Stock Code:2324

COMPAL ELECTRONICS, INC.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023

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Table of contents

Representation Letter

The entities that are required to be included in the combined financial statements of COMPAL ELECTRONICS, INC. as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, “Consolidated and Separate Financial Statements.” In addition, the information required to be disclosed in the combined financial statements and is included in the consolidated financial statements. Consequently, COMPAL ELECTRONICS, INC. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: COMPAL ELECTRONICS, INC.
Chairman: Sheng-Hsiung Hsu (Rock Hsu)
Date: February 27, 2025

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Independent Auditor's Report

To COMPAL ELECTRONICS, INC.:

Opinion

We have audited the consolidated financial statements of COMPAL ELECTRONICS, INC. and its subsidiaries (“the Group”), which comprise the consolidated balance sheet as of December 31, 2024 and 2023, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material policies.

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

Basis for Opinion

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

Key Audit Matters

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

1. Inventory valuation

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

   Description of key audit matters:

   In order to facilitate the order production and meet the anticipated future demands, materials are procured in advance. However, changes in market demand or order reductions may lead to inventory obsolescence, increasing the risk of inventory devaluation. As such, the assessment of inventory obsolescence is considered a key matter in the audit of consolidated financial statements.

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

   In order to verify the rationality of assessment of inventory valuation estimated by the Group, our key audit procedures included reviewing the consistency of prior year's accounting policy, inspecting the Group's inventory aging reports, analyzing the change of inventory aging, judgement of specific items, recalculate the estimated loss due to obsolescence and price decline according to the Group policy.

Other Matter

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

KPMG

KPMG

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

Notes to Readers

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

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note (6)(a))	$ 78,947,882	17.1	72,479,480	16.6
1110	Current financial assets at fair value through profit or loss (Note (6)(b))	145,132	-	52,062	-
1136	Current financial assets at amortized cost (Note (6)(e))	5,103,852	1.1	-	-
1170	Notes and accounts receivable, net (Note (6)(f))	193,396,543	41.7	187,280,320	42.9
1180	Notes and accounts receivable due from related parties, net (Notes (6)(f) and (7))	7,404,318	1.6	6,434,296	1.5
1200	Other receivables, net (Notes (6)(f) and (7))	3,412,241	0.7	2,372,980	0.5
1310	Inventories (Notes (6)(g) and (8))	84,831,955	18.3	95,102,692	21.8
1470	Other current assets (Note (8))	6,279,718	1.4	5,202,467	1.1
		379,521,641	81.9	368,924,297	84.4
	Non-current assets:				
1550	Investments accounted for using equity method (Notes (6)(h) and (7))	7,344,492	1.6	7,448,351	1.7
1510	Non-current financial assets at fair value through profit or loss (Note (6)(b))	1,359,358	0.3	1,217,512	0.3
1517	Non-current financial assets at fair value through other comprehensive income (Note (6)(c))	23,755,567	5.1	9,116,008	2.1
1600	Property, plant and equipment (Notes (6)(l), (6)(m) and (8))	31,103,899	6.7	29,040,525	6.7
1755	Right-of-use assets (Notes (6)(m) and (8))	13,350,548	2.9	13,793,968	3.2
1780	Intangible assets (Note (6)(i))	1,718,456	0.4	1,462,162	0.3
1840	Deferred tax assets (Note (6)(r))	2,839,073	0.6	3,615,912	0.8
1990	Other non-current assets (Note (8))	2,548,673	0.5	2,152,239	0.5
		84,020,066	18.1	67,846,677	15.6
	Total assets	**$ 463,541,707**	**100.0**	**436,770,974**	**100.0**

		December 31, 2024		December 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Notes (6)(f) and (6)(n))	$ 57,900,401	12.5	58,974,271	13.5
2120	Current financial liabilities at fair value through profit or loss (Note (6)(b))	-	-	164,535	-
2125	Current financial liabilities for hedging (Note (6)(d))	-	-	14,246	-
2130	Current contract liabilities (Note (6)(v))	3,263,230	0.7	767,327	0.2
2170	Notes and accounts payable	148,979,182	32.1	148,398,334	34.0
2180	Notes and accounts payable to related parties (Note (7))	9,753,530	2.1	10,597,650	2.4
2200	Other payables (Note (7))	30,179,530	6.5	30,464,866	7.0
2230	Current tax liabilities	7,214,833	1.6	7,594,694	1.7
2280	Current lease liabilities (Note (6)(p))	1,955,763	0.4	2,001,766	0.5
2300	Other current liabilities	5,829,977	1.3	3,316,205	0.8
2365	Current refund liabilities	3,672,551	0.8	3,573,141	0.8
2322	Long-term borrowings, current portion (Note (6)(o))	14,303,150	3.1	11,385,027	2.6
		283,052,147	61.1	277,252,062	63.5
	Non-Current liabilities:				
2540	Long-term borrowings (Note (6)(o))	12,235,001	2.6	15,285,590	3.5
2570	Deferred tax liabilities (Note (6)(r))	3,998,864	0.9	1,985,324	0.5
2580	Non-current lease liabilities (Note (6)(p))	6,777,080	1.4	8,329,451	1.9
2640	Non-current net defined benefit liability	534,651	0.1	651,272	0.1
2670	Non-current liabilities, others	478,182	0.1	494,422	0.1
		24,023,778	5.1	26,746,059	6.1
	Total liabilities	307,075,925	66.2	303,998,121	69.6
	Equity:				
	Equity attributable to owners of parent (Note (6)(s)):				
3110	Ordinary share	44,071,466	9.5	44,071,466	10.1
3200	Capital surplus	3,472,941	0.8	4,270,915	1.0
3300	Retained earnings	78,213,219	16.9	72,548,155	16.6
3400	Other equity interest	17,588,331	3.8	(387,294)	(0.1)
3500	Treasury shares	(881,247)	(0.2)	(881,247)	(0.2)
		142,464,710	30.8	119,621,995	27.4
36XX	**Non-controlling interests**	14,001,072	3.0	13,150,858	3.0
	Total equity	156,465,782	33.8	132,772,853	30.4
	Total liabilities and equity	**$ 463,541,707**	**100.0**	**436,770,974**	**100.0**

See accompanying notes to consolidated financial statements.

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

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

See accompanying notes to consolidated financial statements.

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

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

See accompanying notes to consolidated financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

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

See accompanying notes to consolidated financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

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

(1) Company history

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

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

These consolidated financial statements were authorized for issuance by the Board of Directors and issued on February 27, 2025.

(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)

(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:

Standards or Interpretations	**Content of amendment**	**Effective date per IASB**
IFRS 18 "Presentation and Disclosure in Financial Statements"	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. ● 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. ● 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. ● 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.	January 1, 2027

(Continued)

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
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(4) Summary of material accounting policies:

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

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations"), the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to as the IFRS endorsed by the FSC).

(b) Basis of preparation

(i) Basis of measurement

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

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

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

3) Hedging financial instruments are measured at fair value;

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

(Continued)

(ii) Functional and presentation currency

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

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and its subsidiaries. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its control over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Accounting policies of subsidiaries have been adjusted to ensure consistency with the policies adopted by the Group.

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

When the Group loses control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Group recognizes as gain or loss in profit or loss the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost ;and (ii) the assets (including any goodwill), liabilities of the subsidiary as well as any related non-controlling interests at their carrying amounts at the date when control is lost, as gain or loss in profit or loss. When the Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

(Continued)

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

(ii) List of subsidiaries in the consolidated financial statements

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership December 31, 2024	Percentage of ownership December 31, 2023	Description
The Company	Panpal Technology Corp. (“Panpal”)	Investment	100%	100%	Panpal held 31,648 thousand shares of the Company as of December 31, 2024, which represented 0.7% of the Company’s outstanding shares.
〃	Gempal Technology Corp. (“Gempal”)	〃	100%	100%	Gempal held 18,369 thousand shares of the Company as of December 31, 2024, which represented 0.4% of the Company’s outstanding shares.
〃	Hong Ji Capital Co., Ltd. (“Hong Ji”)	〃	100%	100%	
〃	Hong Jin Investment Co., Ltd. (“Hong Jin”)	〃	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%	The Group had the ability to control Arcadyan. (Note 1)
The Company and Panpal	Compal Mexico Electromex S.A de C.V. (“CMX”)	Production of automotive electronic products	100%	100%	CMX was established in April 2023.
The Company	Rayonnant Technology Co., Ltd. (“Rayonnant Technology”)	Manufacturing and sales of PCs, computer periphery devices, and electronic components	100%	100%	
〃	HengHao Technology Co., Ltd. (“HengHao”)	Manufacturing of PCs, computer periphery devices, and electronic components	100%	100%	
〃	Ripal Optoelectronics Co., Ltd. (“Ripal”)	Manufacturing of electric appliance and audiovisual electric products	100%	100%	
〃	Mactech Co., Ltd (“Mactech”)	Manufacturing of equipment and lighting, retailing of equipment and international trading	53%	53%	
〃	General Life Biotechnology Co., Ltd. (“GLB”)	Manufacturing and sales of medical equipment	50%	50%	
〃	Unicore BioMedical Co., Ltd. (“Unicore”)	Management consulting services, rental and leasing business, wholesale and retail sale of medical equipment	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%	

(Continued)

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

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership December 31, 2024	Percentage of ownership December 31, 2023	Description
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%	
〃	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%	
〃	Kinpo&Compal Group Assets Development Corporation (“Kinpo& Compal Assets Development)	Real estate development, leasing and related management business	70%	70%	
〃	Compal Ruifang Health Assets Development Corporation (“Compal Ruifang ”)	Investing and developing businesses, such as public construction and specific zones	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%	
〃	Auscom Engineering Inc. (“Auscom”)	R&D of notebook PC related products and components	100%	100%	
〃	Just International Ltd. (“Just”)	Investment	100%	100%	
〃	Compal International Holding Co., Ltd. (“CIH”)	〃	100%	100%	
〃	Compal Electronics (Holding) Ltd. (“CEH”)	〃	100%	100%	
〃	Bizcom Electronics, Inc. (“Bizcom”)	Warranty services and marketing of monitors and notebook PCs	100%	100%	
〃	Flight Global Holding Inc. (“FGH”)	Investment	100%	100%	
The Company and BSH	High Shine Industrial Corp. (“HSI”)	〃	100%	100%	
The Company	Compal Europe (Poland) Sp. z o.o. (“CEP”)	Maintenance and warranty services of notebook PCs	100%	100%	
〃	Big Chance International Co., Ltd. (“BCI”)	Investment	100%	100%	
〃	Compal Rayonnant Holdings Limited (“CRH”)	〃	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 December 31, 2024	Percentage of ownership December 31, 2023	Description
The Company	Core Profit Holdings Limited (“CORE”)	Investment	100%	100%	
〃	Compalead Electronics B.V. (“CPE”)	〃	100%	100%	
〃	CGS Technology (Poland) Sp. z o.o. (“CGSP”)	Maintenance and warranty services of notebook PCs	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. (“CEM”)	Manufacturing of notebook PCs	100%	100%	
〃	Compal Electronics India Private Limited (“CEIN”)	Manufacturing and warranty service of mobile phones	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%	CEA was absorbed and merged by CEM in 2024.
Just	Compal Display Holding (HK) Limited (“CDH (HK)”)	Investment	100%	100%	
〃	Compal Electronics International Ltd. (“CII”)	〃	100%	100%	
〃	Compal International Ltd. (“CPI”)	〃	100%	100%	
CDH (HK)	Compal Electronics (China) Co., Ltd. (“CPC”)	Manufacturing and sales of monitors	100%	100%	
〃	Compal Optoelectronics (Kunshan) Co., Ltd. (“CPO”)	Manufacturing and sales of LCD TVs	100%	100%	
〃	Compal System Trading (Kunshan) Co., Ltd. (“CST”)	International trade and distribution of computers and electronic components	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%	
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 December 31, 2024	Percentage of ownership December 31, 2023	Description
CII	Smart International Trading Ltd. (“Smart”)	Investment	100%	100%	
〃	Mexcom Electronics, LLC (“MEL”)	〃	100%	100%	
〃	Mexcom Technologies, LLC (“MTL”)	〃	100%	100%	
〃	Compal Americas (US) Inc. (“CUS”)	Sales of automotive electronic products	100%	100%	CUS was established in April 2023.
〃	Compal Electronics N.A. Inc. (“CNA”)	〃	100%	100%	〃
CIH	Compal International Holding (HK) Limited (“CIH (HK)”)	Investment	100%	100%	
〃	Jenpal International Ltd. (“Jenpal”)	〃	100%	100%	
〃	Prospect Fortune Group Ltd. (“PFG”)	〃	100%	100%	
〃	Fortune Way Technology Corp. (“FWT”)	〃	100%	100%	
CIH (HK)	Compal Electronics Technology (Kunshan) Co., Ltd. (“CET”)	Manufacturing of notebook PCs	100%	100%	
〃	Compal Information (Kunshan) Co., Ltd. (“CIC”)	〃	100%	100%	
〃	Compal Information Technology (Kunshan) Co., Ltd. (“CIT”)	〃	100%	100%	
〃	Kunshan Botai Electronics Co., Ltd. (“BT”)	〃	100%	100%	
〃	Compal Digital Technology (Kunshan) Co., Ltd. (“CDT”)	Manufacturing and sales of notebook PCs, mobile phones, and digital products	100%	100%	
BT	Compower Global Service Co., Ltd. (“CGS”)	Maintenance and warranty service of notebook PCs	100%	100%	
CDH (HK) and CIH (HK)	Compal Investment (Jiangsu) Co., Ltd. (“CIJ”)	Investment	100%	100%	
CIJ	Compal Display Electronics (Kunshan) Co., Ltd. (“CDE”)	Manufacturing and sales of LCD TVs	100%	100%	
The Company and Webtek	Etrade Management Co., Ltd. (“Etrade”)	Investment	100%	100%	
The Company	Webtek Technology Co., Ltd. (“Webtek”)	〃	100%	100%	
〃	Forever Young Technology Inc. (“Forever”)	〃	100%	100%	
〃	UniCom Global, Inc. (“UCGI”)	Manufacturing and sales of computers and electronic components	100%	100%	
〃	Palcom International Corporation (“Palcom”)	Sales of mobile phones	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 December 31, 2024	December 31, 2023	Description
The Company	Poindus Systems Corp, Ltd. (“Poindus Systems”)	Sales of PCs and computer periphery devices	56%	56%	
Poindus Systems	Poindus Investment Co., Ltd. (“Poindus Investment”)	Investment	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%	
〃	Poindus Systems UK Limited (“Poindus UK”)	〃	100%	100%	
〃	Adasys GmbH Elektronische Komponenten (“Adasys”)	〃	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%	The company had completed the liquidation on September 17, 2024.
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%	
Etrade	Compal Digital Communication (Nanjing) Co., Ltd. (“CDCN”)	〃	100%	100%	
〃	Compal Wireless Communication (Nanjing) Co., Ltd. (“CWCN”)	〃	100%	100%	
Forever	Hanhelt Communication (Nanjing) Co., Ltd. (“Hanhelt”)	R&D and manufacturing of electronic communication equipment	100%	100%	
〃	Giant Rank Trading Ltd. (“GIA”)	Sales of mobile phones	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%	

(Continued)

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

Name of investor	Name of Subsidiary	Nature of Operation	Percentage of ownership December 31, 2024	Percentage of ownership December 31, 2023	Description
Arcadyan	Arcadyan Technology N.A. Corp. (“Arcadyan USA”)	Technical support and sales of wireless network products	100%	100%	
〃	Arcadyan Germany Technology GmbH (“Arcadyan Germany”)	〃	100%	100%	
〃	Arcadyan Technology Corporation Korea (“Arcadyan Korea”)	Sales of wireless network products	100%	100%	
〃	Arcadyan Holding (BVI) Corp. (“Arcadyan Holding”)	Investment	100%	100%	
〃	Arcadyan Technology Limited (“Arcadyan UK”)	Technical support of wireless network products	100%	100%	
〃	Arcadyan Technology Australia Pty Ltd. (“Arcadyan AU”)	Sales of wireless network products	100%	100%	
〃	Arcadyan Technology Corporation (Russia), LLC. (“Arcadyan RU”)	〃	100%	100%	
〃	Zhi-Bao Technology Inc. (“Zhi-Bao”)	Investment	100%	100%	
〃	Tatung Technology Inc. (“TTI”)	R&D and sales of household digital electronic products	61%	61%	
〃	Arcadyan Turkey Technology and Trade Joint Stock Company (“Arcadyan Turkey”)	Sales of wireless network product	100%	-	Arcadyan Turkey was established on May 2, 2024.
Arcadyan and Zhi-Bao	Arcadyan do Brasil Ltda. (“Arcadyan Brasil”)	〃	100%	100%	
〃	Arcadyan India Private Limited (“Arcadyan India”)	〃	100%	100%	
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%	
CBN	Compal Broadband Networks Belgium BVBA (“CBNB”)	Import and export business, technical support and consulting service of broadband networks	100%	100%	
〃	Compal Broadband Networks Netherlands B.V. (“CBNN”)	〃	100%	100%	
The Company and CBN	Starmems Semiconductor Corp. (“Starmems”)	R&D of MEMS technology of manufacturing process of semiconductor and manufacturing of electronic components	48%	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 December 31, 2024	Percentage of ownership December 31, 2023	Description
Arcadyan Holding	Sinoprime Global Inc. (“Sinoprime”)	Investment	100%	100%	
〃	Arcadyan Technology (Shanghai) Corp. (“SVA Arcadyan”)	R&D and sales of wireless network products	100%	100%	
〃	Arch Holding (BVI) Corp. (“Arch Holding”)	Investment	100%	100%	
Arch Holding	Compal Networking (Kunshan) Co., Ltd. (“CNC”)	Manufacturing of wireless network products	100%	100%	
Sinoprime	Arcadyan Technology (Vietnam) Co., Ltd. (“Arcadyan Vietnam”)	〃	100%	100%	
TTI	Quest International Group Co., Ltd. (“Quest”)	Investment	100%	100%	
〃	Tatung Technology of Japan Co., Ltd. (“TTJC”)	Sales of household digital electronic products	-%	100%	The company had completed the liquidation on November 27, 2024.
Quest	Exquisite Electronic Co., Ltd. (“Exquisite”)	Investment	100%	100%	
Exquisite	Tatung Home Appliances (Wujiang) Co., Ltd. (“THAC”)	Manufacturing of household digital electronic products	100%	100%	
HSI	Intelligent Universal Enterprise Ltd. (“IUE”)	Investment	100%	100%	
〃	Goal Reach Enterprises Ltd. (“Goal”)	〃	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%	
Goal	Compal Development & Management (Vietnam) Co., Ltd. (“CDM”)	Construction of and investment in infrastructure in Ba-Thien industrial district of Vietnam	100%	100%	
Rayonnant Technology and CRH	Allied Power Holding Corp. (“APH”)	Investment	100%	100%	
APH	Primetek Enterprises Limited (“PEL”)	〃	100%	100%	
〃	Rayonnant Technology (HK) Co., Ltd. (“Rayonnant Technology (HK)”)	〃	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%	
HengHao	HengHao Holdings A Co., Ltd. (“HHA”)	Investment	100%	100%	
HHA and BSH	HengHao Holdings B Co., Ltd. (“HHB”)	〃	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 December 31, 2024	Percentage of ownership December 31, 2023	Description
HHB	HengHao Optoelectronics Technology (Kunshan) Co., Ltd. (“HengHao Kunshan”)	Production of touch panels and related components	-	100%	(Note 2)
〃	Lucom Display Technology (Kunshan) Limited (“Lucom”)	Manufacturing of touch panels and LCD TVs	-	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%	HengHao Zhejiang was established in March 2023.(Note 2)
BCI	Center Mind International Co., Ltd. (“CMI”)	Investment	100%	100%	
〃	Prisco International Co., Ltd. (“PRI”)	〃	100%	100%	
CMI	Compal Investment (Sichuan) Co., Ltd. (“CIS”)	Outward investment and consulting services	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%	
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%	
〃	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%	
CORE	Billion Sea Holdings Limited (“BSH”)	Investment	100%	100%	
BSH	Mithera Capital Io LP (“Mithera”)	〃	99%	99%	
〃	Compal USA (Indiana), Inc. (“CIN”)	Foundry of automotive electronic products	100%	100%	
〃	Compal Electronics (Vietnam) Co., Ltd. (“CEV”)	R&D, manufacturing, sales and maintenance of notebook PCs, computer monitors, LCD TVs, mobile phones, tablet PCs, smart watches, communication devices and other electronic devices	100%	100%	CEV was established in May 2023.

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

Note 2: HengHao Kunshan was absorbed and merged with HengHao Zhejiang on November 31, 2024, with HengHao Zhejiang being the sole surviving company.

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

(d) Foreign currency

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the year adjusted for the effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currencies at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of translation.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) a financial asset designated as at fair value through other comprehensive income;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent the hedges are effective

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the Group entities’ functional currency at exchange rates of the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to the Group entities’ functional currency at average rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group disposes of only part of investment in an associate of joint venture that includes a foreign operation while retaining significant or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(Continued)

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

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

The Group classifies 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 the asset within twelve months after the reporting period; or

(iv) The asset is cash or a 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) The Group 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.

(f) Cash and cash equivalents

Cash comprise cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

(i) Financial assets

Financial assets are classified into the following categories: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

The Group shall reclassify all affected financial assets only when it changes its business model for managing its financial assets.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss. A regular way purchase or sale of financial assets is recognized and derecognized, as applicable, using trade date accounting.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Some accounts receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Group, therefore, those receivables are measured at FVOCI and presented as accounts receivable.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

A financial asset measured at FVOCI is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment losses, deriving from debt investments are recognized in profit or loss; whereas dividends deriving from equity investments are recognized as income in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses of financial assets measured at FVOCI are recognized in OCI. On derecognition, gains and losses accumulated in OCI of debt investments are reclassified to profit or loss. However, gains and losses accumulated in OCI of equity investments are reclassified to retain earnings instead of profit or loss. A regular way purchase or sale of financial assets is recognized and derecognized, as applicable, using trade date accounting.

Dividend income derived from equity investments is recognized on the date that the Group’s right to receive payment is established, which in the case of quoted securities is normally on the date the shareholders’ meeting approved the earning distribution.

(Continued)

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets in this category are measured at fair value at initial recognition. Attributable transaction costs are recognized in profit or loss as incurred. Subsequent changes that are measured at fair value, which take into account any dividend and interest income, are recognized in profit or loss. A regular way purchase or sale of financial assets is recognized and derecognized, as applicable, using trade date accounting.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized costs, notes and accounts receivable, other receivable, guarantee deposit and other financial assets), debt investments measured at FVOCI, and accounts receivable measured at FVOCI.

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

(Continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings'.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 90 days past due or the borrower is unlikely to pay its credit obligations to the Group in full.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. An evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in other comprehensive income instead of reducing the carrying amount of the asset. The Group recognizes the amount of expected credit losses (or reversal) in profit or loss, as an impairment gain or loss.

(Continued)

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the assets expire, or when the Group transfers substantially all the risks and rewards of ownership of the financial assets.

On derecognition of a debt instrument in its entirety, the Group recognizes the difference between its carrying amount and the sum of the consideration received or receivable and any cumulative gain or loss that had been recognized in other comprehensive income and presented in "other equity – unrealized gains or losses on fair value through other comprehensive income", in profit or loss, and presented it in the line item of non-operating income.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss, and presented in the line item of non-operating income and expenses. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt or equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual agreement.

Equity instruments refer to surplus equities of the assets after the deduction of all the debts for any contracts. Equity instruments issued are recognized as the amount of consideration received, less, the direct cost of issuing.

Interest and loss or gain related to financial liabilities are recognized as profit or loss and are reported under non-operating income and expenses. Financial liabilities are reclassified as equity when converted, and conversions do not generate profit or loss.

(Continued)

2) Financial liabilities at fair value through profit or loss

A financial liability is classified in this category if acquired principally for the purpose of selling in the short term. This type of financial liability is measured at fair value at the time of initial recognition, and attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value, and changes therein, which take into account any interest expense, are recognized in profit or loss, and are included in non-operating income or expenses.

3) Other financial liabilities

Financial liabilities not classified as held-for-trading or designated as at fair value through profit or loss, which comprise loans and borrowings, and trade and other payable, are measured at fair value, plus, any directly attributable transaction cost at the time of initial recognition. Subsequent to initial recognition, they are measured at amortized cost calculated using the effective interest method other than significant interest on short-term loans and payables. Interest expense not capitalized as capital cost is recognized in profit or loss, and is included in non-operating income or expenses.

4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligation has been discharged, cancelled or expired. The difference between the carrying amount of a financial liability removed and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss, and is included in non-operating income or expenses.

5) Offsetting of financial assets and liabilities

The Group presents financial assets and liabilities on a net basis when the Group has the legally enforceable right to offset and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

(iii) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Derivatives are initially measured at fair value. Any attributable transaction costs thereof are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss and are included in the line item of non-operating income. When a derivative is designated as, and effective for, a hedging instrument, its timing of recognition in profit or loss is determined based on the nature of the hedging relationship. When the fair value of a derivative instrument is positive, it is classified as a financial asset, whereas when the fair value is negative, it is classified as a financial liability.

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the non-financial asset' s host contract are not closely related to the embedded derivatives and the host contract is not measured at FVTPL.

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

The Group designates its hedging instruments, including derivatives, embedded derivatives, and nonderivative instruments for a hedge of a foreign currency risk, as a fair value hedge, cash flow hedge, or hedge of a net investment in a foreign operation. Foreign exchange risks of firm commitments are treated as fair value hedges.

At initial designated hedging relationships, the Group documents the risk management objectives and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged items and hedging instrument are expected to offset each other.

The Group shall discontinue hedge accounting prospectively only when the hedging relationship (or a part of a hedging relationship) ceases to meet the qualifying criteria (after taking into account any rebalancing of the hedging relationship, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in "other equity－gains (losses) on hedging instruments". The effective portion of changes in the fair value of the derivative that is recognized in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss, and is presented in the line item of non-operating income and expenses in the statement of comprehensive income.

The Group designates only the change in fair value of the spot element of the forward exchange contract as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of the forward exchange contracts is separately accounted for as a cost of hedging and accumulated in a separate component within equity.

When the hedged item is recognized in profit or loss, the amount accumulated in equity and retained in other comprehensive income is reclassified to profit or loss in the same period or in the periods during which the hedged item affects the profit or loss, and is presented in the same accounting item with the hedged item recognized in the consolidated statement of comprehensive income. However, for a cash flow hedge of a forecast transaction recognized as a nonfinancial asset or liability, the amount accumulated in "other equity－gains (losses) on hedging instruments in cash flow hedging securities" and retained in other comprehensive income is reclassified as the initial cost of the nonfinancial asset or liability. In addition, if that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in future periods, it shall immediately reclassify the amount in profit or loss.

When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the cash flow hedge reserve (and costs of hedging) remains in equity until the hedged future cash flows are no longer expected to occur. Otherwise, that amount would be adjusted within the carrying amount of the non-financial item. For other cash flow hedges, the amount is reclassified to profit or loss in the same period or in the periods as the hedged expected future cash flows affect the profit or loss. However, if the hedged future cash flows are no longer expected to occur, the amount shall immediately be reclassified from cash flow reserve (and the cost of hedging reserve) to profit or loss.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted-average-cost principle and includes expenditure incurred in acquiring the inventories, production or transition costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less, the estimated costs of completion and selling expenses.

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or join control, over the financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less, any accumulated impairment losses.

The consolidated financial statements include the Group' s share of the profit or loss and other comprehensive income of equity-accounted investees after adjustments to align the accounting policies with those of the Group from the date that significant influence commences until the date that significant influence ceases. When changes in an associate's equity are not recognized in profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes the changes in ownership interests of its associate in capital surplus in proportion to its ownership.

Unrealized profits resulting from the transactions between the Group and an associate are eliminated to the extent of the Group' s interest in the associate. Unrealized losses on transactions with associates are eliminated in the same way, except to the extent that the underlying asset is impaired.

When the Group' s share of losses exceeds its interest in associates, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

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The Group shall discontinue the use of the equity method from the date when its investment ceases to be an associate or a joint venture. The Group shall measure the retained interest at fair value. The difference between the fair value of retained interest and proceeds from disposal, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Group shall account for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the entity shall reclassify the gain or loss from equity to profit or loss when the equity method is discontinued. If an entity's ownership interest in an associate or a joint venture is reduced while the entity continues to apply the equity method, the entity shall reclassify the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group shall continue to apply the equity method without remeasuring the retained interest.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus, however, when the balance of the capital surplus arising from the investment was insufficient, the difference charged or credited to retained earnings. If the Group' s ownership interest is reduced due to the additional subscription to the shares of associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate shall be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(j) Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (ie joint ventures) have rights to the net assets of the arrangement. A joint venture shall recognize its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 "Investments in Associates and Joint Ventures", unless, the entity is exempted from applying the equity method as specified in that Standard.

When assessing the classification of a joint arrangement, the Group shall consider the structure and legal form of the arrangement, the terms in the contractual arrangement and other facts and circumstances. The Group had previously reviewed the contractual structure of the joint arrangement, and has now decided to reclassify the investments in "Jointly Controlled Entities" to "Joint Ventures". Although the investments have been reclassified, they are still recorded under the equity method. Thus, there is no effect in the recognized assets, liabilities and other comprehensive income.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributed to the acquisition of the asset. The cost of the software is capitalized as part of the property, plant and equipment if the purchase of the software is necessary for the property, plant and equipment to be capable of operating.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately, unless the useful life and the depreciation method of a significant part of an item of property, plant and equipment are the same as the useful life and depreciation method of another significant part of that same item.

The gain or loss arising from the derecognition of an item of property, plant and equipment shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and it shall be recognized as other gains and losses.

(ii) Subsequent cost

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. The carrying amount of those parts that are replaced is derecognized. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

The depreciable amount of an asset is determined after deducting its residual amount, and it shall be allocated on a systematic basis over its useful life. Items of property, plant and equipment with the same useful life may be grouped in determining the depreciation charge. The remainder of the items may be depreciated separately. The depreciation charge for each period shall be recognized in profit or loss.

Land has an unlimited useful life and therefore is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

1) Buildings: 9~50 years

2) Building improvement: 2~40 years

3) Machinery and equipment: 2~14 years

4) Research equipment: 3~10 years

5) Modeling equipment: 0.5~7 years

6) Other equipment: 0.25~10 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date. If expectations differ from the previous estimates, the change is accounted for as a change in an accounting estimate.

(l) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

— fixed payments;

— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

— amounts expected to be payable under a residual value guarantee; and

— payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

— there is a change in future lease payments arising from the change in an index or rate; or

— there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

— there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

(Continued)

— there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or

— there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery and office equipment that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(m) Intangible assets

(i) Goodwill

1) Initial recognition

Goodwill arising from acquisition of subsidiaries is included in intangible assets. The measurement of initial recognition of goodwill, please refer to note (4)(u).

2) Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

Goodwill related to an investment accounted for using equity method is included in the carrying amount of the investment, and not allocated to any asset, including goodwill, forms part of the carrying amount of the investment accounted for using the equity method.

(ii) Research & Development

During the research phase, activities are carried out to obtain and understand new scientific or technical knowledge. Expenditures during this phase are recognized in profit or loss as incurred.

Expenditures arising from the development phase shall be recognized as an intangible asset if all the conditions described below can be demonstrated; otherwise, they will be recognized in profit or loss as incurred.

1) The technical feasibility of completing the intangible asset so that it will be available for use or sale.

2) Its intention to complete the intangible asset and use or sell it.

3) Its ability to use or sell the intangible asset.

4) How the intangible asset will generate probable future economic benefits.

5) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

6) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Capitalized expenditure arising from the development phase is measured at cost less accumulated amortization and accumulated impairment losses.

(iii) Other intangible assets

Other intangible assets that are acquired by the Group are measured at cost, less accumulated amortization and any accumulated impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(v) Amortization

The amortizable amount is the cost of an asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill and intangible assets with all indefinite useful life, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

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

1) Patents: the shorter of contract period and estimated useful lives

2) Royalty: amortized by contract period

3) Computer software: 1~7 years

4) Copyright: 10 years

The residual value, the amortization period, and the amortization method for an intangible asset with a finite useful life shall be reviewed at least annually at each fiscal year-end. Any change shall be accounted for as changes in accounting estimates.

(n) Impairment of non-derivative financial assets

Non-derivative financial assets except for inventories, deferred tax assets, assets arising from employee benefits and non-current assets classified as held for sale are assessed at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group shall estimate the recoverable amount of the asset. If it is not possible to determine the recoverable amount (fair value less cost to sell and value in use) for the individual asset, then the Group will have to determine the recoverable amount for the asset's cash-generating unit.

The Group assesses goodwill and intangible assets, which have indefinite useful lives and are not available for use, on an annual basis and recognizes an impairment loss on excess of carrying value over the recoverable amount.

The recoverable amount for an individual asset or a cash-generating unit is the higher of its fair value, less costs to sell and its value in use. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss shall be recognized immediately in profit or loss.

For the purpose of impairment testing, goodwill acquired in a business combination shall, from the acquisition date, be allocated to each of the acquirer’ s cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units or group of units. If the carrying amount of the cash-generating units exceeds the recoverable amount of the unit, the entity shall recognize the impairment loss and the impairment loss shall be allocated to reduce the carrying amount of each asset in the unit. Reversal of an impairment loss for goodwill is prohibited.

The Group assesses at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. An impairment loss recognized in prior periods for an asset other than goodwill shall be reversed if, and only if, there has been a change in the estimates used to determine the asset’ s recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. That increase is a reversal of an impairment loss.

(o) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probably that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(p) Treasury stock

Repurchased shares are recognized under treasury shares (a contra-equity account) based on its repurchase price (including all directly accountable costs), and net of tax. Gains on disposal of treasury shares should be recognized under Capital Reserve – Treasury Shares Transactions; losses on disposal of treasury shares should be offset against existing capital reserves arising from similar types of treasury shares. If there are insufficient capital reserves to be offset against, then such losses should be accounted for under retained earnings. The carrying amount of treasury shares should be calculated using the weighted average different types of repurchase.

During the cancellation of treasury shares, Capital Reserve – Share Premiums and Share Capital should be debited proportionately. Gains on cancellation of treasury shares should be recognized under existing capital reserves arising from similar types of treasury shares; losses on cancellation of treasury shares should be offset against existing capital reserves arising from similar types of treasury shares. If there are insufficient capital reserves to be offset against, then such losses should be accounted for under retained earnings.

(q) Recognition of Revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group’s main types of revenue are explained below.

1) Sale of goods

The Group manufactures and sells electronic products to electronic products brand vendor. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer’ s acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(Continued)

The Group assesses sales discounts based on historical experience, management's judgment and other known reasons. Such allowances are recognized as a deduction of sales revenue in the same period in which sales are made. The aforementioned provisions are expected to settle over the next year. A refund liability is recognized for expected discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales of electronic products are made with a credit term which is consistent with the market practice.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

2) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(r) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the total of the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realizable during the life of the plan, or on settlement of the plan liabilities.

If the benefits of a plan are improved, the pension cost incurred from the portion of the increased benefit relating to past service by employees, is recognized immediately in profit or loss.

(Continued)

Re-measurement of net defined benefit liability (asset) (including actuarial gains, losses and the return on plan asset and changes in the effect of the asset ceiling, excluding any amounts included in net interest) is recognized in other comprehensive income (loss). The effect of re-measurement of the defined benefit plan is charged to retained earnings.

The Group recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment comprises any resulting change in the fair value of plan assets and change in the present value of defined benefit obligation.

(iii)Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(s) Share-based payment

The grant-date fair value of share-based payment awards granted to employee is recognized as employee expenses, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of award that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions, and there is no true-up for differences between expected and actual outcomes.

(t) Income taxes

Income tax expenses include both current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Current taxes include tax payables and tax deduction receivables on taxable gains (losses) for the year calculated using the statutory tax rate on the reporting date or the actual legislative tax rate, as well as tax adjustments related to prior years.

(Continued)

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes shall not be recognized for the following exceptions:

(i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (1) affects neither accounting nor taxable profits (losses) and (2) does not give rise to equal taxable and deductible temporary differences;

(ii) Temporary differences arising from equity investments in subsidiaries or joint ventures where there is a high probability that such temporary differences will not reverse.

(iii) Initial recognition of goodwill.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities may be offset against each other if the following criteria are met:

(i) The entity has the legal right to settle tax assets and liabilities on a net basis; and

(ii) the taxing of deferred tax assets and liabilities fulfill one of the below scenarios:

1) levied by the same taxing authority; or

2) levied by different taxing authorities, but where each such authority intends to settle tax assets and liabilities (where such amounts are significant) on a net basis every year of the period of expected asset realization or debt liquidation, or where the timing of asset realization and debt liquidation is matched.

A deferred tax asset should be recognized for the carry-forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the unused tax losses, unused tax credits, and deductible temporary differences can be utilized. Such unused tax losses, unused tax credits, and deductible temporary differences shall also be re-evaluated every year on the financial reporting date, and they shall be adjusted based on the probability that future taxable profit that will be available against which the unused tax losses, unused tax credits, and deductible temporary differences can be utilized.

The surtax on unappropriated earnings is recoded as current tax expense in the following year after the resolution to appropriate retained earnings is approved in a stockholders' meeting.

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

(u) Business combination

Goodwill is measured as an aggregation of the consideration transferred (which generally is measured at fair value at the acquisition date) and as an amount of any non-controlling interest in the acquiree, net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed (generally at fair value). If the residual balance is negative, the Group shall re-assess whether it has correctly identified all of the assets acquired and liabilities assumed, and recognize a gain on the bargain purchase thereafter.

All the transaction costs incurred for the business combination are recognized immediately as the Group's expenses when incurred, except for the issuance of debt or equity instruments.

If the business combination is achieved in stages, the Group shall measure any non-controlling equity interest in the acquire, either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other non-controlling interest is measured (1) at fair value at the acquisition date or (2) by using other valuation techniques acceptable under the IFRS as endorsed by the FSC.

In a business combination achieved in stages, the Group shall re-measure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in profit or loss. In prior reporting periods, the Group may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognized in other comprehensive income shall be recognized on the same basis as would be required if the Group had disposed directly of the previously held equity interest. If the disposal of the equity interest required a reclassification to profit or loss, such an amount shall be reclassified to profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group shall retrospectively adjust the provisional amounts recognized at the acquisition date, or recognize additional assets or liabilities to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

(v) Earnings per share

The Group discloses the basic and diluted earnings per share attributable to ordinary equity holders of the Group. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholder of the Group divided by weighted average number of ordinary shares outstanding. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Group divided by weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. Dilutive potential ordinary shares comprise employee compensation not yet approved by the Board of Directors.

(w) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may incur revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Each operating segment consists of standalone financial information.

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

In preparing these consolidated financial statements, management has made judgments and estimates about the future, including climated-related risks and oppotunities, 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.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group’s risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

There are no critical judgments in applying the accounting policies that have significant effect on the amounts recognized in the consolidated financial statements.

In addition, information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is as follows:

(a) Recognition and measurement of refund liabilities

Because of the sales returns and allowances, the Group records a refund liabilities (sales returns and allowance provisions) for estimated returns and other allowances in the same period the related revenue is recorded. The estimate is made based on historical experience, market and economic conditions, and any other known factors using the expected value or the most likely amount and it could be different from actual sales returns and allowances, therefore, the management periodically reviews the adequacy of the estimation used.

(b) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial changes, there may be significant differences in the net realizable value of inventories. Refer to note (6)(g) for further description of the valuation of inventories.

(Continued)

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

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand	$ 17,678	17,687
Checking accounts and demand deposits	25,563,576	32,426,802
Time deposits	49,981,958	37,820,891
Cash equivalents	3,384,670	2,214,100
	$ 78,947,882	72,479,480

As of December 31, 2024, the time deposits with original maturities of more than 3 months, amounting to $5,103,852, were recognized as current financial assets at amortized cost. Please refer to note (6)(e).

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

	December 31, 2024	December 31, 2023
Financial assets mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Stock unlisted in domestic markets	$ 158,420	158,680
Fund in domestic or foreign markets	1,200,938	1,058,832
Derivative instruments not used for hedging		
Foreign exchange contracts	145,132	4,519
Swap contracts	-	47,543
Total	$ 1,504,490	1,269,574
Current	$ 145,132	52,062
Non-current	1,359,358	1,217,512
	$ 1,504,490	1,269,574

	December 31, 2024	December 31, 2023
Financial liabilities held-for-trading:		
Derivative instruments not used for hedging		
Foreign exchange contracts	$ -	164,535

(Continued)

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

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

	December 31, 2024		
	Contract amount (in thousands)	**Currency**	**Maturity date**
Derivative financial assets:			
Foreign exchange contracts:			
Forward exchange purchased	USD 58,000	USD to BRL	January 23 ~ February 17, 2025

	December 31, 2023		
	Contract amount (in thousands)	**Currency**	**Maturity date**
Derivative financial assets:			
Foreign exchange contracts:			
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
Swap contracts:			
Currency swap	USD 70,000	USD to TWD	January 26 ~ March 28, 2024
Derivative financial liabilities:			
Foreign exchange contracts:			
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

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

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

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

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

	December 31, 2024	December 31, 2023
Equity investments at fair value through other comprehensive income:		
Stock listed in domestic markets	$ 6,605,682	4,349,429
Stock listed in foreign markets	15,166,260	2,906,241
Stock unlisted in domestic markets	1,760,034	1,454,947
Stock unlisted in foreign markets	223,591	405,391
Total	**$ 23,755,567**	**9,116,008**

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

For the year ended December 31, 2024, the Group has sold parts of its shareholdings, measured at fair value through other comprehensive income, in ITH Corporation and Horien Biochemical Technology Co., Ltd.. The fair value of the shares upon disposal amounted to $5,821 and $6,780, resulting in a cumulative gain of $2,585 and $3,180, which was reclassified from other comprehensive income to retained earnings.

For the year ended December 31, 2023, the Group has sold all of its shareholdings, measured at fair value through other comprehensive income, in Genovior Biotech Corp. The fair value of the shares upon disposal amounted to $47,921, resulting in a cumulative gain of $17,790, which was reclassified from other comprehensive income to retained earnings.

The Group held the shareholdings, measured at fair value through other comprehensive income, in Taiwan Star Telecom Corporation Limited ("Taiwan Star"), which was absorbed and merged by Taiwan Mobile Co., Ltd. ("Taiwan Mobile") on December 1, 2023, as the date of the merger. In this stock swap case, the shareholdings of Taiwan Star were exchanged for the exchange consideration of $318,830 on the date of the merger, resulting in a cumulative loss on disposal of $666,762, which was reclassified from other equity to retained earnings.

If there is an increase (decrease) in the market price by 5% on the reporting date of the equity securities hold by the Group, the increase (decrease) in other comprehensive income (pre-tax) for the years ended December 31, 2024 and 2023, will be $1,187,778 and $455,800, 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 December 31, 2024 and 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:

	December 31, 2024	December 31, 2023
Cash flow hedge:		
Financial liabilities used for hedging:		
Forward exchange contracts	$ -	14,246

(ii) Cash flow hedge-Foreign currency risk

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 December 31, 2024.

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

	December 31, 2023			
	Contract amount (in thousands)	**Currency**	**Maturity period**	**Average strike price**
Derivative financial liabilities used for hedging				
Foreign exchange contracts:				
Forward exchange sold	EUR 32,000	EUR to USD	January 30 ~ June 27, 2024	1.0960

(iii) For the year ended December 31, 2024, there were no ineffective portions of cash flow hedge recognized in profits (losses).

(iv) For the year ended December 31, 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 year ended December 31, 2024 and 2023, the profits (losses) of changes in fair value of derivative financial instruments used for hedging reclassified from other equity to profit or loss are recognized as revenue in the statement of comprehensive income. Please refer to note (6)(y).

(e) Financial assets at amortized costs

	December 31, 2024	December 31, 2023
Time deposits with orginal matunties of more than 3 months	$ 5,103,852	-

The Group has assessed that these financial assets are held to maturity to collect contractual cash flows, which consist solely of payments of principal and interest on the principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

For the year ended December 31, 2024,the interest rate range for the aforementioned financial assets was between 1.635%~1.800%.

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

(f) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivables from operating activities	$ 6,880	44,525
Accounts receivables – measured at amortized cost	182,988,520	167,289,327
Accounts receivables – fair value through other comprehensive income	21,841,211	30,358,572
	204,836,611	197,692,424
Less: allowance for uncollectible accounts	(4,035,750)	(3,977,808)
	$ 200,800,861	**193,714,616**
Notes and accounts receivable, net	**$ 193,396,543**	**187,280,320**
Notes and accounts receivable – related parties, net	**$ 7,404,318**	**6,434,296**

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:

December 31, 2024				
Credit rating	**Carrying amount of notes and accounts receivable**	**Weighted-average ECL rate**	**Lifetime ECLs**	**Credit-impaired**
Level A	$ 182,938,797	0%	-	No
Level B	12,848,133	1.80%	231,199	No
Level C	3,773,048	100%	3,773,048	Yes
	$ 199,559,978		**4,004,247**	

(Continued)

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

December 31, 2023				
Credit rating	**Carrying amount of notes and accounts receivable**	**Weighted-average ECL rate**	**Lifetime ECLs**	**Credit-impaired**
Level A	$ 171,224,931	0%	-	No
Level B	12,850,108	1.14%	146,162	No
Level C	3,790,493	100%	3,790,493	Yes
	$ 187,865,532		3,936,655	

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

December 31, 2024				
Credit rating	**Carrying amount of notes and accounts receivable**	**Weighted-average ECL rate**	**Lifetime ECLs**	**Credit-impaired**
Level A	$ 1,736,227	0%	-	No
Level B	2,780,528	0.10%	2,781	No
Level C	738,542	1.00%	7,386	No
Level D	-	5.00%	-	-
Level E	21,336	100%	21,336	Yes
	$ 5,276,633		31,503	

December 31, 2023				
Credit rating	**Carrying amount of notes and accounts receivable**	**Weighted-average ECL rate**	**Lifetime ECLs**	**Credit-impaired**
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	20,019	100%	20,019	Yes
	$ 9,826,892		41,153	

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

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

	December 31, 2024	December 31, 2023
Overdue 1 to 180 days	$ 1,160,573	3,094,481
Overdue 181 to 365 days	3,815	135
Overdue 365 days	-	89,230
	$ 1,164,388	3,183,846

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

	2024	2023
Balance at January 1	$ 3,977,808	3,924,544
Acquisition through business combination	984	-
Impairment losses recognized	54,702	58,369
Effect of changes in exchange rates	2,256	(5,105)
Balance at December 31	$ 4,035,750	3,977,808

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.

(iv) Accounts receivable factoring

1) Non-recourse

The Group entered into accounts receivable factoring agreements with banks. As of December 31, 2024 and 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 2,100,000 thousand, USD 2,215,000 thousand and EUR 1,000 thousand, respectively. Based on the agreements, the Group is not responsible for guaranteeing the ability of the accounts receivable obligor to make payment when it is affected by credit risk. Thus, this is a non-recourse accounts receivable factoring. The Group derecognized the above accounts receivable because it has transferred substantially all of the risks and rewards of their ownership and it does not have any continuing in involvement in them. After the transfer of the accounts receivable, the Group can request partial advanced amount, while the interest calculated at an agreed rate is paid to the bank in the period during the time of receiving advance and the accounts receivable is collected. The remaining amounts with no advance are received when the accounts receivable are settled by the customers. As of December 31, 2024 and 2023, the factored accounts receivable with no advance amounting to $0 and $200, respectively, were accounted for as other receivables.

(Continued)

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

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

	December 31, 2024						
Purchaser	**Accounts receivable factored (gross)**	**Amount advanced Unpaid**	**Amount advanced Paid**	**Amount recognized in other receivable**	**Collateral**	**Amount derecognized**	**Interest rate**
Financial Institution	$ 14,628,853	-	14,628,853	-	-	14,628,853	4.99%~5.12%

	December 31, 2023						
Purchaser	**Accounts receivable factored (gross)**	**Amount advanced Unpaid**	**Amount advanced Paid**	**Amount recognized in other receivable**	**Collateral**	**Amount derecognized**	**Interest rate**
Financial Institution	$ 13,188,220	-	13,188,020	200	-	13,188,220	2.75%~6.20%

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 December 31, 2024, the carrying amounts of transferred accounts receivable and related financial liabilities, which were not yet derecognized, were as follows:

	December 31, 2024				
Purchaser	**Accounts receivable transferred**	**Quota**	**Amount advanced (recognized as short-term borrowings)**	**Range of Interest Rate**	**Collateral**
Financial Institution	$ -	61,785	29,817	7.15 %	Inventories

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

(Continued)

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

(g) Inventories

	December 31, 2024	December 31, 2023
Finished goods	$ 25,611,874	28,283,848
Work in progress	13,028,335	10,441,483
Raw materials	45,692,236	56,020,648
Raw materials in transit	499,510	356,713
	$ 84,831,955	**95,102,692**

(i) For the years ended December 31, 2024 and 2023, inventory cost recognized as cost of sales amounted to $864,881,775 and $904,317,906, respectively.

(ii) Due to the sale and scrap of slow-moving inventories, the net realizable value of inventory recovered, and the reversal of inventory write-downs and slow-moving losses amounted to $253,213 and $1,333,316 for the years ended December 31, 2024 and 2023.

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

(h) 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:

	December 31, 2024	December 31, 2023
Associates	$ 7,467,658	7,563,017
Joint venture	5,589	6,144
	7,473,247	7,569,161
Less: unrealized profits or losses	(128,755)	(120,810)
	$ 7,344,492	**7,448,351**

(i) Associates

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

	December 31, 2024	December 31, 2023
Allied Circuit Co., Ltd. ("Allied Circuit")	$ 2,058,657	2,659,099
Avalue Technology Inc. ("Avalue")	1,334,212	1,783,426
	$ 3,392,869	**4,442,525**

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

	2024	2023
The Group’s share of the loss of associates	(693,520)	(491,225)

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

	December 31, 2024	December 31, 2023
Carrying amount of individually immaterial associates	$ 7,467,658	7,563,017

	2024	2023
The Group’s share of the net income (loss) of associates:		
Loss from continuing operations	(693,520)	(491,225)
Other comprehensive income	310,756	1,949
Total comprehensive income	(382,764)	(489,276)

(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:

	December 31, 2024	December 31, 2023
The carrying amount of the Group’s interests in all individually insignificant joint ventures	$ 5,589	6,144

	2024	2023
The Group’s share of the net income (loss) of joint ventures:		
Net (losses) income from continuing operations (also the total comprehensive income (losses))	(950)	24,148

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

(Continued)

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

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

(i) 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:

Items	Amounts
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	60,311
Goodwill	**$ 1,279**

(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 December 31, 2024, the revenue and net loss after tax contributed by Varlink were $319,219 and $6,953, 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 $145,167 and $2,072, 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.

(j) Changes in subsidiaries' equity

(i) Changes in subsidiaries' equity did not result in the Group's loss of control

1) Cancellation of subsidiaries' restricted shares

CBN canceled 302 thousand and 364 thousand restricted shares in the years ended December 31, 2024 and 2023, resulted in an increase of 0.28% and 0.32% the ownership of the Group in CBN in the years ended December 31, 2024 and 2023.

2) Issuance of new shares for cash of subsidiaries

The Group purchased newly issued shares of Starmems amounting to $35,950 at a percentage different from its existing ownership percentage in April, 2024, resulting in an increase in the ownership of the Group in Starmems from 45% to 48.03%.

The Group purchased newly issued shares of Hippo Screen amounting to $50,000 at a percentage different from its existing ownership percentage in June, 2024, resulting in an increase in the ownership of the Group in Hippo Screen from 91% to 95.5%.

The Group purchased newly issued shares of Aco Smartcare amounting to $69,083 at a percentage different from its existing ownership percentage in July, 2023, resulting an increase in the ownership of the Group in Aco Smartcare from 52.04% to 71.46%.

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

3) The following summarizes the effect of changes in equity of the parent due to changes in the ownership interest of subsidiaries:

	2024	2023
Capital surplus – changes in ownership interest in subsidiaries	$ 151	2,213
Retained earnings	(7,088)	(16,652)
	$ (6,937)	**(14,439)**

(k) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

		Percentage of non-controlling interests	
Subsidiaries	**Main operation place**	**December 31, 2024**	**December 31, 2023**
Arcadyan	Taiwan	67 %	67 %

The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in these information are the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intra-group transactions were not eliminated in this information.

Arcadyan's collective financial information

	December 31, 2024	December 31, 2023
Current assets	$ 31,778,953	31,358,657
Non-current assets	7,527,861	7,190,002
Current liabilities	(23,187,317)	(23,477,920)
Non-current liabilities	(92,821)	(170,672)
Net assets	**$ 16,026,676**	**14,900,067**
Non-controlling interests	**$ 10,890,739**	**10,137,657**

(Continued)

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

	2024	2023
Sales revenue	$ 48,967,458	51,158,122
Net income	$ 2,479,517	2,389,606
Other comprehensive income	189,794	2,543
Comprehensive income	$ 2,669,311	2,392,149
Profit, attributable to non-controlling interests	$ 1,659,606	1,591,414
Comprehensive income, attributable to non-controlling interests	$ 1,787,071	1,593,103
Net cash flows from operating activities	$ 8,761,626	5,589,936
Net cash flows from investing activities	(6,143,689)	(1,267,263)
Net cash flows from financing activities	(2,271,056)	(4,048,832)
Effect of exchange rate changes on cash and cash equivalents	(47,556)	3,579
Net increase in cash and cash equivalents	$ 299,325	277,420

(l) Property, plant and equipment

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

	Land	Buildings and building improvement	Machinery	Other equipment	Under construction and prepayment for purchase of equipment	Total
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	80,859	21,837	1,316,800	1,179,564	4,431,976	7,031,036
Disposals and derecognitions	-	(159,681)	(1,960,510)	(2,042,833)	-	(4,163,024)
Reclassifications	-	342,451	1,990,409	152,142	(2,485,002)	-
Effect of movements in exchange rates	5,611	996,712	178,664	742,741	454,574	2,378,302
Balance on December 31, 2024	$ 2,572,173	25,148,276	37,347,242	13,258,717	5,729,251	84,055,659
Balance on January 1, 2023	$ 2,485,718	21,658,458	36,234,090	13,405,317	2,295,702	76,079,285
Additions	-	1,052,882	350,442	1,411,529	4,151,768	6,966,621
Disposals and derecognitions	-	(241,168)	(1,353,218)	(1,366,997)	-	(2,961,383)
Reclassifications	-	1,509,753	1,371,671	176,912	(3,058,336)	-
Effect of movements in exchange rates	(15)	(32,968)	(781,106)	(401,822)	(61,431)	(1,277,342)
Balance on December 31, 2023	$ 2,485,703	23,946,957	35,821,879	13,224,939	3,327,703	78,807,181

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

	Land	Buildings and building improvement	Machinery	Other equipment	Under construction and prepayment for purchase of equipment	Total
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	-	1,236,830	3,821,161	1,502,844	-	6,560,835
Disposals and derecognitions	-	(158,568)	(1,535,365)	(2,022,296)	-	(3,716,229)
Effect of movements in exchange rates	-	6,153	261,404	71,201	-	338,758
Balance on December 31, 2024	**$ -**	**14,612,011**	**28,483,781**	**9,855,968**	**-**	**52,951,760**
Balance on January 1, 2023	$ -	12,555,957	24,546,694	10,168,423	-	47,271,074
Depreciation for the period	-	1,215,405	3,609,728	1,661,074	-	6,486,207
Disposals and derecognitions	-	(201,001)	(1,132,219)	(1,345,635)	-	(2,678,855)
Effect of movements in exchange rates	-	(42,765)	(1,087,622)	(181,383)	-	(1,311,770)
Balance on December 31, 2023	**$ -**	**13,527,596**	**25,936,581**	**10,302,479**	**-**	**49,766,656**
Carrying amounts:						
Balance on December 31, 2024	**$ 2,572,173**	**10,536,265**	**8,863,461**	**3,402,749**	**5,729,251**	**31,103,899**
Balance on January 1, 2023	**$ 2,485,718**	**9,102,501**	**11,687,396**	**3,236,894**	**2,295,702**	**28,808,211**
Balance on December 31, 2023	**$ 2,485,703**	**10,419,361**	**9,885,298**	**2,922,460**	**3,327,703**	**29,040,525**

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

(m) 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:

	Land	Buildings	Machinery	Vehicles and other	Total
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	466,413	-	23,566	540,563
Deductions	-	(798,496)	(1,102)	(20,812)	(820,410)
Effect of movements in exchange rates	63,168	(73,718)	(71)	293	(10,328)
Balance on December 31, 2024	**$ 12,291,209**	**3,611,505**	**50,378**	**42,777**	**15,995,869**
Balance on January 1, 2023	$ 12,180,851	3,320,227	51,104	72,553	15,624,735
Additions	-	1,142,577	-	6,911	1,149,488
Deductions	-	(525,026)	-	(39,714)	(564,740)
Effect of movements in exchange rates	(3,394)	70,321	447	(20)	67,354
Balance on December 31, 2023	**$ 12,177,457**	**4,008,099**	**51,551**	**39,730**	**16,276,837**

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

	Land	Buildings	Machinery	Vehicles and other	Total
Depreciation:					
Balance on January 1, 2024	$ 486,415	1,948,133	23,563	24,758	2,482,869
Depreciation for the period	247,265	696,339	4,478	11,838	959,920
Deductions	-	(718,376)	(1,102)	(19,567)	(739,045)
Effect of movements in exchange rates	9,203	(67,581)	(71)	26	(58,423)
Balance on December 31, 2024	**$ 742,883**	**1,858,515**	**26,868**	**17,055**	**2,645,321**
Balance on January 1, 2023	$ 241,063	1,613,228	18,093	47,035	1,919,419
Depreciation for the period	245,676	744,612	5,006	17,089	1,012,383
Deductions	-	(475,682)	-	(39,280)	(514,962)
Effect of movements in exchange rates	(324)	65,975	464	(86)	66,029
Balance on December 31, 2023	**$ 486,415**	**1,948,133**	**23,563**	**24,758**	**2,482,869**
Carrying amount:					
Balance on December 31, 2024	**$ 11,548,326**	**1,752,990**	**23,510**	**25,722**	**13,350,548**
Balance on January 1, 2023	**$ 11,939,788**	**1,706,999**	**33,011**	**25,518**	**13,705,316**
Balance on December 31, 2023	**$ 11,691,042**	**2,059,966**	**27,988**	**14,972**	**13,793,968**

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 $225,365 and $224,321, and the interest expenses of lease liabilities amounting to $44,131 and $44,010, which met the conditions for capitalization under property, plant and equipment at the rate of 1.5%, had been recognized as the cost of assets for the years ended December 31, 2024 and 2023, respectively.

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

(n) Short-term borrowings

The details of short-term borrowings were as follows:

	December 31, 2024	December 31, 2023
Unsecured bank loans	$ 57,861,759	58,965,354
Secured bank loans	38,642	8,917
Total	**$ 57,900,401**	**58,974,271**
Unused credit line for short-term borrowings	**$ 263,708,000**	**241,131,000**
Range of interest rates	**1.66%~7.15%**	**1.62%~8.78%**

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).

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

(o) Long-term borrowings

The details of long-term borrowings were as follows:

	December 31, 2024			
	Currency	Annual range of interest rate	Maturity year	Amount
Unsecured bank loans	TWD	1.72%~2.28%	2025~2027	$ 23,325,000
Secured bank loans	TWD	1.76%~2.43%	2025~2029	3,213,151
Less: current portion				(14,303,150)
Total				$ 12,235,001
Unused credit lines for long-term borrowings				$ 23,324,000

	December 31, 2023			
	Currency	Annual range of interest rate	Maturity year	Amount
Unsecured bank loans	TWD	1.64%~2.25%	2024~2029	$ 24,380,301
Unsecured bank loans	USD	6.10%	2024	1,842,300
Secured bank loans	TWD	1.635%~2.25%	2025~2026	448,016
Less: current portion				(11,385,027)
Total				$ 15,285,590
Unused credit lines for long-term borrowings				$ 21,773,000

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

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

(p) Lease liabilities

The details of leases liabilities were as follows:

	December 31, 2024	December 31, 2023
Current	$ 1,955,763	2,001,766
Non-current	$ 6,777,080	8,329,451

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

The amounts recognized in profit or loss were as follows:

	2024	2023
Interest on lease liabilities	$ 48,839	55,711
Expenses relating to short-term leases	$ 95,576	100,106

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

	2024	2023
Total cash outflow for leases	$ 2,192,785	2,270,284

(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.

(q) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligations at present value and plan assets at fair value were as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	$ (1,288,630)	(1,414,113)
Fair value of plan assets	753,979	762,841
Net defined benefit liabilities	$ (534,651)	(651,272)

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average salary for the six months prior to retirement.

(Continued)

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

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Labor Pension Fund Supervisory Committee. With regard to the utilization of the funds, minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with interest rates offered by local banks.

The balance of the Group' s labor pension reserve account in the Bank of Taiwan amounted to $721,517 (excluding the ending balance of interest rectivable) as of December 31, 2024. For information on the utilization of the labor pension fund assets including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in the present value of the defined benefit obligations

The movements in the present value of defined benefit obligations for the Group were as follows:

	2024	2023
Defined benefit obligations on January 1	$ (1,414,113)	(1,433,878)
Current service costs and interest	(22,341)	(26,943)
Remeasurements of net benefit liabilities	50,054	(11,833)
Benefits paid by the plan	98,851	57,335
Effect of movements in exchange rates	(1,081)	1,206
Defined benefit obligations on December 31	**$ (1,288,630)**	**(1,414,113)**

3) Movements of the fair value of defined benefit plan assets

The movements in the fair value of the defined benefit plan assets for the Group were as follows:

	2024	2023
Fair value of plan assets on January 1	$ 762,841	773,859
Expected return on plan assets	9,776	12,035
Remeasurements of net benefit plan assets	51,595	5,950
Contributions paid by the employer	27,467	28,030
Benefits paid by the plan	(98,851)	(57,335)
Effect of movements in exchange rates	1,151	302
Fair value of plan assets on December 31	**$ 753,979**	**762,841**

(Continued)

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

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss were as follows:

		2024	2023
Current service cost	$	3,608	4,210
Net interest on the net defined benefit liability (asset)		8,957	10,698
	$	**12,565**	**14,908**
Cost of sales	$	467	608
Selling expenses		719	846
Administrative expenses		3,105	3,605
Research and development expenses		8,274	9,849
	$	**12,565**	**14,908**

5) Actuarial assumptions

The following were the Group's principal actuarial assumptions at the reporting date:

	December 31, 2024	December 31, 2023
Discount rate	1.60%~2.00%	1.40%~1.625%
Future salary increasing rate	2.50%~3.00%	3.00%

The expected allocation payment made by the Group to the defined benefit plans for the one year period after the reporting date is $27,843.

The weighted-average lifetime of the defined benefit plan is 7.4~11.69 years.

6) Sensitivity analysis

If the main actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Effects to the defined benefit obligation	
	Increased 0.25%	**Decreased 0.25%**
December 31, 2024		
Discount rate	(22,400)	23,110
Future salary increasing rate	22,699	(22,125)
December 31, 2023		
Discount rate	(25,220)	27,518
Future salary increasing rate	26,959	(24,817)

(Continued)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation on the net defined benefit liabilities in the balance sheets.

The method and assumption used in the sensitivity analysis is consistent with prior period.

(ii) Defined contribution plans

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

The Company and all subsidiaries in domestic recognized the pension costs under the defined contribution method amounting to $562,230 and $569,176 for the years ended December 31, 2024 and 2023, respectively. Payment was made to the Bureau of Labor Insurance.

Other subsidiaries recognized the pension expenses, basic endowment insurance expenses, and social welfare expenses amounting to $728,185 and $939,545 for the years ended December 31, 2024 and 2023, respectively.

(r) Income taxes

(i) Income tax expenses

1) The amount of income tax for the years ended December 31, 2024 and 2023, was as follows:

		2024	2023
Current tax expense			
Recognized during the period	$	3,790,686	3,457,832
Undistributed earnings additional tax		215,529	468,887
Tax credit of investment		(570,447)	(507,301)
		3,435,768	3,419,418
Deferred tax expense			
Recognition and reversal of temporary differences		217,759	(659,671)
Income tax expense	**$**	**3,653,527**	**2,759,747**

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

2) The amount of income tax recognized in other comprehensive income for the years ended December 31, 2024 and 2023, was as follows:

		2024	2023
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of the defined benefit obligation	$	20,705	521
Unrealized gains (losses) on equity instruments at fair value through other comprehensive income		2,548,552	170,454
	$	**2,569,257**	**170,975**
Items that will be reclassified subsequently to profit or loss:			
Foreign currency translation differences of foreign operations	$	513	(2,168)
Gains (losses) on hedging instrument		2,850	6,712
	$	**3,363**	**4,544**

3) The income tax expense that was reconciled between the actual income tax expense and profit before tax for the years ended December 31, 2024 and 2023, was as follows:

		2024	2023
Profit before tax	**$**	**15,348,188**	**11,890,425**
Income tax calculated based on tax rate	$	4,365,615	3,610,034
Undistributed earnings additional tax		215,529	468,887
Estimated tax effect of tax exemption on investment income, net		(26,766)	(153,740)
Realized investment loss		(26,201)	(132,659)
Investment tax credit		(570,447)	(507,301)
Changes in temporary differences		(381,671)	(803,544)
Adjustment of estimated difference and others		77,468	278,070
Income tax expense	**$**	**3,653,527**	**2,759,747**

(Continued)

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

(ii) Deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2024 and 2023 were as follows:

	Unrealized exchange losses, net	Refund liabilities	Allowance for obselescence loss and inventory valuation	Defined benefit plans	Foreign currency translation differences of foreign operations and others	Total
Deferred tax assets:						
Balance on January 1, 2024	$ 1,761,901	436,796	394,955	207,075	815,185	3,615,912
Recognized in profit or loss	(764,103)	6,497	(31,437)	(1,843)	38,115	(752,771)
Recognized in other comprehensive income	-	-	-	(20,705)	(3,363)	(24,068)
Balance on December 31, 2024	**$ 997,798**	**443,293**	**363,518**	**184,527**	**849,937**	**2,839,073**
Balance on January 1, 2023	999,285	286,548	422,588	204,140	481,217	2,393,778
Recognized in profit or loss	762,616	150,248	(27,633)	3,456	338,512	1,227,199
Recognized in other comprehensive income	-	-	-	(521)	(4,544)	(5,065)
Balance on December 31, 2023	**$ 1,761,901**	**436,796**	**394,955**	**207,075**	**815,185**	**3,615,912**

	Unrealized exchange gains, net	Gain on valuation of financial assets and others	Total
Deferred tax liabilities:			
Balance on January 1, 2024	$ (1,241,833)	(743,491)	(1,985,324)
Recognized in profit or loss	397,378	137,634	535,012
Recognized in other comprehensive income	-	(2,548,552)	(2,548,552)
Balance on December 31, 2024	**$ (844,455)**	**(3,154,409)**	**(3,998,864)**
Balance on January 1, 2023	$ (755,031)	(492,311)	(1,247,342)
Recognized in profit or loss	(486,802)	(80,726)	(567,528)
Recognized in other comprehensive income	-	(170,454)	(170,454)
Balance on December 31, 2023	**$ (1,241,833)**	**(743,491)**	**(1,985,324)**

(iii)Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2024	December 31, 2023
Tax effect of deductible temporary differences	**$ 1,735,408**	**1,605,419**
Tax effect of loss carryforward	**$ 1,025,361**	**1,011,018**

(Continued)

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

The Group assesses and considers that some of the income tax reduction items may be unrealized, hence they are not recognized as deferred tax assets. In addition, according to Income Tax Act, the loss carryforward are the losses incurred in past 10 years assessed by ROC tax authoritie which can be deducted from the net profit of current year before levied. The items are not recognized as deferred income tax assets due to the fact that the Group may not have sufficient taxable income in the future for the losses.

As of December 31, 2024, the tax effects on loss carryforward that have not been used were as follows:

Year of loss	Expiry year	Deductible amount
2015 (Assessed)	2025	$ 27,434
2016 (Assessed)	2026	1,139,405
2017 (Assessed)	2027	918,086
2018 (Assessed)	2028	554,750
2019 (Assessed)	2029	349,024
2020 (Assessed)	2030	128,023
2020 (Filed)	2025	20,810
2021 (Assessed)	2031	51,571
2021 (Filed)	2026	128,341
2022 (Assessed)	2032	282,660
2022 (Filed)	2027	348,108
2023 (Filed)	2033	524,630
2023 (Filed)	2028	104,136
2024 (Estimated)	2034	417,376
2024 (Estimated)	2029	4,884
Total		**$ 4,999,238**

(iv) Unrecognized deferred tax assets and liabilities related to investments in subsidiaries

The temporary differences associated with investment in subsidiaries were not recognized as deferred income tax assets and liabilities as the Company has the ability to control the reversal of these temporary differences which are not expected to reverse in the foreseeable future.

As of December 31, 2024 and 2023, the aggregate deductible temporary differences relating to investments in subsidiaries not recognized as deferred tax assets amounted to $3,640,359 and $3,070,351, respectively.

As of December 31, 2024 and 2023, the aggregate taxable temporary differences relating to investments in subsidiaries not recognized as deferred tax liabilities amounted to $78,031,396 and $71,287,552, respectively.

(v) 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 and Hong Jinn through 2023.

(Continued)

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

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

(s) Capital and other equities

(i) Ordinary shares

As of December 31, 2024 and 2023, the Company's authorized common stock consisting of 6,000,000 thousand shares with a par value of 10 New Taiwan dollar per share amounted to 60,000,000 of which 4,407,147 thousand shares were issued. All issued shares were paid up upon issuance.

(ii) Capital surplus

The balances of capital surplus were as follows:

		December 31, 2024	December 31, 2023
Additional paid-in capital	$	137,689	1,018,088
Treasury share transactions		2,842,010	2,781,989
Difference between consideration and carrying amount arising from acquisition or disposal of subsidiaries		36,766	36,766
Recognition of changes in ownership interests in subsidiaries		158,436	158,285
Changes in equity of associates and joint ventures accounted for using equity method		298,040	275,787
	$	**3,472,941**	**4,270,915**

In accordance with the ROC Company Act, realized capital reserves can only be used to increase the common stock or distributed as cash dividends after offsetting losses. The aforementioned capital reserves include share premiums and donation gains. In accordance with the Securities Offering and Issuance Guidelines, the amount of capital reserves to be reclassified under share capital shall not exceed 10% of the actual share capital amount.

The Company's Board of Directors meeting held on February 29, 2024 and 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.

(iii) Retained earnings

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

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

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

1) Legal reverse

When a company incurs no loss, it may, in pursuant to a resolution to be adopted by the shareholders' meeting as required, distribute its legal reserve by issuing new shares and distributing stock dividends or distributing cash to shareholders. Only the portion of the legal reserve which exceeds 25% of the paid-in capital may be distributed.

2) Special reverse

During earnings distribution, if the Company has already reclassified a portion of earnings to special reserve, it shall make supplemental allocation of special reserve for any difference between the amount of the current-period total net reduction of other shareholders' equity and the amount it has already allocated. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than after-tax net profit in the period, that are included in the undistributed current-period earnings and the undistributed prior-period earnings. A portion of undistributed prior-period earnings shall be reclassified to special earnings reserve to account for cumulative changes to the net reduction of other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

(Continued)

3) Earnings distribution

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

		2023		2022	
		Amount per share	**Total amount**	**Amount per share**	**Total amount**
Cash dividends distributed to common shareholders	$	1.0	**4,407,147**	1.0	**4,407,147**

Distribution for the earnings of 2024 was approved in the meeting of the Board of Directors held on February 27, 2025. The relevant information was as follows:

		2024	
		Amount per share	**Total amount**
Cash dividends distributed to common shareholders from the unappropriated earnings	$	1.4	**6,170,005**

The related information of the earnings distribution for the year ended December 31, 2024, can be accessed through the Market Observation Post System website after the related meeting.

(iv) Treasury stock

The subsidiaries of the Company did not sell the ordinary shares of the Company in the years ended December 31, 2024 and 2023. As of December 31, 2024, Panpal and Gempal, subsidiaries of the Company, held 50,017 thousand shares of ordinary shares of the Company, recorded as the Company's treasury stock, with a book value of 17.6 New Taiwan dollars per share. The total cost was $881,247. The fair value of the ordinary shares of the Company was 37.65 and 39.85 New Taiwan dollars per share as of December 31, 2024 and 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.

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

(v) 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		5,341,707	11,245,845	-	16,587,552
Subsidiaries		328,204	746,808	3,436	1,078,448
Associates		281,226	28,399	-	309,625
Balance on December 31, 2024	$	**4,203,807**	**13,384,524**	**-**	**17,588,331**
Balance on January 1, 2023	$	(1,469,711)	(461,103)	(12,290)	(1,943,104)
The Company		(376,004)	1,352,493	-	976,489
Subsidiaries		202,049	354,102	8,854	565,005
Associates		(103,664)	117,980	-	14,316
Balance on December 31, 2023	$	**(1,747,330)**	**1,363,472**	**(3,436)**	**(387,294)**

(t) Share-based payment

(i) CBN – restricted shares

On June 24, 2020, CBN issued 1,500 thousand new restricted shares through shareholders' meeting. This is a gratuitous issuance, and the recipients are full-time employees of CBN who have been employed on grant day and meet specific terms. It have been approved by the Financial Supervisory Commission.

In addition, the base date for capital increase has been decided by the chairman of the board of directors to be December 20, 2021, and the change registration will be completed on January 7, 2022.

If the employees who have been on the job for one year, two years and three years, since the new restricted shares have been given, achieved the performance required by CBN, the proportion of shares with acquired conditions can be 40%, 30% and 30%, respectively. After the issuance of new shares, employees must hand over all of them to the trust agency designated by the company for safekeeping before they meet the terms. Except for inheritance, they shall not be sold, mortgaged, transferred, gifted, pledged or disposed of in other ways. Before the employees meet the terms, all matters concerning shareholders' rights and interests are entrusted to the trust agency designated by CBN to exercise on their behalf. If any of the assigned employees does not meet the acquired terms, CBN will take back their shares from the employees for free and cancel them.

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

The information of CBN's restricted shares is as follows:

Unit: in thousands of shares

	2024	2023
Outstanding shares on January 1	302	666
Shares canceled in this period	(302)	(364)
Outstanding shares on December 31	**-**	**302**

The above-mentioned new restricted shares of CBN takes the closing price of $30.70 on the grant day, December 20, 2021, as the fair value, that generated capital surplus – restricted shares $31,050. Until December 31, 2024 and 2023, the balance of unearned remuneration for employees was $0 and $3,010 respectively.

The compensation cost related to the restricted shares amounted to $(6,274) and $(2,972) for the year ended December 31, 2024 and 2023, respectively.

(u) Earnings per share

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

	2024	2023
Basic earnings per share:		
Profit attributable to ordinary shareholders of the Company	**10,042,410**	**7,667,627**
Weighted-average number of outstanding ordinary shares (in thousands)	**4,357,130**	**4,357,130**
Diluted earnings per share:		
Profit attributable to ordinary shareholders of the Company (after adjustment of potential diluted ordinary shares)	**10,042,410**	**7,667,627**
Weighted-average number of outstanding ordinary shares of potential diluted ordinary shares		
Weighted-average number of outstanding ordinary shares (in thousands)	4,357,130	4,357,130
Effect of potential diluted common stock		
Employee compensation (in thousands)	39,934	26,813
Weighted-average number of ordinary shares (after adjustment of potential diluted ordinary shares) (in thousands)	**4,397,064**	**4,383,943**

(Continued)

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

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	2024		
	IT Product Segment	**Strategically Integrated Product Segment**	**Total**
Primary geographical markets:			
United States	$ 321,758,875	18,862,096	340,620,971
China	137,129,374	244,448	137,373,822
Netherlands	66,049,986	833,966	66,883,952
United Kingdom	30,609,680	3,539,035	34,148,715
Germany	30,560,489	3,532,773	34,093,262
Others	275,177,162	21,955,140	297,132,302
	$ 861,285,566	**48,967,458**	**910,253,024**
Major products:			
5C related electronics products	$ 858,799,470	47,545,932	906,345,402
Others	2,486,096	1,421,526	3,907,622
	$ 861,285,566	**48,967,458**	**910,253,024**

	2023		
	IT Product Segment	**Strategically Integrated Product Segment**	**Total**
Primary geographical markets:			
United States	$ 353,353,336	20,843,279	374,196,615
China	137,476,920	183,945	137,660,865
Netherlands	59,882,231	648,542	60,530,773
United Kingdom	31,939,955	6,247,125	38,187,080
Germany	33,685,607	3,267,867	36,953,474
Others	279,218,629	19,967,364	299,185,993
	$ 895,556,678	**51,158,122**	**946,714,800**
Major products:			
5C related electronics products	$ 892,818,068	49,702,649	942,520,717
Others	2,738,610	1,455,473	4,194,083
	$ 895,556,678	**51,158,122**	**946,714,800**

(Continued)

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

(ii) Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Notes and accounts receivable (including related parties)	$ 204,836,611	197,692,424	195,145,265
Less: allowance for impairment	(4,035,750)	(3,977,808)	(3,924,544)
Total	**$ 200,800,861**	**193,714,616**	**191,220,721**
Contract liabilities	**$ 3,263,230**	**767,327**	**784,238**

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

The amount of revenue recognized for the years ended December 31, 2024 and 2023 that were included in the balance of contract liability at the beginning of the period was $767,327 and $784,238, 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.

(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 $1,363,545 and $814,143, and directors' compensation of $72,722 and $43,051 for the years ended December 31, 2024 and 2023, respectively. The estimated amounts mentioned above are based on the net profit before tax without the compensations to employees and directors of each respective ending period, multiplied by the percentage of the compensation to employees and directors, which was approved by the management. The estimations are recorded under operating expenses and cost. The differences between the amounts estimated and recognized in the financial statements, if any, are accounted for as changes in accounting estimates and recognized as profit or loss in the distribution year. If the Board of Directors approve to distribute employee compensation in the form of stock, the number of the shares of the employee compensation is based on the closing price of the day before the Board of Directors' meeting, the related information can be accessed through the Market Observation Post System website. There is no differences between the amount approved in the Board of Directors' meeting and those recognized in the financial statements in 2024 and 2023.

There is no differences between the amount estimated and recognized in the financial statements in 2023. 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 years ended December 31, 2024 and 2023, were as follows:

		2024	2023
Interest income from bank deposits	$	4,015,387	4,668,156
Other interest income		8,709	38,771
	$	**4,024,096**	**4,706,927**

(ii) Other income

The other incomes for the years ended December 31, 2024 and 2023, were as follows:

		2024	2023
Dividend revenue	$	354,675	148,092
Other revenue		468,658	308,769
	$	**823,333**	**456,861**

(iii) Other gains and losses

The other gains and losses for the years ended December 31, 2024 and 2023, were as follows:

		2024	2024
Gains on disposal of property, plant, and equipment, and intangible assets, net	$	15,021	43,977
Foreign currency exchange (losses) gains, net		(138,867)	693,870
Gains (losses) on financial assets and liabilities at fair value through profit or loss, net		563,515	(477,703)
Others		17,421	790
	$	**457,090**	**260,934**

(y) Reclassification of the components of other comprehensive income

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

		2024	2023
Cash flow hedge:			
Gains (losses) from current period	$	30,315	(8,754)
Less: reclassification of gains (losses) included in profit or loss		16,391	(42,317)
Profit recognized in other comprehensive income	**$**	**13,924**	**33,563**

(z) Financial instruments

(i) Credit risk

1) The carrying amount of financial assets represents the maximum amount exposed to credit risk.

The Group' s customers are mainly from the high-tech industry. The Group does not concentrate on a specific customer and the sales regions are widely spread, thus there should be no concern on the significant concentrations of accounts receivable credit risk. And in order to mitigate accounts receivable credit risk, the Group constantly assesses the financial status of the customers.

2) Receivables and debt securities

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

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, 2024.) Due to the counter parties and the performing parties of the Group's time deposits are financial institutions with investment grade and above, these time deposits are considered to have low credit risk.

The movements in the allowance for the years ended December 31, 2024 and 2023 were as follows:

	Other receivables
Balance on January 1, 2024	$ 14,548
Impairment losses recognized (reversed)	(4,194)
Balance on December 31, 2024	**$ 10,354**
Balance on January 1, 2023	$ 2,756
Impairment losses recognized (reversed)	11,792
Balance on December 31, 2023	**$ 14,548**

(ii) Liquidity risk

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

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

	Carrying Amount	Contractual cash flows	Within 1 year	1 ~ 2 years	Over 2 years
December 31, 2024					
Non-derivative financial liabilities					
Secured borrowings	$ 3,251,793	(3,251,793)	(41,792)	(114,093)	(3,095,908)
Unsecured borrowings	81,186,759	(81,186,759)	(72,161,759)	(6,725,000)	(2,300,000)
Lease liabilities－current and non-current	8,732,843	(9,992,683)	(2,037,340)	(2,036,635)	(5,918,708)
Notes and accounts payable	158,732,712	(158,732,712)	(158,732,712)	-	-
Other payables	30,179,530	(30,179,530)	(30,179,530)	-	-
	$ 282,083,637	**(283,343,477)**	**(263,153,133)**	**(8,875,728)**	**(11,314,616)**
December 31, 2023					
Non-derivative financial liabilities					
Secured borrowings	$ 456,933	(456,933)	(175,584)	(207,616)	(73,733)
Unsecured borrowings	83,345,655	(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 for hedging:	14,246				
Outflow		(1,087,360)	(1,087,360)	-	-
Inflow		1,076,861	1,076,861	-	-
	$ 283,773,436	**(263,636,558)**	**(257,902,005)**	**1,950,086**	**(7,684,639)**

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

	December 31, 2024			December 31, 2023		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets						
Monetary items						
USD to TWD	$ 10,899,358	32.785	357,335,452	7,686,610	30.705	236,017,360
USD to CNY	33,493	7.3035	1,098,068	9,030	7.0953	277,266
EUR to TWD	21,926	34.14	748,554	26,099	33.98	886,844
CNY to USD	1,984,436	0.1369	8,906,678	3,283,442	0.1409	14,205,268
Non-monetary items						
THB to TWD	15,699,356	0.9642	15,137,319	3,237,791	0.8976	2,906,241

(Continued)

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

	December 31, 2024			December 31, 2023		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial liabilities						
Monetary items						
USD to TWD	10,650,751	32.785	349,184,872	7,606,810	30.705	233,567,101
USD to CNY	3,056	7.3035	100,191	1,719	7.0953	52,782
USD to BRL	253,331	6.1923	8,305,457	177,908	4.8413	5,462,665
EUR to TWD	12,534	34.14	427,911	2,953	33.98	100,343
CNY to USD	2,639,480	0.1369	11,846,690	3,763,607	0.1409	16,282,623

2) Sensitivity analysis

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

	December 31, 2024	December 31, 2023
USD (against the TWD)		
Strengthening 5%	$ 407,529	122,513
Weakening 5%	(407,529)	(122,513)
USD (against the CNY)		
Strengthening 5%	49,894	11,224
Weakening 5%	(49,894)	(11,224)
USD (against the BRL)		
Strengthening 5%	(415,273)	(273,133)
Weakening 5%	415,273	273,133
EUR (against the TWD)		
Strengthening 5%	16,032	39,325
Weakening 5%	(16,032)	(39,325)
CNY (against the USD)		
Strengthening 5%	(147,001)	(103,868)
Weakening 5%	147,001	103,868

(Continued)

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

3) Exchange gains and losses of monetary items

As the Group deals with diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. For the years ended December 31, 2024 and 2023, the foreign exchange (losses) gains, including both realized and unrealized, amounted to $(138,867) and $693,870, respectively.

(iv) Interest rate analysis

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

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

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

	2024	2023
Interest increased by 0.25%	$ 34,077	52,030
Interest decreased by 0.25%	(34,077)	(52,030)

(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.

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

	December 31, 2024				
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss–current and non-current					
Derivative financial assets for non-hedging	$ 145,132	-	145,132	-	145,132
Non-derivative financial assets mandatorily measured at fair value through profit or loss	1,359,358	-	-	1,359,358	1,359,358
Subtotal	1,504,490				
Financial assets at fair value through other comprehensive income					
Stocks listed in domestic markets	6,605,682	6,605,682	-	-	6,605,682
Stocks listed in foreign markets	15,166,260	15,166,260	-	-	15,166,260
Stocks unlisted in domestic markets	1,760,034	-	-	1,760,034	1,760,034
Stocks unlisted in foreign markets	223,591	-	-	223,591	223,591
Accounts receivable	21,841,211	-	21,841,211	-	21,841,211
Subtotal	45,596,778				
Financial assets measured at amortized cost					
Cash and cash equivalents	78,947,882	-	-	-	-
Time deposits with orginal maturities of more than 3 months	5,103,852	-	-	-	-
Notes and accounts receivable, net	171,555,332	-	-	-	-
Notes and accounts receivable due from related parties, net	7,404,318	-	-	-	-
Other receivables	3,412,241	-	-	-	-
Other current assets (restricted assets)	884,255	-	-	-	-
Refundable deposits	463,366	-	-	-	-
Other non-current assets (restricted assets)	16,939	-	-	-	-
Subtotal	267,788,185				
Total	$ 314,889,453				
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 57,900,401	-	-	-	-
Notes and accounts payable	148,979,182	-	-	-	-
Notes and accounts payable to related parties	9,753,530	-	-	-	-
Other payables	30,179,530	-	-	-	-
Lease liabilities－current and non-current	8,732,843	-	-	-	-
Long-term borrowings current portion	14,303,150	-	-	-	-
Long-term borrowings	12,235,001	-	-	-	-
Deposits received	210,844	-	-	-	-
Total	$ 282,294,481				

(Continued)

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

	December 31, 2023				
		Fair Value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss─current and non-current					
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	1,217,512	-	-	1,217,512	1,217,512
Subtotal	1,269,574				
Financial assets at fair value through other comprehensive income					
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	30,358,572	-	30,358,572	-	30,358,572
Subtotal	39,474,580				
Financial assets measured at amortized cost					
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)	359,031	-	-	-	-
Subtotal	239,921,203				
Total	$ 280,665,357				
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities for non-hedging	$ 164,535	-	164,535	-	164,535
Financial liabilities used for hedging	14,246	-	14,246	-	14,246
Financial liabilities measured at amortized cost					
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	482,708	-	-	-	-
Subtotal	285,919,663				
Total	$ 286,098,444				

(Continued)

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

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

a) Financial assets and liabilities measured at amortized cost

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

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

a) Non-derivative financial instruments

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

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

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

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

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

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

The Group held an investment in equity of ITH Corporation and zSpace, Inc., which was classified as a financial asset at fair value through other comprehensive income. The fair value of the investment was originally categorized as Level 3 on December 31, 2023. This was because the shares were not listed on the exchange market and was measured by significant unobservable inputs. However, in November and December 2024, ITH Corporation and zSpace, Inc. listed their equity shares on an exchange and they are currently actively traded in the market. Since the equity shares now have a published price quotation in an active market, the fair value measurement was transferred from Level 3 to Level 1 as of December 31, 2024.

The Group held an investment in equity of Taiwan Star, which was classified as a financial asset at fair value through other comprehensive income. On December 1, 2023, Taiwan Star was absorbed and merged by Taiwan Mobile, and Taiwan Star's shares were exchanged for Taiwan Mobile' s shares, wherein they were actively traded, thus their fair value measurement was transferred from Level 3 to Level 1 as of December 31, 2023.

5) Changes in Level 3

The change in Level 3 at fair value in the years ended December 31, 2024 and 2023, were as follows:

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
Balance on January 1, 2024	$ 1,217,512	1,860,338	3,077,850
Total gains and losses recognized:			
In profit or loss	39,048	-	39,048
In other comprehensive income	-	483,274	483,274
Purchased	96,403	105,630	202,033
Disposal	-	(12,601)	(12,601)
Proceeds from capital reduction of investments	(35,447)	(676)	(36,123)
Transferred out from Level 3	-	(461,862)	(461,862)
Effect of changes in exchange rates	41,842	9,522	51,364
Balance on December 31, 2024	**$ 1,359,358**	**1,983,625**	**3,342,983**

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

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
Balance on January 1, 2023	$ 558,909	2,048,900	2,607,809
Total gains and losses recognized:			
In profit or loss	44,367	-	44,367
In other comprehensive income	-	(17,543)	(17,543)
Purchased	628,018	323,888	951,906
Disposal	-	(47,921)	(47,921)
Proceeds from liquidation of investments	-	(3,992)	(3,992)
Transferred out from Level 3	-	(442,884)	(442,884)
Effect of changes in exchange rates	(13,782)	(110)	(13,892)
Balance on December 31, 2023	**$ 1,217,512**	**1,860,338**	**3,077,850**

For the years ended December 31, 2024 and 2023, total gains and losses that were included in "other gains and losses, net" and "unrealized gains and losses from equity instruments at fair value through other comprehensive income" were as follows:

	2024	2023
Total gains and losses recognized:		
In profit or loss before tax (as "other gains and losses")	**$ 39,048**	**44,367**
In other comprehensive income (as "unrealized gains and losses from equity instruments at fair value through other comprehensive income")	**$ 241,581**	**35,635**

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:

Item	Valuation technique	Significant unobservable inputs	Inter-relationships between significant unobservable inputs and fair value
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 (1.94~3.36 and 0.75~2.09, respectively, on December 31, 2024 and 2023)	The higher the multiple is, the higher the fair value will be.
		Multiples of earnings (17.94 and 14.33, respectively, on December 31, 2024 and 2023)	The higher the multiple is, the higher the fair value will be.
		Lack-of-Marketability discount rate (All are 40%~65% on December 31, 2024 and 2023)	The higher the Lack-of-Marketability discount rate is, the lower the fair value will be.
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:

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

	Input	Move up or down	Other comprehensive income Favorable change	Unfavorable change
December 31, 2024				
Financial assets at fair value through other comprehensive income	Price-Book ratio multiples	5%	$ 20,456	17,081
	Multiples of earnings	5%	$ 1,590	1,571
	Lack-of-Marketability discount rate	5%	$ 7,314	10,708
December 31, 2023				
Financial assets at fair value through other comprehensive income	Price-Book ratio multiples	5%	$ 14,588	15,144
	Multiples of earnings	5%	$ 1,486	1,500
	Lack-of-Marketability discount rate	5%	$ 8,633	8,063

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

8) Offsetting financial assets and financial liabilities

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

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

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

December 31, 2024			
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	$ 208,583,907	208,583,907	-
	(USD 6,362,175)	(USD 6,362,175)	

(Continued)

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

	December 31, 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	$ 378,545,272	378,545,272	-
	(USD 12,328,457)	(USD 12,328,457)	

(aa) Financial risk management

(i) Overview

The Group is exposed to the following risks arising from financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

In this note expressed the information on risk exposure and objectives, policies and procedures of risk measurement and management of the Group. For detailed information, please refer to the related notes of each risk.

(ii) Structure of risk management

The Group' s finance management department provides business services for the overall internal department. It sets the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations.

The Group minimizes the risk exposure through derivative financial instruments. The Board of Directors regulated the use of derivative financial instruments in accordance with the Group's policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investments of excess liquidity. The internal auditors of the Group continue with the review of the amount of the risk exposure in accordance with the Group's policies and the risk management policies and procedures. The Group has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group' s receivables from customers and investment securities.

1) Accounts receivable and other receivables

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group’s standard payment and delivery terms and conditions are offered. The Group’s review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, and these limits are reviewed periodically.

2) Investments

The credit risks exposure in the bank deposits, investments with fixed income and other financial instruments are measured and monitored by the Group’s finance department. Since the Group’s transaction counterparties and the contractually obligated counterparties are banks, financial institutes and corporate organizations with good credits, there are no compliance issues, and therefore, no significant credit risk.

3) Guarantees

Pursuant to the Group’s policies, it is only permissible to provide financial guarantees to subsidiaries and companies that the Group has business with. As of December 31, 2024 and 2023, the Group did not provide any guarantees to other companies besides its subsidiaries.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities which be settled by delivering cash or another financial asset.

The Group manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group’s management supervises the banking facilities and ensures in compliance with the terms of the loan agreements. Please refer to notes (6)(n) and (6)(o) for unused credit lines of short-term and long-term borrowings as of December 31, 2024 and 2023.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices which will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currencies of the Group. The currencies used in these transactions are primarily denominated in TWD, USD, EUR and CNY.

(Continued)

As for other monetary assets and liabilities denominated in other foreign currencies, when short-term imbalance takes place, the Group buys or sells foreign currencies at spot rate to ensure that the net exposure is kept on an acceptable level.

2) Interest rate risk

The Group borrows funds on fixed and variable interest rates, which has a risk exposure to changes in fair value and cash flow. Therefore, the Group manages the interest rates risk by maintaining an adequate combination of fixed and variable interest rates.

3) Other price risk

The Group is exposed to equity price risk arising from investments in listed equity securities.

(ab) Capital management

The policy of capital management made by the Board of Directors is to maintain a strong capital base so as to stabilize the confidence of the investors, creditors and the public market and to sustain future development of the business. Capital consists of ordinary shares, capital surplus, retained earnings and non-controlling interests. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group monitors the capital structure by way of periodical review the debt ratio. As of December 31, 2024 and 2023, the debt ratio was as follows:

	December 31, 2024	December 31, 2023
Total liabilities	$ 307,075,925	303,998,121
Total assets	$ 463,541,707	436,770,974
Debt ratio	66.2 %	69.6 %

The Group could purchase its own shares in the public market in accordance with the corresponding rules and regulations. The timing of the purchases depends on market prices.

As of December 31, 2024, there were no changes in the Group's approach of capital management.

(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 years ended December 31, 2024 and 2023 were acquisition of right-of-use assets by leasing, please refer to note (6)(m).

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

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2024	Cash flow	Other non-cash changes	December 31, 2024
Short-term borrowings	$ 58,974,271	(1,083,663)	9,793	57,900,401
Long-term borrowings	26,670,617	(132,466)	-	26,538,151
Lease liabilities	10,331,217	(2,048,370)	449,996	8,732,843
Deposits received and others	494,422	(15,210)	(1,030)	478,182
Total liabilities from financing activities	**$ 96,470,527**	**(3,279,709)**	**458,759**	**93,649,577**

	January 1, 2023	Cash flow	Other non-cash changes	December 31, 2023
Short-term borrowings	$ 74,832,426	(15,858,155)	-	58,974,271
Long-term borrowings	31,137,122	(4,466,505)	-	26,670,617
Lease liabilities	11,346,764	(2,114,467)	1,098,920	10,331,217
Deposits received and others	574,787	(35,568)	(44,797)	494,422
Total liabilities from financing activities	**$ 117,891,099**	**(22,474,695)**	**1,054,123**	**96,470,527**

(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.

Name of related party	Relationship with the Group
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

(Continued)

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

Name of related party	Relationship with the Group
Genki Compal Long-Term Care Corporation Aggregate ("Genki Compal")	An associate
Acbel Polytech Inc. and its subsidiaries ("Acbel")	Substantial related party (Note 1)
River Regeneration and Rejuvenation Biotechnology Co. Ltd. ("River Regeneration")	An associate
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:

	2024	2023
Short-term employee benefits	$ 869,045	800,053
Post-employment benefits	7,782	7,405
Share-based payments	(2,702)	1,524
	$ 874,125	**808,982**

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

(c) Significant related-party transactions

(i) Sale of goods to related parties

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

	2024	2023
Associates	320,475	113,147
Other related parties	2,154	15,124
	322,629	**128,271**

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

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

(ii) Purchase of goods from related parties

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

	2024	2023
Associates	2,036,580	2,933,852
Other related parties	44,228,721	46,879,824
	46,265,301	**49,813,676**

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:

Account	Related party categories	December 31, 2024	December 31, 2023
Notes and accounts receivable	Associates	$ 123,365	26,613
Notes and accounts receivable	Other related parties	7,280,953	6,407,683
Other receivables	Associates	1,342	1,514
Other receivables	Other related parties	51	64
		$ 7,405,711	**6,435,874**

(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:

Account	Related party categories	December 31, 2024	December 31, 2023
Notes and accounts payable	Associates	$ 518,254	609,875
Notes and accounts payable	Other related parties	9,235,276	9,987,775
Other payables	Associates	1,112	137
Other payables	Other related parties	16,900	21,788
		$ 9,771,542	**10,619,575**

(v) Property transactions

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

		For the years ended December 31, 2024			For the years ended December 31, 2023		
Relationship	**Item**	**Number of shares**	**Object**	**Acquisition price**	**Number of shares**	**Object**	**Acquisition price**
Associates–River Regeneration	Investment accounted for using the equity method	6,000 thousand shares	The Company increased the capital of its associate–River Regeneration, by cash	100,020			
Associates–LIZ (Nantong)	Investment accounted for using the equity method	Note 1	The Company increased the capital of its associate–LIZ (Nantong), by cash	448,261 (CNY 98,000)			
Associates–ARCE	Investment accounted for using the equity method				24,540 thousand shares	The Company increased the capital of its associate–ARCE by cash	98,160
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
Other related party–Cal-Comp	Acquisition of financial assets at fair value through other comprehensive income			-	1,249,470 thousand shares	Common stocks of Cal-Comp issued through cash capital increase	1,718,266 (THB 1,874,205)

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

In 2024, the Group increased the capital of other associates by cash, amounting to $21,915.

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged Assets	Subject	December 31, 2024	December 31, 2023
Inventories	Bank loans and accounts receivable factoring	$ 172,914	43,949
Other current assets	Pledged deposit	884,255	717,036
Property, plant, and equipment	Bank loans	442,070	463,806
Right-of-use assets	Bank loans	7,774,957	-
Other non-current assets	Customs deposit	800	800
Other non-current assets	Pledged deposit	16,139	358,231
		$ 9,291,135	1,583,822

(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 December 31, 2024 and 2023, the Group's signed commitments to purchase property, plant and equipment amounted to $2,326,645 and $3,346,545, 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	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	9,953,683	16,735,703	26,689,386	12,195,343	16,227,473	28,422,816
Labor and health insurance	873,874	1,218,976	2,092,850	954,729	1,157,263	2,111,992
Pension	606,418	696,562	1,302,980	843,056	680,573	1,523,629
Others	1,876,659	861,457	2,738,116	3,090,596	768,330	3,858,926
Depreciation	6,179,102	1,116,288	7,295,390	6,206,119	1,068,150	7,274,269
Amortization	18,287	554,168	572,455	51,379	547,878	599,257

(13) Other disclosures:

(a) Information on significant transactions

The following were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the year ended December 31, 2024:

(i) Loans to other parties: Please refer to Table 1

(ii) Guarantees and endorsements for other parties: Please refer to Table 2

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

(iii) Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: : 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

(d) Major shareholders:

	Shareholding	
Shareholder's Name	**Shares**	**Percentage**
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	360,114,000	8.17 %
Yuanta Taiwan Dividend Plus ETF	232,228,612	5.26 %

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.

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

(14) Segment information:

(a) General information

The Group’ s information technology product segment is primarily engaged in the development, manufacture and sale of information technology products and mobile communication products. The strategy integrate product segment is primarily engaged in the research, development, manufacture and sale of networking products.

(b) Reportable segments and operating segment information

Accounting policies for the operating segments correspond to those stated in note 4. The profit and loss of the operating segment of the Group is measured by earnings before taxes and as the basis for performance measurement. The amount of the Group's reportable segments consistent with the report that the operating decision maker uesd, and the Group does not allocate assets and liabilities to the reportable segments for the purpose of operating decisions to measure assets and liabilities of segments.

The operating segment information was as follows:

	For the year ended December 31, 2024			
	Information technology product segment	**Strategy integrated product segment**	**Adjustment and elimination**	**Total**
Revenue				
Revenue from external customers	$ 861,285,566	48,967,458	-	910,253,024
Revenue from segments	1,178,863	-	(1,178,863)	-
Interest revenue	3,820,999	203,097	-	4,024,096
Total revenue	**$ 866,285,428**	**49,170,555**	**(1,178,863)**	**914,277,120**
Interest expense	$ 3,978,289	59,063	-	4,037,352
Deprectation and amortization	7,045,680	822,165	-	7,867,845
Investment gain (loss)	(694,470)	-	-	(694,470)
Other significant non-cash items:				
Impairment of assets	-	-	-	-
Reportable segment profit	**$ 12,038,838**	**3,309,350**	**-**	**15,348,188**
Reportable segment assets				**$ 463,541,707**
Reportable segment liabilities				**$ 307,075,925**

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

	For the year ended December 31, 2023			
	Information technology product segment	**Strategy integrated product segment**	**Adjustment and elimination**	**Total**
Revenue				
Revenue from external customers	$ 895,556,678	51,158,122	-	946,714,800
Interest revenue	4,547,937	158,990	-	4,706,927
Total revenue	**$ 900,104,615**	**51,317,112**	**-**	**951,421,727**
Interest expense	$ 4,917,905	134,467	-	5,052,372
Deprectation and amortization	7,031,024	842,502	-	7,873,526
Investment gain (loss)	(467,077)	-	-	(467,077)
Other significant non-cash items:				
Impairment of assets	-	-	-	-
Reportable segment profit	**$ 8,623,476**	**3,266,949**	**-**	**11,890,425**
Reportable segment assets				**$ 436,770,974**
Reportable segment liabilities				**$ 303,998,121**

(c) Products information

The infromation of revenue from external customers:

Products and services	**2024**	**2023**
5C related electronic products	$ 906,345,402	942,520,717
Others	3,907,622	4,194,083
	$ 910,253,024	**946,714,800**

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

(d) Geographic information

Stated below are the geographic information on the Group's sales presented by destination of sales and non-current assets presented by location.

(i) Revenue from external customers:

Country	2024	2023
United States	$ 340,620,971	374,196,615
China	137,373,822	137,660,865
Netherlands	66,883,952	60,530,773
United Kingdom	34,148,715	38,187,080
Germary	34,093,262	36,953,474
Others	297,132,302	299,185,993
	$ 910,253,024	**946,714,800**

(ii) Non-current assets:

Country	2024	2023
Taiwan	$ 24,765,483	21,318,777
Vietnam	11,459,506	12,135,554
China	10,546,766	11,710,811
Others	1,949,821	1,283,752
	$ 48,721,576	**46,448,894**

Non current assets include plant, property, and equipment, right-of-use assets, intangible assets, and other assets, excluding deferred tax assets.

(e) The details of sales revenue from external customers more than 10% of the amount of consolidated statement of comprehensive income are as follows:

	2024	2023
D Company	$ 405,779,277	379,263,553
E Company	154,563,881	125,647,532
F Company	60,481,949	121,450,902
A Company	84,794,215	95,644,980
	$ 705,619,322	**722,006,967**

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

Table 1 Loans to other parties:

(December 31, 2024)

(In Thousands of New Taiwan Dollars)

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral Item	Collateral Value	Individual funding loan limits	Maximum limit of fund financing	Note
0	The Company	UCGI	Other receivables	Y	460,000	230,000	230,000	2.33%~2.36%	Short-term financing	-	Operating demand	-	-	-	28,492,942	56,985,884	(Note 1)
0	The Company	HengHao	Other receivables	Y	400,000	200,000	-	2.33%~2.36%	Short-term financing	-	Operating demand	-	-	-	28,492,942	56,985,884	(Note 1)
0	The Company	CEM	Other receivables	Y	4,897,700	1,803,175	1,803,175	5.29%~6.10%	Short-term financing	-	Operating demand	-	-	-	28,492,942	56,985,884	(Note 1)
0	The Company	Kinpo&Compal Assets Development	Other receivables	Y	550,000	-	-	2.29%	Short-term financing	-	Operating demand	-	-	-	4,547,696	56,985,884	(Note 1)
0	The Company	CTB	Other receivables	Y	1,313,400	1,311,400	1,311,400	5.29%	Short-term financing	-	Operating demand	-	-	-	28,492,942	56,985,884	(Note 1)
0	The Company	CEP	Other receivables	Y	229,595	163,925	-	5.29%	Short-term financing	-	Operating demand	-	-	-	28,492,942	56,985,884	(Note 1)
0	The Company	CSIN	Other receivables	Y	328,350	327,850	327,850	5.29%	Short-term financing	-	Operating demand	-	-	-	28,492,942	56,985,884	(Note 1)
1	CPC	CIC	Other receivables	Y	454,500	223,900	223,900	2.10%	Short-term financing	-	Operating demand	-	-	-	3,014,312	3,014,312	(Note 2)
1	CPC	CCI Nanjing	Other receivables	Y	1,181,700	1,164,280	1,119,500	2.10%	Short-term financing	-	Operating demand	-	-	-	3,014,312	3,014,312	(Note 2)
2	CIT	CCI Nanjing	Other receivables	Y	2,298,450	-	-	6.44%	Short-term financing	-	Operating demand	-	-	-	31,501,577	31,501,577	(Note 3)
2	CIT	HengHao Kunshan	Other receivables	Y	985,050	983,550	983,550	5.84%	Short-term financing	-	Operating demand	-	-	-	31,501,577	31,501,577	(Note 3)
2	CIT	CEM	Other receivables	Y	328,350	327,850	327,850	5.29%	Short-term financing	-	Operating demand	;	-	-	31,501,577	31,501,577	(Note 3)
3	CPO	CIT	Other receivables	Y	681,750	671,700	671,700	2.10%	Short-term financing	-	Operating demand	-	-	-	3,365,624	3,365,624	(Note 4)
3	CPO	CEM	Other receivables	Y	985,050	983,550	983,550	5.29%	Short-term financing	-	Operating demand	-	-	-	3,365,624	3,365,624	(Note 4)
3	CPO	CCI Nanjing	Other receivables	Y	818,100	806,040	806,040	2.10%	Short-term financing	-	Operating demand	-	-	-	3,365,624	3,365,624	(Note 4)
4	CET	BT	Other receivables	Y	272,700	223,900	134,340	2.20%	Short-term financing	-	Operating demand	-	-	-	5,405,728	5,405,728	(Note 5)
5	Panpal	Kinpo&Compal Assets Development	Other receivables	Y	1,000,000	-	-	2.33%~2.43%	Short-term financing	-	Operating demand	-	-	-	2,341,593	2,341,593	(Note 6)
5	Panpal	HengHao	Other receivables	Y	1,200,000	300,000	300,000	2.32%~2.36%	Short-term financing	-	Operating demand	-	-	-	2,341,593	2,341,593	(Note 6)
6	CIC	HengHao Kunshan	Other receivables	Y	3,611,850	1,803,175	1,803,175	5.29%~6.44%	Short-term financing	-	Operating demand	-	-	-	12,155,669	12,155,669	(Note 7)
6	CIC	CTB	Other receivables	Y	328,350	327,850	327,850	5.29%	Short-term financing	-	Operating demand	-	-	-	12,155,669	12,155,669	(Note 7)
7	BSH	CIN	Other receivables	Y	1,000,768	458,990	360,635	5.29%~5.84%	Short-term financing	-	Operating demand	-	-	-	9,048,618	9,048,618	(Note 8)
8	Gempal	Ray-Kwong Medical Management Consulting	Other receivables	Y	10,000	5,000	5,000	2.36%	Short-term financing	-	Operating demand	-	-	-	13,702	958,358	(Note 9)
8	Gempal	CEP	Other receivables	Y	229,845	229,495	229,495	5.29%	Short-term financing	-	Operating demand	-	-	-	958,358	958,358	(Note 9)
8	Gempal	Hippo Screen	Other receivables	Y	35,000	35,000	35,000	2.36%	Short-term financing	-	Operating demand	-	-	-	958,358	958,358	(Note 9)
9	CGSP	CEP	Other receivables	Y	65,670	-	-	5.84%	Short-term financing	-	Operating demand	-	-	-	668,177	668,177	(Note 10)
10	Hong Ji	Kinpo&Compal Assets Development	Other receivables	Y	450,000	-	-	2.42%	Short-term financing	-	Operating demand	-	-	-	485,643	485,643	(Note 11)
11	Hong Jin	Hippo Screen	Other receivables	Y	35,000	-	-	2.32%	Short-term financing	-	Operating demand	-	-	-	159,008	159,008	(Note 12)
12	Arcadyan	Acradyan Brasil	Other receivables	Y	65,700	-	-	5.50%	Short-term financing	-	Operating demand	-	-	-	3,186,993	6,373,987	(Note 13)
12	Arcadyan	Acradyan Brasil	Other receivables	Y	65,700	65,450	49,088	5.50%	Short-term financing	-	Operating demand	-	-	-	3,186,993	6,373,987	(Note 13)
12	Arcadyan	Arcadyan Vietnam	Other receivables	Y	315,700	-	-	5.50%	Transaction for business between two parties	20,878,550	-	-	-	-	3,186,993	6,373,987	(Note 13)
12	Arcadyan	Arcadyan Turkey	Other receivables	Y	131,400	130,900	81,813	6.00%	Short-term financing	-	Operating demand	-	-	-	3,186,993	6,373,987	(Note 13)
13	Arcadyan Holding	CNC	Other receivables	Y	1,894,200	-	-	5.50%	Short-term financing	-	Operating demand	-	-	-	2,641,844	2,641,844	(Note 14)

(Continued)

Table 1 Loans to other parties:

(December 31, 2024)

(In Thousands of New Taiwan Dollars)

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing	Note
													Item	Value			
14	Poindus Systems	Adasys	Other receivables	Y	23,166	22,191	22,191	4.27%	Transaction for business between two parties	77,740	-	-	-	-	77,740	217,777	(Note 15)
14	Poindus Systems	Poindus Systems UK Limited	Long-term receivables	Y	54,360 (Note 16)	26,774	26,774	1.00%~5.92%	Transaction for business between two parties	52,719	-	-	-	-	52,719	217,777	(Note 15)
14	Poindus Systems	Varlink	Other receivables	Y	42,650	41,190	41,190	5.92%	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 Gempal's endorsements/guarantees for calculation. In addition, when lending to indirectly owned overseas subsidiaries or the ultimate parent company's 100% directly, the total amount of loans is not limited by 80% of two aforesaid restrictions, but the maximum amount shall not exceed the total amount of lendable capital of Gempal, and shall be combined with the company's endorsements/guarantees for the borrower when calculating.

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

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

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

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

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

Note 15： According to Poindus Systems'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： On June 18, 2024, the board of directors of Poindus Systems approved a loan of GBP650,000 to Poindus Systems UK Limited for refinancing purposes, resulting in the highest amount being reported twice in this year.

Note 17： 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:

(December 31, 2024)

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 1、2 and 3)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	CEP	(Note 3)	35,616,177	14,883	-	-	-	- %	71,232,355	Y	-	-
0	The Company	CEM	(Note 4)	35,616,177	486,390	173,761	129,501	-	0.12%	71,232,355	Y	-	-
0	The Company	HengHao Kunshan	(Note 4)	35,616,177	27,270	-	-	-	- %	71,232,355	Y	-	Y
0	The Company	CTB	(Note 4)	35,616,177	780,395	783,562	391,781	-	0.55%	71,232,355	Y	-	-
0	The Company	Compal Ruifang	(Note 3)	35,616,177	998,500	998,500	-	-	0.70%	71,232,355	Y	-	-
0	The Company	CGSP	(Note 3)	35,616,177	141,600	136,560	136,560	-	0.10%	71,232,355	Y	-	-
0	The Company	Kinpo&Compal Assets Development	(Note 3)	35,616,177	15,400,000	15,400,000	-	-	10.81%	71,232,355	Y	-	-
1	Arcadyan	Arcadyan AU	(Note 4)	2,124,662	246,375	245,438	-	-	1.54%	6,373,987	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)

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

(In Thousands of shares/ units)

Name of holder	Category and name of security	Relationship with security issuer	Account name	Ending balance				The highest holdings in the period		Note
				Shares/Units (thousands)	Carrying value	Holding percentage (%)	Fair value	Shares/Units (thousands)	Holding percentage (%)	
The Company	Taiwan Mobile	-	Financial assets at fair value through other comprehensive income-non-current	3,197	362,893	-	362,893	3,197	-	
	Kinpo	Substantial related party	Financial assets at fair value through other comprehensive income-non-current	124,044	3,262,351	8%	3,262,351	124,044	8%	
	Cal-Comp	Substantial related party	Financial assets at fair value through other comprehensive income-non-current	1,554,139	15,137,319	15%	15,137,319	1,554,139	15%	
	HWA VI Venture Capital Corp.	-	Financial assets at fair value through other comprehensive income-non-current	48	5,668	10%	5,668	48	10%	
	HWA Chi Venture Capital Corp.	-	Financial assets at fair value through other comprehensive income-non-current	53	10,114	11%	10,114	53	11%	
	mProbe Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	4,000	6,000	3%	6,000	4,000	3%	
	AcBel	Substantial related party	Financial assets at fair value through other comprehensive income-non-current	6,685	202,221	1%	202,221	6,685	1%	
	Chen Feng Optoelectronics	-	Financial assets at fair value through other comprehensive income-non-current	6,685	101,676	7%	101,676	6,685	7%	
	Clientron Corp.	-	Financial assets at fair value through other comprehensive income-non-current	868	10,956	1%	10,956	868	1%	
	Ganzin Technology, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	2,000	36,000	6%	36,000	2,000	6%	
	Airoha Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	215	151,360	-	151,360	215	-	
	ITH Corporation	-	Financial assets at fair value through other comprehensive income-non-current	7,900	432,920	2%	432,920	8,000	2%	
	Horien Biochemical Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,625	48,750	4%	48,750	1,825	5%	
	Medicaltek Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,070	29,960	8%	29,960	1,070	8%	
	Clean Energy Fund	-	Financial assets at fair value through profit or loss-non-current	-	245,987	2%	245,987	-	2%	
	IIH Biomedical Venture Fund	-	Financial assets at fair value through profit or loss-non-current	2,500	66,800	8%	66,800	5,000	8%	
	Phoenix Innovation Investment Corporation.	-	Financial assets at fair value through profit or loss-non-current	6,000	91,620	19%	91,620	6,000	19%	
	Others		Financial assets at fair value through profit or loss and other comprehensive income		134,342		134,342			
	Total				20,336,937					
Panpal	Compal Electronics, Inc.	The parent company	Financial assets at fair value through other comprehensive income-non-current	31,648	1,191,550	1%	1,191,550	31,648	1%	(Note 1)
	Kinpo	Substantial related party	Financial assets at fair value through other comprehensive income-non-current	69,370	1,824,422	5%	1,824,422	69,370	5%	
	CDIB Partners Investment Holding Corp.	-	Financial assets at fair value through other comprehensive income-non-current	54,000	1,088,640	5%	1,088,640	54,000	5%	
	AcBel	Substantial related party	Financial assets at fair value through other comprehensive income-non-current	11,332	342,789	1%	342,789	11,332	1%	
	Lian Hong Art. Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	2,291	60,263	6%	60,263	2,291	6%	
	Taiwan Biotech Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	9,548	195,640	3%	195,640	9,548	3%	

(Continued)

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

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

(In Thousands of shares/ units)

Name of holder	Category and name of security	Relationship with security issuer	Account name	Ending balance: Shares/Units (thousands)	Ending balance: Carrying value	Ending balance: Holding percentage (%)	Ending balance: Fair value	The highest holdings in the period: Shares/Units (thousands)	The highest holdings in the period: Holding percentage (%)	Note
Panpal	Others	-	Financial assets at fair value through other comprehensive income-non-current		7,666		7,666			
	Total				4,710,970					
Gempal	Compal Electronics, Inc.	The parent company	Financial assets at fair value through other comprehensive income-non-current	18,369	691,606	-	691,606	18,369	-	(Note 1)
	Lian Hong Art. Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	2,291	60,245	6%	60,245	2,291	6%	
	Others	-	Financial assets at fair value through other comprehensive income-non-current		1,030		1,030			
	Total				752,881					
Hong Ji	SUYIN Optronics Co., Ltd. (“SUYIN Optronics”)	-	Financial assets at fair value through other comprehensive income-non-current	380	-	1%	-	380	1%	(Note 2)
Hong Jin	SUYIN Optronics	-	Financial assets at fair value through other comprehensive income-non-current	332	-	1%	-	332	1%	(Note 2)
Arcadyan	GeoThings Inc.	-	Financial assets at fair value through profit or loss-non-current	200	-	4%	-	200	4%	(Note 2)
	AirHop Communication Inc.	-	Financial assets at fair value through profit or loss-non-current	1,152	-	5%	-	1,152	5%	(Note 2)
	Adant Technologies Inc.	-	Financial assets at fair value through profit or loss-non-current	349	-	4%	-	349	5%	(Note 2)
	IOT EYE, Inc.	-	Financial assets at fair value through profit or loss-non-current	60	-	14%	-	60	14%	(Note 2)
	TIEF FUND L.P.	-	Financial assets at fair value through profit or loss-non-current	-	37,965	7%	37,965	-	7%	
	Chimei Motor Electronics Co., LTD	-	Financial assets at fair value through other comprehensive income-non-current	1,650	19,437	6%	19,437	1,650	6%	
	Golden Smarthome Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	1,229	-	2%	-	1,229	2%	(Note 2)
	Total				57,402					
Mactech	Taichung International Golf Country Club	-	Financial assets at fair value through other comprehensive income-non-current	-	14,850	-	14,850	-	-	
HHB	HWALLAR OPTRONICS (Fuzhou) CO., LTD.	-	Financial assets at fair value through profit or loss-non-current	-	-	19%	-	-	19%	(Note 2)
Mithera	Beyond Limits, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	873	147,532	-	147,532	873	-	
BT	Suzhou Genki Fuhong Health Management Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	-	4,489	17%	4,489	-	17%	
CIT	Kunqiao Phase II (Suzhou) Emerging Industry Venture Capital Partnership Fund	-	Financial assets at fair value through profit or loss-non-current	-	515,586	-	515,586	-	-	
BSH	Achi Capital Partners Fund LP	-	Financial assets at fair value through profit or loss-non-current	-	110,963	-	110,963	-	-	
	ABG Capital PartnersV, LP (ABG)	-	Financial assets at fair value through profit or loss-non-current	-	280,901	-	280,901	-	-	
	Rivos Inc.	-	Financial assets at fair value through other comprehensive income-non-current	-	65,570	-	65,570			
	Total				457,434					

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)

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

Table 4 Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:

(For the year ended December 31, 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	-	Investments accounted for using equity method	(Note 1)	(Note 3)	-	92,753	-	563,000	-	-	-	-	-	12,424 (Note 2)	-	668,177
CPC	LIZ (Nantong)	-	Investments accounted for using equity method	(Note 1)	(Note 4)	-	-	-	448,261	-	-	-	-	-	(59,970) (Note 2)	-	388,291

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 NT$300 million or 20% of the capital stock:

(For the year ended December 31, 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	128,800	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	287,707	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
Compal Ruifang	October 14, 2024	999,000	149,850	Enrich Tech Co.,Ltd	None	not applicable	not applicable	not applicable	not applicable	price comparison and negotiation	operational use	None

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

Table 6 Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(For the year ended December 31, 2024)

(In Thousands of New Taiwan Dollars)

			Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		
Company Name	Counter party	Nature of relationship	Purchase/ (Sale)	Amount	Percentage of total purchases/ (sales)	Payment terms	Unit price	Payment Terms	Ending Balance	Percentage of total notes/accounts receivable (payable)	Note
The Company	Arcadyan	The Company's subsidiaries	Sale	(185,326)	- %	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.	37,653	- %	(Note 2)
	CEM	Subsidiaries wholly owned by the Company	Sale	(5,039,462)	(0.1)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	2,629,995	1.3%	(Note 2)
	Palcom	Subsidiaries wholly owned by the Company	Sale	(114,792)	- %	60 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	38,813	- %	(Note 2)
	CIH and its subsidiaries	Subsidiaries wholly owned by the Company	Purchase	92,354,239	10.4%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(60,124,632)	(34.8)%	(Note 2)
	Just and its subsidiaries	Subsidiaries wholly owned by the Company	Purchase	16,051,887	1.8%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(1,887,233)	(1.1)%	(Note 2)
	HSI and its subsidiaries	Subsidiaries wholly owned by the Company	Purchase	78,531,236	8.9%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(5,995,129)	(3.5)%	(Note 2)
	BCI and its subsidiaries	Subsidiaries wholly owned by the Company	Purchase	24,245,248	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.	(8,511,317)	(4.9)%	(Note 2)
	Kinpo	Substantial related party	Purchase	43,474,943	4.9%	Net 35 days from the end of the month	Similar to non-related parties	There is no significant difference.	(8,912,016)	(5.2)%	
Just and its subsidiaries	Compal Electronic, Inc.	Parent company	Sale	(16,051,887)	(98.9)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	1,887,233	91.7%	(Note 2)
	UCGI	With the same ultimate parent company	Sale	(484,090)	(0.8)%	60 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	159,446	5.1%	(Note 2)
CIH and its subsidiaries	Compal Electronic, Inc.	Parent company	Sale	(92,354,239)	(93.9)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	60,124,632	94.6%	(Note 2)
	CEM	With the same ultimate parent company	Sale	(586,359)	(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.	114,979	0.1%	(Note 2)
	CTB	With the same ultimate parent company	Sale	(457,676)	(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.	163,159	0.1%	(Note 2)
	HSI and its subsidiaries	With the same ultimate parent company	Sale	(5,425,390)	(4.2)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	5,747,738	4.3%	(Note 2)
	HSI and its subsidiaries	With the same ultimate parent company	Purchase	305,461	0.1%	Net 60 days from the delivery	Similar to non-related parties	Adjustments will be made based on demand for funding.	(10,877)	- %	(Note 2)
	BCI and its subsidiaries	With the same ultimate parent company	Purchase	149,548	- %	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(15,060)	- %	(Note 2)
	Rayonnant Technology and its subsidiaries	With the same ultimate parent company	Purchase	722,671	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.	(118,732)	(0.1)%	(Note 2)
	CPM	An associate	Purchase	1,758,402	0.4%	120 days	Similar to non-related parties	There is no significant difference.	(457,334)	(0.5)%	
	Acbel and its subsidiaries	Substantial related party	Purchase	507,797	0.1%	120 days	Similar to non-related parties	There is no significant difference.	(225,063)	(0.2)%	

(Continued)

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

Table 6 Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(For the year ended December 31, 2024)

(In Thousands of New Taiwan Dollars)

Company Name	Counter party	Nature of relationship	Transaction details: Purchase/ (Sale)	Transaction details: Amount	Transaction details: Percentage of total purchases/ (sales)	Transaction details: Payment terms	Transactions with terms different from others: Unit price	Transactions with terms different from others: Payment Terms	Notes/Accounts receivable (payable): Ending Balance	Notes/Accounts receivable (payable): Percentage of total notes/accounts receivable (payable)	Note
BCI and its subsidiaries	Compal Electronic, Inc.	Parent company	Sale	(24,245,248)	(96.4)%	120 days	Markup based on BCI and its subsidiaries' cost	Adjustments will be made based on demand for funding.	8,511,317	90.3%	(Note 2)
	CIH and its subsidiaries	With the same ultimate parent company	Sale	(149,548)	(0.4)%	120 days	According to markup pricing	Adjustments will be made based on demand for funding.	15,060	0.1%	(Note 2)
	HSI and its subsidiaries	With the same ultimate parent company	Sale	(535,855)	- %	120 days	According to markup pricing	Adjustments will be made based on demand for funding.	1,267,116	4.5%	(Note 2)
	CTB	With the same ultimate parent company	Sale	(114,296)	(0.3)%	120 days	According to markup pricing	There is no significant difference.	1,304,027	4.6%	(Note 2)
	CEM	With the same ultimate parent company	Sale	(522,316)	(1.2)%	120 days	According to markup pricing	There is no significant difference.	146,058	0.5%	(Note 2)
	Rayonnant Technology and its subsidiaries	With the same ultimate parent company	Purchase	124,691	(0.1)%	120 days	Similar to non-related parties	Adjustments will be made based on demand for funding.	(15,404)	0.1%	(Note 2)
Palcom	Compal Electronic, Inc.	Parent company	Purchase	114,792	74.6%	Net 120 days from the delivery	Similar to non-related parties	There is no significant difference.	(38,813)	(98.1)%	(Note 2)
CEM	CTB	With the same ultimate parent company	Sale	(1,786,818)	(18.9)%	45 days	Similar to non-related parties	There is no significant difference.	752,919	29.4%	(Note 2)
	Compal Electronic, Inc.	Parent company	Purchase	5,039,462	56.6%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(2,629,995)	(81.6)%	(Note 2)
	CIH and its subsidiaries	With the same ultimate parent company	Purchase	586,359	6.6%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(114,979)	(3.6)%	(Note 2)
	BCI and its subsidiaries	With the same ultimate parent company	Purchase	522,316	5.9%	120 days	According to markup pricing	There is no significant difference.	(146,058)	(4.5)%	(Note 2)
CTB	CEM	With the same ultimate parent company	Purchase	1,786,818	44.3%	120 days	According to markup pricing	There is no significant difference.	(752,919)	(53.5)%	(Note 2)
	BCI and its subsidiaries	With the same ultimate parent company	Purchase	114,296	3.0%	120 days	Similar to non-related parties	There is no significant difference.	(1,304,027)	(15.1)%	(Note 2)
	CIH and its subsidiaries	With the same ultimate parent company	Purchase	457,676	10.7%	120 days	Similar to non-related parties	There is no significant difference.	(163,159)	(8.7)%	(Note 2)
Forever and its subsidiaries	HSI and its subsidiaries	With the same ultimate parent company	Sale	(115,543)	100.0%	Net 60 days from the delivery	Similar to non-related parties	There is no significant difference.	-	- %	(Note 2)
UCGI	Poindus Systems	With the same ultimate parent company	Sale	(172,736)	(21.0)%	75 days	Similar to non-related parties	There is no significant difference.	76,394	24.0%	(Note 2)
	Avalue	An associate	Sale	(202,543)	(24.6)%	75 days	Similar to non-related parties	There is no significant difference.	77,021	24.2%	
	JUST and its subsidiaries	With the same ultimate parent company	Purchase	484,090	72.7%	60 days	Similar to non-related parties	There is no significant difference.	(159,446)	(79.9)%	(Note 2)
Poindus Systems	UCGI	With the same ultimate parent company	Purchase	172,736	19.4%	75 days	Similar to non-related parties	There is no significant difference.	(76,394)	(43.8)%	(Note 2)
Rayonnant Technology and its subsidiaries	CIH and its subsidiaries	With the same ultimate parent company	Sale	(722,671)	(68.7)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	118,732	67.2%	(Note 2)
	HSI and its subsidiaries	With the same ultimate parent company	Sale	(204,522)	(19.4)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	42,549	24.1%	(Note 2)
	BCI and its subsidiaries	With the same ultimate parent company	Sale	(124,691)	(11.9)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	15,404	8.7%	(Note 2)
HSI and its subsidiaries	Compal Electronic, Inc.	Parent company	Sale	(78,531,236)	(98.4)%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	5,995,129	99.0%	(Note 2)
	CIH and its subsidiaries	With the same ultimate parent company	Sale	(305,461)	(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.	10,877	0.1%	(Note 2)

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Table 6 Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(For the year ended December 31, 2024)

(In Thousands of New Taiwan Dollars)

			Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		
Company Name	**Counter party**	**Nature of relationship**	**Purchase/ (Sale)**	**Amount**	**Percentage of total purchases/ (sales)**	**Payment terms**	**Unit price**	**Payment Terms**	**Ending Balance**	**Percentage of total notes/accounts receivable (payable)**	**Note**
HSI and its subsidiaries	Arcadyan	With the same ultimate parent company	Sale	(993,537)	(1.2)%	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.	155,566	1.0%	(Note 2)
	CIH and its subsidiaries	With the same ultimate parent company	Purchase	5,425,390	7.2%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(5,747,738)	(13.7)%	(Note 2)
	BCI and its subsidiaries	With the same ultimate parent company	Purchase	535,855	0.8%	120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(1,267,116)	(3.1)%	(Note 2)
	Forever and its subsidiaries	With the same ultimate parent company	Purchase	115,543	0.2%	Net 60 days from the end of the month of delivery	Similar to non-related parties	There is no significant difference.	-	- %	(Note 2)
	Rayonnant Technology and its subsidiaries	With the same ultimate parent company	Purchase	204,522	0.3%	60-120 days	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	(42,549)	(0.1)%	(Note 2)
HengHao	Avalue	An associate	Sale	(100,230)	(1.0)%	Net 30 days from the end of the month	Similar to non-related parties	There is no significant difference, and adjustments will be made based on demand for funding if necessary.	36,379	1.7%	(Note 2)
Arcadyan	Acradyan USA	Arcadyan's subsidiary	Sale	(18,125,629)	(44.0)%	Net 120 days from delivery	-	-	24,826	1.0%	(Note 2)
	Acradyan AU	Arcadyan's subsidiary	Sale	(867,914)	(2.0)%	Net 60 days from the end of the month of delivery	-	-	79,043	2.0%	(Note 2)
	Acradyan Germany	Arcadyan's subsidiary	Sale	(309,578)	(1.0)%	Net 150 days from delivery	-	-	155,856	4.0%	(Note 2)
	CNC	Arcadyan's subsidiary	Purchase	261,051	- %	Net 120 days from delivery	According to markup pricing	-	(836,815)	(10.0)%	(Note 1&2)
	Arcadyan Vietnam	Arcadyan's subsidiary	Purchase	6,739,286	11.0%	Net 180 days from the end of the month of delivery	According to markup pricing	-	(Note 3)	- %	(Note 1&2)
CNC	Arcadyan	With the same ultimate parent company	Sale	(261,051)	(100.0)%	Net 120 days from delivery	According to markup pricing	-	836,815	100.0%	(Note 1&2)
Arcadyan Vietnam	Arcadyan	With the same ultimate parent company	Sale	(6,739,286)	(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	993,537	3.0%	Net 60 days from the end of the month of delivery	-	-	(155,566)	(1.0)%	(Note 2)
Acradyan USA	Arcadyan	With the same ultimate parent company	Purchase	18,125,629	100.0%	Net 120 days from delivery	-	-	(24,826)	(100.0)%	(Note 2)
Acradyan AU	Arcadyan	With the same ultimate parent company	Purchase	867,914	100.0%	Net 60 days from the end of the month of delivery	-	-	(79,043)	(100.0)%	(Note 2)
Acradyan Germany	Arcadyan	With the same ultimate parent company	Purchase	309,578	100.0%	Net 150 days from delivery	-	-	(155,856)	(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 December 31, 2024 is 1,411,290 thousand dollars.

(Continued)

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

Table 7 Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(December 31, 2024)

(In Thousands of New Taiwan Dollars)

Name of Company	Counter-party	Nature of relationship	Ending Balance	Turnover rate	Overdue		Amounts received in subsequent period		Allowance for bad debts
					Amount	Action taken			
The Company	CBN	The Company's subsidiary	223,089	0.51	-	-	138,621	(Note 1)	-
The Company	Just and its subsidiaries	The Company's subsidiary	2,998,800 (Note 3)	(Note 3)	-	-	494,807	(Note 1)	-
The Company	CEM	The Company's subsidiary	2,629,995	3.83			1,080,052	(Note 1)	-
The Company	Cal-Comp	Substantial related party	7,280,596 (Note 3)	(Note 3)	-	-	7,267,910	(Note 1)	-
Just and its subsidiaries	Compal Electronic, Inc.	Parent company	1,887,233	8.11	-	-	48,418	(Note 1)	-
Just and its subsidiaries	UCGI	With the same ultimate parent company	159,446	4.91	-	-	-	(Note 1)	-
CIH and its subsidiaries	Compal Electronic, Inc.	Parent company	60,124,632	1.68	-	-	57,954,549	(Note 1)	-
CIH and its subsidiaries	CEM	With the same ultimate parent company	114,979	9.24	-	-	18,748	(Note 1)	-
CIH and its subsidiaries	CTB	With the same ultimate parent company	163,159	5.61	-	-	81,693	(Note 1)	-
CIH and its subsidiaries	HSI and its subsidiaries	With the same ultimate parent company	5,747,738	0.81	-	-	-	(Note 1)	-
BCI and its subsidiaries	Compal Electronic, Inc.	Parent company	8,511,317	2.69	-	-	8,511,317	(Note 1)	-
BCI and its subsidiaries	HSI and its subsidiaries	With the same ultimate parent company	1,267,116	0.42	-	-	-	(Note 1)	-
BCI and its subsidiaries	CTB	With the same ultimate parent company	1,304,027	0.18	-	-	26,611	(Note 1)	-
BCI and its subsidiaries	CEM	With the same ultimate parent company	146,058	1.90	-	-	29,993	(Note 1)	-
CEM	CTB	With the same ultimate parent company	752,919	2.11	-	-	404,384	(Note 1)	-
Rayonnant Technology and its subsidiaries	CIH and its subsidiaries	With the same ultimate parent company	118,732	3.78	-	-	-	(Note 1)	-
HSI and its subsidiaries	Compal Electronic, Inc.	Parent company	5,995,129	11.25	-	-	2,376,069	(Note 1)	-
HSI and its subsidiaries	Arcadyan	With the same ultimate parent company	155,566	12.77	-	-	13,160	(Note 1)	-
Arcadyan	Arcadyan Vietnam	Arcadyan's subsidiary	1,411,290 (Note 3)	(Note 3)	-	-	-	(Note 2)	-
Arcadyan	Acradyan Germany	Arcadyan's subsidiary	155,856	1.70	-	-	-	(Note 2)	-
CNC	Arcadyan	With the same ultimate parent company	836,815 (Note 4)	0.14	-	-	-	(Note 2)	-

Note 1: Balance as of February 20, 2025.

Note 2: Balance as of February 12, 2025.

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

Note 4: Accounts receivables due to processing raw material.

(Continued)

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Table 8 Business relationships and significant intercompany transactions:

(For the year ended December 31, 2024)

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company name	Counter party	Relationship (Note 2)	Intercompany transactions: Accounts name	Amount	Terms	Percentage of the consolidated net revenue or total assets
0	The Company	Arcadyan	1	Sales Revenue	185,326	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	37,653	〃	-
0	The Company	CEM	1	Sales Revenue	5,039,462	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	0.6%
				Accounts Receivable	2,629,995	〃	0.6%
0	The Company	Palcom	1	Sales Revenue	114,792	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	38,813	〃	-
1	Just and its subsidiaries	The Company	2	Sales Revenue	16,051,887	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	1.8%
				Accounts Receivable	1,887,233	〃	0.4%
1	Just and its subsidiaries	UCGI	3	Sales Revenue	484,090	There is no significant difference of price to non-related parties. The credit period is net 60 days, and will be adjusted if necessary.	0.1%
				Accounts Receivable	159,446	〃	-
2	CIH and its subsidiaries	The Company	2	Sales Revenue	92,354,239	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	10.1%
				Accounts Receivable	60,124,632	〃	13.0%
2	CIH and its subsidiaries	HSI and its subsidiaries	3	Sales Revenue	5,425,390	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	0.6%
				Accounts Receivable	5,747,738	〃	1.2%
2	CIH and its subsidiaries	CTB	3	Sales Revenue	457,676	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	163,159	〃	-
2	CIH and its subsidiaries	CEM	3	Sales Revenue	586,359	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	114,979	〃	-
3	BCI and its subsidiaries	The Company	2	Sales Revenue	24,245,248	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.	2.7%
				Accounts Receivable	8,511,317	〃	1.8%
3	BCI and its subsidiaries	CIH and its subsidiaries	3	Sales Revenue	149,548	The price is based on the operating cost. The credit period is net 120 days, and will be adjusted if necessary.	-
				Accounts Receivable	15,060	〃	-
3	BCI and its subsidiaries	HSI and its subsidiaries	3	Sales Revenue	535,855	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	1,267,116	〃	0.3%
3	BCI and its subsidiaries	CTB	3	Sales Revenue	114,296	The price is based on the operating cost. The credit period is net 120 days.	-
				Accounts Receivable	1,304,027	〃	0.3%
3	BCI and its subsidiaries	CEM	3	Sales Revenue	522,316	The price is based on the operating cost. The credit period is net 120 days.	0.1%
				Accounts Receivable	146,058	〃	-
4	CEM	CTB	3	Sales Revenue	1,786,818	There is no significant difference of price to non-related parties. The credit period is net 45 days.	0.2%
				Accounts Receivable	752,919	〃	0.2%
5	Forever and its subsidiaries	HSI and its subsidiaries	3	Sales Revenue	115,543	There is no significant difference of price to non-related parties. The credit period is net 60 days.	-
6	UCGI	Poindus Systems	3	Sales Revenue	172,736	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	76,394	〃	-
7	Rayonnant and its subsidiaries	CIH and its subsidiaries	3	Sales Revenue	722,671	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	118,732	〃	-

(Continued)

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

Table 8 Business relationships and significant intercompany transactions:

(For the year ended December 31, 2024)

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company name	Counter party	Relationship (Note 2)	Intercompany transactions: Accounts name	Amount	Terms	Percentage of the consolidated net revenue or total assets
7	Rayonnant and its subsidiaries	HSI and its subsidiaries	3	Sales Revenue	204,522	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	42,549	〃	-
7	Rayonnant and its subsidiaries	BCI and its subsidiaries	3	Sales Revenue	124,691	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	15,404	〃	-
8	HSI and its subsidiaries	The Company	2	Sales Revenue	78,531,236	There is no significant difference of price to non-related parties. The credit period is net 120 days, and will be adjusted if necessary.	8.6%
				Accounts Receivable	5,995,129	〃	1.3%
8	HSI and its subsidiaries	CIH and its subsidiaries	3	Sales Revenue	305,461	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	10,877	〃	-
8	HSI and its subsidiaries	Arcadyan	3	Sales Revenue	993,537	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	155,566	〃	-
9	Arcadyan	Arcadyan Germany	3	Sales Revenue	309,578	There is no significant difference of price to non-related parties. The credit period is net 150 days from delivery.	-
				Accounts Receivable	155,856	〃	-
9	Arcadyan	Arcadyan USA	3	Sales Revenue	18,125,629	There is no significant difference of price to non-related parties. The credit period is net 120 days from delivery.	2.0%
				Accounts Receivable	24,826	〃	-
9	Arcadyan	Arcadyan AU	3	Sales Revenue	867,914	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	79,043	〃	-
9	Arcadyan	Arcadyan Vietnam	3	Other Receivable	1,411,290	The credit period is net 180 days from the end of the month of delivery and depended on funding demand.	0.3%
10	CNC	Arcadyan	3	Processing Revenue	261,051	The price is based on CNC's cost.	-
				Accounts Receivable	836,815	〃	0.2%
11	Arcadyan Vietnam	Arcadyan	3	Processing Revenue	6,739,286	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)

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

Table 9 The information on investees for the year ended December 31, 2024 (excluding information on investees in Mainland China):

(December 31, 2024)

(In Thousands of New Taiwan Dollars/ shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Ending Balance			The highest holdings in the period		Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Value	Shares	Percentage of Ownership			
The Company	Kinpo&Compal Assets Development	Taipei City	Real estate development leasing and related management business	4,025,000	4,025,000	402,500	70%	3,979,236	402,500	70%	(10,234)	(7,166)	(Note 2)
	Bizcom	Milpitas, USA	Warranty services and marketing of LCD TVs and notebook PCs	36,369	36,369	100	100%	518,820	100	100%	20,256	23,388	(Note 2)
	Just	British Virgin Islands	Investment	1,480,509	1,480,509	48,010	100%	11,332,639	48,010	100%	372,544	372,544	(Note 2)
	CIH	British Virgin Islands	Investment	1,787,680	1,787,680	53,001	100%	50,784,268	53,001	100%	2,602,466	2,602,466	(Note 2)
	Panpal	Taipei City	Investment	5,171,837	5,171,837	500,000	100%	4,738,241 (Note 1)	500,000	100%	(1,031,374)	(1,075,312)	(Note 2)
	Gempal	Taipei City	Investment	900,036	900,036	90,000	100%	1,748,712 (Note 1)	90,000	100%	155,643	133,487	(Note 2)
	Kinpo Group Management	Taipei City	Consultation, training services, etc.	3,000	3,000	300	38%	5,094	300	38%	142	50	
	Ripal	Tainan City	Manufacturing of electric appliance and audiovisual electric products	60,000	60,000	6,000	100%	106,650	6,000	100%	(7,950)	(7,810)	(Note 2)
	Unicore	Taipei City	Management & Consultant, rental and leasing business and wholesale and retail of medical equipments	200,000	200,000	7,000	100%	63,011	20,000	100%	(4,228)	(4,228)	(Note 2)
	Lead-Honor	Taoyuan City	Manufacturing of electric appliance and audiovisual electric products	42,000	42,000	2,772	42%	-	2,772	42%	-	-	
	CEH	British Virgin Islands	Investment	34	34	1	100%	3,863,635	1	100%	-	-	(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%	18,364	2,000	100%	1,913	505	(Note 2)
	Allied Circuit	Taoyuan City	Production and sales of PCB boards	395,388	395,388	10,158	20%	408,363	10,158	20%	236,356	47,032	
	Poindus Systems	Taipei City	Design and manufacture of PCs and peripheral equipment	353,046	353,046	11,768	56%	362,952	11,768	56%	60,453	32,990	(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%	27,733	330,276	71%	(52,386)	(37,438)	(Note 2)
	Lipo Holding Co., Ltd.	Cayman Islands	Investment	489,450	489,450	98	49%	108,155	98	49%	(354,762)	(173,834)	
	CPE	The Netherlands	Investment	197,463	197,463	6,427	100%	997,949	6,427	100%	38,123	38,123	(Note 2)
	Starmems	Hsinchu County	R&D of MEMS microphone related products	64,650	35,000	6,465	38%	26,905	6,465	38%	(34,278)	(12,692)	(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%	(3,531)	3,739	33%	(68,766)	(22,853)	
	Hong Ji	Taipei City	Investment	1,000,000	1,000,000	100,000	100%	1,214,108	100,000	100%	114,255	114,215	(Note 2)
	Hong Jin	Taipei City	Investment	295,000	295,000	29,500	100%	397,520	29,500	100%	52,439	52,456	(Note 2)
	Mactech	Taichung City	Manufacturing of equipment and lighting, retailing of equipment and international trading	219,601	219,601	21,756	53%	292,825	21,756	53%	62,443	32,764	(Note 2)
	Auscom	Austin, TX USA	R&D of notebook PC related products and components	101,747	101,747	3,000	100%	168,733	3,000	100%	5,301	4,016	(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%	3,067,273	41,305	19%	2,486,429	466,071	(Note 2)
	FGH	British Virgin Islands	Investment	2,754,741	2,754,741	89,755	100%	3,917,484	89,755	100%	(399,136)	(399,136)	(Note 2)
	Shennona	Delaware, USA	Medical care IOT business	48,210	48,210	-	100%	7,546	-	100%	-	(9,580)	(Note 2)
	HSI	British Virgin Islands	Investment	1,346,814	1,346,814	42,700	54%	814,656	42,700	54%	622,522	333,547	(Note 2)
	CEP	Poland	Maintenance and warranty services of notebook PCs	385,553	90,156	136	100%	213,490	136	100%	(28,724)	(62,584)	(Note 2)
	CGSP	Poland	Maintenance and warranty services of notebook PCs	652,669	89,669	-	100%	668,177	-	100%	(1,366)	(838)	(Note 2)
	Raypal	Taipei City	Cancerous immunocyte therapy and regenerative medicine	209,076	209,076	4,646	30%	139,593	4,646	30%	(74,297)	(28,300)	
	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	20%	51,928	44,540	20%	(206,620)	(46,765)	
	Hippo Screen	Taipei City	Management & Consultant, rental and leasing business, wholesale and retail sale of precision instruments and international trade	162,000	112,000	9,550	96%	26,464	9,550	96%	(33,260)	(31,085)	(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%	16,056	4,648	28%	(31,725)	(8,794)	
	HengHao	Taipei City	Manufacturing of PCs, computer periphery devices, and electronic components	6,019,757	5,729,757	29,015	100%	(501,582)	29,015	100%	71,274	71,274	(Note 2)

(Continued)

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

Table 9 The information on investees for the year ended December 31, 2024 (excluding information on investees in Mainland China):

(December 31, 2024)

(In Thousands of New Taiwan Dollars/ shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount December 31, 2024	Original Investment Amount December 31, 2023	Ending Balance Shares	Ending Balance Percentage of Ownership	Ending Balance Carrying Value	The highest holdings in the period Shares	The highest holdings in the period Percentage of Ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
The Company	BCI	British Virgin Islands	Investment	2,636,051	2,636,051	90,820	100%	10,253,107	90,820	100%	495,917	495,917	(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%	399,679	29,060	43%	(165,938)	(67,901)	(Note 2)
	Rayonnant Technology	Taipei City	Manufacturing and sales of PCs, computer periphery devices, and electronic components	295,000	295,000	29,500	100%	242,139	29,500	100%	15,847	12,320	(Note 2)
	CRH	British Virgin Islands	Investment	377,328	377,328	12,500	100%	336,356	12,500	100%	8,735	8,735	(Note 2)
	Acendant Private Equity Investment Ltd.	British Virgin Islands	Investment	943,922	943,922	31,253	35%	1,406,230	31,253	35%	(349,967)	(121,606)	
	Etrade	British Virgin Islands	Investment	1,532,029	1,532,029	46,900	65%	(584,053)	46,900	65%	(411,732)	(294,458)	(Note 2)
	Webtek	British Virgin Islands	Investment	3,340	3,340	100	100%	515,286	100	100%	(131,931)	(131,931)	(Note 2)
	Forever	British Virgin Islands	Investment	1,575	1,575	50	100%	1,605,882	50	100%	(39,174)	(39,174)	(Note 2)
	UCGI	Taipei City	Manufacturing and retail sale of computers and electronic components	689,997	689,997	20,000	100%	55,232	20,000	100%	(27,216)	(27,235)	(Note 2)
	Palcom	Taipei City	Selling of mobile phones	100,000	100,000	10,000	100%	106,926	10,000	100%	8,768	8,774	(Note 2)
	Avalue	New Taipei City	Manufacturing, processing, and import and export business of industrial motherboards	547,595	547,595	14,924	21%	831,466	14,924	21%	500,392	102,974	
	CORE	British Virgin Islands	Investment	4,318,860	4,318,860	147,000	100%	9,036,671	147,000	100%	394,640	394,640	(Note 2)
	Compal Ruifang	New Taipei City	Investing and developing businesses, such as public construction and specific zones	300,000	300,000	30,000	100%	301,561	30,000	100%	1,083	1,083	(Note 2)
	GLB	New Taipei City	Manufacturing and wholesale of medical equipment	247,560	247,560	15,035	50%	406,524	15,035	50%	68,636	32,828	(Note 2)
	Compal Healthcare	Taipei City	Information software services, data processing services, and electronic information supply services	20,000	20,000	4,000	100%	27,343	4,000	100%	7,340	7,340	(Note 2)
	River Regeneration and Rejuvenation Biotechnology Co. Ltd.	Taipei City	Regeneration and rejuvenation of stem cell	100,020	-	6,000	31%	78,777	6,000	31%	(91,890)	(21,243)	
	Genki Compal	New Taipei City	Residential elderly care services	21,915	-	-	49%	21,915	-	49%	-	-	
	CMX	Mexcio	Production of automotive electronic products	77,997	77,997	-	100%	82,527	-	100%	434	(1,519)	(Note 2)
								114,705,035				2,756,057	
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%	653,108	8,192	4%	2,486,429	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%	117,673	2,927	6%	236,356	Investment gain (losses) recognized by Panpal	
	PT GLB Biotechnology Indonesia	Indonesia	Manufacturing and wholesale of medical equipment	894	894	-	1%	810	-	1%	(3,533)	Investment gain (losses) recognized by Panpal	(Note 2)
	Others							(1,728,007)					(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%	764,777	9,279	4%	2,486,429	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%	129,441	3,220	6%	236,356	Investment gain (losses) recognized by Gempal	
	Others							89,779			-		(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%	764,777	9,279	4%	2,486,429	Investment gain (losses) recognized by Hong Ji	(Note 2)
	Allied Circuit	Taoyuan City	Production and selling of PCB boards	10,389	10,389	851	2%	29,339	851	2%	236,356	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%	364,883	4,609	2%	2,486,429	Investment gain (losses) recognized by Hong Jin	(Note 2)
Just	CDH (HK)	Hong Kong	Investment	2,042,424	2,042,424	62,298	100%	8,443,116	62,298	100%	254,039	Investment gain (losses) recognized by Just	(Note 2)
	CII	British Virgin Islands	Investment	417,845	417,845	12,745	100%	441,062	12,745	100%	(10,975)	Investment gain (losses) recognized by Just	(Note 2)
	CPI	British Virgin Islands	Investment	16,393	16,393	500	100%	16,078	500	100%	51	Investment gain (losses) recognized by Just	(Note 2)
CII	Smart	British Virgin Islands	Investment	33	33	1	100%	400	1	100%	(3)	Investment gain (losses) recognized by CII	(Note 2)
	MEL	U.S.A	Investment	269,952	269,952	-	100%	226,089	-	100%	2,269	Investment gain (losses) recognized by CII	(Note 2)
	MTL	U.S.A	Investment	33	33	-	100%	33	-	100%	-	Investment gain (losses) recognized by CII	(Note 2)
	CNA	U.S.A	Sales of automotive electronic products	81,963	81,963	2,500	100%	89,554	2,500	100%	7,433	Investment gain (losses) recognized by CII	(Note 2)
	CUS	U.S.A	Sales of automotive electronic products	245,888	80,000	2,500	100%	121,814	2,500	100%	(20,709)	Investment gain (losses) recognized by CII	(Note 2)

(Continued)

Notes to Consolidated Financial Statements

Table 9 The information on investees for the year ended December 31, 2024 (excluding information on investees in Mainland China):

(December 31, 2024)

(In Thousands of New Taiwan Dollars/ shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount December 31, 2024	Original Investment Amount December 31, 2023	Ending Balance Shares	Ending Balance Percentage of Ownership	Ending Balance Carrying Value	The highest holdings in the period Shares	The highest holdings in the period Percentage of Ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
CIH	CIH (HK)	Hong Kong	Investment	2,452,400	2,452,400	74,803	100%	49,787,976	74,803	100%	2,526,998	Investment gain (losses) recognized by CIH	(Note 2)
	Jenpal	British Virgin Islands	Investment	240,970	240,970	7,350	100%	132,491	7,350	100%	6,945	Investment gain (losses) recognized by CIH	(Note 2)
	PFG	British Virgin Islands	Investment	33	33	1	100%	185,099	1	100%	91,747	Investment gain (losses) recognized by CIH	(Note 2)
	FWT	British Virgin Islands	Investment	488,497	488,497	14,900	100%	488,496	14,900	100%	-	Investment gain (losses) recognized by CIH	(Note 2)
	CCM	British Virgin Islands	Investment	167,204	167,204	5,100	51%	5,589	5,100	51%	(1,863)	Investment gain (losses) recognized by CIH	
HSI	IUE	British Virgin Islands	Investment	2,196,595	2,196,595	67,000	100%	1,791,131	67,000	100%	628,968	Investment gain (losses) recognized by HSI	(Note 2)
	Goal	British Virgin Islands	Investment	416,370	416,370	12,700	100%	350,016	12,700	100%	(6,446)	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	2,196,595	2,196,595	67,000	100%	1,791,131	67,000	100%	628,968	Investment gain (losses) recognized by IUE	(Note 2)
Goal	CDM	Vietnam	Construction of and investment in infrastructure in Ba-Thien industrial district of Vietnam	416,370	416,370	12,700	100%	305,855	12,700	100%	(6,446)	Investment gain (losses) recognized by Goal	(Note 2)
BCI	CMI	British Virgin Islands	Investment	2,649,684	2,649,684	80,820	100%	6,414,432	80,820	100%	295,814	Investment gain (losses) recognized by BCI	(Note 2)
	PRI	British Virgin Islands	Investment	327,850	327,850	10,000	100%	3,838,675	10,000	100%	200,103	Investment gain (losses) recognized by BCI	(Note 2)
CORE	BSH	British Virgin Islands	Investment	4,819,395	4,819,395	147,000	100%	9,048,618	147,000	100%	394,640	Investment gain (losses) recognized by CORE	(Note 2)
BSH	Mithera	Cayman Islands	Investment	165,564	165,564	-	99%	146,054	-	99%	(149)	Investment gain (losses) recognized by BSH	(Note 2)
	CIN	U.S.A	Manufaturing	266,542	266,542	1	100%	260,057	1	100%	18,003	Investment gain (losses) recognized by BSH	(Note 2)
	HSI	British Virgin Islands	Investment	1,213,045	1,213,045	37,000	46%	1,354,853	37,000	46%	622,522	Investment gain (losses) recognized by BSH	(Note 2)
	HHB	British Virgin Islands	Investment	196,710	196,710	9,000	16%	245,548	9,000	16%	(205,471)	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	1,967,100	1,770,390	-	100%	2,045,740	-	100%	39,088	Investment gain (losses) recognized by BSH	(Note 2)
Forever	GIA	British Virgin Islands	Selling of mobile phones	-	-	-	100%	-	-	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	65,570	65,570	-	100%	49,177	-	100%	(52,918)	Investment gain (losses) recognized by Forever	(Note 2)
Webtek	Etrade	British Virgin Islands	Investment	819,625	819,625	25,000	35%	(297,806)	25,000	35%	(411,732)	Investment gain (losses) recognized by Webtek	(Note 2)
Arcadyan	Arcadyan Holding	British Virgin Islands	Investment	1,701,027	1,701,027	47,780	100%	2,466,430	47,480	100%	245,753	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%	119,035	1	100%	66,287	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%	102,893	1	100%	3,456	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan Korea	Korea	Sales of wireless network products	2,879	2,879	20	100%	36,252	20	100%	3,466	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Zhi-Bao	Hsinchu City	Investment	48,000	48,000	34,980	100%	313,026	34,980	100%	(30,053)	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%	143,702	25,028	61%	(17,744)	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan UK	UK	Technical support of wireless network products	1,988	1,988	50	100%	6,305	50	100%	424	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan AU	Australia	Sales of wireless network products	1,161	1,161	50	100%	84,413	50	100%	12,561	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan RU	Russia	Sales of wireless network products	7,672	7,672	-	100%	849	-	100%	(2,284)	Investment gain (losses) recognized by Arcadyan	(Note 2)
	Arcadyan Turkey	Turkey	Sales of wireless network products	61,268	-	6,200	100%	59,998	6,200	100%	2,607	Investment gain (losses) recognized by Arcadyan	(Note 2&4)
Arcadyan and Zhi-Bao	Arcadyan Brasil	Brazil	Sales of wireless network products	81,593	81,593	968	100%	(52,452)	968	100%	(16,388)	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%	(53,810)	19,800	100%	(105,542)	Investment gain (losses) recognized by Arcadyan and Zhi-Bao	(Note 2)
	CBN	Hsinchu County	Sales of communication and electronic components	48,197	48,197	13,673	20%	200,175	13,673	20%	(165,938)	Investment gain (losses) recognized by Arcadyan and Zhi-Bao	(Note 2)
Arcadyan Holding	Sinoprime	British Virgin Islands	Investment	950,661	950,661	29,050	100%	1,988,338	29,050	100%	298,064	Investment gain (losses) recognized by Arcadyan Holding	(Note 2)
	Arch Holding	British Virgin Islands	Investment	360,335	360,335	35	100%	602,991	35	100%	144,311	Investment gain (losses) recognized by Arcadyan Holding	(Note 2)
TTI	Quest	Samoa	Investment	39,270	39,270	1,200	100%	9,108	1,200	100%	(1,586)	Investment gain (losses) recognized by TTI	(Note 2)
	TTJC	Japan	Sales of household digital electronic products	-	9,626	-	-%	-	0.7	100%	(503)	Investment gain (losses) recognized by TTI	(Note 2&6)

(Continued)

Notes to Consolidated Financial Statements

Table 9 The information on investees for the year ended December 31, 2024 (excluding information on investees in Mainland China):

(December 31, 2024)

(In Thousands of New Taiwan Dollars/ shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Ending Balance			The highest holdings in the period		Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Value	Shares	Percentage of Ownership			
Quest	Exquisite	Samoa	Investment	38,288	38,288	1,170	100%	8,181	1,170	100%	(1,606)	Investment gain (losses) recognized by Quest	(Note 2)
Sinoprime	Arcadyan Vietnam	Vietnam	Manufacturing of wireless network products	949,025	949,025	-	100%	1,983,397	-	100%	298,064	Investment gain (losses) recognized by Sinoprime	(Note 2)
Rayonnant Technology	APH	British Virgin Islands	Investment	257,454	257,454	8,651	41%	312,318	8,651	41%	22,975	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%	-	1,820	21%	-	Investment gain (losses) recognized by Rayonnant Technology	(Note 2)
CRH	APH	British Virgin Islands	Investment	409,813	409,813	12,500	59%	336,356	12,500	59%	22,975	Investment gain (losses) recognized by CRH	(Note 2)
APH	PEL	British Virgin Islands	Investment	103,306	103,306	3,151	100%	50,506	3,151	100%	1,822	Investment gain (losses) recognized by APH	(Note 2)
	Rayonnant (HK)	Hong Kong	Investment	590,130	590,130	18,000	100%	503,499	18,000	100%	21,153	Investment gain (losses) recognized by APH	(Note 2)
HHT	HHA	British Virgin Islands	Investment	1,429,235	1,429,235	46,882	100%	(1,573,769)	46,882	100%	(172,370)	Investment gain (losses) recognized by HHT	(Note 2)
HHA	HHB	British Virgin Islands	Investment	1,537,027	1,537,027	46,882	84%	(1,342,539)	46,882	84%	(205,471)	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%	4,979	20	100%	(289)	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%	6,251	20	100%	(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%	6,784	1,630	10%	(34,278)	Investment gain (losses) recognized by CBN	(Note 2)
FGH	Wah Yuen Technology Holding Ltd. and its subsidiaries	Mauritius	Investment	2,942,634	2,942,634	95,862	37%	3,991,708	95,862	37%	(1,091,457)	Investment gain (losses) recognized by FGH	
GLB	PT GLB Biotechnology Indonesia	Indonesia	Manufacturing and wholesale of medical equipment	88,506	88,506	42	99%	83,340	42	99%	(3,533)	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%	3,425	2,160	15%	(2,944)	Investment gain (losses) recognized by Mactech	
Poindus Systems	Poindus Investment	Taipei City	Investment holding	4,100	4,100	(Note 3)	100%	416	(Note 3)	100%	42	Investment gain (losses) recognized by Poindus Systems	(Note 2)
	Poindus UK	UK	Sales of PCs and peripherals	14,297	14,297	300	100%	(9,539)	300	100%	(3,650)	Investment gain (losses) recognized by Poindus Systems	(Note 2)
	Adasys	Germany	Sales of PCs and peripherals	57,712	57,712	0.002	100%	7,774	0.002	100%	620	Investment gain (losses) recognized by Poindus Systems	(Note 2)
	Varlink	UK	Sales of PCs and peripherals	61,590	-	140	100%	41,184	140	100%	(1,584)	Investment gain (losses) recognized by Poindus Systems	(Note 2)
Varlink	EPOS	UK	Sales of PCs and peripherals	-	-	0.001	100%	-	0.001	100%	-	Investment gain (losses) recognized by Varlink	(Note 2)
Poindus Investment	Poindus GmbH	Germany	Sales of PCs and peripherals	-	1,721	-	-%	-	(Note 3)	100%	(66)	Investment gain (losses) recognized by Poindus Investment	(Note 2&5)

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: Poindus GmbH completed its liquidation registration on September 17, 2024.
Note 6: TTJC completed its liquidation registration on November 30, 2024.

(Continued)

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

Table 10 Information on investment in Mainland China:

(December 31, 2024)

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

(In Thousands of New Taiwan Dollars / shares)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 4)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
CPC	Manufacturing and sales of monitors	1,213,045	(Note 1)	1,213,045	-	-	1,213,045	151,857	100%	151,857	2,887,180	-
CDT	Manufacturing and sales of notebook PCs, mobile phones, and Digital products	655,700	(Note 2)	655,700	-	-	655,700	33,543	100%	33,543	182,259	-
CET	Manufacturing of notebook PCs	393,420	(Note 2)	393,420	-	-	393,420	17,867	100%	17,867	5,414,394	-
CSD	Research, manufacture and sales of communication devices, mobile phones, electronic computer, smart watch, and provide related technology service	269,337	(Note 2)	(Note 3)	-	-	-	207,527	100%	207,527	736,522	-
FIP	Manufacturing of auto parts and accessories	404,005	(Note 2)	(Note 3)	-	-	-	2,668	60%	1,601	270,064	-
BT	Manufacturing of notebook PCs	32,785	(Note 2)	32,785	-	-	32,785	(19,015)	100%	(19,015)	(124,757)	-
CGS	Maintenance and warranty service of notebook PCs	8,978	(Note 2)	(Note 3)	-	-	-	(4,485)	100%	(4,485)	(19,360)	-
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	1,049,120	(Note 1)	437,024	-	-	437,024	(279,024)	43%	(120,483)	66	-
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	2,065,534	(Note 1&3)	48,194	-	-	48,194	(450,152)	44%	(197,617)	273,296	-
CIC	Manufacturing of notebook PCs	393,420	(Note 2)	393,420	-	-	393,420	474,822	100%	474,822	12,155,670	-
CPO	Manufacturing and sales of LCD TVs	396,699	(Note 1)	396,699	-	-	396,699	137,521	100%	137,521	3,365,608	-
CIT	Manufacturing of notebook PCs	786,840	(Note 2)	786,840	-	-	786,840	2,025,740	100%	2,025,740	31,501,577	-
CST	International trade and distribution of computers and electronic components	45,899	(Note 2)	45,899	-	-	45,899	(1,147)	100%	(1,147)	46,216	-
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	-	(Note 2)	167,204	-	-	167,204	(12,603)	-%	(6,428)	-	-
CIJ	Investment and consulting services	511,446	(Note 2)	511,446	-	-	511,446	(24,481)	100%	(24,481)	(Note 16) 2,699,634	-
CDE	Manufacturing and sales of LCD TVs	491,775	(Note 2)	(Note 3)	-	-	-	(24,096)	100%	(24,096)	2,662,708	-
CIS	Outward investment and consulting services	2,649,684	(Note 1)	2,649,684	-	-	2,649,684	295,814	100%	295,814	6,414,432	-
CEC	R&D and manufacturing of notebook PCs, tablet PCs, digital products, network switches, wireless AP, and automobile electronic products	2,622,800	(Note 2)	(Note 3)	-	-	-	295,325	100%	295,325	6,380,081	-
CMC	Corporate management consulting, financial and tax consulting, investment consulting, and investment management consulting services	26,228	(Note 2)	(Note 3)	-	-	-	559	100%	559	27,573	-
CEQ	R&D, manufacturing and sales of notebook PCs and related components. Also provides related maintenance and warranty services	327,850	(Note 1)	327,850	-	-	327,850	200,103	100%	200,103	3,838,675	-
Compal Precision Module (Jiangsu) Co., Ltd.	Manufacturing and selling of magnesium alloy injection molding	13,769,700	(Note 2)	2,708,926	-	-	2,708,926	(468,800)	37%	(171,674)	5,255,547	-
Changbao Electronic Technology (Chongqing) Co., Ltd.	Production and marketing of magnesium alloy molding	1,967,100	(Note 2)	375,585	-	-	375,585	(278,338)	37%	(101,927)	551,268	-

(Continued)

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

Table 10 Information on investment in Mainland China:

(December 31, 2024)

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

(In Thousands of New Taiwan Dollars / shares)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 4)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Rayonnant (Taicang)	Manufacturing and sales of aluminum alloy and magnesium alloy products	590,130	(Note 2)	409,813	-	-	409,813	22,956	100%	21,153	504,139	-
CCI Nanjing	Manufacturing and processing of mobile phones and tablet PCs	885,195	(Note 1)	721,270	-	-	721,270	(84,648)	100%	(84,648)	(1,480,308)	-
CDCN	Manufacturing and processing of mobile phones and tablet PCs	190,153	(Note 1)	190,153	-	-	190,153	(16,596)	100%	(16,596)	70,357	-
CWCN	Manufacturing and processing of mobile phones and tablet PCs	1,606,465	(Note 1)	622,915	-	-	622,915	(327,966)	100%	(327,966)	453,285	-
Hanhelt	R&D and manufacturing of electronic communication equipment	65,570	(Note 1)	65,570	-	-	65,570	-	100%	-	2,557	-
Arcadyan												
SVA Arcadyan	R&D and sales of wireless network products	265,073	(Note 1)	439,170 (Note 7)	-	-	439,170	7,322	100%	7,322	49,938	-
CNC	Manufacturing and wireless network products	407,426	(Note 1)	360,335 (Note 8)	-	-	360,335	144,311	100%	144,311	810,795	-
THAC	Manufacturing of household electronics products	396,136	(Note 1& 9&10)	37,634	-	-	37,634	(4,881)	100%	(4,881)	23,104	-
HengHao												
HengHao Kunshan	Production of touch panels and related components	-	(Note 1)	1,304,941	-	-	1,304,941	-	-%	-	- (Note 15)	-
HengHao Zhejiang	Production of touch panels and related components	1,606,465	(Note 2)	(Note 3)	-	-	-	(204,702)	100%	(204,702)	(1,493,455)	-
Lucom	Manufacturing of notebook PCs and related modules	-	(Note 2)	213,070 (Note 12)	-	-	213,070	(3,026)	-%	(3,026)	- (Note 14)	-
Poindus Systems												
Qijie	Sales of PCs and peripherals	32,785	(Note 1)	32,785	-	-	32,785	(1,048)	100%	(1,048)	8,870	-

(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	17,787,076 (US$542,537) (Note 5)	25,870,676 (US$789,101)	(Note 6)
Arcadyan	837,138 (US$25,581)	1,123,646 (US$34,336)	9,560,981
HengHao	1,536,699 (US$46,872)	1,536,699 (US$46,872)	(Note 13)
Poindus Systems	32,785 (US$1,000)	32,785 (US$1,000)	348,926

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 basis for recognition of investment profit and loss is based on the financial statements that verified by CPA.

Note 5： Including the investment amount of sold or dissolved companies, including Beijing Compower 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 form merging with Compal Communication Co., Ltd.

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

Note 7： Arcadyan paid US$18,420 thousand and acquired 100% shares of SVA Arcadyan from Accton 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 December 31, 2024.

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

Note 15： HengHao Kunshan merged with HengHao Zhejiang through an absorption merger in November 2024, with HengHao Zhejiang being the sole surviving company.

Note 16： Sheng Bao Precision Electronics (Taicang) Co., Ltd. completed its liquidation registration in December 2024.

(iii) Significant transactions:

For the year ended December 31, 2024, the significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions” and “Business relationships and significant intercompany transactions”.