2023, as well as its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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



KPMG

Taipei, Taiwan (Republic of China)  
November 12, 2024

### **Notes to Readers**

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



**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the three months and nine months ended September 30, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

	For the three months ended September 30				For the nine months ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
4000	<b>Net sales revenue</b> (Notes (6)(v) and (7))							
	\$ 244,317,401	100.0	251,714,171	100.0	681,097,628	100.0	705,043,628	100.0
5000	<b>Cost of sales</b> (Notes (6)(f), (6)(q), (7) and (12))							
	<u>232,078,097</u>	<u>95.0</u>	<u>240,482,167</u>	<u>95.5</u>	<u>647,278,869</u>	<u>95.0</u>	<u>673,869,375</u>	<u>95.6</u>
	<b>Gross profit</b>							
	<u>12,239,304</u>	<u>5.0</u>	<u>11,232,004</u>	<u>4.5</u>	<u>33,818,759</u>	<u>5.0</u>	<u>31,174,253</u>	<u>4.4</u>
	<b>Operating expenses:</b> (Notes (6)(q) and (12))							
6100	Selling expenses							
	1,584,830	0.7	1,533,684	0.6	4,644,156	0.7	4,907,421	0.7
6200	Administrative expenses							
	1,334,285	0.5	1,249,208	0.5	3,949,630	0.6	3,605,699	0.5
6300	Research and development expenses							
	<u>4,643,275</u>	<u>1.9</u>	<u>4,801,039</u>	<u>1.9</u>	<u>13,649,111</u>	<u>2.0</u>	<u>13,998,622</u>	<u>2.0</u>
	<u>7,562,390</u>	<u>3.1</u>	<u>7,583,931</u>	<u>3.0</u>	<u>22,242,897</u>	<u>3.3</u>	<u>22,511,742</u>	<u>3.2</u>
	<b>Net operating income</b>							
	<u>4,676,914</u>	<u>1.9</u>	<u>3,648,073</u>	<u>1.5</u>	<u>11,575,862</u>	<u>1.7</u>	<u>8,662,511</u>	<u>1.2</u>
	<b>Non-operating income and expenses:</b>							
7100	Interest income (Note (6)(x))							
	911,123	0.4	1,170,670	0.5	3,051,496	0.4	3,647,130	0.5
7210	Other gains and losses, net (Notes (6)(x) and (6)(z))							
	313,644	0.1	296,185	0.1	522,107	0.1	684,992	0.1
7050	Finance costs (Note (6)(o))							
	(964,804)	(0.4)	(1,393,925)	(0.6)	(3,024,192)	(0.4)	(3,838,570)	(0.5)
7190	Other income (Note (6)(x))							
	182,786	0.1	120,715	-	579,789	0.1	303,110	-
7590	Miscellaneous disbursements							
	(8,752)	-	(11,038)	-	(12,592)	-	(41,996)	-
7770	Share of profit (loss) of associates and joint ventures accounted for using equity method (Note (6)(g))							
	<u>(249,484)</u>	<u>(0.1)</u>	<u>(109,735)</u>	<u>-</u>	<u>(612,292)</u>	<u>(0.1)</u>	<u>(310,159)</u>	<u>-</u>
	<b>Total non-operating income and expenses</b>							
	<u>184,513</u>	<u>0.1</u>	<u>72,872</u>	<u>-</u>	<u>504,316</u>	<u>0.1</u>	<u>444,507</u>	<u>0.1</u>
7900	<b>Profit from continuing operations before tax</b>							
	4,861,427	2.0	3,720,945	1.5	12,080,178	1.8	9,107,018	1.3
7950	<b>Less: Income tax expenses</b> (Note (6)(r))							
	<u>1,087,500</u>	<u>0.5</u>	<u>885,326</u>	<u>0.4</u>	<u>2,722,237</u>	<u>0.4</u>	<u>2,144,886</u>	<u>0.3</u>
	<b>Profit</b>							
	<u>3,773,927</u>	<u>1.5</u>	<u>2,835,619</u>	<u>1.1</u>	<u>9,357,941</u>	<u>1.4</u>	<u>6,962,132</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							
	-	-	-	-	1,118	-	16,894	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income							
	962,423	0.4	203,794	0.1	4,038,292	0.6	399,200	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							
	17,673	-	(1,453)	-	8,412	-	(8,435)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note (6)(r))							
	<u>87,995</u>	<u>-</u>	<u>5,298</u>	<u>-</u>	<u>603,988</u>	<u>0.1</u>	<u>18,756</u>	<u>-</u>
	Components of other comprehensive income that will not be reclassified to profit or loss							
	<u>892,101</u>	<u>0.4</u>	<u>197,043</u>	<u>0.1</u>	<u>3,443,834</u>	<u>0.5</u>	<u>388,903</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							
	(2,156,900)	(0.9)	2,907,820	1.2	2,547,136	0.4	3,840,973	0.5
8368	Gains (losses) on hedging instrument (Note (6)(y))							
	(322)	-	14,942	-	13,924	-	57,368	-
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							
	(16,545)	-	246,464	0.1	254,117	-	96,653	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note (6)(r))							
	<u>577</u>	<u>-</u>	<u>3,110</u>	<u>-</u>	<u>3,735</u>	<u>-</u>	<u>11,824</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss							
	<u>(2,174,344)</u>	<u>(0.9)</u>	<u>3,166,116</u>	<u>1.3</u>	<u>2,811,442</u>	<u>0.4</u>	<u>3,983,170</u>	<u>0.5</u>
8300	<b>Other comprehensive income (after tax)</b>							
	<u>(1,282,243)</u>	<u>(0.5)</u>	<u>3,363,159</u>	<u>1.4</u>	<u>6,255,276</u>	<u>0.9</u>	<u>4,372,073</u>	<u>0.6</u>
8500	<b>Total comprehensive income</b>							
	<u>\$ 2,491,684</u>	<u>1.0</u>	<u>6,198,778</u>	<u>2.5</u>	<u>15,613,217</u>	<u>2.3</u>	<u>11,334,205</u>	<u>1.6</u>
	<b>Profit, attributable to:</b>							
8610	Profit, attributable to owners of parent							
	\$ 3,333,721	1.3	2,396,642	0.9	8,105,936	1.2	5,881,666	0.8
8620	Profit, attributable to non-controlling interests							
	<u>440,206</u>	<u>0.2</u>	<u>438,977</u>	<u>0.2</u>	<u>1,252,005</u>	<u>0.2</u>	<u>1,080,466</u>	<u>0.2</u>
	<u>\$ 3,773,927</u>	<u>1.5</u>	<u>2,835,619</u>	<u>1.1</u>	<u>9,357,941</u>	<u>1.4</u>	<u>6,962,132</u>	<u>1.0</u>
	<b>Comprehensive income attributable to:</b>							
8710	Comprehensive income (loss), attributable to owners of parent							
	\$ 2,090,223	0.8	5,722,014	2.3	14,299,618	2.1	10,150,370	1.4
8720	Comprehensive income (loss), attributable to non-controlling interests							
	<u>401,461</u>	<u>0.2</u>	<u>476,764</u>	<u>0.2</u>	<u>1,313,599</u>	<u>0.2</u>	<u>1,183,835</u>	<u>0.2</u>
	<u>\$ 2,491,684</u>	<u>1.0</u>	<u>6,198,778</u>	<u>2.5</u>	<u>15,613,217</u>	<u>2.3</u>	<u>11,334,205</u>	<u>1.6</u>
	<b>Earnings per share</b> (Note (6)(u))							
9750	<b>Basic earnings per share</b>							
	<u>\$ 0.77</u>		<u>0.55</u>		<u>1.86</u>		<u>1.35</u>	
9850	<b>Diluted earnings per share</b>							
	<u>\$ 0.76</u>		<u>0.55</u>		<u>1.84</u>		<u>1.34</u>	

See accompanying notes to consolidated financial statements.

**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity**  
**For the nine months ended September 30, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent											Total equity		
	Retained earnings						Total other equity interest				Total equity attributable to owners of parent		Non-controlling interests	
	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
<b>Balance at January 1, 2023</b>	\$ 44,071,466	5,078,580	22,576,846	8,206,750	39,185,463	69,969,059	(1,469,711)	(461,103)	(12,290)	(1,943,104)	(881,247)	116,294,754	11,115,089	127,409,843
Profit for the nine months ended September 30, 2023	-	-	-	-	5,881,666	5,881,666	-	-	-	-	-	5,881,666	1,080,466	6,962,132
Other comprehensive income	-	-	-	-	7,360	7,360	3,864,661	381,549	15,134	4,261,344	-	4,268,704	103,369	4,372,073
Total comprehensive income	-	-	-	-	5,889,026	5,889,026	3,864,661	381,549	15,134	4,261,344	-	10,150,370	1,183,835	11,334,205
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	-	2,161	-	-	(12,365)	(12,365)	-	-	-	-	-	(10,204)	-	(10,204)
Changes in equity of associates and joint ventures accounted for using equity method	-	10,146	-	-	(6,273)	(6,273)	-	2,703	-	2,703	-	6,576	-	6,576
Adjustments of capital surplus for cash dividends received by subsidiaries	-	60,021	-	-	-	-	-	-	-	-	-	60,021	-	60,021
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	17,790	17,790	-	(17,790)	-	(17,790)	-	-	-	-
Others	-	1,031	-	-	-	-	-	-	-	-	-	1,031	-	1,031
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(979,595)	(979,595)
<b>Balance at September 30, 2023</b>	\$ 44,071,466	4,270,510	23,313,701	1,943,104	46,193,285	71,450,090	2,394,950	(94,641)	2,844	2,303,153	(881,247)	121,213,972	11,319,329	132,533,301
<b>Balance at January 1, 2024</b>	\$ 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 nine months ended September 30, 2024	-	-	-	-	8,105,936	8,105,936	-	-	-	-	-	8,105,936	1,252,005	9,357,941
Other comprehensive income	-	-	-	-	454	454	2,738,137	3,451,655	3,436	6,193,228	-	6,193,682	61,594	6,255,276
Total comprehensive income	-	-	-	-	8,106,390	8,106,390	2,738,137	3,451,655	3,436	6,193,228	-	14,299,618	1,313,599	15,613,217
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	-	147	-	-	(6,964)	(6,964)	-	-	-	-	-	(6,817)	-	(6,817)
Changes in equity of associates and joint ventures accounted for using equity method	-	29,711	-	-	(3,344)	(3,344)	-	-	-	-	-	26,367	-	26,367
Adjustments of capital surplus for cash dividends received by subsidiaries	-	60,021	-	-	-	-	-	-	-	-	-	60,021	-	60,021
Others	-	1,060	-	-	-	-	-	-	-	-	-	1,060	-	1,060
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(1,023,317)	(1,023,317)
<b>Balance at September 30, 2024</b>	\$ 44,071,466	3,480,425	24,012,325	387,294	51,837,471	76,237,090	990,807	4,815,127	-	5,805,934	(881,247)	128,713,668	13,441,140	142,154,808

See accompanying notes to consolidated financial statements.

**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the nine months ended September 30, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

	For the nine months ended September 30	
	2024	2023
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before tax</b>	\$ 12,080,178	9,107,018
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation and amortization	5,860,553	6,095,994
Expected credit loss	53,282	33,264
Net gain on financial assets or liabilities at fair value through profit or loss	(79,736)	(71,047)
Finance cost	3,024,192	3,838,570
Interest income	(3,051,496)	(3,647,130)
Dividend income	(235,686)	(127,703)
Compensation cost of share-based payments	(6,274)	(3,745)
Share of loss of associates and joint ventures accounted for using equity method	612,292	310,159
Gain on disposal of property, plant and equipment	(23,775)	(40,834)
Gain on lease modification	(18,327)	(779)
<b>Total adjustments to reconcile profit</b>	<u>6,135,025</u>	<u>6,386,749</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease (increase) in financial assets at fair value through profit or loss	43,156	(20,837)
Increase in notes and accounts receivable	(18,873,172)	(31,009,903)
(Increase) decrease in other receivable	(1,249,255)	584,973
Decrease (increase) in inventories	3,967,492	(1,836,801)
Increase in other current assets	(542,861)	(663,445)
Increase in other non-current assets	(144,352)	(623,553)
<b>Total changes in operating assets</b>	<u>(16,798,992)</u>	<u>(33,569,566)</u>
<b>Changes in operating liabilities:</b>		
Decrease in financial liabilities at fair value through profit or loss	(108,741)	(27,451)
Increase in notes and accounts payable	10,447,444	27,936,004
(Decrease) Increase in other payables	(484,232)	1,415,342
(Decrease) Increase in refund liabilities	(187,495)	818,900
(Decrease) Increase in provisions	(34,426)	78,463
Increase (decrease) in contract liabilities	3,736,331	(32,911)
Increase (decrease) in other current liabilities	806,022	(438,277)
Others	(11,790)	(11,609)
<b>Total changes in operating liabilities</b>	<u>14,163,113</u>	<u>29,738,461</u>
<b>Total changes in operating assets and liabilities</b>	<u>(2,635,879)</u>	<u>(3,831,105)</u>
<b>Total adjustments</b>	<u>3,499,146</u>	<u>2,555,644</u>
Cash inflow generated from operations	15,579,324	11,662,662
Interest received	2,984,713	3,155,707
Dividends received	498,730	326,689
Interest paid	(3,130,361)	(3,900,311)
Income taxes paid	(3,541,557)	(2,743,658)
<b>Net cash flows from operating activities</b>	<u>12,390,849</u>	<u>8,501,089</u>
<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	(187,892)	(797,511)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	47,921
Acquisition of investments accounted for using equity method	(541,234)	(98,160)
Net cash flow from acquisition of subsidiaries	(60,937)	-
Proceeds from capital reduction and liquidation of investments	25,000	3,420
Acquisition of property, plant and equipment	(6,133,124)	(4,236,711)
Proceeds from disposal of property, plant and equipment	473,685	207,510
Acquisition of intangible assets	(745,116)	(333,724)
(Increase) decrease in restricted assets	(23,356)	185,941
Others	96,784	141,924
<b>Net cash flows used in investing activities</b>	<u>(7,096,190)</u>	<u>(4,879,390)</u>
<b>Cash flows from (used in) financing activities:</b>		
Decrease in short-term loans	(11,811,076)	(863,701)
Proceeds from long-term borrowings	37,628,227	34,266,141
Repayments of long-term borrowings	(36,850,916)	(44,716,721)
Payment of lease liabilities	(1,876,326)	(1,917,330)
Cash dividends paid	(5,228,555)	(5,228,555)
Change in non-controlling interests	(1,025,350)	(989,701)
Others	(190,130)	(99,671)
<b>Net cash flows used in financing activities</b>	<u>(19,354,126)</u>	<u>(19,549,538)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>1,658,992</u>	<u>3,416,172</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(12,400,475)</u>	<u>(12,511,667)</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>72,479,480</u>	<u>79,665,302</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 60,079,005</u>	<u>67,153,635</u>

See accompanying notes to consolidated financial statements.

## COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

**September 30, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

#### **(1) Company history**

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

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

These consolidated financial statements were authorized for issuance by the Board of Directors and issued on November 12, 2024.

#### **(3) New standards, amendments and interpretations adopted:**

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

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

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

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

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

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

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> <li>● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.</li> <li>● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	January 1, 2027

(Continued)

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

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11

**(4) Summary of material accounting policies:**

**(a) Statement of compliance**

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the Regulations) and the guidelines of IAS 34 Interim Financial Reporting which are endorsed by the FSC. These consolidated interim financial statements do not include all of the information required by the Regulations and by the International Financial Reporting Standards, the International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed by the FSC (hereinafter referred to as the IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual financial statements.

Except as described in the following paragraph, the significant accounting policies used in the interim financial statement are consistent with the consolidated financial statement for the year ended December 31, 2023. For related information, please refer to note (4) of the consolidated financial statement for the year ended December 31, 2023.

**(b) Basis of consolidation**

Principles of preparation of the consolidated financial statements are consistent with the consolidated financial statement for the year ended December 31, 2023. For related information, please refer to note (4)(c) of the consolidated financial statement for the year ended December 31, 2023.

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

The list of subsidiaries in the consolidated financial statements as follows:

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership			Description
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company	Panpal Technology Corp. ("Panpal")	Investment	100%	100%	100%	Panpal held 31,648 thousand shares of the Company as of September 30, 2024, which represented 0.7% of the Company's outstanding shares. (Note 2 and 3)
"	Gempal Technology Corp. ("Gempal")	"	100%	100%	100%	Gempal held 18,369 thousand shares of the Company as of September 30, 2024, which represented 0.4% of the Company's outstanding shares. (Note 2 and 3)
"	Hong Ji Capital Co., Ltd. ("Hong Ji")	"	100%	100%	100%	
"	Hong Jin Investment Co., Ltd. ("Hong Jin")	"	100%	100%	100%	
The Company, Panpal, et al.	Arcadyan Technology Corp. ("Arcadyan")	R&D, manufacturing and sales of wireless network, integrated household electronics, and mobile office products	33%	33%	33%	The Group had the ability to control Arcadyan. (Note 1)
The Company and Panpal	Compal Mexico Electromex S.A de C.V. ("CMX")	Production of automotive electronic products	100%	100%	100%	CMX was established in April 2023.
The Company	Rayonnant Technology Co., Ltd. ("Rayonnant Technology")	Manufacturing and sales of PCs, computer periphery devices, and electronic components	100%	100%	100%	
"	HengHao Technology Co., Ltd. ("HengHao")	Manufacturing of PCs, computer periphery devices, and electronic components	100%	100%	100%	
"	Ripal Optoelectronics Co., Ltd. ("Ripal")	Manufacturing of electric appliance and audiovisual electric products	100%	100%	100%	
"	Mactech Co., Ltd ("Mactech")	Manufacturing of equipment and lighting, retailing of equipment and international trading	53%	53%	53%	
"	General Life Biotechnology Co., Ltd. ("GLB")	Manufacturing and sales of medical equipment	50%	50%	50%	
"	Unicore BioMedical Co., Ltd. ("Unicore")	Management consulting services, rental and leasing business, wholesale and retail sale of medical equipment	100%	100%	100%	
"	Hippo Screen Neurotech Co., Ltd. ("Hippo Screen")	Management consulting services, rental and leasing business, wholesale and retail sale of precision instruments and international trading	96%	91%	91%	

(Continued)

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

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership			Description
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company	Shennona Taiwan Co., Ltd. (“Shennona TW”)	Management consulting services, rental and leasing business, wholesale and retail sale of precision instruments and international trading	100%	100%	100%	
”	Aco Smartcare Co., Ltd. (“Aco Smartcare”)	Wholesale and retail sale of computer software, software design services, data processing services, wholesale and retail sale of electronic materials, wholesale and retail sale of precision instruments, and biotechnology services	71%	71%	71%	
”	Kinpo&Compal Group Assets Development Corporation (“Kinpo& Compal Group”)	Real estate development, leasing and related management business	70%	70%	70%	
”	Compal Ruifang Health Assets Development Corporation (“Compal Ruifang ”)	Investing and developing businesses, such as public construction and specific zones	100%	100%	100%	
”	Compal Healthcare & Technology Ltd. (“Compal Healthcare”)	Information software service, data processing services, and electronic information supply service	100%	100%	-	Compal Healthcare was established in December 2023.
”	Shennona Corporation (“Shennona”)	Medical care IOT business	100%	100%	100%	
”	Auscom Engineering Inc. (“Auscom”)	R&D of notebook PC related products and components	100%	100%	100%	
”	Just International Ltd. (“Just”)	Investment	100%	100%	100%	
”	Compal International Holding Co., Ltd. (“CIH”)	”	100%	100%	100%	
”	Compal Electronics (Holding) Ltd. (“CEH”)	”	100%	100%	100%	
”	Bizcom Electronics, Inc. (“Bizcom”)	Warranty services and marketing of monitors and notebook PCs	100%	100%	100%	(Note 2 and 3)
”	Flight Global Holding Inc. (“FGH”)	Investment	100%	100%	100%	(Note 2 and 3)
The Company and BSH	High Shine Industrial Corp. (“HSI”)	”	100%	100%	100%	
The Company	Compal Europe (Poland) Sp. z o.o. (“CEP”)	Maintenance and warranty services of notebook PCs	100%	100%	100%	
”	Big Chance International Co., Ltd. (“BCI”)	Investment	100%	100%	100%	
”	Compal Rayonnant Holdings Limited (“CRH”)	”	100%	100%	100%	

(Continued)

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

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership			Description
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company	Core Profit Holdings Limited (“CORE”)	Investment	100%	100%	100%	
”	Compalead Electronics B.V. (“CPE”)	”	100%	100%	100%	
”	CGS Technology (Poland) Sp. z o.o. (“CGSP”)	Maintenance and warranty services of notebook PCs	100%	100%	100%	
Panpal	Compal Technologia Do Brasil Ltda. (“CTB”)	Manufacturing of notebook PCs	-	-	-	CTB was established in March 2024 and is not yet funded.
Panpal and Gempal	Compalead Eletronica do Brasil Industria e Comercio Ltda. (“CEB”)	Manufacturing of notebook PCs	100%	100%	100%	(Note 2 and 3)
”	Compal Electronics India Private Limited (“CEIN”)	Manufacturing and warranty service of mobile phones	100%	100%	100%	
”	Compal Smart Device India Private Limited (“CSIN”)	Sales (trade) of mobile phones	100%	-	-	CSIN was established in January 2024.
Panpal and CEB	Compal Electronica DA Amazonia Ltda. (“CEA”)	Manufacturing of notebook PCs	-	100%	100%	CEA was absorbed and merged by CEB in 2024. (Note 2 and 3)
Just	Compal Display Holding (HK) Limited (“CDH (HK)”)	Investment	100%	100%	100%	
”	Compal Electronics International Ltd. (“CII”)	”	100%	100%	100%	
”	Compal International Ltd. (“CPI”)	”	100%	100%	100%	
CDH (HK)	Compal Electronics (China) Co., Ltd. (“CPC”)	Manufacturing and sales of monitors	100%	100%	100%	
”	Compal Optoelectronics (Kunshan) Co., Ltd. (“CPO”)	Manufacturing and sales of LCD TVs	100%	100%	100%	
”	Compal System Trading (Kunshan) Co., Ltd. (“CST”)	International trade and distribution of computers and electronic components	100%	100%	100%	
CPC	Compal Smart Device (Chongqing) Co., Ltd. (“CSD”)	Research, manufacturing and sales of communication devices, mobile phones, electronic computer, smart watch, and providing related technical service	100%	100%	100%	
CSD	FIPOLL Electronics (Chongqing) Co., Ltd. (“FIP”)	Manufacturing of auto parts and accessories	60%	60%	-	FIP was established in December 2023.

(Continued)

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

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership			Description
			September 30, 2024	December 31, 2023	September 30, 2023	
CII	Smart International Trading Ltd. ("Smart")	Investment	100%	100%	100%	
"	Mexcom Electronics, LLC ("MEL")	Investment	100%	100%	100%	
"	Mexcom Technologies, LLC ("MTL")	"	100%	100%	100%	
"	Compal Americas (US) Inc. ("CUS")	Sales of automotive electronic products	100%	100%	100%	CUS was established in April 2023.
"	Compal Electronics N.A. Inc. ("CNA")	"	100%	100%	100%	CNA was established in April 2023.
CIH	Compal International Holding (HK) Limited ("CIH (HK)")	Investment	100%	100%	100%	
"	Jenpal International Ltd. ("Jenpal")	"	100%	100%	100%	
"	Prospect Fortune Group Ltd. ("PFG")	"	100%	100%	100%	
"	Fortune Way Technology Corp. ("FWT")	"	100%	100%	100%	
CIH (HK)	Compal Electronics Technology (Kunshan) Co., Ltd. ("CET")	Manufacturing of notebook PCs	100%	100%	100%	
"	Compal Information (Kunshan) Co., Ltd. ("CIC")	"	100%	100%	100%	
"	Compal Information Technology (Kunshan) Co., Ltd. ("CIT")	"	100%	100%	100%	
"	Kunshan Botai Electronics Co., Ltd. ("BT")	"	100%	100%	100%	
"	Compal Digital Technology (Kunshan) Co., Ltd. ("CDT")	Manufacturing and sales of notebook PCs, mobile phones, and digital products	100%	100%	100%	
BT	Compower Global Service Co., Ltd. ("CGS")	Maintenance and warranty service of notebook PCs	100%	100%	100%	
CDH (HK) and CIH (HK)	Compal Investment (Jiangsu) Co., Ltd. ("CIJ")	Investment	100%	100%	100%	
CIJ	Compal Display Electronics (Kunshan) Co., Ltd. ("CDE")	Manufacturing and sales of LCD TVs	100%	100%	100%	
The Company and Webtek	Etrade Management Co., Ltd. ("Etrade")	Investment	100%	100%	100%	
The Company	Webtek Technology Co., Ltd. ("Webtek")	"	100%	100%	100%	
"	Forever Young Technology Inc. ("Forever")	"	100%	100%	100%	
"	UniCom Global, Inc. ("UCGI")	Manufacturing and sales of computers and electronic components	100%	100%	100%	
"	Palcom International Corporation ("Palcom")	Sales of mobile phones	100%	100%	100%	

(Continued)

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

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership			Description
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company	Poindus Systems Corp, Ltd. (“Poindus Systems”)	Sales of PCs and computer periphery devices	56%	56%	56%	
Poindus Systems	Poindus Investment Co., Ltd. (“Poindus Investment”)	Investment holding	100%	100%	100%	The Company had resolved its dissolution and liquidation on December 22, 2022.
“	QiJie Electronics (ShenZhen) Co., Ltd. (“QiJie”)	Sales of PCs and computer periphery devices	100%	100%	100%	
“	Poindus Systems UK Limited (“Poindus UK”)	Sales of PCs and computer periphery devices	100%	100%	100%	
“	Adasys GmbH Elektronische Komponenten (“Adasys”)	“	100%	100%	100%	
“	Varlink Limited (“Varlink”)	“	100%	-	-	Poindus Systems acquired 100% of Varlink’s shares on May 1, 2024.
Poindus Investment	Poindus Systems GmbH GroBhandel mit EDV. Oberursel (“Poindus GmbH”)	“	100%	100%	100%	The Company had resolved its dissolution and liquidation on December 22, 2022.
Varlink	EPOS Distributor Limited (“EPOS”)	“	100%	-	-	Varlink acquired 100% of EPOS’s shares on May 1, 2024.
GLB and Panpal	PT GLB Biotechnology Indonesia	Wholesale of medical devices	100%	100%	-	PT GLB Biotechnology Indonesia was established in December 2023.
CDH (HK) and Etrade	Compal Communication (Nanjing) Co., Ltd. (“CCI Nanjing”)	Manufacturing and processing of mobile phones and tablet PCs	100%	100%	100%	
Etrade	Compal Digital Communication (Nanjing) Co., Ltd. (“CDCN”)	“	100%	100%	100%	
“	Compal Wireless Communication (Nanjing) Co., Ltd. (“CWCN”)	“	100%	100%	100%	
Forever	Hanhelt Communication (Nanjing) Co., Ltd. (“Hanhelt”)	R&D and manufacturing of electronic communication equipment	100%	100%	100%	
“	Giant Rank Trading Ltd. (“GIA”)	Sales of mobile phones	100%	100%	100%	
“	Compal Wise Electronic (Vietnam) Co., Ltd. (“CWV”)	Manufacturing and sales of mobile phones, tablet PCs, smart watches, communication devices, other electronic devices and providing related technical service.	100%	100%	100%	

(Continued)

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

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership			Description
			September 30, 2024	December 31, 2023	September 30, 2023	
Arcadyan	Arcadyan Technology N.A. Corp. ("Arcadyan USA")	Technical support and sales of wireless network products	100%	100%	100%	
"	Arcadyan Germany Technology GmbH ("Arcadyan Germany")	Technical support and sales of wireless network products	100%	100%	100%	(Notes 2 and 3)
"	Arcadyan Technology Corporation Korea ("Arcadyan Korea")	Sales of wireless network products	100%	100%	100%	(Notes 2 and 3)
"	Arcadyan Holding (BVI) Corp. ("Arcadyan Holding")	Investment	100%	100%	100%	
"	Arcadyan Technology Limited ("Arcadyan UK")	Technical support of wireless network products	100%	100%	100%	(Notes 2 and 3)
"	Arcadyan Technology Australia Pty Ltd. ("Arcadyan AU")	Sales of wireless network products	100%	100%	100%	(Notes 2 and 3)
"	Arcadyan Technology Corporation (Russia), LLC. ("Arcadyan RU")	Sales of wireless network products	100%	100%	100%	(Notes 2 and 3)
"	Zhi-Bao Technology Inc. ("Zhi-Bao")	Investment	100%	100%	100%	
"	Tatung Technology Inc. ("TTI")	R&D and sales of household digital electronic products	61%	61%	61%	(Note 2)
"	Arcadyan Turkey Technology and Trade Joint Stock Company ("Arcadyan Turkey")	Sales of wireless network product	100%	-	-	Arcadyan Turkey was established on May 2, 2024. (Note 2)
Arcadyan and Zhi-Bao	Arcadyan do Brasil Ltda. ("Arcadyan Brasil")	Sales of wireless network products	100%	100%	100%	(Notes 2 and 3)
"	Arcadyan India Private Limited ("Arcadyan India")	Sales of wireless network products	100%	100%	100%	(Notes 2 and 3)
The Company, Arcadyan and its subsidiaries	Compal Broadband Network Inc. ("CBN")	R&D and sales of cable modem, digital set-up box, and other communication products	63%	63%	63%	
CBN	Compal Broadband Networks Belgium BVBA ("CBNB")	Import and export business, technical support and consulting service of broadband networks	100%	100%	100%	
"	Compal Broadband Networks Netherlands B.V. ("CBNN")	"	100%	100%	100%	
The Company and CBN	Starmems Semiconductor Corp. ("Starmems")	R&D of MEMS technology of manufacturing process of semiconductor and manufacturing of electronic components	48%	45%	45%	The Group had the ability to control Starmems. (Note 1)

(Continued)

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

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership			Description
			September 30, 2024	December 31, 2023	September 30, 2023	
Arcadyan Holding	Sinoprime Global Inc. ("Sinoprime")	Investment	100%	100%	100%	
"	Arcadyan Technology (Shanghai) Corp. ("SVA Arcadyan")	R&D and sales of wireless network products	100%	100%	100%	(Note 2)
"	Arch Holding (BVI) Corp. ("Arch Holding")	Investment	100%	100%	100%	
Arch Holding	Compal Networking (Kunshan) Co., Ltd. ("CNC")	Manufacturing of wireless network products	100%	100%	100%	
Sinoprime	Arcadyan Technology (Vietnam) Co., Ltd. ("Arcadyan Vietnam")	Manufacturing of wireless network products	100%	100%	100%	
TTI	Quest International Group Co., Ltd. ("Quest")	Investment	100%	100%	100%	(Note 2)
"	Tatung Technology of Japan Co., Ltd. ("TTJC")	Sales of household digital electronic products	100%	100%	100%	The company had resolved its dissolution and liquidation on August 30, 2024.(Note 2)
Quest	Exquisite Electronic Co., Ltd. ("Exquisite")	Investment	100%	100%	100%	(Note 2)
Exquisite	Tatung Home Appliances (Wujiang) Co., Ltd. ("THAC")	Manufacturing of household digital electronic products	100%	100%	100%	(Note 2)
HSI	Intelligent Universal Enterprise Ltd. ("IUE")	Investment	100%	100%	100%	
"	Goal Reach Enterprises Ltd. ("Goal")	"	100%	100%	100%	
IUE	Compal (Vietnam) Co., Ltd. ("CVC")	R&D, manufacturing, sales, and maintenance of notebook PCs, computer monitors, LCD TVs and electronic components	100%	100%	100%	(Note 2 and 3)
Goal	Compal Development & Management (Vietnam) Co., Ltd. ("CDM")	Construction of and investment in infrastructure in Ba-Thien industrial district of Vietnam	100%	100%	100%	
Rayonnant Technology and CRH	Allied Power Holding Corp. ("APH")	Investment	100%	100%	100%	
APH	Primetek Enterprises Limited ("PEL")	"	100%	100%	100%	
"	Rayonnant Technology (HK) Co., Ltd. ("Rayonnant Technology (HK)")	"	100%	100%	100%	
Rayonnant Technology (HK)	Rayonnant Technology (Taicang) Co., Ltd. ("Rayonnant Technology (Taicang)")	Manufacturing and sales of aluminum alloy and magnesium alloy products	100%	100%	100%	
HengHao	HengHao Holdings A Co., Ltd. ("HHA")	Investment	100%	100%	100%	
HHA and BSH	HengHao Holdings B Co., Ltd. ("HHB")	"	100%	100%	100%	

(Continued)

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

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership			Description
			September 30, 2024	December 31, 2023	September 30, 2023	
HHB	HengHao Optoelectronics Technology (Kunshan) Co., Ltd. ("HengHao Kunshan")	Production of touch panels and related components	100%	100%	100%	
"	Lucom Display Technology (Kunshan) Limited ("Lucom")	Manufacturing of touch panels and LCD TVs	100%	100%	100%	Lucom completed its liquidation registration in May 2024.
"	HengHao Optoelectronics Technology (Zhejiang) Co., Ltd. ("HengHao Zhejiang")	Production of touch panels and related components	100%	100%	100%	HengHao Zhejiang was established in March 2023.
BCI	Center Mind International Co., Ltd. ("CMI")	Investment	100%	100%	100%	
"	Prisco International Co., Ltd. ("PRI")	"	100%	100%	100%	
CMI	Compal Investment (Sichuan) Co., Ltd. ("CIS")	Outward investment and consulting services	100%	100%	100%	
PRI	Compal Electronics (Chongqing) Co., Ltd. ("CEQ")	R&D, manufacturing and sales of notebook PCs, related components, related maintenance and warranty services	100%	100%	100%	
CIS	Compal Electronics (Chengdu) Co., Ltd. ("CEC")	R&D and manufacturing of notebook PCs, tablet PCs, digital products, network switches, wireless AP, and automobile electronic products	100%	100%	100%	
"	Compal Management (Chengdu) Co., Ltd. ("CMC")	Corporate management consulting, training and education, business information consulting, financial and tax consulting, investment consulting, and investment management services	100%	100%	100%	
CORE	Billion Sea Holdings Limited ("BSH")	Investment	100%	100%	100%	
BSH	Mithera Capital Io LP ("Mithera")	"	99%	99%	99%	
"	Compal USA (Indiana), Inc. ("CIN")	Foundry of automotive electronic products	100%	100%	100%	
"	Compal Electronics (Vietnam) Co., Ltd. ("CEV")	R&D, manufacturing, sales and maintenance of notebook PCs, computer monitors, LCD TVs, mobile phones, tablet PCs, smart watches, communication devices and other electronic devices	100%	100%	100%	CEV was established in May 2023.

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

Note 2: The financial statements of the subsidiary as of September 30, 2024 have not been reviewed by CPA.

Note 3: The financial statements of the subsidiary as of September 30, 2023 have not been reviewed by CPA.

(Continued)

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

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

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

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

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

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

(d) Income taxes

Tax expense in the interim financial statements is measured and disclosed according to paragraph B12 of IAS 34 “Interim Financial Reporting”.

Income tax expense for the year is best estimated by multiplying pretax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the effective tax rate at the time of realization or liquidation and recognized directly in equity or other comprehensive income as tax expense.

(e) Employee benefits

Under defined benefit plans, pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

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**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
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**(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

The preparation of the consolidated financial statements in conformity with Regulations and IFRSs Accounting Standards (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

In the preparation of the consolidated interim financial statements, the major sources of significant accounting assumptions, judgments and estimation uncertainty are consistent with note (5) of the annual consolidated financial statements for the year ended December 31, 2023.

**(6) Explanation of significant accounts:**

Except for the following disclosures, there is no significant difference compared with the consolidated financial statements for the year ended December 31, 2023. Please refer to the note (6) of the consolidated financial statements for the year ended December 31, 2023 and for other related information.

(a) Cash and cash equivalents

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Cash on hand	\$ 21,054	17,687	18,018
Checking accounts and demand deposits	15,136,325	32,426,802	37,412,903
Time deposits	43,410,624	37,820,891	27,684,614
Cash equivalents	<u>1,511,002</u>	<u>2,214,100</u>	<u>2,038,100</u>
	<b><u>\$ 60,079,005</u></b>	<b><u>72,479,480</u></b>	<b><u>67,153,635</u></b>

Please refer to note (6)(z) for the disclosure of the exchange rate risk, the interest rate risk and the fair value sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets and liabilities at fair value through profit or loss

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
<b>Financial assets mandatorily measured at fair value through profit or loss:</b>			
Non-derivative financial assets			
Stock unlisted in domestic markets	\$ 163,825	158,680	160,750
Fund in domestic or foreign markets	1,223,189	1,058,832	765,961
Derivative instruments not used for hedging			
Foreign exchange contracts	226	4,519	21,024
Swap contracts	<u>8,680</u>	<u>47,543</u>	<u>-</u>
Total	<b><u>\$ 1,395,920</u></b>	<b><u>1,269,574</u></b>	<b><u>947,735</u></b>

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	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current	\$ 8,906	52,062	280,461
Non-current	<u>1,387,014</u>	<u>1,217,512</u>	<u>667,274</u>
	<u>\$ 1,395,920</u>	<u>1,269,574</u>	<u>947,735</u>
	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<b>Financial liabilities held-for-trading:</b>			
Derivative instruments not used for hedging			
Foreign exchange contracts	\$ 55,794	164,535	25,337
Swap contracts	<u>-</u>	<u>-</u>	<u>9,739</u>
Total	<u>\$ 55,794</u>	<u>164,535</u>	<u>35,076</u>

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

	<u>September 30, 2024</u>			
	<u>Contract amount (in thousands)</u>		<u>Currency</u>	<u>Maturity date</u>
<b>Derivative financial assets:</b>				
<b>Foreign exchange contracts:</b>				
Forward exchange purchased	USD	3,582	USD to INR	November 14, 2024
<b>Swap contracts:</b>				
Currency swap	USD	20,000	USD to TWD	October 30 ~ November 27, 2024
<b>Derivative financial liabilities:</b>				
<b>Foreign exchange contracts:</b>				
Forward exchange purchased	USD	89,500	USD to BRL	October 15, 2024 ~ January 15, 2025
Forward exchange purchased	USD	3,576	USD to INR	October 30, 2024
Forward exchange sold	EUR	31,000	EUR to USD	October 15 ~ Dcember 30, 2025

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**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
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	<b>December 31, 2023</b>		
	<b>Contract amount (in thousands)</b>	<b>Currency</b>	<b>Maturity date</b>
<b>Derivative financial assets:</b>			
<b>Foreign exchange contracts:</b>			
Forward exchange sold	USD 7,087	USD to TWD	January 5 ~ March 25, 2024
Forward exchange purchased	USD 3,609	USD to INR	January 30, 2024
<b>Swap contracts:</b>			
Currency swap	USD 70,000	USD to TWD	January 26 ~ March 28, 2024
<b>Derivative financial liabilities:</b>			
<b>Foreign exchange contracts:</b>			
Forward exchange purchased	USD 124,500	USD to BRL	January 11 ~ May 31, 2024
Forward exchange purchased	USD 3,595	USD to INR	January 12, 2024
Forward exchange sold	EUR 17,000	EUR to USD	January 12 ~ April 12, 2024
	<b>September 30, 2023</b>		
	<b>Contract amount (in thousands)</b>	<b>Currency</b>	<b>Maturity date</b>
<b>Derivative financial assets:</b>			
<b>Foreign exchange contracts:</b>			
Forward exchange sold	EUR 11,500	EUR to USD	October 13 ~ November 14, 2023
Forward exchange purchased	USD 1,000	USD to BRL	November 10, 2023
Forward exchange purchased	USD 4,943	USD to INR	October 13~October 30, 2023
<b>Derivative financial liabilities:</b>			
<b>Foreign exchange contracts:</b>			
Forward exchange purchased	USD 118,000	USD to BRL	October 16, 2023 ~ May 31, 2024
<b>Swap contracts:</b>			
Currency swap	USD 30,000	USD to TWD	October 30~November 29, 2023

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

As of September 30, 2024, December 31 and September 30, 2023, the Group did not provide any aforementioned financial assets as collaterals for its loans.

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**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
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(c) Financial assets at fair value through other comprehensive income

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Equity investments at fair value through other comprehensive income:			
Stock listed in domestic markets	\$ 5,342,355	4,349,429	3,795,476
Stock listed in foreign markets	5,657,068	2,906,241	426,537
Stock unlisted in domestic markets	1,623,595	1,454,947	1,861,431
Stock unlisted in foreign markets	<u>639,078</u>	<u>405,391</u>	<u>211,187</u>
<b>Total</b>	<b><u>\$ 13,262,096</u></b>	<b><u>9,116,008</u></b>	<b><u>6,294,631</u></b>

The purpose that the Group invests in the above-mentioned equity securities is for long-term strategies, but rather for trading purpose. Therefore, these equity securities are designated as at FVOCI.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the nine months ended September 30, 2024 and 2023.

In August 2023, the Group sold all of its shares in Genovior Biotech Corporation (GBC), which were measured at FVOCI, with a fair value of \$47,921 and a cumulative gain on disposal amounting to \$17,790. The Group transferred the cumulative gain on disposal from other equity to retained earnings.

If there is an increase (decrease) in the market price by 5% on the reporting date of the equity securities hold by the Group, the increase (decrease) in other comprehensive income (pre-tax) for the nine months ended September 30, 2024 and 2023, will be \$663,105 and \$314,732, respectively. These analyses are performed on the same basis for the period and assume that all other variables remain the same.

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

As of September 30, 2024, December 31 and September 30, 2023, the Group did not provide any financial assets at fair value through other comprehensive income as collaterals for its loans.

(d) Financial instruments used for hedging

(i) Financial instruments used for hedging were as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<b>Cash flow hedge:</b>			
<b>Financial assets used for hedging:</b>			
Forward exchange contracts	\$ <u>-</u>	<u>-</u>	<u>9,829</u>
<b>Financial liabilities used for hedging:</b>			
Forward exchange contracts	\$ <u>-</u>	<u>14,246</u>	<u>270</u>

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**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
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(ii) Cash flow hedge

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

The Group did not engage in cash flow hedging derivative instruments as of September 30, 2024.

As of December 31 and September 30, 2023 the details related to the items designated as hedge instruments were as follows:

<b>December 31, 2023</b>				
	<b>Contract amount (in thousands)</b>	<b>Currency</b>	<b>Maturity period</b>	<b>Average strike price</b>
<b>Derivative financial liabilities used for hedging</b>				
<b>Foreign exchange contracts:</b>				
Forward exchange sold	EUR 32,000	EUR to USD	January 30 ~ June 27, 2024	1.0960
<b>September 30, 2023</b>				
	<b>Contract amount (in thousands)</b>	<b>Currency</b>	<b>Maturity period</b>	<b>Average strike price</b>
<b>Derivative financial assets used for hedging</b>				
<b>Foreign exchange contracts:</b>				
Forward exchange sold	EUR 8,000	EUR to USD	October 30 ~ December 28, 2023	1.0925
<b>Derivative financial liabilities used for hedging</b>				
Forward exchange sold	EUR 1,000	EUR to USD	October 30, 2023	1.0437

(iii) For the three months and nine months ended September 30, 2024 and 2023, there were no ineffective portions of cash flow hedge recognized in profits (losses).

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**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
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- (iv) For the three months and nine months ended September 30, 2023, the ineffective portions of cash flow hedge recognized in profits (losses) amounted of \$944, recorded as “other gains and losses, net”.
- (v) For the three months and nine months ended September 30, 2024 and 2023, the profits (losses) of changes in fair value of derivative financial instruments used for hedging reclassified from other equity to profit or loss are recognized as revenue in the statement of comprehensive income. Please refer to note (6)(y).
- (e) Notes and accounts receivable

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Notes receivables from operating activities	\$ 6,101	44,525	5,246
Accounts receivables – measured at amortized cost	179,504,709	167,289,327	180,483,498
Accounts receivables – fair value through other comprehensive income	<u>37,112,695</u>	<u>30,358,572</u>	<u>45,666,424</u>
	216,623,505	197,692,424	226,155,168
Less: allowance for uncollectible accounts	<u>(4,036,992)</u>	<u>(3,977,808)</u>	<u>(3,948,209)</u>
	<u><b>\$ 212,586,513</b></u>	<u><b>193,714,616</b></u>	<u><b>222,206,959</b></u>
Notes and accounts receivable, net	<u><b>\$ 206,252,630</b></u>	<u><b>187,280,320</b></u>	<u><b>215,422,780</b></u>
Notes and accounts receivable – related parties, net	<u><b>\$ 6,333,883</b></u>	<u><b>6,434,296</b></u>	<u><b>6,784,179</b></u>

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

- (i) Expected credit losses

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

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

<u>September 30, 2024</u>				
<u>Credit rating</u>	<u>Carrying amount of notes and accounts receivable</u>	<u>Weighted- average ECL rate</u>	<u>Lifetime ECLs</u>	<u>Credit- impaired</u>
Level A	\$ 192,577,947	0%	-	No
Level B	13,416,532	1.73%	231,669	No
Level C	<u>3,773,049</u>	100%	<u>3,773,049</u>	Yes
	<u><b>\$ 209,767,528</b></u>		<u><b>4,004,718</b></u>	

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**December 31, 2023**

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

**September 30, 2023**

<b>Credit rating</b>	<b>Carrying amount of notes and accounts receivable</b>	<b>Weighted- average ECL rate</b>	<b>Lifetime ECLs</b>	<b>Credit- impaired</b>
Level A	\$ 201,428,968	0%	-	No
Level B	12,677,500	0.94%	119,011	No
Level C	<u>3,790,493</u>	100%	<u>3,790,493</u>	Yes
	<b><u>\$ 217,896,961</u></b>		<b><u>3,909,504</u></b>	

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

**September 30, 2024**

<b>Credit rating</b>	<b>Carrying amount of notes and accounts receivable</b>	<b>Weighted- average ECL rate</b>	<b>Lifetime ECLs</b>	<b>Credit- impaired</b>
Level A	\$ 2,689,088	0%	-	No
Level B	3,316,820	0.10%	3,319	No
Level C	829,408	1%	8,294	No
Level D	-	5%	-	-
Level E	<u>20,661</u>	100%	<u>20,661</u>	Yes
	<b><u>\$ 6,855,977</u></b>		<b><u>32,274</u></b>	

**December 31, 2023**

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

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September 30, 2023				
Credit rating	Carrying amount of notes and accounts receivable	Weighted- average ECL rate	Lifetime ECLs	Credit- impaired
Level A	\$ 2,898,051	0%	-	No
Level B	3,966,913	0.10%	4,021	No
Level C	1,372,204	1.00%	13,645	No
Level D	-	-	-	-
Level E	21,039	100%	21,039	Yes
	<b>\$ 8,258,207</b>		<b>38,705</b>	

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

	September 30, 2024	December 31, 2023	September 30, 2023
Overdue 1 to 180 days	\$ 1,827,925	3,094,481	2,548,807
Overdue 181 to 365 days	-	135	122,039
Overdue 365 days	10,267	89,230	100
	<b>\$ 1,838,192</b>	<b>3,183,846</b>	<b>2,670,946</b>

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

	For the nine months ended September 30,	
	2024	2023
Balance at January 1	\$ 3,977,808	3,924,544
Acquisition through business combination	984	-
Impairment losses recognized (reversed)	55,865	26,996
Effect of changes in exchange rates	2,335	(3,331)
Balance at September 30	<b>\$ 4,036,992</b>	<b>3,948,209</b>

Allowance for uncollectible account is the balance of accounts receivable which are uncollectable. Except for evaluating the situation of the customers' payment records and widely analyzing the credit rating of customers, the Group also takes all the necessary procedures for collection. The Group believes that there is no doubt for the recovery of the due but unimpaired accounts receivable, therefore, no allowance recognized.

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**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
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(iv) Accounts receivable factoring

1) Non-recourse

The Group entered into accounts receivable factoring agreements with banks. As of September 30, 2024, December 31 and September 30, 2023, except for the amount used under the actual sales amount in accordance with certain agreements, the factoring amount granted by the banks was USD 2,200,000 thousand, USD 2,215,000 thousand and EUR 1,000 thousand, USD 2,237,000 thousand and EUR 1,000 thousand, respectively. Based on the agreements, the Group is not responsible for guaranteeing the ability of the accounts receivable obligor to make payment when it is affected by credit risk. Thus, this is a non-recourse accounts receivable factoring. The Group derecognized the above accounts receivable because it has transferred substantially all of the risks and rewards of their ownership and it does not have any continuing involvement in them. After the transfer of the accounts receivable, the Group can request partial advanced amount, while the interest calculated at an agreed rate is paid to the bank in the period during the time of receiving advance and the accounts receivable is collected. The remaining amounts with no advance are received when the accounts receivable are settled by the customers. As of September 30, 2024, December 31 and September 30, 2023, the factored accounts receivable with no advance amounting to \$0, \$200 and \$341, respectively, were accounted for as other receivables.

The Group, customers and banks signed the three-party contracts in which the banks purchase accounts receivable from the Group. The total amount of the accounts receivable should not exceed the facility limit provided by the banks to the Group's customers. Based on the contracts, the banks have no right to request the Group to repurchase the accounts receivable. Thus, this is a non-recourse accounts receivable transfer. As of September 30, 2024, December 31 and September 30, 2023, accounts receivable factored were recovered and derecognized since the conditions of derecognition were met.

As of September 30, 2024, December 31 and September 30, 2023, the details of the factored accounts receivable but unsettled were as follows:

September 30, 2024							
Purchaser	Accounts receivable factored (gross)	Amount advanced		Amount recognized in other receivable	Collateral	Amount derecognized	Interest rate
		Unpaid	Paid				
Financial Institution	\$ <u>7,615,411</u>	-	<u>7,615,411</u>	-	-	<u>7,615,411</u>	5.35%~5.82%
December 31, 2023							
Purchaser	Accounts receivable factored (gross)	Amount advanced		Amount recognized in other receivable	Collateral	Amount derecognized	Interest rate
		Unpaid	Paid				
Financial Institution	\$ <u>13,188,220</u>	-	<u>13,188,020</u>	<u>200</u>	-	<u>13,188,220</u>	2.75%~6.20%

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September 30, 2023							
Purchaser	Accounts receivable factored (gross)	Amount advanced		Amount recognized in other receivable	Collateral	Amount derecognized	Interest rate
		Unpaid	Paid				
Financial Institution	\$ <u>10,554,548</u>	<u>-</u>	<u>10,554,207</u>	<u>341</u>	-	<u>10,554,548</u>	2.75%~6.16%

2) With recourse

The Group entered into factoring agreements with different financial institutions to sell its accounts receivable. Under the agreements, the Group sold the accounts receivable to the financial institutions with recourse; thus the Group retains almost all the risks and rewards of such accounts receivable, and does not qualify for the derecognition of financial assets. As of September 30, 2024, the carrying amounts of transferred accounts receivable and related financial liabilities, which were not yet derecognized, were as follows:

September 30, 2024					
Purchaser	Accounts receivable transferred	Quota	Amount advanced (recognized as short-term borrowings)	Range of Interest Rate	Collateral
Financial Institution	<u>\$ -</u>	<u>63,975</u>	<u>17,642</u>	7.40 %	Inventories

(v) As of September 30, 2024, December 31 and September 30, 2023, the Group did not provide any aforementioned notes and accounts receivable as collaterals.

(f) Inventories

	September 30, 2024	December 31, 2023	September 30, 2023
Finished goods	\$ 22,698,387	28,283,848	36,605,486
Work in progress	8,538,346	10,441,483	8,360,416
Raw materials	58,785,041	56,020,648	66,951,931
Raw materials in transit	<u>1,170,986</u>	<u>356,713</u>	<u>1,512,952</u>
	<u>\$ 91,192,760</u>	<u>95,102,692</u>	<u>113,430,785</u>

(i) For the three months and nine months ended September 30, 2024 and 2023, inventory cost recognized as cost of sales amounted to \$232,078,097, \$240,482,167, \$647,278,869 and \$673,869,375, respectively.

(ii) The loss due to the write-down of inventories to net realizable value amounted to \$74,524 and \$103,422 for the three months ended September 30, 2024 and nine months ended September 30, 2023. Due to the sale and scrap of slow-moving inventories, the net realizable value of inventory recovered, and the reversal of inventory write-downs and slow-moving losses amounted to \$282,031 and \$242,171 for the nine months ended September 30, 2024 and three months ended September 30, 2023.

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(iii) As of September 30, 2024, December 31 and September 30, 2023, the Group provided part of its inventories as collaterals for its short-term borrowings. Please refer to note (8).

(g) Investments accounted for using equity method

A summary of the Group's financial information for equity-accounted investees at the reporting date is as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Associates	\$ 7,519,905	7,563,017	7,809,567
Joint venture	<u>5,627</u>	<u>6,144</u>	<u>6,274</u>
	7,525,532	7,569,161	7,815,841
Less: unrealized profits or losses	<u>(124,419)</u>	<u>(120,810)</u>	<u>(126,789)</u>
	<b><u>\$ 7,401,113</u></b>	<b><u>7,448,351</u></b>	<b><u>7,689,052</u></b>

(i) Associates

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Allied Circuit Co., Ltd. ("Allied Circuit")	\$ 2,247,368	2,659,099	2,590,477
Avalue Technology Inc. ("Avalue")	<u>1,619,262</u>	<u>1,783,426</u>	<u>1,473,006</u>
	<b><u>\$ 3,866,630</u></b>	<b><u>4,442,525</u></b>	<b><u>4,063,483</u></b>

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

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
The Group's share of the loss of associates	<u>\$ (249,327)</u>	<u>(109,805)</u>	<u>(611,578)</u>	<u>(334,157)</u>

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Carrying amount of individually immaterial associates	<u>\$ 7,519,905</u>	<u>7,563,017</u>	<u>7,809,567</u>

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	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
The Group's share of the net income (loss) of associates:				
Loss from continuing operations	\$ (249,327)	(109,805)	(611,578)	(334,157)
Other comprehensive income	<u>1,128</u>	<u>245,011</u>	<u>262,529</u>	<u>88,218</u>
Total comprehensive income	<u>\$ (248,199)</u>	<u>135,206</u>	<u>(349,049)</u>	<u>(245,939)</u>

(ii) Joint venture

In April 2010, the Group and another company established a jointly controlled entity, Compal Connector Manufacture Ltd. ("CCM"), and obtained an ownership interest of 51%. CCM's actual paid-in capital amounted to USD10,000 thousands. Moreover, in May 2014, the Group and another company established a jointly controlled entity, Zheng Ying Electronics (Chongqing) Co., Ltd., ("Zheng Ying"), and obtained an ownership interest of 51%. Zheng Ying's actual paid-in capital amounted to USD 2,500 thousands. The liquidation of Zheng Ying had been completed in February 2023.

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
The carrying amount of the Group's interests in all individually insignificant joint ventures	\$ <u>5,627</u>	<u>6,144</u>	<u>6,274</u>

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
The Group's share of the net income (loss) of joint ventures:				
Net (losses) income from continuing operations (also the total comprehensive income (losses))	\$ <u>(157)</u>	<u>70</u>	<u>(714)</u>	<u>23,998</u>

- (iii) Although the Group is the single largest shareholder of some associates, after a comprehensive assessment that the remaining shares of these associates are not concentrated in specific shareholders, the Group is still not able to obtain more than half of the board seats, and it has not obtained more than half of the voting rights of shareholders attending the shareholders' meeting. The Group judges that it does not have absolute power and leading ability over the

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**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
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relevant activities and variable remuneration of these associates, so it assesses that the Group has no control over these associates.

(iv) As of September 30, 2024, December 31 and September 30, 2023, the Group did not provide any investments accounted for using equity method as collaterals for its loans.

(h) Acquisition of the subsidiary

In order to expand the market landscape in the United Kingdom and Europe, as well as to increase the market share in the retail and other terminal markets, on April 26, 2024, the Board of Directors of Poindus Systems approved to acquire 100% of Varlink's shares in cash, and Varlink was included in the consolidated entity from the acquisition date (May 1, 2024).

(i) Consideration transferred

According to the equity purchase and sale agreement, the Group acquired 100% of Varlink's shares on May 1, 2024, for a cash consideration of \$61,590 (GBP 1,500).

(ii) In accordance with IFRSs, the fair value of identifiable assets acquired and liabilities assumed on the acquisition date should be measured at the time of acquisition. The results of the appraisal conducted by the Poindus Systems's experts were as follows:

<b>Items</b>	<b>Amounts</b>
Consideration transferred	
Cash	\$ 61,590
Less: identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	653
Notes and accounts receivable, net	56,925
Other receivables	6,782
Inventories	57,560
Prepayments and other current assets	3,268
Property, plant and equipment	424
Right-of-use assets	9,207
Intangible assets — computer software	3,864
Intangible assets — customer relationships	6,154
Short-term borrowings	(9,793)
Notes and accounts payable	(60,917)
Other payables	(261)
Current tax liabilities	(1,254)
Lease liabilities — current	(2,751)
Other current liabilities	(1,441)
Deferred tax liabilities	(1,653)
Lease liabilities — non-current	(6,456)
Fair value of net identifiable assets	<u>60,311</u>
Goodwill	<u>\$ 1,279</u>

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**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
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(iii) Intangible assets

Customer relationships are amortized on a straight-line basis over three years, based on expected future economic benefits period.

Goodwill is mainly derived from Varlink's profitability in the POS product market and the value of its workforce. It is expected that the integration of the Group's resources will strengthen the professionalism of the workforce, enhance its overall competitiveness, and maximize its synergies.

(iv) Proposed information on operating results

From the acquisition date to September 30, 2024, the revenue and net loss after tax contributed by Varlink were \$181,328 and \$4,786, respectively. If the transaction took place on January 1, 2024, the management estimated that the Group's revenue and net loss after tax for the period would have increased by \$145,501 and \$2,070, respectively. In determining these amounts, the management has assumed that the transaction occurred on January 1, 2024, and that the provisional fair value adjustments resulting from the acquisition date are the same.

(i) Changes in subsidiaries' equity

There were no significant transactions for the nine months ended September 30, 2024 and 2023. Please refer to note (6)(i) of the consolidated financial statement for the year ended December 31, 2023.

(j) Material non-controlling interests of subsidiaries

There were no significant transactions for the nine months ended September 30, 2024 and 2023. Please refer to note (6)(j) of the consolidated financial statement for the year ended December 31, 2023.

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(k) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the nine months ended September 30, 2024 and 2023, were as follows:

	<u>Land</u>	<u>Buildings and building improvement</u>	<u>Machinery</u>	<u>Other equipment</u>	<u>Under construction and prepayment for purchase of equipment</u>	<u>Total</u>
Cost:						
Balance on January 1, 2024	\$ 2,485,703	23,946,957	35,821,879	13,224,939	3,327,703	78,807,181
Acquisition through business combination	-	-	-	2,164	-	2,164
Additions	81,025	76,397	241,210	911,145	4,506,542	5,816,319
Disposals and derecognitions	-	(103,048)	(1,506,971)	(1,002,985)	-	(2,613,004)
Reclassifications	-	354,574	2,540,984	85,790	(2,981,348)	-
Effect of movements in exchange rates	<u>4,932</u>	<u>503,033</u>	<u>252,601</u>	<u>106,121</u>	<u>290,316</u>	<u>1,157,003</u>
Balance on September 30, 2024	<u>\$ 2,571,660</u>	<u>24,777,913</u>	<u>37,349,703</u>	<u>13,327,174</u>	<u>5,143,213</u>	<u>83,169,663</u>
Balance on January 1, 2023	\$ 2,485,718	21,658,458	36,234,090	13,405,317	2,295,702	76,079,285
Additions	-	1,023,402	149,839	1,125,916	3,093,403	5,392,560
Disposals and derecognitions	-	(196,861)	(674,428)	(1,300,504)	-	(2,171,793)
Reclassifications	-	1,387,247	745,112	157,413	(2,289,772)	-
Effect of movements in exchange rates	<u>4,744</u>	<u>915,994</u>	<u>251,980</u>	<u>112,656</u>	<u>(157,728)</u>	<u>1,127,646</u>
Balance on September 30, 2023	<u>\$ 2,490,462</u>	<u>24,788,240</u>	<u>36,706,593</u>	<u>13,500,798</u>	<u>2,941,605</u>	<u>80,427,698</u>
Depreciation and impairments loss:						
Balance on January 1, 2024	\$ -	13,527,596	25,936,581	10,302,479	-	49,766,656
Acquisition through business combination	-	-	-	1,740	-	1,740
Depreciation for the period	-	966,866	2,894,746	1,020,244	-	4,881,856
Disposals and derecognitions	-	(101,934)	(1,071,655)	(989,505)	-	(2,163,094)
Effect of movements in exchange rates	<u>-</u>	<u>232,970</u>	<u>69,331</u>	<u>44,995</u>	<u>-</u>	<u>347,296</u>
Balance on September 30, 2024	<u>\$ -</u>	<u>14,625,498</u>	<u>27,829,003</u>	<u>10,379,953</u>	<u>-</u>	<u>52,834,454</u>
Balance on January 1, 2023	\$ -	12,555,957	24,546,694	10,168,423	-	47,271,074
Depreciation for the period	-	893,733	2,815,475	1,335,696	-	5,044,904
Disposals and derecognitions	-	(168,676)	(556,093)	(1,280,400)	-	(2,005,169)
Effect of movements in exchange rates	<u>-</u>	<u>279,817</u>	<u>130,657</u>	<u>389,524</u>	<u>-</u>	<u>799,998</u>
Balance on September 30, 2023	<u>\$ -</u>	<u>13,560,831</u>	<u>26,936,733</u>	<u>10,613,243</u>	<u>-</u>	<u>51,110,807</u>
Carrying amounts:						
Balance on January 1, 2024	<u>\$ 2,485,703</u>	<u>10,419,361</u>	<u>9,885,298</u>	<u>2,922,460</u>	<u>3,327,703</u>	<u>29,040,525</u>
Balance on September 30, 2024	<u>\$ 2,571,660</u>	<u>10,152,415</u>	<u>9,520,700</u>	<u>2,947,221</u>	<u>5,143,213</u>	<u>30,335,209</u>
Balance on January 1, 2023	<u>\$ 2,485,718</u>	<u>9,102,501</u>	<u>11,687,396</u>	<u>3,236,894</u>	<u>2,295,702</u>	<u>28,808,211</u>
Balance on September 30, 2023	<u>\$ 2,490,462</u>	<u>11,227,409</u>	<u>9,769,860</u>	<u>2,887,555</u>	<u>2,941,605</u>	<u>29,316,891</u>

As of September 30, 2024, December 31 and September 30, 2023, part of the Group's property, plant and equipment were provided as collateral for long-term borrowings. Please refer to note (8).

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(l) Right-of-use assets

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

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Vehicles and other</u>	<u>Total</u>
Cost:					
Balance on January 1, 2024	\$ 12,177,457	4,008,099	51,551	39,730	16,276,837
Acquisition through business combination	-	9,207	-	-	9,207
Additions	50,584	312,927	-	19,774	383,285
Disposals	-	(507,668)	(1,131)	(17,039)	(525,838)
Effect of movements in exchange rates	29,427	(63,862)	(42)	98	(34,379)
Balance on September 30, 2024	<u>\$ 12,257,468</u>	<u>3,758,703</u>	<u>50,378</u>	<u>42,563</u>	<u>16,109,112</u>
Balance on January 1, 2023	\$ 12,180,851	3,320,227	51,104	72,553	15,624,735
Additions	-	762,832	-	1,422	764,254
Disposals	-	(50,057)	-	(7,566)	(57,623)
Effect of movements in exchange rates	45,753	95,190	466	264	141,673
Balance on September 30, 2023	<u>\$ 12,226,604</u>	<u>4,128,192</u>	<u>51,570</u>	<u>66,673</u>	<u>16,473,039</u>
Depreciation:					
Balance on January 1, 2024	\$ 486,415	1,948,133	23,563	24,758	2,482,869
Depreciation for the period	185,409	532,235	3,359	8,056	729,059
Disposals	-	(434,148)	(1,131)	(15,795)	(451,074)
Effect of movements in exchange rates	3,854	(75,885)	(42)	41	(72,032)
Balance on September 30, 2024	<u>\$ 675,678</u>	<u>1,970,335</u>	<u>25,749</u>	<u>17,060</u>	<u>2,688,822</u>
Balance on January 1, 2023	\$ 241,063	1,613,228	18,093	47,035	1,919,419
Depreciation for the period	184,172	551,510	3,739	13,700	753,121
Deductions	-	(1,494)	-	(7,566)	(9,060)
Effect of movements in exchange rates	6,235	83,585	482	165	90,467
Balance on September 30, 2023	<u>\$ 431,470</u>	<u>2,246,829</u>	<u>22,314</u>	<u>53,334</u>	<u>2,753,947</u>
Carrying amount:					
Balance on January 1, 2024	<u>\$ 11,691,042</u>	<u>2,059,966</u>	<u>27,988</u>	<u>14,972</u>	<u>13,793,968</u>
Balance on September 30, 2024	<u>\$ 11,581,790</u>	<u>1,788,368</u>	<u>24,629</u>	<u>25,503</u>	<u>13,420,290</u>
Balance on January 1, 2023	<u>\$ 11,939,788</u>	<u>1,706,999</u>	<u>33,011</u>	<u>25,518</u>	<u>13,705,316</u>
Balance on September 30, 2023	<u>\$ 11,795,134</u>	<u>1,881,363</u>	<u>29,256</u>	<u>13,339</u>	<u>13,719,092</u>

In January 2022, the Group signed a contract with the Taipei City Government to obtain the superficies of No.91, Ruan Qiao Section, Beitou District, Taipei City, which has a term of 50 years and may be extended for additional 20 years.

The related depreciation expenses of right-of-use assets amounting to \$56,341, \$56,080, \$169,024 and \$168,241, and the interest expenses of lease liabilities amounting to \$11,027, \$10,996, \$33,064 and \$32,972, which met the conditions for capitalization under property, plant and equipment at the rate of 1.5%, had been recognized as the cost of assets for the three months and nine months ended September 30, 2024 and 2023, respectively.

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As of September 30, 2024, the Group provided part of its right-of-use assets as collaterals for its long-term borrowings. Please refer to note (8).

(m) Short-term borrowings

The details of short-term borrowings were as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Unsecured bank loans	\$ 47,146,495	58,965,354	73,959,784
Secured bank loans	26,493	8,917	8,941
Total	<u>\$ 47,172,988</u>	<u>58,974,271</u>	<u>73,968,725</u>
Unused credit line for short-term borrowings	<u>\$ 272,310,000</u>	<u>241,131,000</u>	<u>230,437,000</u>
Range of interest rates	<u>1.65%~7.4%</u>	<u>1.62%~8.78%</u>	<u>1.62%~6.96%</u>

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

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

(n) Long-term borrowings

The details of long-term borrowings were as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Unsecured bank loans	\$ 24,225,000	26,222,601	20,186,973
Secured bank loans	3,222,928	448,016	499,569
Less: current portion	<u>(14,459,450)</u>	<u>(11,385,027)</u>	<u>(6,983,849)</u>
Total	<u>\$ 12,988,478</u>	<u>15,285,590</u>	<u>13,702,693</u>
Unused credit line for long-term borrowings	<u>\$ 21,874,000</u>	<u>21,773,000</u>	<u>28,775,000</u>
Range of interest rates	<u>1.625%~2.43%</u>	<u>1.635%~6.1%</u>	<u>1.63%~5.28%</u>

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

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

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**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
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(o) Lease liabilities

The details of leases liabilities were as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current	\$ <u>1,935,780</u>	<u>2,001,766</u>	<u>1,982,516</u>
Non-current	\$ <u>6,818,512</u>	<u>8,329,451</u>	<u>8,161,830</u>

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

The amounts recognized in profit or loss were as follows:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Interest on lease liabilities	\$ <u>11,897</u>	<u>18,993</u>	<u>36,711</u>	<u>37,236</u>
Expenses relating to leases of low-value assets or short-term leases	\$ <u>26,537</u>	<u>26,070</u>	<u>73,252</u>	<u>56,245</u>

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

	<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
Total cash outflow for leases	\$ <u>1,986,289</u>	<u>2,010,811</u>

(i) Real estate leases

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

(ii) Other leases

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

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

(p) Provisions

There is no significant changes of provisions for the nine months ended September 30, 2024 and 2023. Please refer to note (6)(q) of the consolidated financial statements for the year ended December 31, 2023 for related information.

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**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
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(q) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2023 and 2022.

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

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Cost of sales	\$ 225	257	696	789
Selling expenses	315	284	852	856
Administrative expenses	642	917	2,266	2,762
Research and development expenses	2,082	2,467	6,172	7,366
Total	<u>\$ 3,264</u>	<u>3,925</u>	<u>9,986</u>	<u>11,773</u>

(ii) Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group allocates the labor pension at a specific percentage to the Bureau of the Labor Insurance without additional legal or constructive obligations.

The Company and all subsidiaries in domestic recognized the pension costs under the defined contribution method amounting to \$138,192, \$158,413, \$419,013 and \$408,696 for the three months and nine months ended September 30, 2024 and 2023, respectively. Payment was made to the Bureau of Labor Insurance.

Other subsidiaries recognized the pension expenses, basic endowment insurance expenses, and social welfare expenses amounting to \$176,965, \$221,872, \$542,708 and \$728,626 for the three months and nine months ended September 30, 2024 and 2023, respectively.

(r) Income taxes

(i) Income tax expense for the year is best estimated by multiplying pretax income for the interim reporting period by the effective annual tax rate as forecasted by the management. The amounts of income tax were as follows:

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Current tax expense	<u>\$ 1,087,500</u>	<u>885,326</u>	<u>2,722,237</u>	<u>2,144,886</u>

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**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
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- (ii) The amounts of income tax recognized in other comprehensive income were as follows:

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Remeasurement of the defined benefit liability	\$ -	-	223	3,379
Unrealized gains (losses) on equity instruments at fair value through other comprehensive income	<u>87,995</u>	<u>5,298</u>	<u>603,765</u>	<u>15,377</u>
	<u><b>\$ 87,995</b></u>	<u><b>5,298</b></u>	<u><b>603,988</b></u>	<u><b>18,756</b></u>
<b>Items that will be reclassified subsequently to profit or loss:</b>				
Foreign currency translation differences of foreign operations	\$ 577	121	885	350
Gains (losses) on hedging instrument	<u>-</u>	<u>2,989</u>	<u>2,850</u>	<u>11,474</u>
	<u><b>\$ 577</b></u>	<u><b>3,110</b></u>	<u><b>3,735</b></u>	<u><b>11,824</b></u>

- (iii) Examination and approval

The Company's tax returns for the year through 2022 were assessed by the tax authorities.

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

- (iv) Global minimum top-up tax

Some countries that the Group operates in have enacted new legislation to implement the global minimum top-up tax. The Group is closely monitoring developments related to the implementation of the international tax reforms introducing a global minimum top-up tax in the countries which it operates in. As of September 30, 2024, the application of this new tax law was assessed to have no material impact on the Group. The Group recognizes the supplemental tax as current income tax when it is actually incurred, and the Group applies the temporary mandatory relief from deferred tax related to the supplemental tax.

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**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
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(s) Capital and other equities

Except for the following disclosure, there was no significant change for capital and other equity for the periods from January 1 to September 30, 2024 and 2023. Please refer to note (6)(t) of the consolidated financial statement for the year ended December 31, 2023.

(i) Capital surplus

The balances of capital surplus were as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Additional paid-in capital	\$ 137,719	1,018,088	1,018,079
Treasury share transactions	2,842,010	2,781,989	2,781,989
Difference between consideration and carrying amount arising from acquisition or disposal of subsidiaries	36,766	36,766	36,766
Recognition of changes in ownership interests in subsidiaries	158,432	158,285	158,233
Changes in equity of associates and joint ventures accounted for using equity method	<u>305,498</u>	<u>275,787</u>	<u>275,443</u>
	<b><u>\$ 3,480,425</u></b>	<b><u>4,270,915</u></b>	<b><u>4,270,510</u></b>

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

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

(ii) Retained earnings

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

(Continued)

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

The lifecycle of the industry of the Company is in the growing stage. To consider the need of the Company for the future capital, capital budget, long-term financial planning, domestic and foreign competition, the need of shareholders for cash flow and other factors, if there is any profit after close of books, the dividend and bonus to be distributed to shareholders shall not be less than thirty percent of profit after tax for such year and the cash dividend allocated by the Company each year shall not be lower than ten percent of the total dividend (including cash and share dividend) for such year.

According to the law, when there is a deduction from stockholders' equity (excluding treasury stock and unearned employee benefit) during the year, an amount equal to the deduction item is set aside as a special reserve before the earnings are appropriated. A special reserve is made available for earning distribution only after the deduction of the related shareholders' equity has been reversed.

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

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

(iii) Treasury stock

The subsidiaries of the Company did not sell the ordinary shares of the Company in the nine months ended September 30, 2024 and 2023. As of September 30, 2024, Panpal and Gempal, subsidiaries of the Company, held 50,017 thousand shares of ordinary shares of the Company, recorded as the Company's treasury stock, with a book value of 17.6 New Taiwan dollars per share. The total cost was \$881,247. The fair value of the ordinary shares of the Company was 33.30, 39.85 and 30.70 New Taiwan dollars per share as of September 30, 2024, December 31 and September 30, 2023, respectively.

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

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

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

	Exchange differences on transaction of foreign operation financial statements	Unrealized gain (loss) from financial assets at fair value through other comprehensive income	Others	Total
Balance on January 1, 2024	\$ (1,747,330)	1,363,472	(3,436)	(387,294)
The Company	2,403,957	3,053,895	-	5,457,852
Subsidiaries	80,063	389,348	3,436	472,847
Associates	254,117	8,412	-	262,529
Balance on September 30, 2024	<u>\$ 990,807</u>	<u>4,815,127</u>	<u>-</u>	<u>5,805,934</u>
Balance on January 1, 2023	\$ (1,469,711)	(461,103)	(12,290)	(1,943,104)
The Company	3,768,008	372,194	15,134	4,155,336
Associates	96,653	(5,732)	-	90,921
Balance on September 30, 2023	<u>\$ 2,394,950</u>	<u>(94,641)</u>	<u>2,844</u>	<u>2,303,153</u>

(t) Share-based payment

There were no significant changes in share-based payment during the nine months ended September 30, 2024 and 2023. Please refer to note (6)(u) of the consolidated financial statements for the year ended December 31, 2023 for related information.

(u) Earnings per share

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
<b>Basic earnings per share:</b>				
Profit attributable to ordinary shareholders of the Company	<u>\$ 3,333,721</u>	<u>2,396,642</u>	<u>8,105,936</u>	<u>5,881,666</u>
Weighted-average number of outstanding ordinary shares (in thousands)	<u>4,357,130</u>	<u>4,357,130</u>	<u>4,357,130</u>	<u>4,357,130</u>

(Continued)

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

	<u>For the three months ended</u> <u>September 30,</u>		<u>For the nine months ended</u> <u>September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Diluted earnings per share:</b>				
Profit attributable to ordinary shareholders of the Company (after adjustment of potential diluted ordinary shares)	\$ <u>3,333,721</u>	<u>2,396,642</u>	<u>8,105,936</u>	<u>5,881,666</u>
Weighted-average number of outstanding ordinary shares of potential diluted ordinary shares				
Weighted-average number of outstanding ordinary shares (in thousands)	4,357,130	4,357,130	4,357,130	4,357,130
Effect of potential diluted common stock				
Employee compensation (in thousands)	<u>33,946</u>	<u>20,693</u>	<u>38,903</u>	<u>29,204</u>
Weighted-average number of ordinary shares (after adjustment of potential diluted ordinary shares) (in thousands)	<u>4,391,076</u>	<u>4,377,823</u>	<u>4,396,033</u>	<u>4,386,334</u>
(v) Revenue from contracts with customers				
(i) Disaggregation of revenue				

	<u>For the three months ended September 30, 2024</u>		
	<u>IT Product Segment</u>	<u>Strategically Integrated Product Segment</u>	<u>Total</u>
Primary geographical markets:			
United States	\$ 85,014,211	4,164,987	89,179,198
China	39,137,707	11,123	39,148,830
Netherlands	15,682,524	294,428	15,976,952
Germany	7,620,438	1,326,804	8,947,242
United Kingdom	7,965,068	913,684	8,878,752
Others	<u>76,730,763</u>	<u>5,455,664</u>	<u>82,186,427</u>
	<u>\$ 232,150,711</u>	<u>12,166,690</u>	<u>244,317,401</u>
Major products:			
5C related electronics products	\$ 231,493,083	11,849,736	243,342,819
Others	<u>657,628</u>	<u>316,954</u>	<u>974,582</u>
	<u>\$ 232,150,711</u>	<u>12,166,690</u>	<u>244,317,401</u>

(Continued)

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

<b>For the three months ended September 30, 2023</b>			
	<b>IT Product Segment</b>	<b>Strategically Integrated Product Segment</b>	<b>Total</b>
Primary geographical markets:			
United States	\$ 83,502,474	6,627,235	90,129,709
China	40,949,127	53,842	41,002,969
Netherlands	14,756,728	46,372	14,803,100
Germany	8,337,378	243,232	8,580,610
United Kingdom	8,475,114	1,896,123	10,371,237
Others	<u>81,821,841</u>	<u>5,004,705</u>	<u>86,826,546</u>
	<b><u>\$ 237,842,662</u></b>	<b><u>13,871,509</u></b>	<b><u>251,714,171</u></b>
Major products:			
5C related electronics products	\$ 237,177,037	13,456,120	250,633,157
Others	<u>665,625</u>	<u>415,389</u>	<u>1,081,014</u>
	<b><u>\$ 237,842,662</u></b>	<b><u>13,871,509</u></b>	<b><u>251,714,171</u></b>
<b>For the nine months ended September 30, 2024</b>			
	<b>IT Product Segment</b>	<b>Strategically Integrated Product Segment</b>	<b>Total</b>
Primary geographical markets:			
United States	\$ 244,517,316	13,551,460	258,068,776
China	93,270,322	76,672	93,346,994
Netherlands	48,683,147	668,211	49,351,358
Germany	22,331,124	2,954,675	25,285,799
United Kingdom	23,716,225	2,922,139	26,638,364
Others	<u>211,699,145</u>	<u>16,707,192</u>	<u>228,406,337</u>
	<b><u>\$ 644,217,279</u></b>	<b><u>36,880,349</u></b>	<b><u>681,097,628</u></b>
Major products:			
5C related electronics products	\$ 642,442,779	35,806,967	678,249,746
Others	<u>1,774,500</u>	<u>1,073,382</u>	<u>2,847,882</u>
	<b><u>\$ 644,217,279</u></b>	<b><u>36,880,349</u></b>	<b><u>681,097,628</u></b>

(Continued)

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

	<b>For the nine months ended September 30, 2023</b>		
	<b>IT Product Segment</b>	<b>Strategically Integrated Product Segment</b>	<b>Total</b>
Primary geographical markets:			
United States	\$ 264,934,325	14,740,234	279,674,559
China	102,560,964	140,587	102,701,551
Netherlands	42,911,825	538,603	43,450,428
Germany	24,714,577	2,612,819	27,327,396
United Kingdom	24,035,847	4,179,416	28,215,263
Others	208,855,189	14,819,242	223,674,431
	<b>\$ 668,012,727</b>	<b>37,030,901</b>	<b>705,043,628</b>
Major products:			
5C related electronics products	\$ 666,070,501	35,958,251	702,028,752
Others	1,942,226	1,072,650	3,014,876
	<b>\$ 668,012,727</b>	<b>37,030,901</b>	<b>705,043,628</b>

(ii) Contract balances

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Notes and accounts receivable (including related parties)	\$ 216,623,505	197,692,424	226,155,168
Less: allowance for impairment	(4,036,992)	(3,977,808)	(3,948,209)
Total	<b>\$ 212,586,513</b>	<b>193,714,616</b>	<b>222,206,959</b>
Contract liabilities	<b>\$ 4,503,658</b>	<b>767,327</b>	<b>751,327</b>

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

The amount of revenue recognized for the nine months ended September 30, 2024 and 2023 that were included in the balance of contract liability at the beginning of the period was \$697,527 and \$700,126, respectively.

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

(Continued)

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

(w) Employees' and directors' compensations

Based on the Company's articles of incorporation, if there is any profit in a fiscal year, the Company's pre-tax profits in such fiscal year, prior to deduction of compensations to employees and directors, shall be distributed to employees as compensations in an amount of not less than two percent thereof and to directors as compensations in an amount of not more than two percent of such profits. In the event that the Company has accumulated losses, the Company shall reserve an amount to offset accumulated losses. The compensations to employees as mentioned above may be distributed in the form of stock or cash. Employees entitled to receive the said stock or cash may include the employees of the Company's subordinate companies pursuant to the Company Act.

The Company accrued and recognized its employee compensation of \$469,432, \$261,997, \$1,130,404 and \$635,280, and directors' compensation of \$25,036, \$13,854, \$60,288 and \$33,593 for the three months and nine months ended September 30, 2024 and 2023, respectively. The estimated amounts mentioned above are based on the net profit before tax without the compensations to employees and directors of each respective ending period, multiplied by the percentage of the compensation to employees and directors, which was approved by the management. The estimations are recorded under operating expenses and cost. The differences between the amounts estimated and recognized in the financial statements, if any, are accounted for as changes in accounting estimates and recognized as profit or loss in the distribution year. If the Board of Directors approve to distribute employee compensation in the form of stock, the number of the shares of the employee compensation is based on the closing price of the day before the Board of Directors' meeting.

The Company accrued and recognized its employee compensation of \$814,143 and \$750,945, and directors' compensation of \$43,051 and \$39,790 for the years ended December 31, 2023 and 2022, respectively. There is no differences between the amount approved in the Board of Directors' meeting and those recognized in the financial statements, the related information can be accessed through the Market Observation Post System website.

(x) Non-operating income and expenses

(i) Interest income

The details of interest income for the three months and nine months ended September 30, 2024 and 2023, were as follows:

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest income from bank deposits	\$ 910,785	1,169,843	3,049,801	3,609,242
Other interest income	338	827	1,695	37,888
	<b><u>\$ 911,123</u></b>	<b><u>1,170,670</u></b>	<b><u>3,051,496</u></b>	<b><u>3,647,130</u></b>

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

(ii) Other income

The other incomes for the three months and nine months ended September 30, 2024 and 2023, were as follows:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Dividend revenue	\$ 17,099	45,130	235,686	127,703
Other revenue	<u>165,687</u>	<u>75,585</u>	<u>344,103</u>	<u>175,407</u>
	<u>\$ 182,786</u>	<u>120,715</u>	<u>579,789</u>	<u>303,110</u>

(iii) Other gains and losses

The other gains and losses for the three months and nine months ended September 30, 2024 and 2023, were as follows:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Gains (losses) on financial assets and liabilities at fair value through profit or loss, net	\$ 7,489	82,354	195,217	(337,299)
Foreign currency exchange gains, net	298,745	198,248	284,788	980,574
Gains on disposal of property, plant, and equipment, and intangible assets, net	7,295	14,981	23,775	40,938
Others	<u>115</u>	<u>602</u>	<u>18,327</u>	<u>779</u>
	<u>\$ 313,644</u>	<u>296,185</u>	<u>522,107</u>	<u>684,992</u>

(Continued)

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

(y) Reclassification of the components of other comprehensive income

The details of reclassification of the components of other comprehensive income for the three months and nine months ended September 30, 2024 and 2023, were as follows:

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Cash flow hedge:				
Gains (losses) from current period	\$ -	12,214	30,315	14,102
Less: reclassification of gains (losses) included in profit or loss	322	(2,728)	16,391	(43,266)
Profit recognized in other comprehensive income	\$ (322)	14,942	13,924	57,368

(z) Financial instruments

Except for those described below, there were no significant changes on fair value, credit risk, liquidity risk and market risk of financial instruments. Please refer to note (6)(aa) of the consolidated financial statements for the year ended December 31, 2023 for related information.

(i) Credit risk

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

Other financial assets at amortized cost include other receivables and time deposits. These financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. (Regarding how the financial instruments are considered to have low credit risk, please refer to note (4)(g) of the consolidated financial statements for the year ended December 31, 2023.) Due to the counter parties and the performing parties of the Group's time deposits are financial institutions with investment grade and above, these time deposits are considered to have low credit risk.

The movements in the allowance for the nine months ended September 30, 2024 and 2023 were as follows:

	<b>Other receivables</b>
Balance on January 1, 2024	\$ 14,548
Impairment losses recognized (reversed)	(2,583)
Balance on September 30, 2024	\$ 11,965
Balance on January 1, 2023	\$ 2,756
Impairment losses recognized (reversed)	6,268
Balance on September 30, 2023	\$ 9,024

(Continued)

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

(ii) Liquidity risk

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

	<u>Carrying Amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
<b>September 30, 2024</b>					
Non-derivative financial liabilities					
Secured borrowings	\$ 3,249,421	(3,249,421)	(35,943)	(41,667)	(3,171,811)
Unsecured borrowings	71,371,495	(71,371,495)	(61,596,495)	(6,168,750)	(3,606,250)
Lease liabilities— current and non-current	8,754,292	(10,026,514)	(2,017,272)	(2,036,239)	(5,973,003)
Notes and accounts payable	169,504,345	(169,504,345)	(169,504,345)	-	-
Other payables	29,556,744	(29,556,744)	(29,556,744)	-	-
Derivative financial liabilities					
Forward exchange contracts:	55,794				
Outflow		(4,076,834)	(4,076,834)	-	-
Inflow		4,027,565	4,027,565	-	-
Currency swap contracts:					
	<u>\$ 282,492,091</u>	<u>(283,757,788)</u>	<u>(262,760,068)</u>	<u>(8,246,656)</u>	<u>(12,751,064)</u>
<b>December 31, 2023</b>					
Non-derivative financial liabilities					
Secured borrowings	\$ 456,933	(456,933)	(175,584)	(207,616)	(73,733)
Unsecured borrowings	85,187,955	(85,187,955)	(70,183,714)	(3,500,000)	(11,504,241)
Lease liabilities— current and non-current	10,331,217	(11,643,155)	(2,092,118)	(5,657,702)	(3,893,335)
Notes and accounts payable	158,995,984	(158,995,984)	(158,995,984)	-	-
Other payables	30,464,866	(30,464,866)	(30,464,866)	-	-
Derivative financial liabilities					
Forward exchange contracts:	164,535				
Outflow		(4,660,904)	(4,660,904)	-	-
Inflow		4,497,428	4,497,428	-	-
Forward exchange contracts used for hedging:	14,246				
Outflow		(1,087,360)	(1,087,360)	-	-
Inflow		1,076,861	1,076,861	-	-
	<u>\$ 285,615,736</u>	<u>(286,922,868)</u>	<u>(262,086,241)</u>	<u>(9,365,318)</u>	<u>(15,471,309)</u>

(Continued)

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

	<u>Carrying Amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
<b>September 30, 2023</b>					
Non-derivative financial liabilities					
Secured borrowings	\$ 508,510	(508,510)	(185,058)	(207,618)	(115,834)
Unsecured borrowings	94,146,757	(94,146,757)	(80,767,516)	(5,525,000)	(7,854,241)
Lease liabilities – current and non-current	10,144,346	(11,438,555)	(2,064,236)	(1,931,890)	(7,442,429)
Notes and accounts payable	189,774,102	(189,774,102)	(189,774,102)	-	-
Other payables	31,124,577	(31,124,577)	(31,124,577)	-	-
Derivative financial liabilities					
Forward exchange contracts:	25,337				
Outflow		(3,833,197)	(3,833,197)	-	-
Inflow		3,807,860	3,807,860	-	-
Currency swap contracts:	9,739				
Outflow		(968,100)	(968,100)	-	-
Inflow		953,960	953,960	-	-
Forward exchange contracts for hedging:	270				
Outflow		(33,910)	(33,910)	-	-
Inflow		33,680	33,680	-	-
	<u>\$ 325,733,638</u>	<u>(327,032,208)</u>	<u>(303,955,196)</u>	<u>(7,664,508)</u>	<u>(15,412,504)</u>

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

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

	<u>September 30, 2024</u>			<u>December 31, 2023</u>			<u>September 30, 2023</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign Currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>
Financial assets									
Monetary items									
USD to TWD	\$ 10,527,481	31.65	333,194,774	7,686,610	30.705	236,017,360	10,586,814	32.27	341,636,488
USD to CNY	13,733	7.0198	434,649	9,030	7.0953	277,266	21,612	7.3129	697,419
EUR to TWD	44,657	35.38	1,579,965	26,099	33.98	886,844	18,626	33.91	631,608
CNY to USD	2,188,523	0.1425	9,870,512	3,283,442	0.1409	14,205,268	2,911,942	0.1367	12,845,476
Non-monetary items									
THB to TWD	5,789,059	0.9772	5,657,068	3,237,791	0.8976	2,906,241	483,328	0.8825	426,537
Financial liabilities									
Monetary items									
USD to TWD	11,227,577	31.65	355,352,812	7,606,810	30.705	233,567,101	10,652,272	32.27	343,748,817
USD to CNY	2,934	7.0198	92,861	1,719	7.0953	52,782	2,106	7.3129	67,961
USD to BRL	259,584	5.4481	8,215,834	177,908	4.8413	5,462,665	180,917	5.0076	5,838,192
EUR to TWD	1,737	35.38	61,455	2,953	33.98	100,343	6,937	33.91	235,234
CNY to USD	2,497,202	0.1425	11,262,693	3,763,607	0.1409	16,282,623	3,893,097	0.1367	17,173,654

(Continued)

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

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable, and other payables that are denominated in foreign currency. Assuming all other variable factors remain constant, a strengthening (weakening) 5% of appreciation (depreciation) of the each major foreign currency against Group entities' functional currency as of September 30, 2024 and 2023, would have increased (decreased) the net profit before tax as follows for the nine months ended September 30, 2024 and 2023. The analysis is performed on the same basis for both periods.

	<u>September 30,</u> <u>2024</u>	<u>September 30,</u> <u>2023</u>
USD (against the TWD)		
Strengthening 5%	\$ (1,107,902)	(105,616)
Weakening 5%	1,107,902	105,616
USD (against the CNY)		
Strengthening 5%	17,089	31,473
Weakening 5%	(17,089)	(31,473)
USD (against the BRL)		
Strengthening 5%	(410,792)	(291,910)
Weakening 5%	410,792	291,910
EUR (against the TWD)		
Strengthening 5%	75,926	19,819
Weakening 5%	(75,926)	(19,819)
CNY (against the USD)		
Strengthening 5%	(69,609)	(216,409)
Weakening 5%	69,609	216,409

3) Exchange gains and losses of monetary items

As the Group deals with diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. For the three months and nine months ended September 30, 2024 and 2023, the foreign exchange gains, including both realized and unrealized, amounted to \$298,745, \$198,248, \$284,788 and \$980,574, respectively.

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

(iv) Interest rate analysis

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

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

Assuming all other variable factors remaining constant, if the interest rate had increased or decreased by 0.25%, the impact to the net profit before tax would be as follows for the nine months ended September 30, 2024 and 2023, which would be mainly resulted from the bank savings and borrowings with variable interest rates.

	<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Interest increased by 0.25%	\$ 6,616	49,075
Interest decreased by 0.25%	(6,616)	(49,075)

(v) Fair value information

1) The categories and fair value of financial instruments

The Group's financial assets at fair value through profit or loss, financial instruments used for hedging and financial assets at fair value through other comprehensive income were measured at fair value on a recurring basis. The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It shall not include fair value information of the financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value and investments in equity instruments which do not have any quoted price in an active market in which the fair value cannot be reasonably measured.

(Continued)

**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
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	September 30, 2024				
	Book value	Fair Value			Total
	Level 1	Level 2	Level 3		
<b>Financial assets at fair value through profit or loss—current and non-current</b>					
Derivative financial assets for non-hedging	\$ 8,906	-	8,906	-	8,906
Non-derivative financial assets mandatorily measured at fair value through profit or loss	<u>1,387,014</u>	-	-	1,387,014	1,387,014
Subtotal	<u>1,395,920</u>				
<b>Financial assets at fair value through other comprehensive income</b>					
Stocks listed in domestic markets	5,342,355	5,342,355	-	-	5,342,355
Stocks listed in foreign markets	5,657,068	5,657,068	-	-	5,657,068
Stocks unlisted in domestic markets	1,623,595	-	-	1,623,595	1,623,595
Stocks unlisted in foreign markets	639,078	-	-	639,078	639,078
Accounts receivable	<u>37,112,695</u>	-	37,112,695	-	37,112,695
Subtotal	<u>50,374,791</u>				
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	60,079,005	-	-	-	-
Notes and accounts receivable, net	169,139,935	-	-	-	-
Notes and accounts receivable due from related parties, net	6,333,883	-	-	-	-
Other receivables	3,698,383	-	-	-	-
Other current assets (restricted assets)	1,098,623	-	-	-	-
Refundable deposits	544,117	-	-	-	-
Other non-current assets (restricted assets)	<u>800</u>	-	-	-	-
Subtotal	<u>240,894,746</u>				
Total	<u>\$ 292,665,457</u>				
<b>Financial liabilities at fair value through profit or loss</b>					
Derivative financial liabilities for non-hedging	\$ <u>55,794</u>	-	55,794	-	55,794
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	47,172,988	-	-	-	-
Notes and accounts payable	159,234,440	-	-	-	-
Notes and accounts payable to related parties	10,269,905	-	-	-	-
Other payables	29,556,744	-	-	-	-
Lease liabilities—current and non-current	8,754,292	-	-	-	-
Long-term borrowings current portion	14,459,450	-	-	-	-
Long-term borrowings	12,988,478	-	-	-	-
Deposits received	<u>291,509</u>	-	-	-	-
Subtotal	<u>282,727,806</u>				
Total	<u>\$ 282,783,600</u>				

(Continued)

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

	December 31, 2023				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss—current and non-current</b>					
Derivative financial assets for non-hedging	\$ 52,062	-	52,062	-	52,062
Non-derivative financial assets mandatorily measured at fair value through profit or loss	<u>1,217,512</u>	-	-	1,217,512	1,217,512
Subtotal	<u>1,269,574</u>				
<b>Financial assets at fair value through other comprehensive income</b>					
Stocks listed in domestic markets	4,349,429	4,349,429	-	-	4,349,429
Stocks listed in foreign markets	2,906,241	2,906,241	-	-	2,906,241
Stocks unlisted in domestic markets	1,454,947	-	-	1,454,947	1,454,947
Stocks unlisted in foreign markets	405,391	-	-	405,391	405,391
Accounts receivable	<u>30,358,572</u>	-	30,358,572	-	30,358,572
Subtotal	<u>39,474,580</u>				
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	72,479,480	-	-	-	-
Notes and accounts receivable, net	156,921,748	-	-	-	-
Notes and accounts receivable due from related parties, net	6,434,296	-	-	-	-
Other receivables	2,372,980	-	-	-	-
Other current assets (restricted assets)	717,036	-	-	-	-
Refundable deposits	636,632	-	-	-	-
Other non-current assets (restricted assets)	<u>359,031</u>	-	-	-	-
Subtotal	<u>239,921,203</u>				
Total	<u>\$ 280,665,357</u>				
<b>Financial liabilities at fair value through profit or loss</b>					
Derivative financial liabilities for non-hedging	\$ <u>164,535</u>	-	164,535	-	164,535
Derivative financial liabilities for hedging	<u>14,246</u>	-	14,246	-	14,246
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	58,974,271	-	-	-	-
Notes and accounts payable	148,398,334	-	-	-	-
Notes and accounts payable to related parties	10,597,650	-	-	-	-
Other payables	30,464,866	-	-	-	-
Lease liabilities—current and non-current	10,331,217	-	-	-	-
Long-term borrowings current portion	11,385,027	-	-	-	-
Long-term borrowings	15,285,590	-	-	-	-
Deposits received	<u>482,708</u>	-	-	-	-
Subtotal	<u>285,919,663</u>				
Total	<u>\$ 286,098,444</u>				

(Continued)

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

	September 30, 2023				
	Book value	Fair Value			Total
	Level 1	Level 2	Level 3		
<b>Financial assets at fair value through profit or loss—current and non-current</b>					
Derivative financial assets for non-hedging	\$ 21,024	-	21,024	-	21,024
Non-derivative financial assets mandatorily measured at fair value through profit or loss	<u>926,711</u>	-	259,437	667,274	926,711
Subtotal	<u>947,735</u>				
<b>Derivative financial assets for hedging</b>	<u>9,829</u>	-	9,829	-	9,829
<b>Financial assets at fair value through other comprehensive income</b>					
Stocks listed in domestic markets	3,795,476	3,795,476	-	-	3,795,476
Stocks listed in foreign markets	426,537	426,537	-	-	426,537
Stocks unlisted in domestic markets	1,861,431	-	-	1,861,431	1,861,431
Stocks unlisted in foreign markets	211,187	-	-	211,187	211,187
Accounts receivable	<u>45,666,424</u>	-	45,666,424	-	45,666,424
Subtotal	<u>51,961,055</u>				
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	67,153,635	-	-	-	-
Notes and accounts receivable, net	169,756,356	-	-	-	-
Notes and accounts receivable due from related parties, net	6,784,179	-	-	-	-
Other receivables	2,269,593	-	-	-	-
Other current assets (restricted assets)	586,665	-	-	-	-
Refundable deposits	685,832	-	-	-	-
Other non-current assets (restricted assets)	<u>1,000,510</u>	-	-	-	-
Subtotal	<u>248,236,770</u>				
Total	<u><b>\$ 301,155,389</b></u>				
<b>Financial liabilities at fair value through profit or loss</b>					
Derivative financial liabilities for non-hedging	\$ <u>35,076</u>	-	35,076	-	35,076
<b>Derivative financial liabilities for hedging</b>	<u>270</u>	-	270	-	270
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	73,968,725	-	-	-	-
Notes and accounts payable	180,448,616	-	-	-	-
Notes and accounts payable to related parties	9,325,486	-	-	-	-
Other payables	31,124,577	-	-	-	-
Lease liabilities—current and non-current	10,144,346	-	-	-	-
Long-term borrowings current portion	6,983,849	-	-	-	-
Long-term borrowings	13,702,693	-	-	-	-
Deposits received	<u>417,036</u>	-	-	-	-
Subtotal	<u>326,115,328</u>				
Total	<u><b>\$ 326,150,674</b></u>				

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

2) Fair value valuation technique of financial instruments not measured at fair value

The Group estimates financial instruments that not measured at fair value by methods and assumption as follows:

a) Financial assets and liabilities measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Fair value valuation technique of financial instruments measured at fair value

a) Non-derivative financial instruments

Financial instruments trade in active markets is based on quoted market prices. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a base to determine the fair value of the listed companies' equity instrument and debt instrument of the quoted price in an active market.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. If a financial instrument is not in accord with the definition mentioned above, then it is considered to be without a quoted price in an active market. In general, market with low trading volume or high bid-ask spreads is an indication of a non-active market.

The fair value of the listed company is determined by reference to the market quotation.

The measurements on fair value of the financial instruments without an active market are determined using the valuation technique or the quoted market price of its competitors. Fair value measured using the valuation technique can be extrapolated from similar financial instruments, discounted cash flow method, or other valuation techniques which include the model used in calculating the observable market data at the consolidated balance sheet date.

The measurement of fair value of a non-active market financial instruments held by the Group which do not have quoted market prices are based on the comparable market approach, with the use of key assumptions of price-book ratio multiple or earnings multiple of comparable listed companies as its basic measurement. These assumptions have been adjusted for the effect of discount without the marketability of the equity securities.

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

b) Derivative financial instruments

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

4) Transfer from one level to another

There was no transfer from one level to another in the nine months ended September 30, 2024 and 2023.

5) Changes in Level 3

The change in Level 3 at fair value in the nine months ended September 30, 2024 and 2023, were as follows:

	<b>Financial assets at fair value through profit or loss</b>	<b>Financial assets at fair value through other comprehensive income</b>	<b>Total</b>
Balance on January 1, 2024	\$ 1,217,512	1,860,338	3,077,850
Total gains and losses recognized:			
In profit or loss	79,736	-	79,736
In other comprehensive income	-	294,541	294,541
Purchased	84,532	103,360	187,892
Proceeds from capital reduction of investments	(25,000)	-	(25,000)
Effect of changes in exchange rates	30,234	4,434	34,668
Balance on September 30, 2024	<u>\$ 1,387,014</u>	<u>2,262,673</u>	<u>3,649,687</u>
Balance on January 1, 2023	\$ 558,909	2,048,900	2,607,809
Total gains and losses recognized:			
In profit or loss	71,047	-	71,047
In other comprehensive income	-	32,992	32,992
Purchased	36,286	35,048	71,334
Disposal	-	(47,921)	(47,921)
Proceeds from liquidation of investments	-	(3,420)	(3,420)
Effect of changes in exchange rates	1,032	7,019	8,051
Balance on September 30, 2023	<u>\$ 667,274</u>	<u>2,072,618</u>	<u>2,739,892</u>

For the nine months ended September 30, 2024 and 2023, total gains and losses that were included in “other gains and losses, net” and “unrealized gains and losses from equity instruments at fair value through other comprehensive income” were as follows:

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

	<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Total gains and losses recognized:		
In profit or loss before tax (as “other gains and losses”)	\$ <u>79,736</u>	<u>71,047</u>
In other comprehensive income (as “unrealized gains and losses from equity instruments at fair value through other comprehensive income”)	\$ <u>294,541</u>	<u>(5,930)</u>
6) The quantified information for significant unobservable inputs (Level 3) used in fair value measurement		

The Group’s financial instruments that use Level 3 input to measure fair values include financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, financial assets at fair value through profit or loss.

Most of fair value measurements of the Group which are categorized as equity investment into Level 3 have several significant unobservable inputs. Significant unobservable inputs of equity investments without quoted price are independent of each other.

The quantified information for significant unobservable inputs was as follows:

<b>Item</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationships between significant unobservable inputs and fair value</b>
Financial assets at fair value through other comprehensive income – equity investment without an active market	Comparable market approach (Price-Book ratio method and Earnings multiplier method)	Price-Book ratio multiples (1.76~3.08, 0.75~2.09 and 1.37~2.19, respectively, on September 30, 2024, December 31 and September 30, 2023)  Multiples of earnings (16.65, 14.33 and 14.79, respectively, on September 30, 2024, December 31 and September 30, 2023)  Lack-of-Marketability discount rate (All are 40%~65% on September 30, 2024, December 31 and September 30, 2023)	The higher the multiple is, the higher the fair value will be.  The higher the multiple is, the higher the fair value will be.  The higher the Lack-of-Marketability discount rate is, the lower the fair value will be.

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**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
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<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationships between significant unobservable inputs and fair value</u>
Financial assets at fair value through other comprehensive income	Net asset value method	Net asset value	Inapplicable
Financial assets at fair value through profit or loss	Net asset value method	Net asset value	Inapplicable

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

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

	<u>Input</u>	<u>Move up or down</u>	<u>Other comprehensive income</u>	
			<u>Favorable change</u>	<u>Unfavorable change</u>
<b>September 30, 2024</b>				
Financial assets at fair value through other comprehensive income	Price-Book ratio multiples	5%	\$ <u>18,198</u>	<u>16,203</u>
	Multiples of earnings	5%	\$ <u>1,343</u>	<u>1,362</u>
	Lack-of-Marketability discount rate	5%	\$ <u>6,972</u>	<u>8,947</u>
<b>December 31, 2023</b>				
Financial assets at fair value through other comprehensive income	Price-Book ratio multiples	5%	\$ <u>14,588</u>	<u>15,144</u>
	Multiples of earnings	5%	\$ <u>1,486</u>	<u>1,500</u>
	Lack-of-Marketability discount rate	5%	\$ <u>8,633</u>	<u>8,063</u>

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

	Input	Move up or down	Other comprehensive income	
			Favorable change	Unfavorable change
<b>September 30, 2023</b>				
Financial assets at fair value through other comprehensive income	Price-Book ratio multiples	5%	\$ <u>60,002</u>	<u>26,837</u>
	Multiples of earnings	5%	\$ <u>3,401</u>	<u>9,182</u>
	Lack-of-Marketability discount rate	5%	\$ <u>27,985</u>	<u>46,271</u>

The favorable and unfavorable changes reflect the movement of the fair value, in which the fair value is calculated by using the different unobservable inputs in the valuation technique. The table above shows the effects of one unobservable input, without considering the inter-relationships with another unobservable input for financial instrument if there are one or more unobservable inputs.

8) Offsetting financial assets and financial liabilities

The Group has financial instruments transactions applicable to the International Financial Reporting Standards NO. 32 Sections 42 endorsed by the FSC which requested for offsetting. Financial assets and liabilities relating to those transactions are recognized in the net amount of the balance sheets.

The following tables present the aforesaid offsetting financial assets and financial liabilities.

Unit: thousands of New Taiwan Dollars / thousands of US Dollars

<b>September 30, 2024</b>			
<b>Financial assets that are offset which have an exercisable master netting arrangement or similar agreement</b>			
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)
Cash/ Short-term borrowings	\$ <u>272,947,923</u>	<u>272,947,923</u>	-
	(USD <u>8,623,947</u> )	(USD <u>8,623,947</u> )	

<b>December 31, 2023</b>			
<b>Financial assets that are offset which have an exercisable master netting arrangement or similar agreement</b>			
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)
Cash/ Short-term borrowings	\$ <u>378,545,272</u>	<u>378,545,272</u>	-
	(USD <u>12,328,457</u> )	(USD <u>12,328,457</u> )	

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

September 30, 2023			
Financial assets that are offset which have an exercisable master netting arrangement or similar agreement			
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)
Cash/ Short-term borrowings	\$ <u>413,313,160</u>	<u>413,313,160</u>	<u>-</u>
	(USD <u>12,807,969</u> )	(USD <u>12,807,969</u> )	

(aa) Financial risk management

The Group's objectives and policies for managing the financial risk are consistent with those disclosed in the note (6)(ab) of the consolidated financial statements for the year ended December 31, 2023.

(ab) Capital management

The Group's objectives, policies and processes of capital management are the same as those disclosed in the consolidated financial statements for the year ended December 31, 2023. There were no significant changes of quantitative data of capital management compared to the consolidated financial statements for the year ended December 31, 2023. Please refer to note (6)(ac) of the consolidated financial statements for the year ended December 31, 2023.

(ac) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the nine months ended September 30, 2024 and 2023 were acquisition of right-of-use assets by leasing, please refer to note (6)(l).

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2024	Cash flow	Other non-cash changes	September 30, 2024
Short-term borrowings	\$ 58,974,271	(11,811,076)	9,793	47,172,988
Long-term borrowings	26,670,617	777,311	-	27,447,928
Lease liabilities	10,331,217	(1,876,326)	299,401	8,754,292
Deposits received and others	494,422	(190,130)	(1,060)	303,232
Total liabilities from financing activities	<b>\$ 96,470,527</b>	<b>(13,100,221)</b>	<b>308,134</b>	<b>83,678,440</b>

  

	January 1, 2023	Cash flow	Other non-cash changes	September 30, 2023
Short-term borrowings	\$ 74,832,426	(863,701)	-	73,968,725
Long-term borrowings	31,137,122	(10,450,580)	-	20,686,542
Lease liabilities	11,346,764	(1,917,330)	714,912	10,144,346
Deposits received and others	574,787	(99,671)	(43,757)	431,359
Total liabilities from financing activities	<b>\$ 117,891,099</b>	<b>(13,331,282)</b>	<b>671,155</b>	<b>105,230,972</b>

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**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
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**(7) Related-party transactions:**

(a) Name and relationship with related parties

The followings are the entities that have had transactions with the Group during the periods covered in the financial statement.

<u>Name of related party</u>	<u>Relationship with the Group</u>
Compal Precision Module (Jiangsu) Co., Ltd. (“CPM”)	An associate
Changbao Electronic Technology (Chongqing) Co., Ltd. (“Changbao”)	An associate
Avalue	An associate
Crownpo Technology Inc. (“Crownpo”)	An associate
Allied Circuit	An associate
LIZ Electronics (Kunshan) Co., Ltd.	An associate
LIZ Electronics (Nantong) Co., Ltd. (“LIZ (Nantong”)	An associate
ARCE THERAPEUTICS, INC. (“ARCE”)	An associate
Raypal Biomedical Co., Ltd. (“Raypal”)	An associate
Hong Ya Technology Co., Ltd. (“Hong Ya”)	An associate
Kinpo Group Management Service Company (“Kinpo Group Management Service”)	An associate
Acbel Polytech Inc. and its subsidiaries (“Acbel”)	Substantial related party (Note 1)
Cal-Comp Electronics (Thailand) Public Company Limited and its subsidiaries (“Cal-Comp”)	Substantial related party (Note 2)
Kinpo Electronics, Inc. (“Kinpo”)	Substantial related party (Note 2)

Note 1: The chairman of the board of Acbel was the first degree of kinship of the former chairman of the board of the Company. Due to the expiration of the term of the chairman of the board of the Company, Acbel became the substantial related party of the Group since May 31, 2024.

Note 2: The chairman of the board of Cal-Comp and Kinpo was the same chairman of the board of the Company. Due to the expiration of the term of the chairman of the board of the Company, Cal-Comp and Kinpo became the substantial related parties of the Group since May 31, 2024.

(b) Transactions with key management personnel

Key management personnel remunerations comprised:

	<u>For the three months ended</u>		<u>For the nine months ended</u>	
	<u>September 30,</u>		<u>September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 189,110	189,242	667,783	540,750
Post-employment benefits	1,837	1,844	5,797	5,589
Share-based payments	-	294	(2,702)	1,212
	<u>\$ 190,947</u>	<u>191,380</u>	<u>670,878</u>	<u>547,551</u>

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

(Continued)

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

(c) Significant related-party transactions

(i) Sale of goods to related parties

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

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Associates	\$ 97,057	12,499	186,452	87,941
Other related parties	1,001	15,045	2,151	15,124
	<b><u>\$ 98,058</u></b>	<b><u>27,544</u></b>	<b><u>188,603</u></b>	<b><u>103,065</u></b>

Sales prices for related parties were similar to those of the third-party customers. The collection period was 60~120 days for related parties.

(ii) Purchase of goods from related parties

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

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Associates	\$ 591,309	789,756	1,539,781	2,312,865
Other related parties	12,059,288	11,465,768	28,828,175	30,117,929
	<b><u>\$ 12,650,597</u></b>	<b><u>12,255,524</u></b>	<b><u>30,367,956</u></b>	<b><u>32,430,794</u></b>

Purchase prices and payment period from related parties were similar to those from third-party suppliers. The payment period was 60~165 days for related parties.

(iii) Receivables due from relate parties

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

<b>Account</b>	<b>Related party categories</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Notes and accounts receivable	Associates	\$ 88,293	26,613	16,234
Notes and accounts receivable	Other related parties	6,245,590	6,407,683	6,767,945
Other receivables	Associates	1,285	1,514	1,441
Other receivables	Other related parties	852	64	88
		<b><u>\$ 6,336,020</u></b>	<b><u>6,435,874</u></b>	<b><u>6,785,708</u></b>

(Continued)

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

(iv) Payables to related parties

The payables arising from the transactions mentioned above and other on behalf rendering of services of other related parties were as follows:

<u>Account</u>	<u>Related party categories</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Notes and accounts payable	Associates	\$ 589,479	609,875	819,997
Notes and accounts payable	Other related parties	9,680,426	9,987,775	8,505,489
Other payables	Associates	-	137	3
Other payables	Other related parties	2,562	21,788	5,424
		<u>\$ 10,272,467</u>	<u>10,619,575</u>	<u>9,330,913</u>

(v) Property transactions

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

<u>Relationship</u>	<u>Item</u>	<u>For the nine months ended September 30, 2024</u>		<u>For the nine months ended September 30, 2023</u>	
		<u>Number of shares</u>	<u>Object</u>	<u>Number of shares</u>	<u>Object</u>
Other related party–LIZ (Nantong)	Investment accounted for using the equity method	Note 1	The Company increased the capital of its associate–LIZ (Nantong), by cash	441,214 (CNY 98,000)	
Other related party–Acbel	Acquisition of financial assets at fair value through other comprehensive income			12,340 thousand shares	Common stocks of Acbel issued through cash capital increase
					478,800

Note 1: A limited company, therefore no number of shares.

**(8) Pledged assets:**

The carrying values of pledged assets were as follows:

<u>Pledged Assets</u>	<u>Subject</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Inventories	Bank loans and accounts receivable factoring	\$ 158,370	43,949	43,784
Other current assets	Customs deposit	-	-	534,153
Other current assets	Pledged deposit	1,098,623	717,036	52,512
Property, plant, and equipment	Bank loans	447,487	463,806	469,309
Right-of-use assets	Bank loans	7,815,950	-	-
Other non-current assets	Customs deposit	800	800	800
Other non-current assets	Pledged deposit	-	358,231	999,710
		<u>\$ 9,521,230</u>	<u>1,583,822</u>	<u>2,100,268</u>

(Continued)

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

**(9) Commitments and contingencies:**

The details of commitments and contingencies were as follows:

- (a) In August 2019, Inventec Corporation filed a lawsuit to the Taiwan Taipei District Prosecutor Office against the Group concerning its former employees who joined the Group. This is deemed as an act of violation according to the Trade Secret Law and Copyright Law. The Group engaged lawyers to defend its right on this matter. Currently, the case is still in progress in Taipei District Court; therefore, the Group cannot make any reasonable estimation regarding the possible impact on its business operation.
- (b) The Group entered into various patent license agreements with third parties, and was required to make royalty payments of a predetermined amount periodically.
- (c) As of September 30, 2024, December 31 and September 30, 2023, the Group's signed commitments to purchase property, plant and equipment amounted to \$2,366,009, \$3,346,545 and \$3,729,086, respectively.

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

**(11) Subsequent events: None**

**(12) Other:**

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

By function By item	Three months ended September 30, 2024			Three months ended September 30, 2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	2,576,126	4,085,959	6,662,085	3,206,597	4,181,453	7,388,050
Labor and health insurance	216,867	317,524	534,391	246,964	292,088	539,052
Pension	147,990	170,431	318,421	216,275	167,935	384,210
Others	693,940	223,401	917,341	745,329	205,695	951,024
Depreciation	1,551,479	317,104	1,868,583	1,619,404	314,533	1,933,937
Amortization	2,334	125,788	128,122	16,588	137,949	154,537

By function By item	Nine months ended September 30, 2024			Nine months ended September 30, 2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	7,648,400	12,317,661	19,966,061	9,428,890	12,036,503	21,465,393
Labor and health insurance	646,554	900,031	1,546,585	729,043	830,907	1,559,950
Pension	455,410	516,297	971,707	646,522	502,573	1,149,095
Others	1,932,313	631,347	2,563,660	2,093,258	560,790	2,654,048
Depreciation	4,568,729	873,162	5,441,891	4,675,184	954,600	5,629,784
Amortization	9,744	408,918	418,662	51,557	414,653	466,210

(Continued)

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

(b) Seasonality of operations

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

**(13) Other disclosures:**

(a) Information on significant transactions

The following were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the nine months ended September 30, 2024:

- (i) Loans to other parties: Please refer to Table 1
  - (ii) Guarantees and endorsements for other parties: Please refer to Table 2
  - (iii) Securities held as of September 30, 2024 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3
  - (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: : Please refer to Table 4
  - (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: : Please refer to Table 5
  - (vi) Disposals of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
  - (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Please refer to Table 6
  - (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Please refer to Table 7
  - (ix) Trading in derivative instruments: Please refer to notes (6)(b) and (6)(d)
  - (x) Business relationships and significant intercompany transactions: Please refer to Table 8
- (b) Information on investees: Please refer to Table 9
- (c) Information on investment in mainland China: Please refer to Table 10

(Continued)

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

(d) Major shareholders:

Shareholder's Name	Shareholding	
	Shares	Percentage
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	329,095,000	7.46 %

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

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

**(14) Segment information:**

	<b>Three months ended September 30, 2024</b>			
	<b>Information technology product segment</b>	<b>Strategically integrated product segment</b>	<b>Adjustment and elimination</b>	<b>Total</b>
<b>Revenue:</b>				
Revenue from external customers	\$ 232,150,711	12,166,690	-	244,317,401
Revenue from segments	-	-	-	-
<b>Total revenue</b>	<b>\$ 232,150,711</b>	<b>12,166,690</b>	<b>-</b>	<b>244,317,401</b>
<b>Reportable segment profit</b>	<b>\$ 3,998,999</b>	<b>862,428</b>	<b>-</b>	<b>4,861,427</b>
	<b>Three months ended September 30, 2023</b>			
	<b>Information technology product segment</b>	<b>Strategically integrated product segment</b>	<b>Adjustment and elimination</b>	<b>Total</b>
<b>Revenue:</b>				
Revenue from external customers	\$ 237,842,662	13,871,509	-	251,714,171
Revenue from segments	599,407	-	(599,407)	-
<b>Total revenue</b>	<b>\$ 238,442,069</b>	<b>13,871,509</b>	<b>(599,407)</b>	<b>251,714,171</b>
<b>Reportable segment profit</b>	<b>\$ 2,790,235</b>	<b>930,710</b>	<b>-</b>	<b>3,720,945</b>

(Continued)

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

	<b>Nine months ended September 30, 2024</b>			
	<b>Information technology product segment</b>	<b>Strategically integrated product segment</b>	<b>Adjustment and elimination</b>	<b>Total</b>
<b>Revenue:</b>				
Revenue from external customers	\$ 644,217,279	36,880,349	-	681,097,628
Revenue from segments	<u>1,027,213</u>	<u>-</u>	<u>(1,027,213)</u>	<u>-</u>
<b>Total revenue</b>	<b><u>\$ 645,244,492</u></b>	<b><u>36,880,349</u></b>	<b><u>(1,027,213)</u></b>	<b><u>681,097,628</u></b>
<b>Reportable segment profit</b>	<b><u>\$ 9,613,502</u></b>	<b><u>2,466,676</u></b>	<b><u>-</u></b>	<b><u>12,080,178</u></b>
	<b>Nine months ended September 30, 2023</b>			
	<b>Information technology product segment</b>	<b>Strategically integrated product segment</b>	<b>Adjustment and elimination</b>	<b>Total</b>
<b>Revenue:</b>				
Revenue from external customers	\$ 668,012,727	37,030,901	-	705,043,628
Revenue from segments	<u>741,314</u>	<u>-</u>	<u>(741,314)</u>	<u>-</u>
<b>Total revenue</b>	<b><u>\$ 668,754,041</u></b>	<b><u>37,030,901</u></b>	<b><u>(741,314)</u></b>	<b><u>705,043,628</u></b>
<b>Reportable segment profit</b>	<b><u>\$ 6,735,336</u></b>	<b><u>2,371,682</u></b>	<b><u>-</u></b>	<b><u>9,107,018</u></b>

# COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

**Table 1 Loans to other parties:**  
(September 30, 2024)

(In Thousands of New Taiwan Dollars)

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing	Note
													Item	Value			
0	The Company	UCGI	Other receivables	Y	460,000	230,000	230,000	2.33%	Short-term financing	-	Operating demand	-	-	-	25,742,733	51,485,467	(Note 1)
0	The Company	HengHao	Other receivables	Y	400,000	200,000	-	2.33%	Short-term financing	-	Operating demand	-	-	-	25,742,733	51,485,467	(Note 1)
0	The Company	CEB	Other receivables	Y	4,897,700	1,740,750	1,740,750	6.02%-6.10%	Short-term financing	-	Operating demand	-	-	-	25,742,733	51,485,467	(Note 1)
0	The Company	Kinpo & Compal Group Assets Development Corporation	Other receivables	Y	550,000	-	-	2.29%	Short-term financing	-	Operating demand	-	-	-	4,555,884	51,485,467	(Note 1)
0	The Company	CTB	Other receivables	Y	1,313,400	1,266,000	1,266,000	6.02%	Short-term financing	-	Operating demand	-	-	-	25,742,733	51,485,467	(Note 1)
0	The Company	CEP	Other receivables	Y	65,670	63,300	63,300	6.02%	Short-term financing	-	Operating demand	-	-	-	25,742,733	51,485,467	(Note 1)
0	The Company	CSIN	Other receivables	Y	328,350	316,500	-	6.02%	Short-term financing	-	Operating demand	-	-	-	25,742,733	51,485,467	(Note 1)
1	CPC	CIC	Other receivables	Y	454,500	226,150	226,150	2.10%	Short-term financing	-	Operating demand	-	-	-	2,832,493	2,832,493	(Note 2)
1	CPC	CCI Nanjing	Other receivables	Y	1,181,700	1,175,980	1,130,750	2.10%	Short-term financing	-	Operating demand	-	-	-	2,832,493	2,832,493	(Note 2)
2	CIT	CCI Nanjing	Other receivables	Y	2,298,450	379,800	-	6.44%	Short-term financing	-	Operating demand	-	-	-	27,565,296	27,565,296	(Note 3)
2	CIT	HengHao Kunshan	Other receivables	Y	985,050	949,500	949,500	6.44%	Short-term financing	-	Operating demand	-	-	-	27,565,296	27,565,296	(Note 3)
2	CIT	CEB	Other receivables	Y	328,350	316,500	316,500	6.02%	Short-term financing	-	Operating demand	-	-	-	27,565,296	27,565,296	(Note 3)
3	CPO	CIT	Other receivables	Y	681,750	678,450	678,450	2.10%	Short-term financing	-	Operating demand	-	-	-	3,111,110	3,111,110	(Note 4)
3	CPO	CEB	Other receivables	Y	985,050	949,500	949,500	6.02%	Short-term financing	-	Operating demand	-	-	-	3,111,110	3,111,110	(Note 4)
3	CPO	CCI Nanjing	Other receivables	Y	818,100	814,140	814,140	2.10%	Short-term financing	-	Operating demand	-	-	-	3,111,110	3,111,110	(Note 4)
4	CET	BT	Other receivables	Y	272,700	226,150	135,690	2.20%	Short-term financing	-	Operating demand	-	-	-	5,045,678	5,045,678	(Note 5)
5	Panpal	Kinpo & Compal Group Assets Development Corporation	Other receivables	Y	1,000,000	-	-	2.33%-2.43%	Short-term financing	-	Operating demand	-	-	-	2,373,840	2,373,840	(Note 6)
5	Panpal	HengHao	Other receivables	Y	1,200,000	600,000	600,000	2.32%-2.33%	Short-term financing	-	Operating demand	-	-	-	2,373,840	2,373,840	(Note 6)
6	CIC	HengHao Kunshan	Other receivables	Y	3,611,850	1,740,750	1,740,750	6.02%-6.44%	Short-term financing	-	Operating demand	-	-	-	10,930,282	10,930,282	(Note 7)
6	CIC	CTB	Other receivables	Y	328,350	316,500	316,500	6.02%	Short-term financing	-	Operating demand	-	-	-	10,930,282	10,930,282	(Note 7)
7	BSH	CIN	Other receivables	Y	541,778	522,225	348,150	6.44%	Short-term financing	-	Operating demand	-	-	-	8,255,369	8,255,369	(Note 8)
8	Gempal	Ray-Kwong Medical Management Consulting	Other receivables	Y	5,000	5,000	5,000	2.33%	Short-term financing	-	Operating demand	-	-	-	13,702	13,702	(Note 9)
8	Gempal	CEP	Other receivables	Y	229,845	221,550	221,550	6.02%	Short-term financing	-	Operating demand	-	-	-	964,832	964,832	(Note 9)
8	Gempal	Hippo Screen	Other receivables	Y	35,000	35,000	35,000	2.33%	Short-term financing	-	Operating demand	-	-	-	964,832	964,832	(Note 9)
9	CGSP	CEP	Other receivables	Y	65,670	63,300	63,300	6.44%	Short-term financing	-	Operating demand	-	-	-	92,753	92,753	(Note 10)
10	Hong Ji	Kinpo & Compal Group Assets Development Corporation	Other receivables	Y	450,000	-	-	2.42%	Short-term financing	-	Operating demand	-	-	-	477,151	477,151	(Note 11)
11	Hong Jin	Hippo Screen	Other receivables	Y	35,000	-	-	2.32%	Short-term financing	-	Operating demand	-	-	-	154,826	154,826	(Note 12)
12	Arcadyan	Arcadyan Brasil	Other receivables	Y	131,400	107,746	44,366	5.50%	Short-term financing	-	Operating demand	-	-	-	3,042,536	6,085,072	(Note 13)
12	Arcadyan	Arcadyan Vietnam	Other receivables	Y	315,700	-	-	5.50%	Transaction for business between two parties	20,218,220	-	-	-	-	3,042,536	6,085,072	(Note 13)
12	Arcadyan	Arcadyan Turkey	Other receivables	Y	131,400	126,760	110,915	6.00%	Short-term financing	-	Operating demand	-	-	-	3,042,536	6,085,072	(Note 13)
13	Arcadyan Holding	CNC	Other receivables	Y	1,894,200	-	-	5.50%	Short-term financing	-	Operating demand	-	-	-	2,331,868	2,331,868	(Note 14)

(Continued)

Notes to Consolidated Financial Statements

Table 1 Loans to other parties:

(September 30, 2024)

(In Thousands of New Taiwan Dollars)

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing	Note
													Item	Value			
14	Poindus Systems	Adasys	Long-term receivables	Y	23,166	23,166	23,166	4.58%	Transaction for business between two parties	89,978	-	-	-	-	108,888	217,777	(Note 15)
14	Poindus Systems	Poindus Systems UK Limited	Long-term receivables	Y	54,360	27,723	27,723	1.00%-6.00%	Transaction for business between two parties	99,998	-	-	-	-	108,888	217,777	(Note 15)
14	Poindus Systems	Varlink	Long-term receivables	Y	42,650	42,650	42,650	6.00%	Short-term financing	-	Expand business	-	-	-	108,888	217,777	(Note 15)

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

Note 2 : According to CPC's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of CPC. When a short-term financing facility with CPC is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of CPC's total amount of capital lent, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to the ultimate parent company's 100% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two aforesaid restrictions, but the maximum amount shall not exceed the net worth of CPC, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 3 : According to CIT's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of CIT. When a short-term financing facility with CIT is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of CIT's total amount of capital lent, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to the ultimate parent company's 100% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two aforesaid restrictions, but the maximum amount shall not exceed the net worth of CIT, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 4 : According to CPO's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of CPO. When a short-term financing facility with CPO is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of CPO's total amount of lendable capital, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to the ultimate parent company's 100% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two aforesaid restrictions, but the maximum amount shall not exceed the net worth of CPO, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 5 : According to CET's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of CET. When a short-term financing facility with CET is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of CET's total amount of lendable capital, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to the ultimate parent company's 100% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two aforesaid restrictions, but the maximum amount shall not exceed the net worth of CET, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 6 : According to Panpal's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of Panpal. When a short-term financing facility with Panpal is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of Panpal's total amount of lendable capital, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to the total amount lendable to 50% directly or indirectly owned subsidiaries by Panpal, or the ultimate parent company's 50% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two aforesaid restrictions of 80%, but the maximum amount shall not exceed Panpal's total amount of lendable capital, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 7 : According to CIC's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of CIC. When a short-term financing facility with CIC is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of CIC's total amount of lendable capital, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to the ultimate parent company's 100% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two aforesaid restrictions, but the maximum amount shall not exceed the net worth of CIC, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 8 : According to BSH's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of BSH. When a short-term financing facility with BSH is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of BSH's total amount of lendable capital, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to the ultimate parent company's 100% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two aforesaid restrictions, but the maximum amount shall not exceed the net worth of BSH, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 9 : According to Gempal's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of Gempal. When a short-term financing facility with Gempal is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of Gempal's total amount of lendable capital, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to indirectly owned overseas subsidiaries or the ultimate parent company's 100% directly, the total amount of loans is not limited by 80% of two aforesaid restrictions, but the maximum amount shall not exceed the total amount of lendable capital of Gempal, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 10 : According to CGSP's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of CGSP. When a short-term financing facility with CGSP is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of CGSP's total amount of lendable capital, and shall be combined with the company's endorsements/guarantees for calculation. In addition, when lending to the ultimate parent company's 100% directly or indirectly owned overseas subsidiaries, the total amount of loans is not limited by the two aforesaid restrictions, but the maximum amount shall not exceed the net worth of CGSP, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 11 : According to Hong Ji's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of Hong Ji. When a short-term financing facility with Hong Ji is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of Hong Ji's total amount of lendable capital, and shall be combined with the Hong Ji's endorsements/guarantees for calculation. In addition, when lending to indirectly owned overseas subsidiaries or the ultimate parent company's 100% directly, the total amount of loans is not limited by 80% of two aforesaid restrictions, but the maximum amount shall not exceed the total amount of lendable capital of Hong Ji, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 12 : According to Hong Jin's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of Hong Jin. When a short-term financing facility with Hong Jin is necessary, the total amount for lending the borrower shall not exceed 80% of the borrower's net worth, nor shall it exceed 50% of Hong Jin's total amount of lendable capital, and shall be combined with the Hong Jin's endorsements/guarantees for calculation. In addition, when lending to indirectly owned overseas subsidiaries or the ultimate parent company's 100% directly, the total amount of loans is not limited by 80% of two aforesaid restrictions, but the maximum amount shall not exceed the total amount of lendable capital of Hong Jin, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

Note 13 : According to Arcadyan's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of Arcadyan. To borrowers having business relationship with Arcadyan, the total amount for lending the borrower shall not exceed 80% of the transaction amount in the last fiscal year or the expecting amount for the current year, nor shall it exceed 20% of the net worth of Arcadyan. Also, the amount shall be combined with the Arcadyan's endorsements/guarantees for the borrower when calculating. When a short-term financing facility is necessary, the borrower should be Arcadyan's investee. The total amount for lending the borrower shall not exceed 80% of the net worth of the borrower, nor shall it exceed 20% of the net worth of Arcadyan, and shall be combined with the Arcadyan's endorsements/guarantees for the borrower when calculating.

Note 14 : According to Arcadyan Holding's Procedures for Lending Funds to Other Parties, the total amount of loans to others shall not exceed the net worth of Arcadyan Holding. When a short-term financing facility is necessary, the borrower should be Arcadyan Holding's investee. The total amount for lending the borrower shall not exceed the net worth of Arcadyan Holding, and shall be combined with the Arcadyan Holding's endorsements/guarantees for the borrower when calculating.

Note 15 : According to Poindus Systems's Procedures for Lending Funds to Other parties, the total amount of loans to others shall not exceed 40% of the net worth of Poindus Systems. To borrowers having business relationship with Poindus Systems, the total amount of loans for individual is the lower of the amount of transaction for business between the two parties during the previous twelve months and 20% of the net worth of the company's latest financial statements. When a short-term financing facility is necessary, the total amount of loans for individual is the lower of 40% of the net worth of the company receiving financial financing and 20% of the net worth of the Poindus Systems. In addition, Poindus Systems shall not limit the total amount of loans to subsidiaries in which Poindus Systems directly or indirectly holds 100% of the aforementioned amount, but the maximum amount shall not exceed 20% of the net worth of Poindus Systems.

Note 16 : The transactions had been eliminated in the consolidated financial statements.

(Continued)

# COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

**Table 2 Guarantees and endorsements for other parties:**  
(September 30, 2024)

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 1 × 2 and 3)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	CEP	(Note 3)	32,178,417	14,883	-	-	-	- %	64,356,834	Y	-	-
0	The Company	CEB	(Note 4)	32,178,417	442,130	125,018	125,018	-	0.10%	64,356,834	Y	-	-
0	The Company	HengHao Kunshan	(Note 4)	32,178,417	27,270	-	-	-	- %	64,356,834	Y	-	Y
0	The Company	CTB	(Note 4)	32,178,417	392,378	378,218	378,218	-	0.29%	64,356,834	Y	-	-
0	The Company	Compal Ruifang	(Note 3)	32,178,417	998,500	998,500	-	-	0.78%	64,356,834	Y	-	-
0	The Company	CGSP	(Note 3)	32,178,417	141,600	141,520	141,520	-	0.11%	64,356,834	Y	-	-
0	The Company	Kinpo & Compal Group Assets Development Corporation	(Note 3)	32,178,417	15,400,000	15,400,000	-	-	11.96%	64,356,834	Y	-	-
1	Arcadyan	Arcadyan AU	(Note 4)	2,028,357	246,375	237,675	-	-	1.56%	6,085,072	Y	-	-

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

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

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

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

(Continued)

Notes to Consolidated Financial Statements

Table 3 Securities held as of September 30, 2024 (excluding investment in subsidiaries, associates and joint ventures):  
(September 30, 2024)

(In Thousands of shares/ units)

Name of holder	Category and name of security	Relationship with security issuer	Account name	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Holding percentage (%)	Fair value	
The Company	Taiwan Mobile	-	Financial assets at fair value through other comprehensive income-non-current	3,197	367,689	-	367,689	
	Kinpo	Substantial related party	Financial assets at fair value through other comprehensive income-non-current	124,044	2,691,750	8%	2,691,750	
	Cal-Comp	Substantial related party	Financial assets at fair value through other comprehensive income-non-current	1,554,139	5,657,068	15%	5,657,068	
	HWA VI Venture Capital Corp.	-	Financial assets at fair value through other comprehensive income-non-current	48	6,089	10%	6,089	
	HWA Chi Venture Capital Corp.	-	Financial assets at fair value through other comprehensive income-non-current	53	9,684	11%	9,684	
	mProbe Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	4,000	6,000	3%	6,000	
	AeBel	Substantial related party	Financial assets at fair value through other comprehensive income-non-current	6,685	227,290	1%	227,290	
	Chen Feng Optoelectronics	-	Financial assets at fair value through other comprehensive income-non-current	6,685	101,676	7%	101,676	
	PrimeSensor Technology Inc.	-	Financial assets at fair value through other comprehensive income-non-current	868	11,677	1%	11,677	
	Ganzin Technology, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	2,000	36,000	7%	36,000	
	Airoha Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	215	135,880	-	135,880	
	ITH Corporation	-	Financial assets at fair value through other comprehensive income-non-current	8,000	232,944	2%	232,944	
	EXO IMAGING INC.	-	Financial assets at fair value through other comprehensive income-non-current	1,024	189,900	1%	189,900	
	MEDICALTEK CO., LTD.	-	Financial assets at fair value through other comprehensive income-non-current	1,070	29,960	8%	29,960	
	Clean Energy Fund	-	Financial assets at fair value through profit or loss-non-current	-	228,471	2%	228,471	
	IIH Biomedical Venture Fund	-	Financial assets at fair value through profit or loss-non-current	5,000	68,125	8%	68,125	
	Phoenix Innovation Investment Corporation.	-	Financial assets at fair value through profit or loss-non-current	6,000	95,700	19%	95,700	
	Others		Financial assets at fair value through other comprehensive income		147,430		147,430	
	<b>Total</b>				<b>10,243,333</b>			
Panpal	Compal Electronics, Inc.	The parent company	Financial assets at fair value through other comprehensive income-non-current	31,648	1,048,184	1%	1,048,184	(Note 1)
	Kinpo	Substantial related party	Financial assets at fair value through other comprehensive income-non-current	69,370	1,505,321	5%	1,505,321	
	CDIB Partners Investment Holding Corp.	-	Financial assets at fair value through other comprehensive income-non-current	54,000	987,120	5%	987,120	
	AeBel	Substantial related party	Financial assets at fair value through other comprehensive income-non-current	11,332	385,284	2%	385,284	
	Lian Hong Art. Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	2,291	59,828	6%	59,828	
	Taiwan Biotech Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	8,680	167,699	3%	167,699	

(Continued)

Notes to Consolidated Financial Statements

Table 3 Securities held as of September 30, 2024 (excluding investment in subsidiaries, associates and joint ventures):  
(September 30, 2024)

(In Thousands of shares/ units)

Name of holder	Category and name of security	Relationship with security issuer	Account name	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Holding percentage (%)	Fair value	
Pampal	Others	-	Financial assets at fair value through other comprehensive income-non-current		8,986		8,986	
	Total				<u>4,162,422</u>			
Gempal	Compal Electronics, Inc.	The parent company	Financial assets at fair value through other comprehensive income-non-current	18,369	608,393	-	608,393	(Note 1)
	Lian Hong Art. Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	2,291	59,810	6%	59,810	
	Others	-	Financial assets at fair value through other comprehensive income-non-current		1,187		1,187	
	Total				<u>669,390</u>			
Hong Ji	SUYIN Optronics Co., Ltd. ("SUYIN Optronics")	-	Financial assets at fair value through other comprehensive income-non-current	380	-	1%	-	(Note 2)
Hong Jin	SUYIN Optronics	-	Financial assets at fair value through other comprehensive income-non-current	332	-	1%	-	(Note 2)
Arcadyan	GeoThings Inc.	-	Financial assets at fair value through profit or loss-non-current	200	-	4%	-	(Note 2)
	AirHop Communication Inc.	-	Financial assets at fair value through profit or loss-non-current	1,152	-	5%	-	(Note 2)
	Adant Technologies Inc.	-	Financial assets at fair value through profit or loss-non-current	349	-	4%	-	(Note 2)
	IOT EYE, Inc.	-	Financial assets at fair value through profit or loss-non-current	60	-	14%	-	(Note 2)
	TIEF FUND L.P.	-	Financial assets at fair value through profit or loss-non-current	-	49,876	7%	49,876	
	Chimei Motor Electronics Co., LTD	-	Financial assets at fair value through other comprehensive income-non-current	1,650	21,087	6%	21,087	
	Golden Smarhome Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	1,229	-	2%	-	(Note 2)
	Total				<u>70,963</u>			
Mactech	Taichung International Golf Country Club	-	Financial assets at fair value through other comprehensive income-non-current	-	<u>13,710</u>	-	13,710	
HHB	HWALLAR OPTRONICS (Fuzhou) CO., LTD.	-	Financial assets at fair value through profit or loss-non-current	-	-	19%	-	(Note 2)
Mithera	Beyond Limits, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	873	<u>142,425</u>	-	142,425	
BT	Suzhou Genki Fuhong Health Management Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	-	<u>4,509</u>	17%	4,509	
CIT	Kunqiao Phase II (Suzhou) Emerging Industry Venture Capital Partnership Fund	-	Financial assets at fair value through profit or loss-non-current	-	<u>521,344</u>	-	521,344	
BSH	Achi Capital Partners Fund LP	-	Financial assets at fair value through profit or loss-non-current	-	99,470	-	99,470	
	ABG Capital PartnersV, LP (ABG)	-	Financial assets at fair value through profit or loss-non-current	-	314,821	-	314,821	
	Rivos Inc.	-	Financial assets at fair value through other comprehensive income-non-current	-	63,300	-	63,300	
	Total				<u>477,591</u>			

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

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

(Continued)

Notes to Consolidated Financial Statements

**Table 4 Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTS300 million or 20% of the capital stock:**  
(For the nine months ended September 30, 2024)

(In Thousands of New Taiwan Dollars/ shares)

Name of company	Security		Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales			Others		Ending Balance		
	Name	Category				Shares/ Units	Amount	Shares/ Units	Amount	Shares/ Units	Price	Cost	Gain (loss) on disposal	Shares/ Units	Amount	Shares/ Units	Amount
The Company	CGSP	Stock	Investments accounted for using equity method	(Note 1)	(Note 3)	-	92,753	-	561,120	-	-	-	-	-	(6,566)	-	647,307
CPC	LIZ (Nantong)	Stock	Investments accounted for using equity method	(Note 1)	(Note 4)	-	-	-	441,214	-	-	-	-	-	(30,065)	-	411,149

Note 1: Cash capital.  
 Note 2: Others refer to investment income using equity method and foreign currency translation differences of foreign operations.  
 Note 3: Subsidiary whose over 50% common stock is directly owned.  
 Note 4: Associates whose over 20% common stock is indirectly owned.

**Table 5 Acquisition of individual real estate with amount exceeding the lower of NTS300 million or 20% of the capital stock:**  
(For the nine months ended September 30, 2024)

(In Thousands of New Taiwan Dollars)

Name of company	Transaction date (Note 1)	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
						Owner	Relationship with the Company	Date of transfer	Amount			
Arcadyan	April 3, 2024	368,000	55,200	YI-SHENG SYSTEMS INTEGRATION CO., LTD.	None	not applicable	not applicable	not applicable	not applicable	price comparison and negotiation	operational use	None
CGSP	July 4, 2024	509,081	167,229	Holdbur Investments sp. z o.o./ PDC Industrial Center 66 sp. z o.o./ Panattoni sp. z o.o.	None	not applicable	not applicable	not applicable	not applicable	Refer to the real estate appraisal report issued by a professional appraiser and price comparison and negotiation	operational use	None

Notes to Consolidated Financial Statements

Table 6 Related-party transactions for purchases and sales with amounts exceeding the lower of NTS100 million or 20% of the capital stock:  
(For the nine months ended September 30, 2024)

(In Thousands of New Taiwan Dollars)

Company Name	Counter party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/(Sale)	Amount	Percentage of total purchases/(sales)	Payment terms	Unit price	Payment Terms	Ending Balance	Percentage of total notes/accounts receivable (payable)	
The Company	Arcadyan	The Company's subsidiaries	Sale	(149,129)	- %	Net 60 days from the end of the month of delivery	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	1,905	- %	(Note 2)
	CEB	Subsidiaries wholly owned by the Company	Sale	(3,693,387)	(0.6)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	2,505,466	1.2%	(Note 2)
	CIH and its subsidiaries	Subsidiaries wholly owned by the Company	Purchase	69,313,625	10.5%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(55,433,573)	(30.6)%	(Note 2)
	Just and its subsidiaries	Subsidiaries wholly owned by the Company	Purchase	14,721,898	2.2%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(1,803,010)	(1.0)%	(Note 2)
	HSI and its subsidiaries	Subsidiaries wholly owned by the Company	Purchase	62,107,555	9.4%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(7,504,297)	(4.1)%	(Note 2)
	BCI and its subsidiaries	Subsidiaries wholly owned by the Company	Purchase	17,725,798	2.7%	120 days	Markup based on BCI and its subsidiaries' cost	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(8,149,718)	(4.5)%	(Note 2)
	Kinpo	Substantial related party	Purchase	28,254,411	4.3%	Net 35 days from the end of the month	Similar to non-related parties	There is no significant difference.	(9,360,861)	(5.2)%	
Just and its subsidiaries	Compal Electronic, Inc.	Parent company	Sale	(14,721,898)	(97.3)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	1,803,010	92.7%	(Note 2)
	UCGI	With the same ultimate parent company	Sale	(296,637)	(2.0)%	60 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	70,251	2.7%	(Note 2)
CIH and its subsidiaries	Compal Electronic, Inc.	Parent company	Sale	(69,313,625)	(93.6)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	55,433,573	94.0%	(Note 2)
	CEB	With the same ultimate parent company	Sale	(474,506)	(0.5)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	172,825	0.1%	(Note 2)
	CTB	With the same ultimate parent company	Sale	(315,678)	(0.3)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	155,035	0.1%	(Note 2)
	HSI and its subsidiaries	With the same ultimate parent company	Sale	(4,634,114)	(4.6)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	6,825,685	5.1%	(Note 2)
	HSI and its subsidiaries	With the same ultimate parent company	Purchase	286,736	0.1%	Net 60 days from the delivery	Similar to non-related parties	Adjustments will be made based on demand for funding.	(31,252)	- %	(Note 2)
	BCI and its subsidiaries	With the same ultimate parent company	Purchase	140,698	- %	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(17,004)	- %	(Note 2)
	Rayonnant Technology and its subsidiaries	With the same ultimate parent company	Purchase	547,147	0.2%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(184,391)	(0.2)%	(Note 2)
	CPM	An associate	Purchase	1,308,768	0.4%	120 days	Similar to non-related parties	There is no significant difference.	(503,722)	(0.5)%	
	Acbel and its subsidiaries	Substantial related party	Purchase	385,111	0.1%	120 days	Similar to non-related parties	There is no significant difference.	(214,951)	(0.2)%	

(Continued)

Notes to Consolidated Financial Statements

Table 6 Related-party transactions for purchases and sales with amounts exceeding the lower of NTS100 million or 20% of the capital stock:

(For the nine months ended September 30, 2024)

(In Thousands of New Taiwan Dollars)

Company Name	Counter party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/(Sale)	Amount	Percentage of total purchases/(sales)	Payment terms	Unit price	Payment Terms	Ending Balance	Percentage of total notes/accounts receivable (payable)	
BCI and its subsidiaries	Compal Electronic, Inc.	Parent company	Sale	(17,725,798)	(95.7)%	120 days	Markup based on BCI and its subsidiaries' cost	Adjustments will be made based on demand for funding.	8,149,718	92.0%	(Note 2)
	CIH and its subsidiaries	With the same ultimate parent company	Sale	(140,698)	(0.5)%	120 days	According to markup pricing	Adjustments will be made based on demand for funding.	17,004	0.1%	(Note 2)
	HSI and its subsidiaries	With the same ultimate parent company	Sale	(521,581)	- %	120 days	According to markup pricing	Adjustments will be made based on demand for funding.	1,178,120	3.6%	(Note 2)
	CTB	With the same ultimate parent company	Sale	(102,431)	(0.3)%	120 days	According to markup pricing	There is no significant difference.	1,330,834	3.9%	(Note 2)
	CEB	With the same ultimate parent company	Sale	(399,114)	(1.3)%	120 days	According to markup pricing	There is no significant difference.	137,249	0.4%	(Note 2)
CEB	CTB	With the same ultimate parent company	Sale	(1,207,204)	(18.1)%	45 days	Similar to non-related parties	There is no significant difference.	833,003	30.2%	(Note 2)
	Compal Electronic, Inc.	Parent company	Purchase	3,693,387	55.1%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(2,505,466)	(74.7)%	(Note 2)
	CIH and its subsidiaries	With the same ultimate parent company	Purchase	474,506	7.1%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(172,825)	(5.2)%	(Note 2)
CTB	BCI and its subsidiaries	With the same ultimate parent company	Purchase	399,114	6.0%	120 days	According to markup pricing	There is no significant difference.	(137,249)	(6.0)%	(Note 2)
	CEB	With the same ultimate parent company	Purchase	1,207,204	39.7%	120 days	According to markup pricing	There is no significant difference.	(833,003)	(39.7)%	(Note 2)
	BCI and its subsidiaries	With the same ultimate parent company	Purchase	102,431	3.3%	120 days	Similar to non-related parties	There is no significant difference.	(1,330,834)	(3.3)%	(Note 2)
	CIH and its subsidiaries	With the same ultimate parent company	Purchase	315,678	10.4%	120 days	Similar to non-related parties	There is no significant difference.	(155,035)	(10.4)%	(Note 2)
Forever and its subsidiaries	HSI and its subsidiaries	With the same ultimate parent company	Sale	(115,711)	100.0%	Net 60 days from the delivery	Similar to non-related parties	There is no significant difference.	363	100.0%	(Note 2)
UCGI	Poindus Systems	With the same ultimate parent company	Sale	(113,153)	(20.7)%	75 days	Similar to non-related parties	There is no significant difference.	65,798	24.6%	(Note 2)
	Avalue	An associate	Sale	(126,110)	(23.1)%	75 days	Similar to non-related parties	There is no significant difference.	47,404	17.7%	(Note 2)
	JUST and its subsidiaries	With the same ultimate parent company	Purchase	296,637	68.6%	60 days	Similar to non-related parties	There is no significant difference.	(70,251)	(78.5)%	(Note 2)
Poindus Systems	UCGI	With the same ultimate parent company	Purchase	113,153	18.4%	75 days	Similar to non-related parties	There is no significant difference.	(65,798)	(36.4)%	(Note 2)
Rayonnant Technology and its subsidiaries	CIH and its subsidiaries	With the same ultimate parent company	Sale	(547,147)	(69.6)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	184,391	71.2%	(Note 2)
HSI and its subsidiaries	Compal Electronic, Inc.	Parent company	Sale	(62,107,555)	(98.2)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	7,504,297	99.7%	(Note 2)
	CIH and its subsidiaries	With the same ultimate parent company	Sale	(286,736)	(0.4)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	31,252	0.1%	(Note 2)
	Arcadyan	With the same ultimate parent company	Sale	(838,842)	(1.3)%	Net 60 days from the end of the month of delivery	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	5,043	- %	(Note 2)
	CIH and its subsidiaries	With the same ultimate parent company	Purchase	4,634,114	9.0%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(6,825,685)	(16.2)%	(Note 2)
	BCI and its subsidiaries	With the same ultimate parent company	Purchase	521,581	1.0%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(1,178,120)	(2.8)%	(Note 2)
	Forever and its subsidiaries	With the same ultimate parent company	Purchase	115,711	0.2%	Net 60 days from the end of the month of delivery	Similar to non-related parties	There is no significant difference.	(363)	- %	(Note 2)

(Continued)

Notes to Consolidated Financial Statements

Table 6 Related-party transactions for purchases and sales with amounts exceeding the lower of NTS100 million or 20% of the capital stock:  
(For the nine months ended September 30, 2024)

(In Thousands of New Taiwan Dollars)

Company Name	Counter party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/(Sale)	Amount	Percentage of total purchases/(sales)	Payment terms	Unit price	Payment Terms	Ending Balance	Percentage of total notes/accounts receivable (payable)	
Arcadyan	Arcadyan USA	Arcadyan's subsidiary	Sale	(12,911,958)	(42.0)%	Net 120 days from delivery	-	-	(158,790)	(1.0)%	(Note 2)
	Arcadyan AU	Arcadyan's subsidiary	Sale	(609,816)	(2.0)%	Net 60 days from the end of the month of delivery	-	-	30,550	1.0%	(Note 2)
	Arcadyan Germany	Arcadyan's subsidiary	Sale	(128,119)	- %	Net 150 days from delivery	-	-	28,101	1.0%	(Note 2)
	CNC	Arcadyan's subsidiary	Purchase	260,356	1.0%	Net 120 days from delivery	According to markup pricing	-	(841,376)	(4.0)%	(Note 1&2)
	Arcadyan Vietnam	Arcadyan's subsidiary	Purchase	4,793,698	10.0%	Net 180 days from the end of the month of delivery	According to markup pricing	-	(Note 3)	- %	(Note 1&2)
	Compal Electronic, Inc.	Parent company	Purchase	25,845	- %	Net 60 days from the end of the month of delivery	-	-	(1,905)	- %	(Note 2)
CNC	Arcadyan	With the same ultimate parent company	Sale	(260,356)	(100.0)%	Net 120 days from delivery	According to markup pricing	-	841,376	100.0%	(Note 1&2)
Arcadyan Vietnam	Arcadyan	With the same ultimate parent company	Sale	(4,793,698)	(100.0)%	Net 180 days from the end of the month of delivery	According to markup pricing	-	(Note 3)	- %	(Note 1&2)
	HSI and its subsidiaries	With the same ultimate parent company	Purchase	838,842	3.0%	Net 60 days from the end of the month of delivery	-	-	(5,043)	- %	(Note 2)
Arcadyan USA	Arcadyan	With the same ultimate parent company	Purchase	12,911,958	100.0%	Net 120 days from delivery	-	-	158,790	(100.0)%	(Note 2)
Arcadyan AU	Arcadyan	With the same ultimate parent company	Purchase	609,816	100.0%	Net 60 days from the end of the month of delivery	-	-	(30,550)	(100.0)%	(Note 2)
Arcadyan Germany	Arcadyan	With the same ultimate parent company	Purchase	128,119	100.0%	Net 150 days from delivery	-	-	(28,101)	(100.0)%	(Note 2)

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

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

Note 3: The amount of other receivables on September 30, 2024 is 2,180,759 thousand dollars.

(Continued)

Notes to Consolidated Financial Statements

Table 7 Receivables from related parties with amounts exceeding the lower of NTS100 million or 20% of the capital stock:  
(September 30, 2024)

(In Thousands of New Taiwan Dollars)

Name of Company	Counter-party	Nature of relationship	Ending Balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	CBN	The Company's subsidiary	200,645	0.61	-	-	43,196 (Note 1)	-
The Company	Just and its subsidiaries	The Company's subsidiary	3,695,307 (Note 3)	(Note 3)	-	-	- (Note 1)	-
The Company	CEB	The Company's subsidiary	2,505,466	3.93	-	-	199,677 (Note 1)	-
The Company	Cal-Comp	Substantial related party	6,245,175 (Note 3)	(Note 3)	-	-	2,997,873 (Note 1)	-
Just and its subsidiaries	Compal Electronic, Inc.	Parent company	1,803,010	10.13	-	-	46,742 (Note 1)	-
CIH and its subsidiaries	Compal Electronic, Inc.	Parent company	55,433,573	1.76	-	-	51,848,776 (Note 1)	-
CIH and its subsidiaries	CEB	With the same ultimate parent company	172,825	6.85	-	-	60,524 (Note 1)	-
CIH and its subsidiaries	CTB	With the same ultimate parent company	155,035	5.43	-	-	48,276 (Note 1)	-
CIH and its subsidiaries	HSI and its subsidiaries	With the same ultimate parent company	6,825,685	0.86	-	-	2,031,427 (Note 1)	-
BCI and its subsidiaries	Compal Electronic, Inc.	Parent company	8,149,718	2.68	-	-	8,149,718 (Note 1)	-
BCI and its subsidiaries	HSI and its subsidiaries	With the same ultimate parent company	1,178,120	0.57	-	-	336,497 (Note 1)	-
BCI and its subsidiaries	CTB	With the same ultimate parent company	1,330,834	0.21	-	-	22,253 (Note 1)	-
BCI and its subsidiaries	CEB	With the same ultimate parent company	137,249	1.97	-	-	29,702 (Note 1)	-
CEB	CTB	With the same ultimate parent company	833,003	1.81	-	-	175,242 (Note 1)	-
Rayonnant Technology and its subsidiaries	CIH and its subsidiaries	With the same ultimate parent company	184,391	3.25	-	-	93,046 (Note 1)	-
HSI and its subsidiaries	Compal Electronic, Inc.	Parent company	7,504,297	10.71	-	-	6,973,931 (Note 1)	-
Arcadyan	Arcadyan Vietnam	Arcadyan's subsidiary	2,180,759 (Note 3)	(Note 3)	-	-	8,016 (Note 2)	-
CNC	Arcadyan	With the same ultimate parent company	841,376 (Note 4)	0.19	-	-	- (Note 2)	-
Arcadyan USA	Arcadyan	With the same ultimate parent company	158,790	-	-	-	131,949 (Note 2)	-

Note 1: Balance as of November 4, 2024.

Note 2: Balance as of October 24, 2024.

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

Note 4: Accounts receivables due to processing raw material.

(Continued)

Notes to Consolidated Financial Statements

Table 8 Business relationships and significant intercompany transactions:

(September 30, 2024)

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company name	Counter party	Relationship (Note 2)	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Accounts name	Amount	Terms	
0	The Company	Arcadyan	1	Sales Revenue	149,129	There is no significant difference of price to non-related parties. The credit period is net 60 days from the end of the month of delivery.	-
				Accounts Receivable	1,905	"	-
0	The Company	CEB	1	Sales Revenue	3,693,387	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	0.5%
				Accounts Receivable	2,505,466	"	0.6%
1	Just and its subsidiaries	The Company	2	Sales Revenue	14,721,898	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	2.2%
				Accounts Receivable	1,803,010	"	0.4%
1	Just and its subsidiaries	UCGI	3	Sales Revenue	296,637	There is no significant difference of price to non-related parties. The credit period is net 60 days, and will be adjusted if necessary.	-
				Accounts Receivable	70,251	"	-
2	CIH and its subsidiaries	The Company	2	Sales Revenue	69,313,625	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	10.2%
				Accounts Receivable	55,433,573	"	12.4%
2	CIH and its subsidiaries	HSI and its subsidiaries	3	Sales Revenue	4,634,114	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	0.7%
				Accounts Receivable	6,825,685	"	1.5%
2	CIH and its subsidiaries	CTB	3	Sales Revenue	315,678	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	-
				Accounts Receivable	155,035	"	-
2	CIH and its subsidiaries	CEB	3	Sales Revenue	474,506	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	0.1%
				Accounts Receivable	172,825	"	-
3	BCI and its subsidiaries	The Company	2	Sales Revenue	17,725,798	The price is based on BCI and its subsidiaries' s operating cost. The credit period is net 120 days, and will be adjusted if necessary.	2.6%
				Accounts Receivable	8,149,718	"	1.8%
3	BCI and its subsidiaries	CIH and its subsidiaries	3	Sales Revenue	140,698	The price is based on the operating cost. The credit period is net 120 days, and will be adjusted if necessary.	-
				Accounts Receivable	17,004	"	-
3	BCI and its subsidiaries	HSI and its subsidiaries	3	Sales Revenue	521,581	The price is based on the operating cost. The credit period is net 120 days, and will be adjusted if necessary.	0.1%
				Accounts Receivable	1,178,120	"	0.3%
3	BCI and its subsidiaries	CTB	3	Sales Revenue	102,431	The price is based on the operating cost. The credit period is net 120 days.	-
				Accounts Receivable	1,330,834	"	0.3%
3	BCI and its subsidiaries	CEB	3	Sales Revenue	399,114	The price is based on the operating cost. The credit period is net 120 days.	0.1%
				Accounts Receivable	137,249	"	-
4	CEB	CTB	3	Sales Revenue	1,207,204	There is no significant difference of price to non-related parties. The credit period is net 45 days.	0.2%
				Accounts Receivable	833,003	"	0.2%
5	Forever and its subsidiaries	HSI and its subsidiaries	3	Sales Revenue	115,711	There is no significant difference of price to non-related parties. The credit period is net 60 days.	-
				Accounts Receivable	363	"	-
6	UCGI	Poindus Systems	3	Sales Revenue	113,153	There is no significant difference of price to non-related parties. The credit period is net 75 days, and will be adjusted if necessary.	-
				Accounts Receivable	65,798	"	-
7	Rayonnant and its subsidiaries	CIH and its subsidiaries	3	Sales Revenue	547,147	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	0.1%
				Accounts Receivable	184,391	"	-

(Continued)

Notes to Consolidated Financial Statements

Table 8 Business relationships and significant intercompany transactions:  
(September 30, 2024)

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company name	Counter party	Relationship (Note 2)	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Accounts name	Amount	Terms	
8	HSI and its subsidiaries	The Company	2	Sales Revenue	62,107,555	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	9.1%
				Accounts Receivable	7,504,297	"	1.7%
8	HSI and its subsidiaries	CIH and its subsidiaries	3	Sales Revenue	286,736	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	-
				Accounts Receivable	31,252	"	-
8	HSI and its subsidiaries	Arcadyan	3	Sales Revenue	838,842	There is no significant difference of price to non-related parties. The credit period is net 60 days from the end of the month of delivery.	0.1%
				Accounts Receivable	5,043	"	-
9	Arcadyan	Arcadyan Germany	3	Sales Revenue	128,119	There is no significant difference of price to non-related parties. The credit period is net 150 days from delivery.	-
				Accounts Receivable	28,101	"	-
9	Arcadyan	Arcadyan USA	3	Sales Revenue	12,911,958	There is no significant difference of price to non-related parties. The credit period is net 120 days from delivery.	1.9%
9	Arcadyan	Arcadyan AU	3	Sales Revenue	609,816	There is no significant difference of price to non-related parties. The credit period is net 60 days from the end of the month of delivery.	0.1%
				Accounts Receivable	30,550	"	-
9	Arcadyan	Arcadyan Vietnam	3	Other Receivable	2,180,759	The credit period is net 180 days from the end of the month of delivery and depended on funding demand.	0.5%
10	CNC	Arcadyan	3	Processing Revenue	260,356	The price is based on CNC's cost.	-
				Accounts Receivable	841,376	"	0.2%
11	Arcadyan Vietnam	Arcadyan	3	Processing Revenue	4,793,698	The price is based on Arcadyan Vietnam's cost.	0.7%

Note 1: The numbers filled in as follows:

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

Note 2: Transactions labeled as follows:

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

(Continued)

Notes to Consolidated Financial Statements

Table 9 The information on investees for the nine months ended September 30, 2024 (excluding information on investees in Mainland China):

(September 30, 2024)

(In Thousands of New Taiwan Dollars/ shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Ending Balance			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Value			
The Company	Kinpo & Compal Group Assets Development Corporation	Taipei City	Real estate development leasing and related management business	4,025,000	4,025,000	402,500	70%	3,980,936	(7,804)	(5,465)	(Note 2)
	Bizcom	Milpitas, USA	Warranty services and marketing of LCD TVs and notebook PCs	36,369	36,369	100	100%	494,857	14,136	17,261	(Note 2)
	Just	British Virgin Islands	Investment	1,480,509	1,480,509	48,010	100%	11,075,659	351,789	351,789	(Note 2)
	CIH	British Virgin Islands	Investment	1,787,680	1,787,680	53,001	100%	48,118,121	1,677,312	1,677,312	(Note 2)
	Panpal	Taipei City	Investment	5,171,837	5,171,837	500,000	100%	4,922,202 (Note 1)	(319,833)	(363,771)	(Note 2)
	Gempal	Taipei City	Investment	900,036	900,036	90,000	100%	1,756,683 (Note 1)	170,705	148,548	(Note 2)
	Kinpo Group Management	Taipei City	Consultation, training services, etc.	3,000	3,000	300	38%	5,262	590	217	
	Ripal	Tainan City	Manufacturing of electric appliance and audiovisual electric products	60,000	60,000	6,000	100%	114,383	(217)	(77)	(Note 2)
	Unicore	Taipei City	Management & Consultant, rental and leasing business and wholesale and retail of medical equipments	200,000	200,000	20,000	100%	63,634	(3,605)	(3,605)	(Note 2)
	Lead-Honor	Taoyuan City	Manufacturing of electric appliance and audiovisual electric products	42,000	42,000	2,772	42%	-	-	-	
	CEH	British Virgin Islands	Investment	34	34	1	100%	3,729,947	-	-	(Note 2)
	Shennona Taiwan	Taipei City	Management & Consultant, rental and leasing business, wholesale and retail sale of precision instruments and international trade	20,000	20,000	2,000	100%	26,886	10,435	9,027	(Note 2)
	Allied Circuit	Taoyuan City	Production and sales of PCB boards	395,388	395,388	10,158	20%	393,725	163,084	32,433	
	Poindus Systems	Taipei City	Design and manufacture of PCs and peripheral equipment	353,046	353,046	11,768	56%	353,901	41,926	22,607	(Note 2)
	Aco Smartcare	Hsinchu City	Wholesale and retail sale of computer software, software design services, data processing services, wholesale and retail sale of electronic materials, wholesale and retail sale of precision instruments, and biotechnology services	159,083	159,083	330,276	71%	37,304	(38,994)	(27,865)	(Note 2)
	Lipo	Cayman Islands	Investment	489,450	489,450	98	49%	133,969	(299,622)	(146,815)	
	CPE	The Netherlands	Investment	197,463	197,463	6,427	100%	964,433	39,081	39,081	(Note 2)
	Starmems	Hsinchu County	R&D of MEMS microphone related products	64,650	35,000	6,465	38%	30,868	(23,857)	(8,753)	(Note 2)
	Crownpo	Taipei City	Manufacturing, processing, and selling resistor chips, networking chips, diodes, multilayer ceramic capacitors, semiconductor devices, and selling electronic products	149,547	149,547	3,739	33%	432	(56,655)	(18,828)	
	Hong Ji	Taipei City	Investment	1,000,000	1,000,000	100,000	100%	1,181,292	85,750	85,705	(Note 2)
	Hong Jin	Taipei City	Investment	295,000	295,000	29,500	100%	382,375	39,432	39,449	(Note 2)
	Mactech	Taichung City	Manufacturing of equipment and lighting, retailing of equipment and international trading	219,601	219,601	21,756	53%	282,521	44,096	23,063	(Note 2)
	Auscom	Austin, TX USA	R&D of notebook PC related products and components	101,747	101,747	3,000	100%	165,200	3,462	6,343	(Note 2)
	Arcadyan	Hsinchu City	R&D, manufacturing and sales of wireless network, integrated household electronics, and mobile office products	1,325,132	1,325,132	41,305	19%	2,931,883	1,866,306	349,831	(Note 2)
	FGH	British Virgin Islands	Investment	2,754,741	2,754,741	89,755	100%	3,954,022	(390,330)	(390,330)	(Note 2)
	Shennona	Delaware, USA	Medical care IOT business	48,210	48,210	-	100%	7,285	-	(9,559)	(Note 2)
	HSI	British Virgin Islands	Investment	1,346,814	1,346,814	42,700	54%	497,248	468,008	250,759	(Note 2)
	CEP	Poland	Maintenance and warranty services of notebook PCs	385,553	90,156	136	100%	222,042	(12,380)	(46,310)	(Note 2)
	CGSP	Poland	Maintenance and warranty services of notebook PCs	650,789	89,669	-	100%	654,873	10,434	10,963	(Note 2)
	Raypal	Taipei City	Cancerous immunocyte therapy and regenerative medicine	209,076	209,076	4,646	30%	149,089	(42,645)	(18,805)	
	ARCE	Taipei City	Biotechnology services, research & development services, intellectual property rights, wholesale of animal medication, retail sale and management advisory	158,160	158,160	44,540	23%	68,436	(157,359)	(35,951)	
	Hippo Screen	Taipei City	Management & Consultant, rental and leasing business, wholesale and retail sale of precision instruments and international trade	162,000	112,000	9,100	96%	37,962	(21,220)	(19,687)	(Note 2)
	Infinno	Hsinchu County	Manufacturing of electronic components, wholesale and retail sale of precision instruments and electronic materials	127,026	127,026	4,648	28%	18,524	(22,822)	(6,326)	
	HengHao	Taipei City	Manufacturing of PCs, computer periphery devices, and electronic components	6,019,757	5,729,757	29,015	100%	(456,931)	36,005	46,194	(Note 2)

(Continued)

Notes to Consolidated Financial Statements

Table 9 The information on investees for the nine months ended September 30, 2024 (excluding information on investees in Mainland China):  
(September 30, 2024)

(In Thousands of New Taiwan Dollars/ shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Ending Balance			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Value			
The Company	BCI	British Virgin Islands	Investment	2,636,051	2,636,051	90,820	100%	9,711,641	306,068	306,068	(Note 2)
	CBN	Hsinchu County	R&D and sales of cable modem, digital setup box, and other communication products	284,827	284,827	29,060	43%	425,636	(97,748)	(42,082)	(Note 2)
	Rayonnant Technology	Taipei City	Manufacturing and sales of PCs, computer periphery devices, and electronic components	295,000	295,000	29,500	100%	231,599	13,129	9,602	(Note 2)
	CRH	British Virgin Islands	Investment	377,328	377,328	12,500	100%	325,474	9,487	9,487	(Note 2)
	Acendant Private Equity Investment Ltd.	British Virgin Islands	Investment	943,922	943,922	31,253	35%	1,383,900	(230,130)	(80,000)	
	Etrade	British Virgin Islands	Investment	1,532,029	1,532,029	46,900	65%	(506,515)	(315,181)	(204,516)	(Note 2)
	Webtek	British Virgin Islands	Investment	3,340	3,340	100	100%	510,807	(101,160)	(101,160)	(Note 2)
	Forever	British Virgin Islands	Investment	1,575	1,575	50	100%	1,560,328	(30,952)	(30,952)	(Note 2)
	UCGI	Taipei City	Manufacturing and retail sale of computers and electronic components	689,997	689,997	20,000	100%	63,548	(18,910)	(18,918)	(Note 2)
	Palcom	Taipei City	Selling of mobile phones	100,000	100,000	10,000	100%	106,242	8,084	8,090	(Note 2)
	Avalue	New Taipei City	Manufacturing, processing, and import and export business of industrial motherboards	547,595	547,595	14,924	21%	789,060	345,555	71,158	
	CORE	British Virgin Islands	Investment	4,318,860	4,318,860	147,000	100%	8,629,208	382,284	382,284	(Note 2)
	Compal Ruifang	New Taipei City	Investing and developing businesses, such as public construction and specific zones	300,000	300,000	30,000	100%	302,241	1,763	1,763	(Note 2)
	GLB	New Taipei City	Manufacturing and wholesale of medical equipment	247,560	247,560	15,035	50%	407,327	68,636	33,631	(Note 2)
	Compal Healthcare	Taipei City	Information software services, data processing services, and electronic information supply services	20,000	20,000	4,000	100%	49,662	29,659	29,659	(Note 2)
	River Regeneration and Rejuvenation Biotechnology Co. Ltd.	Taipei City	Regeneration and rejuvenation of stem cell	100,020	-	6,000	31%	93,055	(25,239)	(6,965)	
	CMX	Mexico	Production of automotive electronic products	77,997	77,997	-	100%	78,468	10,330	(5,077)	(Note 2)
									<b>110,460,704</b>	<b>2,370,507</b>	
Panpal	Arcadyan	Hsinchu City	Telecommunication equipment and apparatus manufacturing, electronic parts and components manufacturing, restrained telecom radio frequency equipment and materials import and manufacturing	279,202	279,202	8,192	4%	626,257	1,866,306	Investment gain (losses) recognized by Panpal	(Note 2)
	Allied Circuit	Taoyuan City	Production and selling of PCB boards	148,263	148,263	2,927	6%	113,455	163,084	Investment gain (losses) recognized by Panpal	
	PT GLB Biotechnology Indonesia	Indonesia	Manufacturing and wholesale of medical equipment	894	894	-	1%	818	(2,728)	Investment gain (losses) recognized by Panpal	(Note 2)
	Others							(1,148,089)			(Note 2)
Gempal	Arcadyan	Hsinchu City	Telecommunication equipment and apparatus manufacturing, electronic parts and components manufacturing, restrained telecom radio frequency equipment and materials import and manufacturing	306,655	306,655	9,279	4%	734,363	1,866,306	Investment gain (losses) recognized by Gempal	(Note 2)
	Allied Circuit	Taoyuan City	Production and selling of PCB boards	53,645	53,645	3,220	6%	124,801	163,084	Investment gain (losses) recognized by Gempal	
	Others							143,815	-		(Note 2)
Hong Ji	Arcadyan	Hsinchu City	Telecommunication equipment and apparatus manufacturing, electronic parts and components manufacturing, restrained telecom radio frequency equipment and materials import and manufacturing	306,655	306,655	9,279	4%	734,363	1,866,306	Investment gain (losses) recognized by Hong Ji	(Note 2)
	Allied Circuit	Taoyuan City	Production and selling of PCB boards	10,389	10,389	851	2%	28,112	163,084	Investment gain (losses) recognized by Hong Ji	
Hong Jin	Arcadyan	Hsinchu City	Telecommunication equipment and apparatus manufacturing, electronic parts and components manufacturing, restrained telecom radio frequency equipment and materials import and manufacturing	131,942	131,942	4,609	2%	349,775	1,866,306	Investment gain (losses) recognized by Hong Jin	(Note 2)
Just	CDH (HK)	Hong Kong	Investment	1,971,716	1,971,716	62,298	100%	8,575,897	258,162	Investment gain (losses) recognized by Just	(Note 2)
	CII	British Virgin Islands	Investment	403,379	403,379	12,745	100%	436,088	(532)	Investment gain (losses) recognized by Just	(Note 2)
	CPI	British Virgin Islands	Investment	15,825	15,825	500	100%	15,465	(6)	Investment gain (losses) recognized by Just	(Note 2)
CII	Smart	British Virgin Islands	Investment	32	32	1	100%	387	(2)	Investment gain (losses) recognized by CII	(Note 2)
	MEL	U.S.A	Investment	260,606	260,606	-	100%	217,059	1,046	Investment gain (losses) recognized by CII	(Note 2)

(Continued)

Notes to Consolidated Financial Statements

Table 9 The information on investees for the nine months ended September 30, 2024 (excluding information on investees in Mainland China):  
(September 30, 2024)

(In Thousands of New Taiwan Dollars/ shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Ending Balance			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Value			
CII	MTL	U.S.A	Investment	32	32	-	100%	32	-	Investment gain (losses) recognized by CII	(Note 2)
	CNA	U.S.A	Sales of automotive electronic products	79,125	79,125	2,500	100%	82,808	3,727	Investment gain (losses) recognized by CII	(Note 2)
	CUS	U.S.A	Sales of automotive electronic products	237,375	80,000	2,500	100%	132,755	(5,322)	Investment gain (losses) recognized by CII	(Note 2)
CIH	CIH (HK)	Hong Kong	Investment	2,367,499	2,367,499	74,803	100%	47,153,211	1,599,319	Investment gain (losses) recognized by CIH	(Note 2)
	Jenpal	British Virgin Islands	Investment	232,628	232,628	7,350	100%	126,206	5,212	Investment gain (losses) recognized by CIH	(Note 2)
	PFG	British Virgin Islands	Investment	32	32	1	100%	156,346	68,929	Investment gain (losses) recognized by CIH	(Note 2)
	FWT	British Virgin Islands	Investment	471,585	471,585	14,900	100%	471,584	-	Investment gain (losses) recognized by CIH	(Note 2)
	CCM	British Virgin Islands	Investment	161,415	161,415	5,100	51%	5,627	(1,400)	Investment gain (losses) recognized by CIH	(Note 2)
	HSI	IUE	British Virgin Islands	Investment	2,120,550	2,120,550	67,000	100%	1,567,098	463,597	Investment gain (losses) recognized by HSI
HSI	Goal	British Virgin Islands	Investment	401,955	401,955	12,700	100%	348,614	4,411	Investment gain (losses) recognized by HSI	(Note 2)
	IUE	CVC	Vietnam	R&D, manufacturing, sales, and maintenance of notebook PCs, computer monitors, LCD TVs and electronic components	2,120,550	2,120,550	67,000	100%	1,567,098	463,597	Investment gain (losses) recognized by IUE
Goal	CDM	Vietnam	Construction of and investment in infrastructure in Ba-Thien industrial district of Vietnam	401,955	401,955	12,700	100%	305,982	4,411	Investment gain (losses) recognized by Goal	(Note 2)
BCI	CMI	British Virgin Islands	Investment	2,557,953	2,557,953	80,820	100%	6,153,562	255,881	Investment gain (losses) recognized by BCI	(Note 2)
	PRI	British Virgin Islands	Investment	316,500	316,500	10,000	100%	3,558,079	50,187	Investment gain (losses) recognized by BCI	(Note 2)
CORE	BSH	British Virgin Islands	Investment	4,652,550	4,652,550	147,000	100%	8,629,208	414,040	Investment gain (losses) recognized by CORE	(Note 2)
BSH	Mithera	Cayman Islands	Investment	159,833	159,833	-	99%	141,177	(34)	Investment gain (losses) recognized by BSH	(Note 2)
	CIN	U.S.A	Manufacturing	257,315	257,315	1	100%	256,975	23,954	Investment gain (losses) recognized by BSH	(Note 2)
	HSI	British Virgin Islands	Investment	1,171,050	1,171,050	37,000	46%	1,143,128	468,008	Investment gain (losses) recognized by BSH	(Note 2)
	HHB	British Virgin Islands	Investment	189,900	189,900	9,000	16%	259,381	(59,435)	Investment gain (losses) recognized by BSH	(Note 2)
	CEV	Vietnam	R&D, manufacturing, sales, and maintenance of notebook PCs, computer monitors, LCD TVs, mobile phones, tablet PCs, smart watches, communication equipment, and other electronic products	1,899,000	1,709,100	-	100%	1,966,041	30,018	Investment gain (losses) recognized by BSH	(Note 2)
Forever	GIA	British Virgin Islands	Selling of mobile phones	-	-	-	100%	-	-	Investment gain (losses) recognized by Forever	(Note 2)
	CWV	Vietnam	R&D, manufacturing, sales, and maintenance of notebook PCs, computer monitors, LCD TVs and electronic components	63,300	63,300	-	100%	60,826	(41,253)	Investment gain (losses) recognized by Forever	(Note 2)
Webtek	Etrade	British Virgin Islands	Investment	791,250	791,250	25,000	35%	(286,631)	(315,181)	Investment gain (losses) recognized by Webtek	(Note 2)
Arcadyan	Arcadyan Holding	British Virgin Islands	Investment	1,701,027	1,701,027	47,780	100%	2,174,799	14,360	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan USA	U.S.A	Technology support and sales of wireless network products	23,055	23,055	1	100%	90,233	48,509	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan Germany	Germany	Technology support and sales of wireless network products	1,125	1,125	1	100%	103,145	291	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan Korea	Korea	Sales of wireless network products	2,879	2,879	20	100%	44,329	8,476	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Zhi-Bao	Hsinchu City	Investment	48,000	48,000	34,980	100%	325,100	(18,041)	Investment gain (losses) recognized by Arcadyan	(Note 2)
	TTI	Taipei City	R&D and sales of household digital products	308,726	308,726	25,028	61%	141,589	(20,392)	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan UK	UK	Technical support of wireless network products	1,988	1,988	50	100%	6,359	297	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan AU	Australia	Sales of wireless network products	1,161	1,161	50	100%	80,128	2,779	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan RU	Russia	Sales of wireless network products	7,672	7,672	-	100%	3,208	40	Investment gain (losses) recognized by Arcadyan	(Note 2)
	CBN	Hsinchu County	Sales of communication and electronic components	11,925	11,925	533	1%	8,283	(97,748)	Investment gain (losses) recognized by Arcadyan	(Note 2)
Arcadyan Turkey	Turkey	Sales of wireless network products	61,268	-	6,200	100%	57,238	(212)	Investment gain (losses) recognized by Arcadyan	(Note 2&4)	

(Continued)

Notes to Consolidated Financial Statements

Table 9 The information on investees for the nine months ended September 30, 2024 (excluding information on investees in Mainland China):  
(September 30, 2024)

(In Thousands of New Taiwan Dollars/ shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Ending Balance			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Value			
Arcadyan and Zhi-Bao	Arcadyan Brasil	Brazil	Sales of wireless network products	81,593	81,593	968	100%	(49,602)	(8,177)	Investment gain (losses) recognized by Arcadyan and Zhi-Bao	(Note 2)
	Arcadyan India	India	Sales of wireless network products	76,952	76,952	19,800	100%	(53,962)	(106,433)	Investment gain (losses) recognized by Arcadyan and Zhi-Bao	(Note 2)
Arcadyan Holding	Sinoprime	British Virgin Islands	Investment	920,595	920,595	29,050	100%	1,676,274	45,456	Investment gain (losses) recognized by Arcadyan Holding	(Note 2)
	Arch Holding	British Virgin Islands	Investment	348,939	348,939	35	100%	606,959	(36,198)	Investment gain (losses) recognized by Arcadyan Holding	(Note 2)
TTI	Quest	Samoa	Investment	38,028	38,028	1,200	100%	9,171	(1,530)	Investment gain (losses) recognized by TTI	(Note 2)
	TTJC	Japan	Sales of household digital electronic products	9,626	9,626	0.7	100%	2,308	(417)	Investment gain (losses) recognized by TTI	(Note 2&5)
Quest	Exquisite	Samoa	Investment	37,077	37,077	1,170	100%	8,303	(1,538)	Investment gain (losses) recognized by Quest	(Note 2)
Sinoprime	Arcadyan Vietnam	Vietnam	Manufacturing of wireless network products	919,010	919,010	-	100%	1,671,552	45,488	Investment gain (losses) recognized by Sinoprime	(Note 2)
Zhi-Bao	CBN	Hsinchu County	Produces and sales of communication and electronic components	36,272	36,272	13,140	20%	204,104	(97,748)	Investment gain (losses) recognized by Zhi-Bao	(Note 2)
Rayonnant Technology	APH	British Virgin Islands	Investment	257,454	257,454	8,651	41%	218,964	24,230	Investment gain (losses) recognized by Rayonnant Technology	(Note 2)
	Forming Co., Ltd.	Taoyuan City	R&D and manufacturing of electronic materials	27,300	27,300	1,820	21%	-	-	Investment gain (losses) recognized by Rayonnant Technology	(Note 2)
CRH	APH	British Virgin Islands	Investment	395,625	395,625	12,500	59%	325,474	24,230	Investment gain (losses) recognized by CRH	(Note 2)
APH	PEL	British Virgin Islands	Investment	99,729	99,729	3,151	100%	48,270	1,325	Investment gain (losses) recognized by APH	(Note 2)
	Rayonnant (HK)	Hong Kong	Investment	569,700	569,700	18,000	100%	487,846	22,905	Investment gain (losses) recognized by APH	(Note 2)
HHT	HHA	British Virgin Islands	Investment	1,429,235	1,429,235	46,882	100%	(1,405,819)	(49,247)	Investment gain (losses) recognized by HHT	(Note 2)
HHA	HHB	British Virgin Islands	Investment	1,483,816	1,483,816	46,882	84%	(1,659,328)	(59,435)	Investment gain (losses) recognized by HHA	(Note 2)
CBN	CBNB	Belgium	The import and export business of broad band network products and related components, as well as technical support and advisory services	6,842	6,842	20	100%	5,268	(183)	Investment gain (losses) recognized by CBN	(Note 2)
	CBNN	Netherlands	The import and export business of broad band network products and related components, as well as technical support and advisory services	7,016	7,016	20	100%	6,478	(16)	Investment gain (losses) recognized by CBN	(Note 2)
	Starmems	Taiwan	R&D of MEMS microphone related products	16,300	10,000	1,630	10%	7,777	(23,857)	Investment gain (losses) recognized by CBN	(Note 2)
FGH	Wah Yuen Technology Holding Ltd. and its subsidiaries	Mauritius	Investment	2,840,761	2,840,761	95,862	37%	4,025,803	(1,067,055)	Investment gain (losses) recognized by FGH	(Note 2)
GLB	PT GLB Biotechnology Indonesia	Indonesia	Manufacturing and wholesale of medical equipment	88,506	88,506	42	99%	82,064	(2,728)	Investment gain (losses) recognized by GLB	(Note 2)
Mactech	Taiwan Intelligent Robotics Company, Ltd.	Taipei City	Manufacturing of equipment and lighting	43,200	43,200	2,160	15%	2,538	(8,837)	Investment gain (losses) recognized by Mactech	(Note 2)
Poindus Systems	Poindus Investment	Taipei City	Investment holding	4,100	4,100	(Note 3)	100%	501	1	Investment gain (losses) recognized by Poindus Systems	(Note 2)
	Poindus UK	UK	Sales of PCs and peripherals	14,297	14,297	300	100%	(7,916)	(54)	Investment gain (losses) recognized by Poindus Systems	(Note 2)
	Adasys	Germany	Sales of PCs and peripherals	57,712	57,712	0.002	100%	1,546	(1,422)	Investment gain (losses) recognized by Poindus Systems	(Note 2)
	Varlink	UK	Sales of PCs and peripherals	61,590	-	140	100%	51,269	(4,786)	Investment gain (losses) recognized by Poindus Systems	(Note 2)
Varlink	EPOS	UK	Sales of PCs and peripherals	-	-	0.001	100%	-	-	Investment gain (losses) recognized by Varlink	(Note 2)
Poindus Investment	Poindus GmbH	Germany	Sales of PCs and peripherals	1,721	1,721	(Note 3)	100%	73	-	Investment gain (losses) recognized by Poindus Investment	(Note 2)

Note 1: The carrying value had been deducted \$559,812 and \$321,435 of the Company's stock held by Panpal and Gempal, respectively.

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

Note 3: A limited company, therefore no number of shares.

Note 4: Arcadyan Turkey was established on May 2, 2024.

Note 5: TTJC resolved to dissolve and liquidate on August 30, 2024.

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Notes to Consolidated Financial Statements

Table 10 Information on investment in Mainland China:

(September 30, 2024)

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

(In Thousands of New Taiwan Dollars / shares)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 4)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
CPC	Manufacturing and sales of monitors	1,171,050	(Note 1)	1,171,050	-	-	1,171,050	193,276	100%	193,276	3,075,643	-
CDT	Manufacturing and sales of notebook PCs, mobile phones, and Digital products	633,000	(Note 2)	633,000	-	-	633,000	22,994	100%	22,994	165,599	-
CET	Manufacturing of notebook PCs	379,800	(Note 2)	379,800	-	-	379,800	(27,069)	100%	(27,069)	5,182,584	-
CSD	Research, manufacture and sales of communication devices, mobile phones, electronic computer, smart watch, and provide related technology service	270,521	(Note 2)	(Note 3)	-	-	-	161,573	100%	161,573	580,077	-
FIP	Manufacturing of auto parts and accessories	315,607	(Note 2)	(Note 3)	-	-	-	2,543	60%	1,526	271,179	-
BT	Manufacturing of notebook PCs	31,650	(Note 2)	31,650	-	-	31,650	(14,475)	100%	(14,475)	(115,994)	-
CGS	Maintenance and warranty service of notebook PCs	9,017	(Note 2)	(Note 3)	-	-	-	(953)	100%	(953)	(15,876)	-
LIZ Electronics (Kunshan) Co., Ltd.	Production and processing chip resistors, ceramic capacitors, diodes, and other latest electronic components and related precision electronic equipment; selling self-produced products	1,012,800	(Note 1)	421,895	-	-	421,895	(234,437)	43%	(101,230)	95	-
LIZ Electronics (Nantong) Co., Ltd.	Research & development, and manufacturing chip components (chip resistors, ceramic chip diode; selling self-produced products and providing after-sales service. Performing wholesale and trading business of electronic components, semiconductors, special materials for electronic components, and spare parts	1,994,026	(Note 1&3)	46,526	-	-	46,526	(348,292)	44%	(152,900)	317	-
CIC	Manufacturing of notebook PCs	379,800	(Note 2)	379,800	-	-	379,800	345,533	100%	345,533	11,608,136	-
CPO	Manufacturing and sales of LCD TVs	382,965	(Note 1)	382,965	-	-	382,965	63,327	100%	63,327	3,305,542	-
CIT	Manufacturing of notebook PCs	759,600	(Note 2)	759,600	-	-	759,600	1,272,064	100%	1,272,064	29,670,717	-
CST	International trade and distribution of computers and electronic components	44,310	(Note 2)	44,310	-	-	44,310	730	100%	730	46,469	-
Sheng Bao Precision Electronics (Taicang) Co., Ltd.	Research & development, and manufacturing latest electronic components, precision cavity mold, design and manufacturing for standard parts for molds, and selling self-produced products	316,500	(Note 2)	161,415	-	-	161,415	(1,399)	51%	(714)	11,044	-
CIJ	Investment and consulting services	493,740	(Note 2)	493,740	-	-	493,740	1,097	100%	1,097	2,631,396	-
CDE	Manufacturing and sales of LCD TVs	474,750	(Note 2)	(Note 3)	-	-	-	630	100%	630	2,594,907	-
CIS	Outward investment and consulting services	2,557,953	(Note 1)	2,557,953	-	-	2,557,953	255,881	100%	255,881	6,153,562	-
CEC	R&D and manufacturing of notebook PCs, tablet PCs, digital products, network switches, wireless AP, and automobile electronic products	2,532,000	(Note 2)	(Note 3)	-	-	-	254,473	100%	254,473	6,119,491	-
CMC	Corporate management consulting, financial and tax consulting, investment consulting, and investment management consulting services	25,320	(Note 2)	(Note 3)	-	-	-	1,392	100%	1,392	27,443	-
CEQ	R&D, manufacturing and sales of notebook PCs and related components. Also provides related maintenance and warranty services	316,500	(Note 1)	316,500	-	-	316,500	50,187	100%	50,187	3,558,079	-
Compal Precision Module (Jiangsu) Co., Ltd.	Manufacturing and selling of magnesium alloy injection molding	13,293,000	(Note 2)	2,615,145	-	-	2,615,145	(597,368)	37%	(218,756)	5,230,457	-

(Continued)

Notes to Consolidated Financial Statements

Table 10 Information on investment in Mainland China:

(September 30, 2024)

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

(In Thousands of New Taiwan Dollars / shares)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 4)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Changbao Electronic Technology (Chongqing) Co., Ltd.	Production and marketing of magnesium alloy molding	1,899,000	(Note 2)	362,582	-	-	362,582	(254,477)	37%	(93,190)	562,280	-
Rayonnant (Taicang)	Manufacturing and sales of aluminum alloy and magnesium alloy products	569,700	(Note 2)	395,625	-	-	395,625	22,905	100%	22,905	488,464	-
CCI Nanjing	Manufacturing and processing of mobile phones and tablet PCs	854,550	(Note 1)	696,300	-	-	696,300	(75,330)	100%	(75,330)	(1,471,250)	-
CDCN	Manufacturing and processing of mobile phones and tablet PCs	183,570	(Note 1)	183,570	-	-	183,570	(10,089)	100%	(10,089)	77,258	-
CWCN	Manufacturing and processing of mobile phones and tablet PCs	1,550,850	(Note 1)	601,350	-	-	601,350	(231,018)	100%	(231,018)	532,670	-
Hanhelt	R&D and manufacturing of electronic communication equipment	63,300	(Note 1)	63,300	-	-	63,300	(32)	100%	(32)	2,532	-
<b>Arcadyan</b>												
SVA Arcadyan	R&D and sales of wireless network products	256,689	(Note 1)	425,280	-	-	425,280	5,093	100%	5,093	48,042	-
CNC	Manufacturing and wireless network products	394,541	(Note 1)	348,939	-	-	348,939	(36,198)	100%	(36,198)	606,959	-
THAC	Manufacturing of household electronics products	383,607	(Note 1 & 9&10)	36,444	-	-	36,444	(4,677)	100%	(4,677)	23,451	-
<b>HengHao</b>												
HengHao Kunshan	Production of touch panels and related components	1,266,000	(Note 1)	1,259,765	-	-	1,259,765	102,980	100%	102,980	(1,421,632)	-
HengHao Zhejiang	Production of touch panels and related components	284,850	(Note 2)	(Note 3)	-	-	-	(161,007)	100%	(161,007)	124,389	-
Lucom	Manufacturing of notebook PCs and related modules	474,750	(Note 2)	205,694	-	-	205,694	(3,019)	100%	(3,019)	-	-
<b>Poindus Systems</b>												
Qijie	Sales of PCs and peripherals	31,650	(Note 1)	31,650	-	-	31,650	(2,263)	100%	(2,263)	6,892	-

(ii) Limitation on investment in Mainland China:

(In Thousands of USD)

Names of Company	Accumulated Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission of Ministry of Economic Affairs	Limitation on investment in Mainland China by Investment Commission of Ministry of Economic Affairs
The Company	17,171,296 (US\$542,537) (Note 5)	24,975,047 (US\$789,101)	(Note 6)
Arcadyan	810,662 (US\$25,581)	1,088,108 (US\$34,336)	9,127,609
HengHao	1,483,499 (US\$46,872)	1,483,499 (US\$46,872)	(Note 13)
Poindus Systems	31,650 (US\$1,000)	31,650 (US\$1,000)	326,666

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

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

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

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

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

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

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

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

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

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

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

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

Note 13 : The net equity of HengHao is negative at September 30, 2024.

Note 14 : Lucom completed its liquidation registration in May 2024.

(iii) Significant transactions:

For the nine months ended September 30, 2024, the significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".