

## 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, 2025 and 2024, 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, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended December 31, 2025 and 2024, 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, 2025 and 2024, 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 Yiu-Kwan Au.

KPMG

Taipei, Taiwan (Republic of China)  
February 26, 2026

#### **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 Statements of Comprehensive Income**  
**For the years ended December 31, 2025 and 2024**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

		<u>2025</u>		<u>2024</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	<b>Net sales revenue</b> (Notes (6)(v) and (7))	\$ 757,513,030	100.0	910,253,024	100.0
5000	<b>Cost of sales</b> (Notes (6)(g), (6)(q), (7) and (12))	<u>714,766,359</u>	<u>94.4</u>	<u>864,881,775</u>	<u>95.0</u>
	<b>Gross profit</b>	<u>42,746,671</u>	<u>5.6</u>	<u>45,371,249</u>	<u>5.0</u>
	<b>Operating expenses:</b> (Notes (6)(q) and (12))				
6100	Selling expenses	6,419,074	0.8	6,196,249	0.7
6200	Administrative expenses	5,519,500	0.7	5,432,897	0.6
6300	Research and development expenses	<u>20,171,647</u>	<u>2.7</u>	<u>18,900,065</u>	<u>2.1</u>
		<u>32,110,221</u>	<u>4.2</u>	<u>30,529,211</u>	<u>3.4</u>
	<b>Net operating income</b>	<u>10,636,450</u>	<u>1.4</u>	<u>14,842,038</u>	<u>1.6</u>
	<b>Non-operating income and expenses:</b>				
7100	Interest income (Note (6)(x))	2,904,159	0.4	4,024,096	0.4
7210	Other gains and losses, net (Notes (6)(x) and (6)(z))	(902,642)	(0.1)	457,090	0.1
7050	Finance costs (Note (6)(p))	(2,565,765)	(0.3)	(4,037,352)	(0.4)
7190	Other income (Note (6)(x))	963,199	0.1	823,333	0.1
7590	Miscellaneous disbursements	(57,716)	-	(66,547)	-
7770	Share of profit (loss) of associates and joint ventures accounted for using equity method (Note (6)(h))	<u>(529,348)</u>	<u>(0.1)</u>	<u>(694,470)</u>	<u>(0.1)</u>
	<b>Total non-operating income and expenses</b>	<u>(188,113)</u>	<u>-</u>	<u>506,150</u>	<u>0.1</u>
7900	<b>Profit from continuing operations before tax</b>	10,448,337	1.4	15,348,188	1.7
7950	<b>Less: Income tax expenses</b> (Note (6)(r))	<u>2,547,854</u>	<u>0.4</u>	<u>3,653,527</u>	<u>0.4</u>
	<b>Profit</b>	<u>7,900,483</u>	<u>1.0</u>	<u>11,694,661</u>	<u>1.3</u>
8300	<b>Other comprehensive income:</b>				
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8311	Gains (losses) on remeasurements of defined benefit plans	40,386	-	103,525	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(8,552,923)	(1.1)	14,537,686	1.6
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	(29,189)	-	29,530	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note (6)(r))	<u>(1,619,078)</u>	<u>(0.2)</u>	<u>2,569,257</u>	<u>0.3</u>
	Components of other comprehensive income that will not be reclassified to profit or loss	<u>(6,922,648)</u>	<u>(0.9)</u>	<u>12,101,484</u>	<u>1.3</u>
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	(3,745,485)	(0.5)	5,785,253	0.7
8368	Gains (losses) on hedging instrument (Note (6)(y))	10,311	-	13,924	-
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	(111,112)	-	281,226	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note (6)(r))	<u>3,238</u>	<u>-</u>	<u>3,363</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss	<u>(3,849,524)</u>	<u>(0.5)</u>	<u>6,077,040</u>	<u>0.7</u>
8300	<b>Other comprehensive income (after tax)</b>	<u>(10,772,172)</u>	<u>(1.4)</u>	<u>18,178,524</u>	<u>2.0</u>
8500	<b>Total comprehensive income</b>	<u>\$ (2,871,689)</u>	<u>(0.4)</u>	<u>29,873,185</u>	<u>3.3</u>
	<b>Profit, attributable to:</b>				
8610	Profit, attributable to owners of parent	\$ 6,029,892	0.8	10,042,410	1.1
8620	Profit, attributable to non-controlling interests	<u>1,870,591</u>	<u>0.2</u>	<u>1,652,251</u>	<u>0.2</u>
		<u>\$ 7,900,483</u>	<u>1.0</u>	<u>11,694,661</u>	<u>1.3</u>
	<b>Comprehensive income attributable to:</b>				
8710	Comprehensive income (loss), attributable to owners of parent	\$ (4,670,741)	(0.6)	28,091,175	3.1
8720	Comprehensive income (loss), attributable to non-controlling interests	<u>1,799,052</u>	<u>0.2</u>	<u>1,782,010</u>	<u>0.2</u>
		<u>\$ (2,871,689)</u>	<u>(0.4)</u>	<u>29,873,185</u>	<u>3.3</u>
	<b>Earnings per share</b> (Note (6)(u))				
9750	<b>Basic earnings per share</b>	<u>\$ 1.38</u>		<u>2.30</u>	
9850	<b>Diluted earnings per share</b>	<u>\$ 1.37</u>		<u>2.28</u>	

See accompanying notes to consolidated financial statements.

**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity**  
**For the years ended December 31, 2025 and 2024**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent						Total other equity interest					Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Retained earnings				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				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve							Unappropriated retained earnings			
<b>Balance at January 1, 2024</b>	\$ 44,071,466	4,270,915	23,313,701	1,943,104	47,291,350	72,548,155	(1,747,330)	1,363,472	(3,436)	(387,294)	(881,247)	119,621,995	13,150,858	132,772,853
Profit for the 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
Profit for the year ended December 31, 2025	-	-	-	-	6,029,892	6,029,892	-	-	-	-	-	6,029,892	1,870,591	7,900,483
Other comprehensive income	-	-	-	-	36,252	36,252	(3,788,353)	(6,951,252)	2,720	(10,736,885)	-	(10,700,633)	(71,539)	(10,772,172)
Total comprehensive income	-	-	-	-	6,066,144	6,066,144	(3,788,353)	(6,951,252)	2,720	(10,736,885)	-	(4,670,741)	1,799,052	(2,871,689)
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	1,007,221	-	(1,007,221)	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(387,294)	387,294	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(6,170,005)	(6,170,005)	-	-	-	-	-	(6,170,005)	-	(6,170,005)
Changes in ownership interests in subsidiaries	-	(643)	-	-	100,976	100,976	-	(121,397)	-	(121,397)	-	(21,064)	-	(21,064)
Changes in equity of associates and joint ventures accounted for using equity method	-	137,846	-	-	(2,145)	(2,145)	-	(1,736)	-	(1,736)	-	133,965	-	133,965
Adjustments of capital surplus for cash dividends received by subsidiaries	-	70,024	-	-	-	-	-	-	-	-	-	70,024	-	70,024
Others	-	1,001	-	-	-	-	-	-	-	-	-	1,001	-	1,001
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	99,576	99,576	-	(99,576)	-	(99,576)	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	68,894	68,894
<b>Balance at December 31, 2025</b>	\$ 44,071,466	3,681,169	25,019,546	-	53,288,219	78,307,765	415,454	6,210,563	2,720	6,628,737	(881,247)	131,807,890	15,869,018	147,676,908

See accompanying notes to consolidated financial statements.

**COMPAL ELECTRONICS, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2025 and 2024**  
**(Expressed in Thousands of New Taiwan Dollars)**

	2025	2024
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before tax</b>	\$ 10,448,337	15,348,188
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation and amortization	7,145,612	7,867,845
Expected credit loss	28,406	50,508
Net gain on financial assets or liabilities at fair value through profit or loss	(59,377)	(39,048)
Finance cost	2,565,765	4,037,352
Interest income	(2,904,159)	(4,024,096)
Dividend income	(546,206)	(354,675)
Compensation cost of share-based payments	9,029	(6,274)
Share of loss of associates and joint ventures accounted for using equity method	529,348	694,470
Gain on disposal of property, plant and equipment	(47,941)	(15,021)
Gain on disposal of investments accounted for using equity method	(15,388)	-
Gain on lease modification	(1,833)	(18,409)
<b>Total adjustments to reconcile profit</b>	6,703,256	8,192,652
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease (increase) in financial assets at fair value through profit or loss	140,878	(93,070)
Decrease (increase) in notes and accounts receivable	26,104,521	(7,086,278)
Decrease (increase) in other receivable	1,869,035	(892,216)
Decrease in inventories	145,706	10,328,297
Increase in other current assets	(1,485,688)	(906,764)
Decrease (increase) in other non-current assets	319,718	(686,427)
<b>Total changes in operating assets</b>	27,094,170	663,542
<b>Changes in operating liabilities:</b>		
Increase (decrease) in financial liabilities at fair value through profit or loss	84,867	(164,535)
Decrease in notes and accounts payable	(12,740,394)	(324,189)
Decrease in other payables	(2,100,851)	(380,825)
(Decrease) Increase in refund liabilities	(627,720)	99,410
Increase in contract liabilities	1,420,855	2,495,903
Increase in other current liabilities	230,446	2,512,331
Others	(14,162)	(13,096)
<b>Total changes in operating liabilities</b>	(13,746,959)	4,224,999
<b>Total changes in operating assets and liabilities</b>	13,347,211	4,888,541
<b>Total adjustments</b>	20,050,467	13,081,193
Cash inflow generated from operations	30,498,804	28,429,381
Interest received	3,400,459	3,888,027
Dividends received	694,116	617,719
Interest paid	(2,837,692)	(3,873,127)
Income taxes paid	(1,982,934)	(3,818,023)
<b>Net cash flows from operating activities</b>	29,772,753	25,243,977
<b>Cash flows from (used in) investing activities:</b>		
Increase in financial assets at amortised cost	(3,829,050)	(5,103,852)
Acquisition of financial assets at fair value through profit or loss and through other comprehensive income	(846,303)	(202,033)
Proceeds from disposal of financial assets at fair value through profit or loss and through other comprehensive income	629,465	12,601
Acquisition of investments accounted for using equity method	(613,721)	(570,196)
Net cash flow from acquisition of subsidiaries	-	(60,937)
Proceeds from capital reduction and liquidation of investments	41,750	36,123
Acquisition of property, plant and equipment	(8,149,636)	(7,098,856)
Proceeds from disposal of property, plant and equipment	404,877	461,816
Acquisition of intangible assets	(387,551)	(832,406)
(Increase) decrease in restricted assets	(395,005)	174,873
Others	(256,853)	175,272
<b>Net cash flows used in investing activities</b>	(13,402,027)	(13,007,595)
<b>Cash flows from (used in) financing activities:</b>		
Increase (decrease) in short-term borrowings	9,048,316	(1,083,663)
Proceeds from long-term borrowings	33,761,104	38,628,227
Repayments of long-term borrowings	(44,353,952)	(38,760,693)
Payment of lease liabilities	(1,833,216)	(2,048,370)
Cash dividends paid	(6,099,981)	(5,228,555)
Change in non-controlling interests	39,938	(1,025,350)
Others	(83,511)	(15,210)
<b>Net cash flows used in financing activities</b>	(9,521,302)	(9,533,614)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(2,506,960)	3,765,634
<b>Net increase in cash and cash equivalents</b>	4,342,464	6,468,402
<b>Cash and cash equivalents at beginning of period</b>	78,947,882	72,479,480
<b>Cash and cash equivalents at end of period</b>	\$ 83,290,346	78,947,882

See accompanying notes to consolidated financial statements.