



COMPAL ELECTRONICS, INC.

2024 Annual Report

FROM VISION TO REALITY

Innovation Empowered

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

Taiwan Stock Exchange Market Observation Post System: <http://mops.twse.com.tw>

Company Website: <http://www.compall.com>

Printed on March 31, 2025

I. Spokesperson

Spokesperson: Cheng-Chiang Wang /Vice President

Deputy Spokesperson: Yen-Ting Chang / Director of Accounting Dept.

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II. Headquarters, Branches and Plant

Headquarters

Address: No.581 and 581-1, Ruiguang Rd., Neihu District, Taipei, Taiwan

Tel: 886-2- 8797-8588

Manufacturing Site

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Tel: 886-3-439-1707

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III. Share Administration Agency

Chinatrust Transfer Agent

Address: 5F, No. 83, Sec 1, Chongqing S. Road, Taipei, Taiwan

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IV. Auditors

CPA Firm: KPMG Taiwan

Auditors: Kuo, Kuan Ying and Chien, Szu Chuan

Address: 68F, No. 7, Sec. 5, Xinyi Road, Taipei, Taiwan

Tel.: 886-2-8101-6666

Website: <http://www.kpmg.com.tw>

V. Overseas Securities Exchange

Luxembourg Stock Exchange: <http://www.bourse.lu>

London Stock Exchange <http://www.londonstockexchange.com>

VI. Corporate Website

<http://www.compal.com>

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I. Letter to Shareholders

Dear Shareholders,

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

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

Financial and Business Results

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

Transformation and Growth Strategy

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

A crucial aspect of this transformation is our comprehensive push for digitization and AI applications, which includes three main strategic directions: (1) Internal AI Applications: Integrating AI into our internal management across R&D, procurement, smart manufacturing,

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

Geopolitical Risks and Global Strategy

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

Sustainability and Innovation Progress

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

In the realm of innovation, Compal's jointly developed "5G and AI-enabled Smart Mattress Care System" won two prestigious awards in 2024 - the R&D 100 Awards and the Special Contribution Award for Corporate Social Responsibility. Additionally, Compal received 20 iF Product Design Awards and ranked 11th in iF Global Creative Status. Compal's performance in external evaluations has significantly improved through our comprehensive efforts in sustainability and innovation. We have been selected for several consecutive years in the FTSE4Good Index and FTSE4Good TIP Taiwan ESG Index, reflecting international recognition of Compal's long-term sustainable investment value. In 2024, Compal was once again named one of the "Top 100 Sustainable Companies in Taiwan" by the Taiwan Institute for Sustainable

Energy (TAISE) and received the TCSA Taiwan Corporate Sustainability Award as well as the Global Corporate Sustainability Award, acknowledging our ongoing commitment to sustainability.

Future Outlook and Plans

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

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

Chairman of the Board: Jui-Tsung Chen
President and CEO: Anthony Peter Bonadero
Accounting Officer: Cheng- Chiang Wang

II. Corporate Governance Report

2.1 Directors and Management Team

2.1.1 Directors

March 31, 2025

Title/ Name/ Nationality (Note 1, 2)	Gender/ Age	Elected Date	Term	First Elected Date	Shareholding at the election date		Current shareholding		Shares held by spouse and underage children Current shareholding		Shares held by proxy		Major career/academic achievements	Selected Current Position at COMPAL and Other Companies	Spouse or relatives of second degree or closer acting as Directors, Supervisors, or department heads		
					Shares	Shareholding Percentage (%)	Shares	Sharehold ing Percentage (%)	Shares	Sharehold ing Percentage (%)	Shares	Shareholding Percentage (%)			Title	Name	Shares
Chairman Jui-Tsung Chen	Male 66-80	2024.5.31	3 years	1992.04.30	35,352,587	0.80%	35,352,587	0.80%	1,069,405	0.02%	0	0.00%	Honorary Doctorate, Bachelor of Electrical Engineering Dept., National Cheng Kung University Chair of Arcadyan Technology Corp.	(Note 6)	N/A	N/A	N/A
Director Kinpo Electronics, Inc.	-	2024.5.31	3 years	1990.06.22	151,628,692	3.44%	151,628,692	3.44%	0	0.00%	0	0.00%	Bachelor of Electrical Engineering Dept., National Taiwan Ocean University	(Note 6)	N/A	N/A	N/A
Representative: Wei-Chang Chen	Male 51-65			2024.5.31	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Director and President of Kinpo Electronics Inc.				
Director Taiwan Venture Capital Co., Ltd.	-	2024.5.31	3 years	2024.5.31	1,380,000	0.03%	1,380,000	0.03%	0	0.00%	0	0.00%	Co-Founder of Compal Electronics, Inc. Bachelor of Business Dept., National Taiwan University	(Note 6)	N/A	N/A	N/A
Representative: Charng-Chyi Ko	Male 81-90			1984.04.16	0	0.00%	7,896,867	0.18%	30,645	0.00%	0	0.00%	PhD, Lincoln University, USA Chair of Taiwan Biotech Co., Ltd.				
Director Sheng-Chieh Hsu	Male 66-80	2024.5.31	3 years	1997.05.29	9,204,201	0.21%	9,204,201	0.21%	8,152,928	0.18%	(Note 5)	(Note 5)	Bachelor of Architectural Dept., Tamkang University Director of Cal-Comp Electronics (Thailand) Public Company Limited	(Note 6)	N/A	N/A	N/A

Title/ Name/ Nationality (Note 1, 2)	Gender/ Age	Elected Date	Term	First Elected Date	Shareholding at the election date		Current shareholding		Shares held by spouse and underage children Current shareholding		Shares held by proxy		Major career/academic achievements	Selected Current Position at COMPAL and Other Companies	Spouse or relatives of second degree or closer acting as Directors, Supervisors, or department heads		
					Shares	Shareholding Percentage (%)	Shares	Sharehold ing Percentage (%)	Shares	Sharehold ing Percentage (%)	Shares	Shareholding Percentage (%)			Title	Name	Shares
Director Chieh-Li Hsu	Male 51-65	2024.5.31	3 years	2020.07.21	4,117,569	0.09%	4,117,569	0.09%	631	0.00%	0	0.00%	Master of International Business, Waseda University, Japan Chair and Chief Strategy officer of AcBel Polytech Inc.	(Note 6)	N/A	N/A	N/A
Director Binpal Investment Co., Ltd.	-	2024.5.31	3 years	2018.6.22	5,000,000	0.11%	5,000,000	0.11%	0	0.00%	0	0.00%	Bachelor of Business Administration Dept., University of Phoenix Director of IBASE Technology Inc.	(Note 6)	N/A	N/A	N/A
Representative: Wu-Chun Hsu	Male 51-65			2024.5.31	0	0.00%	21,000	0.00%	0	0.00%	0	0.00%					
Director Chung-Pin Wong	Male 51-65	2024.5.31	3 years	2007.06.15	6,618,618	0.15%	6,618,618	0.15%	1,398	0.00%	0	0.00%	Master of Management Science, National Chiao- Tung University Chair of Compal Broadband Networks, Inc.	(Note 6)	N/A	N/A	N/A
Director Chiung-Chi Hsu	Male 51-65	2024.5.31	3 years	1994.04.23	2,117,731	0.05%	2,117,731	0.05%	30,000	0.00%	0	0.00%	Master of Golden Gate University, San Francisco, USA Chairman of Full Power Investment Co., Ltd.	(Note 6)	N/A	N/A	N/A
Director Anthony Peter Bonadero	Male 51-65	2024.5.31	3 years	2018.6.22	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Texas A&M University Executive Vice-President of Auscom Engineering Inc.	(Note 6)	N/A	N/A	N/A
Director Sheng-Hua Peng	Male 51-65	2024.5.31	3 years	2018.6.22	835,000	0.02%	835,000	0.02%	0	0.00%	0	0.00%	Master of Electronics Engineering, National Taiwan University Director of Arcadyan Technology Corp.	(Note 6)	N/A	N/A	N/A
Independent Director Duh Kung Tsai	Male 66-80	2024.5.31	3 years	2012.6.22	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of Industrial Engineering Dept., Taipei Institute of Technology Chairman of Powertech	(Note 6)	N/A	N/A	N/A

Title/ Name/ Nationality (Note 1, 2)	Gender/ Age	Elected Date	Term	First Elected Date	Shareholding at the election date		Current shareholding		Shares held by spouse and underage children Current shareholding		Shares held by proxy		Major career/academic achievements	Selected Current Position at COMPAL and Other Companies	Spouse or relatives of second degree or closer acting as Directors, Supervisors, or department heads		
					Shares	Shareholding Percentage (%)	Shares	Sharehold ing Percentage (%)	Shares	Sharehold ing Percentage (%)	Shares	Shareholding Percentage (%)			Title	Name	Shares
													Technology Inc.				
Independent Director Wen-Chung Shen	Male 66-80	2024.5.31	3 years	1998.4.8	2,836,000	0.06%	2,836,000	0.06%	2,315,000	0.05%	0	0.00%	Bachelor of Electrical Engineering Dept., National Taiwan University Chairman of Her Tuo Co., Ltd.	(Note 6)	N/A	N/A	N/A
Independent Director Lee-Chiou Chang	Male 66-80	2024.5.31	3 years	2024.5.31	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of Public Finance Dept. and Master of Insurance Dept., NCCU Chairman of Sun Ten Group.	(Note 6)	N/A	N/A	N/A
Independent Director Shui-Shu Hung	Male 66-80	2024.5.31	3 years	2024.5.31	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of Medicine Dept., National Taiwan University Chairman of Catcher Technology Co., Ltd.	(Note 6)	N/A	N/A	N/A
Independent Director Tzu-Ting Huang	Female 51-65	2024.5.31	3 years	2024.5.31	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of Law Dept., National Chung Hsing University Independent Director of Flytech Technology Co., Ltd.	(Note 6)	N/A	N/A	N/A

- Note:
1. Except for Director Anthony Peter Bonadero, who is a US citizen, the rest of the directors are ROC nationals.
 2. The Chairman and President of the Company are not the same person, spouses, or related to each other.
 3. Mr. Duh Kung Tsai served as Independent Director from June 22, 2012 to August 27, 2021.
 4. Mr. Wen-Chung Shen served as Director from April 8, 1998 to June 22, 2018.
 5. Director Sheng-Chieh Hsu held 2,578,000 shares (0.06%) through proxies.
 6. Selected Current Positions as below:

Title	Name	Selected Current Positions
Chairman	Jui-Tsung Chen	Chairman: Arcadyan Technology Corporation, Ripal Optotronics Co., Ltd., Palcom International Corporation, General Life Biotechnology Co., Ltd., ARCE Therapeutics, Inc., UniCore Biomedical Co., Ltd., Aco Healthcare Co., Ltd., Raypal Biomedical Co., Ltd., River Regeneration and Rejuvenation Biotechnology Co. Ltd., Gempal Technology Corp., Panpal Technology Corp., Hong Ji Capital Co., Ltd., Hong Jin Investment Co., Ltd., Kinpo&Compal

Title	Name	Selected Current Positions
		Group Assets Development Corporation, Ray-Kwong Medical Management Consulting Co., Ltd., Compal System Trading (Kunshan) Co., Ltd., Compal Smart Device (Chongqing) Co., Ltd., Compal Smart Device India Private Limited. Director: Compal Broadband Networks, Inc., Mactech Co., Ltd., HengHao Technology Co. Ltd., UNICOM GLOBAL, INC., Kinpo&Compal Group Assets Development Corporation, Compal Ruifang Health Assets Development Corporation, Phoenix Innovation Venture Capital Co., Ltd., Compal Electronics Technology (Kunshan) Co., Ltd., Compal Information (Kunshan) Co., Ltd., Compal Information Technology (Kunshan) Co., Ltd., Compal Digital Technology (Kunshan) Co., Ltd., Compal Electronics (Chengdu) Co., Ltd., Compal Electronics (ChongQing) Co., Ltd., Compal Electronics, (China) Co., Ltd., Compal Optoelectronics (Kunshan) Co., Ltd., Compal Display Electronics (Kunshan) Co., Ltd., Compal Networking (Kunshan) Co., Ltd., Kunshan Botai Electronics Co., Ltd., Compal Investment (Sichuan) Co., Ltd., Compal Investment (Jiangsu) Co., Ltd., Compal Management (Chengdu) Co., Ltd., Compal (Vietnam) Co., Ltd., Compal Development & Management (Vietnam) Co., Ltd., Ascendant Private Equity Investment Ltd., Arcadyan Holding (BVI) Corp., Arch Holding (BVI) Corp., Billion Sea Holdings Ltd., Big Chance International Co., Ltd., Bizcom Electronics, Inc., Center Mind International Co., Ltd., Compal Americas (US) Inc., Compal Display Holding (HK) Limited, Compal Electronics International Ltd., Compal Electronics N.A. Inc., Compal Electronics (Holding) Ltd., Compal International Ltd., Compal International Holding Co., Ltd., Compal International Holding (HK) Limited, Compal Rayonnant Holdings Ltd., Compal USA (Indiana), Inc., Compalead Electronics B.V., Compal Wise Electronic (Vietnam) Co., Ltd., Core Profit Holdings Ltd., Etrade Management Co., Ltd., Flight Global Holding Inc., Forever Young Technology Inc., Fortune Way Technology Corp., Giant Rank Trading Ltd., Goal Reach Enterprises Ltd., HengHao Holdings A Co., Ltd. ▽ HengHao Holdings B Co., Ltd., High Shine Industrial Corp., Intelligent Universal Enterprise Ltd., Jenpal International Ltd., Just International Ltd., Prospect Fortune Group Ltd., Prisco International Co., Ltd., Smart International Trading Ltd., Sinoprime Global Inc., Wah Yuen Technology Holding Ltd., Webtek Technology Co., Ltd. President & CEO: Compal Electronics (Vietnam) Co., Ltd. Independent Director: Powertech Technology Inc. Audit Committee Member: Powertech Technology Inc. Other: Director of Chengdian Culture and Education Foundation
Director	Kinpo Electronics, Inc.	Director: AcBel Polytech Inc., CastleNet Technology Inc., Crownpo Technology Inc., iHELPER Inc., Norm Pacific Automation Corp., Teleport Access Services, Inc., Kinpo Group Management Consultant Company, Cal-Comp Asset Management, Inc., NTNU Innovation Investment Holding Company
	Representative of Kinpo Electronics Inc.: Wei-Chang Chen	Chairman: Cal-Comp Asset Management, Inc., CastleNet Technology Inc (Kunshan), ICKP(Beijing) Technology Development Co., Ltd., Cal-Comp Optical Electronics (Yueyang) Co., Ltd., Cal-Comp Optical Electronics (Suzhou) Co., Ltd., Cal-Comp Precision (Yueyang) Co., Ltd., Cal-Comp Precision (Dongguan) Co., Ltd., Cal-Comp Technology (Philippines), Inc., NKG Advanced Intelligence and Technology Development (Yue Yang) Co., Ltd., Kinpo Electronics (Philippines), Inc., Cal Comp (Malaysia) SDN. BHD., Cal-Comp Electronics de Mexico Co., S.A. de C.V., Cal-Comp Precision (Philippines), Inc. ▽ Vice-Chairman: Cal-Comp Electronics (Thailand) Public Company Limited, PChome (Thailand) Co., Ltd Director: Kinpo Electronics, Inc., AcBel Polytech Inc., Kinpo Group Management Consultant Company, iHELPER Inc., Cal-Comp Electronics And Communications Co., Ltd., Kinpo Electronics (China) Co., Ltd., Ascendant Private Equity Investment Ltd., Kinpo International (Singapore) Pte. Ltd., Kinpo International Ltd., Castlenet Technology (BVI) Inc., Cal-Comp Automation and Industrial 4.0 Service (Thailand) Co., Ltd., Cal-Comp Electronics (USA) Co., Ltd., Cal-comp Industria De Semicondutores S.A., Cal-Comp Precision (Malaysia) SDN. BHD., Cal-Comp Precision (Singapore) Limited, Cal-Comp Precision (Thailand) Limited, Cal-Comp Semiconductor, Ltd., Cal-Comp USA (San Diego), Co., Inc., Kinpo International (Singapore) Pte. Ltd., Kinpo International Ltd., Logistar International Holding CO., Ltd., Cal-Comp Precision Holding Co., Ltd. President: Kinpo Electronics, Inc., Cal-Comp Electronics And Communications Co., Ltd., Kinpo Electronics (China) Co., Ltd., Cal-Comp Optical Electronics

Title	Name	Selected Current Positions
		(Yueyang) Co., Ltd., Cal-Comp Optical Electronics (Suzhou) Co., Ltd., Cal-Comp Electronics (USA) Co., Ltd., Cal-Comp Semiconductor, Ltd., Cal-Comp USA (San Diego), Co., Inc. Sustainability Committee Member: Kinpo Electronics Inc. Risk Management Committee Member: Kinpo Electronics Inc.
Director	Taiwan Venture Capital Co., Ltd.	Director: T.B.C. Development and Construction Co., Ltd., Weck Tech Biotech Co., Ltd., Evergene Biotech Industrial Co., Ltd., Taiwan Chariston AMC Corp., Ltd., Aseptic Innovative Medicine Co., Ltd., Global BioParma Ltd., Creative Vision Investment Co., Ltd., Young & Health Care Resorts Inc., Taiwan Veterans Pharmaceutical Co., Ltd., All For Health Biotech Co., Ltd., Long Yee Investment Co. Ltd., Chang Yao Technology Inc., Supervisor: TTeleport Access Services, Inc.
	Representative of Taiwan Venture Capital Co., Ltd.: Charng-Chyi Ko	Chairman: Taiwan Biotech Co., Ltd., All For Health Biotech Co., Ltd., Evergene Biotech Industrial Co., Ltd., T.B.C. Development and Construction Co., Ltd., Weck Tech Biotech Co., Ltd., Global BioParma Ltd., Creative Vision Investment Co., Ltd., Taiwan Veterans Pharmaceutical Co., Ltd., Aseptic Innovative Medicine Co., Ltd., Young & Health Care Resorts Inc., Long Yee Investment Co. Ltd., Taiwan Venture Capital Co., Ltd., Yinfeng International, Inc., Taiwan Chariston AMC Corp., Ltd., Twin Luck Global Company Ltd. Vice-Chairman: Director: Kinpo Electronics, Inc., Chang Yao Technology Inc., Genhealth Pharma Co., Ltd., OmniHealth Group, Inc., All Information Inc., Taiwan Carefor Home Pharmacy Co., Ltd., Gold Precision Ltd., KKXC Integrated Management Holding (CYPRUS) Ltd., Optics Lab Inc., Synpharm, Inc. Supervisor: Teleport Access Services, Inc., Sunny Special Dyeing & Finishing Co., Ltd. Other: Director of Health, Welfare & Environment Foundation, Managing Supervisor of Cross-Strait Health Care and Leisure Activities Association
Director	Sheng-Chieh Hsu	Chairman: Integrate Investment Corp. Director: Cal-Comp Electronics (Thailand) Public Company Limited, Cal-Comp Electronics and communications Co., Ltd., Kinpo&Compal Group Assets Development Corporation, Kinpo Electronics (China) Co., Ltd., Kinpo International Ltd. Chairman of Development Executive Committee: Kinpo&Compal Group Assets Development Corporation
Director	Chieh-Li Hsu	Chairman: AcBel Polytech Inc., Cal-Comp Electronics (Thailand) Public Company Limited, AcSacca Solar Energy Co., Ltd., AcTel Power Co., Ltd., AcGile EV Power Inc., KangYang New Energy Co., Ltd., AcSun Energy Inc., AcRay Energy Co., Ltd., AcTek Energy Co., Ltd., AcRise Power Inc., AcLeap Power Inc., Cal-Comp Electronics And Communications Co., Ltd., AcBel Electronic (XIANTAO) Co., Ltd., AcBel Electronic (Dong Guan) Co., Ltd., AcBel Electronic (Wuhan) Co., Ltd., Shanghai Sino Hardware Electronics (Wujiang) Co., Ltd., Huhua Hardw are Electronics (Vietnam) Company Limited, AcAmple Power Pte. Ltd., Acbel Polytech Philippines, Inc., OmniOn Power (China) Co., Ltd., OmniOn Power (Europe) GmbH, OmniOn Power Holdings Inc., OmniOn Power Overseas LLC, OmniOn Power Technology GmbH, OmniOn Power Shanghai Co., Ltd. Executive Director: Chongqing Tongliang District Shanghai Sino Hardware Electronics Co., Ltd., Chongqing Kanghua Metal Product Co., Ltd. Director: ARCE Therapeutics, Inc., Raypal Biomedical Co., Ltd., VesCir Ltd., Kinpo&Compal Group Assets Development Corporation, Compal Ruifang Health Assets Development Corporation, Ray-Kwong Medical Management Consulting Co., Ltd., Melvita Taiwan Ltd., Shangbao Enterprise Inc., Ginza Sakoh Taiwan Co., Ltd., Cal-Comp Precision (Yueyang) Co., Ltd., Cal-Comp Precision (Dongguan) Co., Ltd., NKG Advanced Intelligence and Technology Development (Yue Yang) Co., Ltd., LIZ Electronics (Nantong) Co., Ltd., Cal-Comp Precision Holding Co., Ltd., Acbel (USA) Polytech Inc., Acbel Polytech (Ireland) Limited, AcBel Polytech (SAMOA) Investment Inc., Acbel Polytech (Singapore) Pte. Ltd., Acbel Polytech (UK) Limited, Acbel Polytech Holdings Inc., AcBel Polytech International Inc., AcBel Polytech Japan Inc., Cal-Comp Electronics (USA) Co., Ltd., Cal-Comp Electronics de Mexico Co., S.A. de C.V., Cal-Comp Industria De Semicondutores S.A., Cal-Comp Precision (Malaysia) SDN. BHD., Cal-Comp Precision (Philippines), Inc., Cal-Comp Precision (Singapore) Limited, Cal-Comp Precision (Thailand) Limited, Cal-Comp USA (San Diego), Co., Inc., CK Holdings Inc., CSA Holdings Inc., OmniOn Power (Germany) GmbH, OmniOn Power Matamoros S.A. de C.V., OmniOn Power (Mexico) S. de

Title	Name	Selected Current Positions
		R.L. de C.V., OmniOn Power (Singapore) Pte. Ltd., OmniOn Power Holdings Inc., OmniOn Power Inc., Power Station Holdings Ltd., Cal-Comp Semiconductor, Ltd. Supervisor: Teleport Access Services, Inc., Kinpo Group Management Consultant Company, Full Power Investment Co., Ltd Chief Strategy Officer: Cal-Comp Electronics and Communications Co., Ltd., AcBel Polytech Inc. President: Kinpo&Compal Group Assets Development Corporation, AcGile EV Power Inc., AcBel Electronic (XIANTAO) Co., Ltd., Acbel (USA) Polytech Inc., Acbel Polytech Philippines, Inc., Huhua Hardw are Electronics (Vietnam) Company Limited. Branch Manager: AcSacca Solar Energy Co. Ltd. Changhua Branch. Other: Vice- Chairman of Taiwan Electrical and Electronic Manufacturers' Association, Vice-Chairman of Importers and Exporters Association of Taipei, Managing Director of Chinese National Federation of Industries, Managing Director of Japan-Taiwan Exchange Association, Managing Director of Monte Jade Science and Technology Association (Taiwan), Director of The Third Wednesday Club, Director of Epoch Foundation., Director of Taiwan Institute of Directors, Director of The Research & Development Institute of Vocational Training Republic of China
Director	Representative of Binpal Investment Co., Ltd.: Wu-Chun Hsu	Director: IBASE Technology Inc., IBASE Solution Co., Ltd., Binpal Investment Co., Ltd., IBASE Japan, IBASE Singapore PTE. Ltd., IBASE Technology (USA), Inc. Special Assistant: IBASE Technology Inc.
Director	Chung-Pin Wong	Chairman: Compal Broadband Networks, Inc., Poindus System Corp., Starmems Semiconductor Corp., HengHao Technology Co. Ltd., Rayonnant Technology Co., Ltd., UNICOM GLOBAL, INC., Compal USA (Indiana), Inc., Wah Yuen Technology Holding Ltd. Executive Director: Compower Global Service Co., Ltd. Director: Taiwan Sanga Co., Ltd., Taiwan Capital Biotechnology VIII Corporation, Compal System Trading (Kunshan) Co., Ltd., Compal Information Technology (Kunshan) Co., Ltd., Compal Information (Kunshan) Co., Ltd., Compal Electronics Technology (Kunshan) Co., Ltd., Compal Electronics (Chengdu) Co., Ltd., Compal Electronics (ChongQing) Co., Ltd., Compal Digital Technology (Kunshan) Co., Ltd., Compal Investment (Sichuan) Co., Ltd., Compal Management (Chengdu) Co., Ltd., Allied Power Holding Corp., Auscom Engineering Inc., Compal Connector Manufacture Ltd., HengHao Holdings A Co., Ltd., HengHao Holdings B Co., Ltd., Primetek Enterprises Ltd., Sirqul Inc., Varlink Limited Supervisor: Hong Ya Technology Corporation

Title	Name	Selected Current Positions
Director	Chiung-Chi Hsu	Chairman: E-Bow Bearing Co., Ltd., Full Power Investment Co., Ltd. Director: Juan Hsin Bao Hardware co., Ltd., Jin Yongxiang co., Ltd.
Director	Anthony Peter Bonadero	President: Compal Electronics, Inc. Executive Vice-President: Auscom Engineering Inc.
Director	Sheng-Hua Peng	Chairman: Compal Healthcare and Technology Ltd., Compal Ruifang Health Assets Development Corporation, HippoScreen Neurotech Corp., Shennona Co., Ltd., Compal Wireless Communications (Nanjing) Co., Ltd., Compal Digital Communications (Nanjing) Co., Ltd., HANHELT Communications (Nanjing) Co., Ltd., Compal Communications (Nanjing) Co., Ltd. Director: Arcadyan Technology Corporation, Gempal Technology Corp., Palcom International Corporation, Ripal Optotronics Co., Ltd., UniCore Biomedical Co., Ltd., Aco Healthcare Co., Ltd., Kinpo Group Management Consultant Company, Kinpo&Compal Group Assets Development Corporation, Infinno Technology Corp., Mactech Co., Ltd., Hong Ji Capital Co., Ltd., Hong Jin Investment Co., Ltd., Compal Optoelectronics (Kunshan) Co., Ltd., Compal Display Electronics (Kunshan) Co., Ltd., Compal Electronics, (China) Co., Ltd., Compal Smart Device (Chongqing) Co., Ltd., Compal Investment (Jiangsu) Co., Ltd., Bizcom Electronics, Inc., Compal Smart Device India Private Limited., Shennona Corporation Supervisor: General Life Biotechnology Co., Ltd. President: Palcom International Corporation, Compal Investment (Jiangsu) Co., Ltd., Compal Display Electronics (Kunshan) Co., Ltd., HANHELT Communications (Nanjing) Co., Ltd., Compal Smart Device (Chongqing) Co., Ltd. Executive Vice-President: Compal Electronics, Inc. Branch Manager: Compal Electronics, Inc. Kaohsiung Branch Chief Sustainability Officer of Sustainable Committee: Compal Electronics, Inc. Sustainability Committee Member: Compal Electronics, Inc. Risk Management Committee Member: Compal Electronics, Inc.
Independent Director	Duh Kung Tsai	Chairman: Powertech Technology Inc. Executive Director: Powertech Technology Japan Ltd. Director: Greatek Electronics Inc., Powertech Holding (B.V.I.) Inc., Powertech Technology (Singapore) Pte. Ltd., PTI Technology (Singapore) Pte. Ltd., Tera Probe, Inc. Chief Strategy Officer: Powertech Technology Inc. Other: Chairman of PTI Education Foundation Remuneration Committee Member: Compal Electronics, Inc. Audit Committee Member: Compal Electronics, Inc. Sustainability Committee Member: Compal Electronics, Inc. Risk Management Committee Member: Compal Electronics, Inc.
Independent Director	Wen-Chung Shen	Chairman: Her Tuo Co., Ltd. Remuneration Committee Member: Compal Electronics, Inc. Audit Committee Member: Compal Electronics, Inc. Sustainability Committee Member: Compal Electronics, Inc. Risk Management Committee Member: Compal Electronics, Inc.
Independent	Lee-Chiou Chang	Chairman: Panion & BF Biotech Inc., Ho Tung Chemical Corp., T3EX Global Holdings Corp., YH Bio Co., Ltd., Cheng Fong Chemical Co., Ltd., Herbiotek Co.,

Title	Name	Selected Current Positions
Director		Ltd., Foci Fiber Optic Communications, Viarich Biotechnology Co., Ltd. Director: Formosan Union Chemical Corporation, Foci Fiber Optic Communications, Anti-Microbial Savior BioteQ Co., Ltd., TriKnight Capital Corporation Independent Director: Taiwan Hopac Chemicals Mfg. Co., Ltd. Supervisor: TANVEX BIOLOGICS CORPORATION Remuneration Committee Member: Compal Electronics, Inc., Taiwan Hopac Chemicals Mfg. Co., Ltd. Audit Committee Member: Compal Electronics, Inc., Taiwan Hopac Chemicals Mfg. Co., Ltd. Sustainability Committee Member: Compal Electronics, Inc. Risk Management Committee Member: Compal Electronics, Inc.
Independent Director	Shui-Shu Hung	Chairman: Catcher Technology Co., Ltd., Kai Yi Investment Co., Ltd. Director: Lyra International Co., Ltd., Norma International Co., Ltd., Uranus International Co., Ltd. Remuneration Committee Member: Compal Electronics, Inc. Audit Committee Member: Compal Electronics, Inc. Sustainability Committee Member: Compal Electronics, Inc. Risk Management Committee Member: Compal Electronics, Inc.
Independent Director	Tzu-Ting Huang	Independent Director: Flytech Technology Co., Ltd. Consultant: Acer Incorporated Remuneration Committee Member: Compal Electronics, Inc., Flytech Technology Co., Ltd. Audit Committee Member: Compal Electronics, Inc., Flytech Technology Co., Ltd. Sustainability Committee Member: Compal Electronics, Inc. Risk Management Committee Member: Compal Electronics, Inc.

Major shareholders of the Company's corporate shareholders

April 5, 2025

Name of corporate shareholder	Major shareholders of the corporate shareholder (Note)
Kinpo Electronics, Inc.	Compal Electronics, Inc. (8.24%), Panpal Technology Corp. (4.61%), GEBO Limited (2.77%), Ho Bao Investment Co., Ltd. (1.99%), Ruey Shinn Co., Ltd. (1.86%), Li-Chu Tsai (1.44%), UBS Taipei Branch is subject to Li Chu Tsai trust property account (1.33%), JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (1.18%), Kao-Huang Lin (1.00%), JPMorgan Chase Bank Taipei Branch is entrusted with the safekeeping of Vanguard Emerging Market Stock Index Fund investment account of the manager of Vanguard Group (0.99%)

Note: If the major shareholder is also a corporate entity, please refer to the following table.

Major shareholders of the Company's major corporate shareholders

Name of corporate shareholder	Major shareholders of corporate shareholders
Panpal Technology Corporation	Compal Electronics, Inc. (100%)
GEBO Limited	Li-Chu Tsai (95.39%), Chieh-Li Hsu (1.77%), Chun-Chi Hsu (1.42%), Yung-Hsu Hsu (1.42%)
Ho Bao Investment Co., Ltd.	Chieh-Li Hsu (45.76%), Li-Chu Tsai (20.06%), Chun-Chi Hsu (17.09%), Yung-Hsu Hsu (17.09%)
Ruey Shinn Co., Ltd.	Hsin Chung Chen (33.34%), Hsin Tso Chen (33.33%), Hsin Yu Chen (33.33%)

■ Professional qualification of Directors and independence Information of Independent Directors:

Name \ Conditions	Professional Qualification & Experience	Independence Status of Independent Directors	No. of concurrent Independent directorships of other public firms held
Chairman Jui-Tsung Chen	Honorary Doctorate, Bachelor of Electrical Engineering Dept., National Cheng Kung University Chairman of Arcadyan Technology Corp. and Compal Communication Inc., and Chief Strategy Officer of Compal The Vice Chairman possesses more than 40 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30.	N/A	1
Director Representative of Kinpo Electronics Inc.: Wei-Chang Chen	Bachelor of Electrical Engineering Dept., National Taiwan Ocean University Director and President of Kinpo Electronics, Inc. The Director possesses more than 20 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30.	N/A	
Director Representative of Taiwan Venture Capital Co., Ltd.: Charng-Chyi Ko	Bachelor of Business Dept., National Taiwan University, Ph. D., Lincoln University, USA Director of Kinpo Electronics Inc. and Chairman of Taiwan Biotech Co., Ltd. The Director possesses more than 30 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30.	N/A	
Director Sheng-Chieh Hsu	Bachelor of Architecture Dept., Tam-Kang University Director of Kinpo Electronics Inc. and Cal-Comp Electronics (Thailand) Public Company Limited The Director possesses more than 30 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30.	N/A	
Director Chieh-Li Hsu	Master of International Business, Waseda University, Japan Chairman and Chief Strategy Officer of AcBel Polytech Inc. The Director possesses more than 20 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30.	N/A	
Director Representative of Binpal Investment Co., Ltd.: Wu-Chun Hsu	Bachelor of Business Administration Dept., Phoenix University, USA Director of IBASE Technology Inc., IBASE Solution Co., Ltd. The Director possesses more than 8 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30.	N/A	
Director Chung-Pin Wong	Master of Management Science, National Chiao Tung University Chairman of Compal Broadband Networks, Inc. and Poindus Systems Corp., and President of Compal The Director possesses more than 30 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30.	N/A	

Name \ Conditions	Professional Qualification & Experience	Independence Status of Independent Directors	No. of concurrent Independent directorships of other public firms held
Director Chiung-Chi Hsu	Master of Golden Gate University, San Francisco, USA Chairman of Full Power Investment Co., Ltd. The Director possesses more than 20 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30.	N/A	
Director Anthony Peter Bonadero	Texas A&M University Executive Vice President of Auscom Engineering Inc. The Director possesses more than 30 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30.	N/A	
Director Sheng-Hua Peng	Master of Science in Electrical Engineering, National Taiwan University Director of Arcadyan Technology Corp., Executive Vice President of Compal and Senior Vice President of Compal Communications, Inc. The Director possesses more than 20 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30.	N/A	
Independent Director Duh Kung Tsai	Bachelor of Industrial Engineering Dept., Taipei Institute of Technology Chairman & Chief Strategy Officer of Powertech Technology Inc., Director of Greatek Electronics Inc., Independent Director of Chicony Power Technology Co. Ltd. The individual has rich knowledge and adequate experience in the electronics industry, business operations, risk management, and corporate mergers/acquisitions, which is extremely helpful to the company's development. The Independent Director possesses more than 30 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30.	Compliance with independence criteria (note) The person or their spouse or relatives within the second degree of kinship (or in the name of others) hold 0 shares of the Company with a shareholding percentage of 0%.	
Independent Director Wen-Chung Shen	Bachelor of Electrical Engineering Dept., National Taiwan University Chairman of Her Tuo Co., Ltd., and Director and Executive Vice President of Compal The Independent Director possesses more than 30 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30.	Compliance with independence criteria (note) Number of shares of the Company and shareholding ratio of the person or their spouse or relatives within the second degree of kinship (or in the name of others): 5,151,000 shares, 0.11%	

Name \ Conditions	Professional Qualification & Experience	Independence Status of Independent Directors	No. of concurrent Independent directorships of other public firms held
Independent Director Lee-Chiou Chang	Bachelor of Public Finance Dept., Master of Insurance Dept., NCCU Chairman of Yuanta Securities Co., Ltd., Team leader of Securities and Futures Bureau, FSC Chairman of Sun Ten Group., Chairman of Panion & BF Biotech Inc., Chairman of Ho Tung Chemical Corp. The individual has rich knowledge and adequate experience in biotechnology, medical, business operations, and financial accounting, which is extremely helpful to the company's development. The Independent Director possesses more than 30 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30.	Compliance with independence criteria (note) The person or their spouse or relatives within the second degree of kinship (or in the name of others) hold 0 shares of the Company with a shareholding percentage of 0%.	1
Independent Director Shui-Shu Hung	Bachelor of Medicine Dept., National Taiwan University Chairman of Catcher Technology Co., Ltd. The individual has rich knowledge and adequate experience in the electronics industry, business operations, and risk management, which is extremely helpful to the company's development. The Independent Director possesses more than 30 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30.	Compliance with independence criteria (note) The person or their spouse or relatives within the second degree of kinship (or in the name of others) hold 0 shares of the Company with a shareholding percentage of 0%.	
Independent Director Tzu-Ting Huang	Bachelor of Law Dept., National Chung Hsing University Chief Operating Officer, Consultant, Property Rights and Marketing Department Services of Acer Incorporated, Independent Director of Flytech Technology Co., Ltd. The individual has rich knowledge and adequate experience in the electronics industry, Property Rights and Marketing Department Services and Supply Chain Management, which is extremely helpful to the company's development. The Independent Director possesses more than 30 years of work experience required for the business of the Company and has not been a person of any conditions defined in the Company Act, Article 30.	Compliance with independence criteria (note) The person or their spouse or relatives within the second degree of kinship (or in the name of others) hold 0 shares of the Company with a shareholding percentage of 0%.	1

Note: Independent Directors shall indicate the fulfillment of the independence criteria.

- These criteria include but are not limited to the following: the Director or the Director's spouse or relatives within the second degree of kinship have not worked as directors, supervisors or employees of the Company or its affiliated enterprises;
- The Director has not assumed a position as a director, supervisor or employee of any company in a specified relationship with the Company (Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, Article 3, Paragraph 1, Sub-paragraphs 5 to 8).
- The Director has not received remuneration for providing business, legal, financial, accounting, or other services to the Company or its affiliates in the last 2 years.
- Number of shares of the Company and shareholding ratio of the person or their spouse or relatives within the second degree of kinship (or in the name of others).

■ The Diversity & Independence of the Board of Directors:

(I) The Diversity of the Board of Directors:

1. In accordance with the Company's Corporate Governance Best-Practice Principles, the composition of the board of directors shall be determined by taking diversity. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:
 - (1) Ability to make operational judgments.
 - (2) Ability to perform accounting and financial analysis.
 - (3) Ability to conduct management administration.
 - (4) Ability to conduct crisis management.
 - (5) Knowledge of the industry.
 - (6) An international market perspective.
 - (7) Ability to lead.
 - (8) Ability to make policy decisions.

2. Status of board member diversification:

Core items for diversification Name of Director	Employee Status (Note 1)	Operation management	Leadership and decision-making	Knowledge of the industry	International market perspective	Risk Management	Finance and accounting	Investment M&A	Communications and network	Architecture	Industry Experience (Note 2)
Jui-Tsung Chen	V	V	V	V	V	V	V	V	V		Information Technology
Representative of Kinpo Electronics Inc.: Wei-Chang Chen		V	V	V	V	V	V	V	V		Information Technology
Representative of Taiwan Venture Capital Co., Ltd.: Charng-Chyi Ko		V	V	V	V	V	V	V			Healthcare
Sheng-Chieh Hsu		V	V		V	V				V	Industrial
Chieh-Li Hsu	V	V	V	V	V	V	V				Information Technology
Representative of Binpal Investment Co., Ltd.: Wu-Chun Hsu		V	V	V	V	V	V	V			Information Technology
Chung-Pin Wong	V	V	V	V	V	V	V	V	V		Information Technology
Chiung-Chi Hsu		V	V	V	V	V	V				Materials
Anthony Peter Bonadero	V	V	V	V	V	V	V				Information Technology
Sheng-Hua Peng	V	V	V	V	V	V	V		V		Information Technology
Duh Kung Tsai		V	V	V	V	V	V	V			Information Technology
Wen-Chung Shen		V	V	V	V	V	V				Information Technology
Lee-Chiou Chang		V	V	V	V	V	V	V			Healthcare
Shui-Shu Hung		V	V	V	V	V		V			Information Technology
Tzu-Ting Huang		V	V	V	V	V			V		Information Technology

Note: 1. Directors Chung-Pin Wong, Anthony Peter Bonadero and Sheng-Hua Peng have the status of employees of the company. Director Jui-Tsung Chen, Chieh-Li Hsu, Anthony Peter Bonadero and Sheng-Hua Peng have the status of employee of the subsidiary.

2. The GICS Level 1 sectors: Energy, Materials, Industrials, Consumer Discretionary, Consumer Staples, Healthcare, Financials, Information Technology, Communication Services, Utilities, and

Real Estate.

Item		Director		Independent Director	
		Number of people	%	Number of people	%
Age Gender	51~65 years old	7	47%	1	7%
	65 years or older	3	20%	4	27%
	Male	10	67%	4	27%
Gender	Female	0	0%	1	7%
Country of Citizenship	Republic of China	9	60%	5	33%
Country of Citizenship	U.S.A.	1	7%	0	0%
Employee Status	The company	3	20%	0	0%
Employee Status shareholder	The companies' subsidiaries	4	27%	0	0%
	The company	9	60%	1	7%
shareholder	The companies' subsidiaries	1	7%	4	27%
Seniority of Independent Directors	First term	-	-	4	80%
Term of Independent Directors	First term	-	-	1	20%
	Second terms	7	47%	1	7%

The current Board of Directors is comprised of 15 Directors. The management goals and implementation status of the diversity policy of the Board are as follows:

Management goal	Implementation
The number of independent directors shall not be less than 1/3 of all directors	Implemented
All directors and more than half of the independent directors shall serve no more than three consecutive terms	Implemented
At least one female director shall serve	Implemented

In the 2024 board of directors re-election, the number of independent directors accounted for 1/3 of all directors, and one of the directors was a female. In the future, the company will consider the diversity and gender equality of the board members, and seek female directors with professional backgrounds, rich experience and qualifications to enhance the company's competitiveness and corporate sustainability. To be planned, the number of board seats for different genders will increase compared to the previous term in 2030, and the number of board seats for different genders will increase compared to the previous term in 2035.

(II) Independence of the Board of Directors:

The current Board of Directors comprises 15 Directors, including Independent Directors (constituting 33.33% of the Board members). The establishment of

Independent Directors and their roles are compliant with the provisions of the Securities and Exchange Act, and “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.”

Apart from Sheng-Hsiun Hsu (Chairman), Sheng-Chieh Hsu (Director) and Chieh-Li Hsu (representative of juristic person Director, Kinpo Electronics Inc.) who are relatives within the second degree of kinship, the rest of the Directors do not have spousal or familial relationships within the second degree of kinship. As such, the Directors are not persons of conditions listed in the Securities and Exchange Act, Articles 26-3 and 26-4. In conclusion, the Board of Directors of the Company is deemed independent.

2.1.2 Management Team

March 31, 2025

Title	Name/ Nationality/ Gender (Note 1, 2)	Date elected /appointed	Shares held		Shares held by spouse and underage children Subsidiary shareholding		Total shares held in the names of others Shares held		Major career/academic achievements	Selected Current Position at COMPAL and Other Companies	Spouse or relatives of second degree or closer acting as managers		
			Shares	Shareholding Percentage (%)	Shares	Shareholding Percentage (%)	Shares	Shareholding Percentage (%)			Title	Name	Relationship
President	Anthony Peter Bonadero	2024.05.31	0	0.00%	0	0.00%	0	0.00%	Texas A&M University EVP of Auscom Engineering Inc.	Refer to Page 13	N/A	N/A	N/A
Executive Vice- President	Ming-Chih Chang	2018.07.04	1,919,489	0.04%	0	0.00%	0	0.00%	Electrical Engineering Dept., Ming Chi University of Technology Director of Mactech Co., Ltd.	(Note 4)	N/A	N/A	N/A
Executive Vice- President	Sheng-Hua Peng	2018.07.04	835,000	0.02%	0	0.00%	0	0.00%	Master of Electronics Engineering, National Taiwan University Director of Arcadyan Technology Corp.	Refer to Page 13	N/A	N/A	N/A
Executive Vice- President	Chen-Chang Hsu	2011.08.31	0	0.00%	0	0.00%	0	0.00%	National Chiao Tung University EMBA Vice-Chair of HengHao Technology Co. Ltd.	(Note 4)	N/A	N/A	N/A
Senior Vice- President	Kuo-Chuan Chen	2007.01.01	435,823	0.01%	260,924	0.01%	0	0.00%	Bachelor of Physics Dept., Chung Yuan Christian University Senior Vice-President of Compal Communication Inc.	N/A	N/A	N/A	N/A
Senior Vice- President	Chyou-Jui Wei	2010.03.18	0	0.00%	0	0.00%	0	0.00%	Master of Business Administration, University of Washington, USA Director of General Life Biotechnology Co.,	(Note 4)	N/A	N/A	N/A
Senior Vice- President	Wen-Da Hsu	2014.02.27	1,333,000	0.03%	0	0.00%	0	0.00%	Media Administration Dept., Shih Hsin University Senior Vice-President of Compal Communication Inc.	(Note 4)	N/A	N/A	N/A
Senior Vice- President	Shi-Kuan Chen	2017.02.08	0	0.00%	0	0.00%	0	0.00%	Master of Industrial Design, Cranbrook Academy of Art Director of Design and Customer Affairs,	(Note 4)	N/A	N/A	N/A

Title	Name/ Nationality/ Gender (Note 1, 2)	Date elected /appointed	Shares held		Shares held by spouse and underage children Subsidiary shareholding		Total shares held in the names of others Shares held		Major career/academic achievements	Selected Current Position at COMPAL and Other Companies	Spouse or relatives of second degree or closer acting as managers		
			Shares	Shareholding Percentage (%)	Shares	Shareholding Percentage (%)	Shares	Shareholding Percentage (%)			Title	Name	Relationship
									Philips (Hong Kong)				
Senior Vice- President	Min-Tung Weng	2018.12.01	623,786	0.01%	0	0.00%	0	0.00%	Master of Business Administration, Washington University, USA Deputy Manager of Sales, Kapok Computer Company	(Note 4)	N/A	N/A	N/A
Senior Vice- President	Sheng-Hung Li	2019.11.11	285,574	0.01%	0	0.00%	0	0.00%	Electronics Dept., National Taiwan University of Science and Technology	N/A	N/A	N/A	N/A
Senior Vice- President	Bor-Heng Chen	2020.05.13	280,010	0.01%	0	0.00%	0	0.00%	Master of Industrial Engineering and Operations Management, Columbia University	N/A	N/A	N/A	N/A
Senior Vice- President	Chung-Hsing Tan	2020.08.12	0	0.00%	6,000	0.00%	0	0.00%	Master of Electrical Engineering, Tatung University Vice-President of Compal Communication Inc.	(Note 4)	N/A	N/A	N/A
Senior Vice- President	Ta-Chun Wang	2016.06.29	204,200	0.00%	4,119	0.00%	0	0.00%	Tamkang University PhD of Finance Managing Vice-President of Shanghai Real Industrial Co., Ltd.	N/A	N/A	N/A	N/A
Chief Information Security Officer and SVP	Po-Tang Wang	2025.02.14	510,548	0.01%	486	0.00%	0	0.00%	Bachelor of Computer Science and Information Engineering Dept., National Taiwan University President of Vibo Telecom Inc.	(Note 4)	N/A	N/A	N/A
Vice-President	Tzong-Ming Wang	2009.07.16	263,184	0.01%	0	0.00%	0	0.00%	National Taipei Institute of Technology Head of Research and Development, CLEVO Company	N/A	N/A	N/A	N/A
Vice-President	Yong-Ho Su	2011.07.01	221,401	0.01%	0	0.00%	0	0.00%	Department of Electrical Engineering, National Taipei Institute of Technology Vice-President of Arima Photovoltaic and Optical Corp.	N/A	N/A	N/A	N/A
Vice-President	Jyh-Shyan Liang	2011.10.31	58,000	0.00%	0	0.00%	0	0.00%	Master of Digital Communication, University of Colorado Boulder, USA Vice-President of Wireless Communication, Altek Corporation	(Note 4)	N/A	N/A	N/A

Title	Name/ Nationality/ Gender (Note 1, 2)	Date elected /appointed	Shares held		Shares held by spouse and underage children Subsidiary shareholding		Total shares held in the names of others Shares held		Major career/academic achievements	Selected Current Position at COMPAL and Other Companies	Spouse or relatives of second degree or closer acting as managers		
			Shares	Shareholding Percentage (%)	Shares	Shareholding Percentage (%)	Shares	Shareholding Percentage (%)			Title	Name	Relationship
Vice-President	Yi-Yun Chang	2014.08.13	85,246	0.00%	0	0.00%	0	0.00%	Master of Electrical Engineering, National Taiwan University Senior Manager of Compal Communication Inc.	N/A	N/A	N/A	N/A
Vice-President	Hsin-Kung Mao	2014.11.13	500,714	0.01%	0	0.00%	0	0.00%	Master of Business Administration, University of Lincoln Vice-Chairman of Poindus System Corp.	(Note 4)	N/A	N/A	N/A
Vice-President	Shih-Hong Huang	2016.02.24	0	0.00%	0	0.00%	0	0.00%	Master in Control Engineering, National Chiao Tung University Director of Coretronic Corporation	N/A	N/A	N/A	N/A
Vice-President	Yi-Chiang Chiu	2016.02.24	280,000	0.01%	0	0.00%	0	0.00%	Master of Earth Sciences, National Central University	N/A	N/A	N/A	N/A
Vice-President	Jui-Chun Shyur	2016.05.11	0	0.00%	0	0.00%	0	0.00%	Ph.D., Electrical Engineering, National Taiwan University President of Photonics Industries International, Inc.	(Note 4)	N/A	N/A	N/A
Chief Legal Officer and Vice-President	Peng-Hong Chan	2018.05.09.	0	0.00%	0	0.00%	0	0.00%	Master of Cornell University Law School, USA CSO, Pou Chen Group	N/A	N/A	N/A	N/A
Corporate Governance & Accounting Officer and Vice-President	Cheng-Chiang Wang	2018.07.04 2019.05.13	955,808	0.02%	30	0.00%	0	0.00%	Bachelor of Accounting Dept., Fu Jen Catholic University Financial officer of Allied Circuit Co., Ltd.	(Note 4)	N/A	N/A	N/A
Vice-President	Cheng-Hui Su	2018.12.01	105,000	0.00%	0	0.00%	0	0.00%	Master of Business Administration, Tulane University	N/A	N/A	N/A	N/A
Vice-President	Chuan-Fan Tu	2018.12.01	593,081	0.01%	62,105	0.00%	0	0.00%	Bachelor of Electrical Engineering Dept., Vanung University	N/A	N/A	N/A	N/A
Financial Officer and Vice-President	Guo-Dung Yu	2020.08.12	60,000	0.00%	0	0.00%	0	0.00%	Master of Accounting, George Washington University Financial officer of Arcadyan Technology Corp.	(Note 4)	N/A	N/A	N/A
Vice-President	Peng Kuee Lau	2020.08.12	0	0.00%	0	0.00%	0	0.00%	Bachelor of Science and Technology Dept., Iowa State University	(Note 4)	N/A	N/A	N/A

Title	Name/ Nationality/ Gender (Note 1, 2)	Date elected /appointed	Shares held		Shares held by spouse and underage children Subsidiary shareholding		Total shares held in the names of others Shares held		Major career/academic achievements	Selected Current Position at COMPAL and Other Companies	Spouse or relatives of second degree or closer acting as managers		
			Shares	Shareholding Percentage (%)	Shares	Shareholding Percentage (%)	Shares	Shareholding Percentage (%)			Title	Name	Relationship
Vice-President	Wu-Ching Chi	2022.02.10	0	0.00%	8,000	0.00%	0	0.00%	Master of Computer Engineering, NCTU	N/A	N/A	N/A	N/A
Vice-President	Hsin-Chung Chen	2022.02.10	10,662,383	0.24%	10,000	0.00%	0	0.00%	Master of Electrical Engineering, Columbia University, NY Director of Raypal Biomedical Co., Ltd.	(Note 4)	N/A	N/A	N/A
Vice-President	Jue-Teng Chang	2022.02.10	0	0.00%	0	0.00%	0	0.00%	Master of EMBA, National Central University	N/A	N/A	N/A	N/A
Vice-President	Choo-Tain Chiu	2022.02.10	0	0.00%	0	0.00%	0	0.00%	Master of Business Administration, Nanyang Technological University, Singapore	N/A	N/A	N/A	N/A
Vice President	Wei-Chia Wang	2024.02.29	120,000	0.00%	0	0.00%	0	0.00%	Bachelor of Electrical Engineering, Chung Yuan Christian University Vice President of AAC Technologies Pte.	N/A	N/A	N/A	N/A
Vice President	Ying Fan Chiang	2024.08.13	0	0.00%	0	0.00%	0	0.00%	Bachelor of Department of Chemical engineering of University of Waterloo	N/A	N/A	N/A	N/A
Vice President	Yao-Wen Chang	2024.11.12	0	0.00%	0	0.00%	0	0.00%	Master of Computer Science, University of California, USA Vice President of Pegatron Corporation	N/A	N/A	N/A	N/A
Vice President	Tien Jung Chang	2024.11.12	0	0.00%	0	0.00%	0	0.00%	Master of EMBA, National Yang Ming Chiao Tung University Senior Director of Ampere Computing	N/A	N/A	N/A	N/A
Vice President	Nai Hsia Chiang	2025.02.14	0	0.00%	32,000	0.00%	0	0.00%	Master of Information Management, National Taiwan University of Science and Technology	N/A	N/A	N/A	N/A
Vice President	Hong-Long Chen	2025.02.14	0	0.00%	0	0.00%	0	0.00%	Doctorate of Mechanical Engineering, National Yang Ming Chiao Tung University Department Chief of Nidec Corporation	N/A	N/A	N/A	N/A
Internal Audit Officer	Hui Chun Yu	2024.03.12	4,000	0.00%	0	0.00%	0	0.00%	MA International Economic Management of University of Birmingham UK Audit Office Project Director of Walsin Lihwa Corp.	N/A	N/A	N/A	N/A

Note:

1. Except for President Anthony Peter Bonader, a US national, and Vice-President Peng Kuee Lau, a Malaysian national, all managers are ROC nationals; except for Senior Vice-President Chyou-Jui Wei, Vice-President Nai Hsia Chiang, Internal Audit Officer Hui Chun Yu, all managers are male.

2. The Chairman and President of the Company are not the same person, spouses, or related to each other.
3. Chief Strategy Officer Jui-Tsung Chen resigned, President Chung-Pin Wong stepped down, Senior Vice President Chun-Te Shen and Chi-Wai Wan, Vice President Chih-Chuan Cheng, Ching-Hsiung Lu, Fu-Chuan Chang, Chang-Chieh Tien retired or resigned, Internal Audit Officer Chenyi Li transferred in 2024. Senior Vice President Lo-Chun Lee retired in 2025.

4. Concurrent positions in other companies:

Title	Name	Selected Current Positions
Executive Vice-President	Ming-Chih Chang	Chairman: FIPELL Electronics (Chongqing) Co., Ltd. Director: Mactech Co., Ltd., Panpal Technology Corp., Kunshan Botai Electronics Co., Ltd., Henghao Optoelectronics Technology (Zhejiang) Co., LTD., Compal Europe (Poland) Sp. z o.o., Compal Smart Device (Chongqing) Co., Ltd. President: Compal Management (Chengdu) Co., Ltd., Compal Investment (Sichuan) Co., Ltd., Compal System Trading (Kunshan) Co., Ltd., Compal Information Technology (Kunshan) Co., Ltd., Compal Information (Kunshan) Co., Ltd., Compal Electronics Technology (Kunshan) Co., Ltd., Compal Electronics (Chengdu) Co., Ltd., Compal Electronics (Chongqing) Co., Ltd., Compal Digital Technology (Kunshan) Co., Ltd., Compal Wireless Communications (Nanjing) Co., Ltd., Compal Digital Communications (Nanjing) Co., Ltd., Kunshan Botai Electronics Co., Ltd., Compower Global Service Co., Ltd., FIPELL Electronics (Chongqing) Co., Ltd., Compal Communications (Nanjing) Co., Ltd.
Executive Vice-President	Chen-Chang Hsu	Chairman: Henghao Optoelectronics Technology (Zhejiang) Co., LTD. Vice-Chairman: HengHao Technology Co. Ltd. President: HengHao Technology Co. Ltd., Henghao Optoelectronics Technology (Zhejiang) Co., LTD.
Senior Vice-President	Chyou-Jui Wei	Director: Chenfeng Optronics Corp., General Life Biotechnology Co., Ltd., ARCE Therapeutics, Inc., IIH Biomedical Venture Fund I Co., Hua VII Venture Capital Corporation, Cdib & Partners Investment Holding Corp., Compal Electronic Technology (Chongqing) Co., Ltd., Compal Precision Module(Jiangsu) Co., Ltd., ShengBao Precision Electronics (Taicang) Ltd., Rayonnant Technology (HK) Holdings Limited, Ju Teng Electronic Technology (Vietnam) Limited., Compal Americas (US) Inc., Compal Electronics N.A. Inc. Supervisor: Rayonnant Technology Co., Ltd., Mactech Co., Ltd., Taiwan Intelligent Robotics Company, Ltd., Infinno Technology Corp., Ripal Optotronics Co., Ltd., UniCore Biomedical Co., Ltd., Aco Healthcare Co., Ltd., Ray-Kwong Medical Management Consulting Co., Ltd., Novascope Diagnostics Inc., Rayonnant Technology (Taicang) Co., Ltd., Precisely Printed Medical Co., Ltd. President: Compal Ruifang Health Assets Development Corporation Independent Director: Continental Holdings Corporation, Visco Vision Inc. Remuneration Committee: Continental Holdings Corporation, Visco Vision Inc. Audit Committee Member: Continental Holdings Corporation, Visco Vision Inc. Other: Director of Genki Compal Long-Term Care Corporation Aggregate
Senior Vice-President	Wen-Da Hsu	Director: HANHELT Communications (Nanjing) Co., Ltd.
Senior Vice-President	Shi-Kuan Chen	Director: Rayonnant Technology Co., Ltd., Rayonnant Technology (Taicang) Co., Ltd., Shennona Corporation
Senior Vice-President	Min-Tung Weng	Director: Auscom Engineering Inc., Bizcom Electronics, Inc. President: Auscom Engineering Inc.
Senior Vice-President	Sheng-Hung Li	Deputy Sustainability Officer of Sustainable Committee: Compal Electronics, Inc.

Title	Name	Selected Current Positions
Senior Vice-President	Chung-Hsing Tan	Director: Compal Wireless Communications (Nanjing) Co., Ltd., Compal Digital Communications (Nanjing) Co., Ltd., HANHELT Communications (Nanjing) Co., Ltd., Compal Communications (Nanjing) Co., Ltd.
Senior Vice-President	Ta-Chun Wang	Director: CGS Technology (Poland) Sp. z o.o., Compal USA (Indiana), Inc., Compal Americas (US) Inc., Compal Electronics N.A. Inc. President: Compal USA (Indiana), Inc., Compal Americas (US) Inc., Compal Electronics N.A. Inc.
CISO and Senior Vice-President	Po-Tang Wang	Director: Bizcom Electronics, Inc., Compal Europe (Poland) Sp. z o.o.
Vice-President	Jyh-Shyan Liang	Supervisor: HANHELT Communications (Nanjing) Co., Ltd.
Vice-President	Hsin-Kung Mao	Chairman: Chia Dah Knitting Co., Ltd. Vice-Chairman: Poindus System Corp. Director: Avalue Technology Inc., UNICOM GLOBAL, INC., Ruixing Investment Co., Ltd., Compalead Electronics B.V., Mexcom Electronics, LLC, Mexcom Technologies, LLC, Varlink Limited Chief Operating Officer: Poindus Systems Corp.
Vice-President	Jui-Chun Shyur	Director: Compal Healthcare and Technology Ltd.
Corporate Governance & Accounting Officer and Vice-President	Cheng-Chiang Wang	Director: Arcadyan Technology Corporation, Allied Circuit Co., Ltd., Poindus System Corp., Zhi-Bao Technology Corporation, Palcom International Corporation, Infinno Technology Corp., Mactech Co., Ltd., UniCore Biomedical Co., Ltd., Gempal Technology Corp., Panpal Technology Corp., Hong Ji Capital Co., Ltd., Hong Jin Investment Co., Ltd., Phoenix Innovation Venture Capital Co., Ltd., Compal Wireless Communications (Nanjing) Co., Ltd., Compal Digital Communications (Nanjing) Co., Ltd., Compal Communications (Nanjing) Co., Ltd., Rayonnant Technology (Taicang) Co., Ltd., Big Chance International Co., Ltd., Center Mind International Co., Ltd., CGS Technology (Poland) Sp. z o.o., Compal Electronics (Holding) Ltd., Compal Electronics India Private Limited, Compal International Holding Co., Ltd., Compal International Holding (HK) Limited, Compal Rayonnant Holdings Ltd., Flight Global Holding Inc., Fortune Way Technology Corp., Jenpal international Ltd., Prisco International Co., Ltd., Prospect Fortune Group Ltd., Shennona Corporation Supervisor: HippoScreen Neurotech Corp., UNICOM GLOBAL, INC., HengHao Technology Co. Ltd., Kinpo&Compal Group Assets Development Corporation, Compal Ruifang Health Assets Development Corporation, Compal System Trading (Kunshan) Co., Ltd., Compower Global Service Co., Ltd., Compal Smart Device (Chongqing) Co., Ltd., FIPOLL Electronics (Chongqing) Co. Ltd., Henghao Optoelectronics Technology (Zhejiang) Co., LTD. President: Gempal Technology Corp., Panpal Technology Corp., Hong Ji Capital Co., Ltd., Hong Jin Investment Co., Ltd. Deputy Sustainability Officer of Sustainable Committee: Compal Electronics, Inc. Other: Director of Genki Compal Long-Term Care Corporation Aggregate
Financial Officer and Vice-President	Guo-Dung Yu	Chairman: Compal Electronics India Private Limited Director: Henghao Optoelectronics Technology (Zhejiang) Co., LTD., Billion Sea Holdings Ltd., Compal Display Holding (HK) Limited, Compal Electronics International Ltd., Compal International Ltd., Core Profit Holdings Limited, Goal Reach Enterprises Ltd., High Shine Industrial Corp., Intelligent Universal Enterprise Ltd., Just International Ltd., Smart International Trading Ltd. Supervisor: Palcom International Corporation, ARCE Therapeutics, Inc., Gempal Technology Corp., Panpal Technology Corp., Hong Ji Capital Co., Ltd., Hong Jin Investment Co., Ltd., Compal Wireless Communications (Nanjing) Co., Ltd., Compal Digital Communications (Nanjing) Co., Ltd., Compal Communications (Nanjing) Co., Ltd.

Title	Name	Selected Current Positions
		President: Compal Electronics India Private Limited
Vice-President	Hsin-Chung Chen	Chairman: Ruey Shinn Industrial Co., Ltd. Director: Raypal Biomedical Co., Ltd., River Regeneration and Rejuvenation Biotechnology Co. Ltd., Huizhong Startup Investment Co., Ltd.

2.1.3 Remuneration of Directors, Independent Directors, President and Vice-Presidents

1. Remuneration of Directors and Independent Directors

Unit: TWD 1,000; Thousand shares; %

Unit: NT\$ 1,000, thousand shares, %

Title	Name	Directors' remuneration								The sum of A, B, C and D as a percentage of after-tax profits		Remuneration as an employee								The sum of A, B, C, D, E, F, and G as a percentage of after-tax profits		Remuneration from ventures other than subsidiaries or from the parent company (H)
		Remuneration (A)		Pension (B)		Remuneration from earnings appropriation (C)		Business department implementation Fees for services rendered (D)				Salaries, bonuses, special allowances, etc (E)		Retirement pension (F)		Share of profits as an employee (G)						
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements			
														Cash Amount	Stock Amount	Cash	Stock					
Chairman	Jui-Tsung Chen	29,111	29,111	109	109	72,722	72,722	2,053	2,778	1.0356%	1.0428%	64,956	127,793	661	752	14,910	0	14,910	0	1.8374%	2.4713%	64,772
Director	Kinpo Electronics Inc.																					
	Representative: Wei-Chang Chen																					
Director	Taiwan Venture Capital Co., Ltd.																					
	Representative: Charng-Chyi Ko																					
Director	Sheng-Chieh Hsu																					
Director	Chieh-Li Hsu																					
	Binpal Investment Co., Ltd.																					
Director	Representative: Wu-Chun Hsu																					
	Representative: Wen-Being Hsu																					
Director	Chung-Pin Wong																					
Director	Chiung-Chi Hsu																					
Director	Anthony Peter Bonadero																					
Director	Sheng-Hua Peng																					
Director	Sheng-Hsiung Hsu																					
Director	Yen-Chia Chou																					
Director	Ming-Chih Chang																					
Independent Director	Duh Kung Tsai	10,000	10,000	0	0	0	0	660	660	0.1061%	0.1061%	0	0	0	0	0	0	0	0.1061%	0.1061%	0	
Independent Director	Wen-Chung Shen																					
Independent Director	Lee-Chiou Chang																					
Independent Director	Shui-Shu Hung																					
Independent Director	Tzu-Ting Huang																					
Independent Director	Min-Chih Hsuan																					
Independent Director	Duei Tsai																					

1. Please state the remuneration payment policy, system, standard and structure of Independent Directors, and the relationship between factors such as the responsibilities, risks and time devoted, and the amount of remuneration:

The remuneration of Independent Directors shall be submitted by the remuneration committee to the Board of Directors and decided by the Board of Directors, which depends on personal participation in and contribution to the Company's business and benchmarks within the same industry according to the "Articles of Association".

2. Remuneration collected by Directors for their services (i.e. acting as advisor for non-employees) as disclosed in the Financial Report in the most recent year not shown in the table: 0

Note: 1. On May 31, 2024, during the shareholders' meeting, the board of directors was re-elected. Directors Sheng-Hsiung Hsu, Representative of Binpal Investment Co., Ltd.: Wen-Being Hsu, Representative of Kinpo Electronics Inc.: Chieh-Li Hsu, Yen-Chia Chou, Ming-Chih Chang, Independent Directors Min Chih Hsuan, Duei Tsai Stepped down. Directors Representative of Kinpo Electronics Inc.: Wei-Chang Chen, Representative

of Taiwan Venture Capital Co., Ltd.: Charng-Chyi Ko, Chieh-Li Hsu, Representative of Binpal Investment Co., Ltd.: Wu-Chun Hsu, Independent Directors Duh Kung Tsai, Lee-Chiou Chang, Shui-Shu Hung, Tzu-Ting Huang took office.

2. In 2024, the Company made pension contributions totaling TWD661 (including TWD208 under the new system and TWD 453 under the old system) for Directors who also assumed managerial roles as employees; Meanwhile, all companies reported in the financial statements had made pension contributions totaling TWD 752 (including TWD 299 under the new system and TWD 453 under the old system).
3. The distribution of directors' remuneration was approved by the Board of Directors meeting on February 27, 2025. The remuneration amount of the aforementioned Directors is not determined fully until authorized by a meeting of the Board of Directors.

■ Table of Remuneration Ranges

Range of Remuneration	Number of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G+H)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Under TWD 1,000,000	3 (Note 1)	3 (Note 7)	3 (Note 13)	2 (Note 20)
TWD 1,000,000 - TWD 2,000,000 (exclusive)	6 (Note 2)	6 (Note 8)	6 (Note 14)	6 (Note 21)
TWD 2,000,000 - TWD 3,500,000 (exclusive)	4 (Note 3)	4 (Note 9)	3 (Note 15)	2 (Note 22)
TWD 3,500,000 - TWD 5,000,000 (exclusive)	3 (Note 4)	3 (Note 10)	4 (Note 16)	1 (Note 23)
TWD 5,000,000 - TWD 10,000,000 (exclusive)	7 (Note 5)	7 (Note 11)	4 (Note 17)	5 (Note 24)
TWD 10,000,000 - TWD 15,000,000 (exclusive)				1 (Note 25)
TWD 15,000,000 - TWD 30,000,000 (exclusive)			2 (Note 18)	3 (Note 26)
TWD 30,000,000- TWD 50,000,000 (exclusive)	1 (Note 6)	1 (Note 12)	2 (Note 19)	3 (Note 27)
TWD 50,000,000 - TWD 100,000,000 (exclusive)				1 (Note 28)
Over TWD 100,000,000 (inclusive)				
Total	24	24	24	24

Note:

1. Wei-Chang Chen, Wu-Chun Hsu, Wen-Being Hsu -3 positions
2. Duh Kung Tsai, Lee-Chiou Chang, Shui-Shu Hung, Tzu-Ting Huang, Min Chih Hsuan, Duei Tsai -6 positions
3. Chieh-Li Hsu, Wen-Chung Shen, Yen-Chia Chou, Ming-Chih Chang -4 positions
4. Charng-Chyi Ko, Sheng-Hsiung Hsu, Taiwan Venture Capital Co., Ltd. -3 positions
5. Sheng-Chieh Hsu, Chung-Pin Wong, Chiung-Chi Hsu, Sheng-Hua Peng, Kinpo Electronics, Inc., Binpal Investment Co., Ltd., Anthony Peter Bonadero -7 positions
6. Jui-Tsung Chen -1 position
7. Wei-Chang Chen, Wu-Chun Hsu, Wen-Being Hsu -3 positions
8. Duh Kung Tsai, Lee-Chiou Chang, Shui-Shu Hung, Tzu-Ting Huang, Min Chih Hsuan, Duei Tsai -6 positions
9. Chieh-Li Hsu, Wen-Chung Shen, Yen-Chia Chou, Ming-Chih Chang -4 positions
10. Charng-Chyi Ko, Sheng-Hsiung Hsu, Taiwan Venture Capital Co., Ltd. -3 positions
11. Sheng-Chieh Hsu, Chung-Pin Wong, Chiung-Chi Hsu, Sheng-Hua Peng, Kinpo Electronics, Inc., Binpal Investment Co., Ltd., Anthony Peter Bonadero -7 positions
12. Jui-Tsung Chen -1 position
13. Wei-Chang Chen, Wu-Chun Hsu, Wen-Being Hsu -3 positions
14. Duh Kung Tsai, Lee-Chiou Chang, Shui-Shu Hung, Tzu-Ting Huang, Min Chih Hsuan, Duei Tsai -6 positions

15. Chieh-Li Hsu, Wen-Chung Shen, Yen-Chia Chou -3 positions
16. Charng-Chyi Ko, Sheng-Hsiung Hsu, Ming-Chih Chang, Taiwan Venture Capital Co., Ltd. -4 positions
17. Sheng-Chieh Hsu, Chiung-Chi Hsu, Kinpo Electronics, Inc., Binpal Investment Co., Ltd. -4 positions
18. Chung-Pin Wong, Anthony Peter Bonadero -2 positions
19. Jui-Tsung Chen, Sheng-Hua Peng -2 positions
20. Wu-Chun Hsu, Wen-Being Hsu -2 positions
21. Duh Kung Tsai, Lee-Chiou Chang, Shui-Shu Hung, Tzu-Ting Huang, Min Chih Hsuan, Duei Tsai -6 positions
22. Wen-Chung Shen, Yen-Chia Chou -2 positions
23. Taiwan Venture Capital Co., Ltd. -1 position
24. Charng-Chyi Ko, Chiung-Chi Hsu, Ming-Chih Chang, Kinpo Electronics, Inc., Binpal Investment Co., Ltd. -5 positions
25. Sheng-Chieh Hsu -1 position
26. Chieh-Li Hsu, Chung-Pin Wong, Sheng-Hsiung Hsu-3 positions
27. Jui-Tsung Chen, Wei-Chang Chen, Sheng-Hua Peng -3 positions
28. Anthony Peter Bonadero -1 position

2. Remuneration of Supervisors: Not Applicable (The Company adopts an Audit Committee system)

3. Remuneration of the President and Vice-Presidents

Unit: TWD 1,000; Thousand shares; %

Unit: VND 1,000,000,000 shares, %

Title	Name	Salary (A)		Pension (B)		Bonus and special allowances (C)		Share of profits as an employee (D)				Sum of A, B, C and D as a percentage of after-tax profits (%)		Remuneration from ventures other than subsidiaries or from the parent company (E)
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
47 employees including President Anthony Peter Bonadero (Note1)		116,564	149,037	5,508	5,508	220,013	254,266	146,980	0	146,980	0	4.87000%	5.53444%	175

Note: 1. Managers' titles and names

- Chief Strategy Officer: Jui-Tsung Chen - 1 position
- President: Anthony Peter Bonadero, Chung-Pin Wong - 2 positions
- Executive Vice-Presidents: Ming-Chih Chang, Shen-Hua Peng, and Chen-Chang Hsu - 3 positions
- Senior Vice-Presidents: Kuo-Chuan Chen, Chyou-Jui Wei, Wen-Da Hsu, Shi-Kuan Chen, Min-Tung Weng, Sheng-Hung Li, Bor-Heng Chen, Chung-Hsing Tan, Ta-Chun Wang, Po-Tang Wang, Chun-Te Shen, Chi-Wai Wan and Lo-Chun Lee - 13 positions
- Vice-Presidents: Tzong-Ming Wang, Yong-Ho Su, Jyh-Shyan Liang, Yi-Yun Chang, Hsin-Kung Mao, Shih-Hong Huang, Yi-Chiang Chiu, Jui-Chun Shyur, Peng-Hong Chan, Cheng-Chiang Wang, Cheng-Hui Su, Chuan-Fan Tu Guo-Dung Yu, Peng Kuee Lau, Wu-Ching Chi, Hsin-Chung Chen, Jue-Teng Chang, Choo-Tain Chiu, Wei-Chia Wang, Ying Fan Chiang, Yao-Wen Chang, Tien Jung Chang, Nai Hsia Chiang, Hong-Long Chen, Chih-Chuan Cheng, Ching-Hsiung Lu, Fu-Chuan Chang, Chang-Chieh Tien - 28 positions

2. In 2024, the Company made pension contributions totaling TWD 5,508 (including TWD 3,775 under the new system and TWD 1,733 under the old system). In contrast, all companies reported in the financial statements made pension contributions totaling TWD 5,508 (including TWD 3,775 under the new system and TWD 1,733 under the old system).

3. Employees' compensation appropriation was approved by the Board of Directors at the meeting on February 27, 2025. The compensation of the aforementioned managers were not yet final and will be reviewed prior to the date of distribution.

■ Table of Remuneration Ranges

Range of Remuneration	Number of President and Vice-Presidents	
	Total of (A+B+C+D)	Total of (A+B+C+D+E)
	The Company	Companies in the consolidated financial statements
Under TWD 1,000,000	2 (Note 1)	2 (Note 9)
TWD 1,000,000 - TWD 2,000,000 (exclusive)	3 (Note 2)	3 (Note 10)
TWD 2,000,000 - TWD 3,500,000 (exclusive)	4 (Note 3)	4 (Note 11)
TWD 3,500,000 - TWD 5,000,000 (exclusive)	2 (Note 4)	2 (Note 12)
TWD 5,000,000 - TWD 10,000,000 (exclusive)	13 (Note 5)	13 (Note 13)
TWD 10,000,000 - TWD 15,000,000 (exclusive)	13 (Note 6)	13 (Note 14)
TWD 15,000,000 - TWD 30,000,000 (exclusive)	9 (Note 7)	8 (Note 15)
TWD 30,000,000 - TWD 50,000,000 (exclusive)	1 (Note 8)	1 (Note 16)
TWD 50,000,000 - TWD 100,000,000 (exclusive)		1 (Note 17)
Over TWD 100,000,000 (inclusive)		
Total	47	47

Note:

1. Fu-Chuan Chang, Chang-Chieh Tien -2 positions
2. Chun-Te Shen, Chih-Chuan Cheng, Ching-Hsiung Lu -3 positions
3. Nai Hsia Chiang, Hong-Long Chen, Jui-Tsung Chen, Chung-Pin Wong -4 positions
4. Yao-Wen Chang, Tien Jung Chang -2 positions
5. Tzong-Ming Wang, Jyh-Shyan Liang, Yi-Yun Chang, Hsin-Kung Mao, Jui-Chun Shyur, Chuan-Fan Tu, Peng Kuee Lau, Wu-Ching Chi, Jue-Teng Chang, Choo-Tain Chiu, Wei-Chia Wang, Ying Fan Chiang, Lo-Chun Lee -13 positions
6. Kuo-Chuan Chen, Chyou-Jui Wei, Wen-Da Hsu, Bor-Heng Chen, Po-Tang Wang, Yong-Ho Su, Shih-Hong Huang, Yi-Chiang Chiu, Peng-Hong Chan, Cheng-Chiang Wang, Cheng-Hui Su, Guo-Dung Yu, Hsin-Chung Chen, -13 positions
7. Anthony Peter Bonadero, Ming-Chih Chang, Chen-Chang Hsu, Shi-Kuan Chen, Min-Tung Weng, Sheng-Hung Li, Chung-Hsing Tan, Ta-Chun Wang, Chi-Wai Wan -9 positions
8. Sheng-Hua Peng-1 position
9. Fu-Chuan Chang, Chang-Chieh Tien -2 positions
10. Chun-Te Shen, Chih-Chuan Cheng, Ching-Hsiung Lu -3 positions
11. Nai Hsia Chiang, Hong-Long Chen, Jui-Tsung Chen, Chung-Pin Wong -4 positions
12. Yao-Wen Chang, Tien Jung Chang -2 positions
13. Tzong-Ming Wang, Jyh-Shyan Liang, Yi-Yun Chang, Hsin-Kung Mao, Jui-Chun Shyur, Chuan-Fan Tu, Peng Kuee Lau, Wu-Ching Chi, Jue-Teng Chang, Choo-Tain Chiu, Wei-Chia Wang, Ying Fan Chiang, Lo-Chun Lee -13 positions
14. Kuo-Chuan Chen, Chyou-Jui Wei, Wen-Da Hsu, Bor-Heng Chen, Po-Tang Wang, Yong-Ho Su, Shih-Hong Huang, Yi-Chiang Chiu, Peng-Hong Chan, Cheng-

- Chiang Wang, Cheng-Hui Su, Guo-Dung Yu, Hsin-Chung Chen -13 positions
15. Ming-Chih Chang, Chen-Chang Hsu, Shi-Kuan Chen, Min-Tung Weng, Sheng-Hung Li, Chung-Hsing Tan, Ta-Chun Wang, Chi-Wai Wan -8 positions
 16. Sheng-Hua Peng -1 position
 17. Anthony Peter Bonadero -1 position

■ Employee profit sharing granted to the management team

Unit: TWD 1,000

Title	Name	Stock dividends	Cash dividends	Total	Total as a percentage of after-tax profits (%)
38 employees including President Anthony Peter Bonadero (Note 1)		0	146,980	146,980	1.463593%

Note: 1. Managers' titles and names

- President: Anthony Peter Bonadero - 1 position
 - Executive Vice-Presidents: Ming-Chih Chang, Shen-Hua Peng, and Chen-Chang Hsu – 3 positions
 - Senior Vice-Presidents: Kuo-Chuan Chen, Chyou-Jui Wei, Wen-Da Hsu, Shi-Kuan Chen, Min-Tung Weng, Sheng-Hung Li, Bor-Heng Chen, Chung-Hsing Tan, Ta-Chun Wang and Po-Tang Wang, – 10 positions.
 - Vice-Presidents: Tzong-Ming Wang, Yong-Ho Su, Jyh-Shyan Liang, Yi-Yun Chang, Hsin-Kung Mao, Shih-Hong Huang, Yi-Chiang Chiu, Jui-Chun Shyur, Peng-Hong Chan, Cheng-Chiang Wang, Cheng-Hui Su, Chuan-Fan Tu, Guo-Dung Yu, Peng Kuee Lau, Wu-Ching Chi, Hsin-Chung Chen, Jue-Teng Chang, Choo-Tain Chiu, Wei-Chia Wang, Ying Fan Chiang, Yao-Wen Chang, Tien Jung Chang, Nai Hsia Chiang, Hong-Long Chen – 24 positions
2. Chief Strategy Officer Jui-Tsung Chen resigned, President Chung-Pin Wong stepped down, Senior Vice President Chun-Te Shen and Chi-Wai Wan, Vice President Chih-Chuan Cheng, Ching-Hsiung Lu, Fu-Chuan Chang, Chang-Chieh Tien retired or resigned in 2024. Senior Vice President Lo-Chun Lee retired in 2025.
 3. The Board of Directors approved the employees' compensation appropriation at the February 27, 2025 meeting. The compensation of the aforementioned managers has not been finalized and will be reviewed prior to the date of distribution.

2.1.4 Comparison of Remuneration for Directors, Supervisors, Presidents and Vice-Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, Presidents, and Vice-Presidents

- The percentage of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to Directors, supervisors, presidents, and vice presidents of the Company, relative to net income.

Unit: TWD 1,000

Analysis	2024		2023 (Note)		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Directors	673,387	6.71%	585,013	7.63%	88,374	15.11%
CSO, Presidents, and Vice-Presidents						
Net Income	10,042,410		7,667,627		2,374,783	

Note: 2023 is the actual amount.

- The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance.
- Remuneration paid by the Company to Directors has been made in accordance with the Articles of Association. When the Company makes a profit in a year, no more than 2% of the Company's pre-tax profits (not including remuneration for employees and Directors) shall be paid to Directors as remuneration along with reasonable compensation based on other factors such as the Company's operational performance and the individual Director's personal contribution to the Company's performance taken into consideration.
 - The Company's directors and independent directors receive a transportation allowance. Independent directors receive fixed remuneration and do not participate in the distribution of directors' remuneration. The remaining directors do not receive fixed remuneration, but participate in the distribution of directors' remuneration. Based on the analysis of performance evaluation results, the Remuneration Committee will report to the Board of Directors and make extra recommendations, which will serve as a reference for the remuneration of individual directors.
 - The Company's remuneration policy for Managers has been established based on various factors, including the Company's wage policy, the average wage offered by competitors for the same position, education/experience, professional ability, the duties and responsibilities for the position in question, and the Manager's comprehensive performance index. Moreover, the remuneration system of directors and managers is reviewed in a timely manner in accordance with the actual operating conditions, relevant laws, and regulations. Managers' performance indexes include financial indexes (such as revenue, gross margin, net profit, return on assets, and return on equity), and non-financial indexes (such as leading internal transformation, driving sustainable development, and managing operational risk).
 - The Company's procedure for determining remuneration not only takes into account the Company's overall operational performance but is also based on managers' performance (about 70% based on financial indexes, about 30% based on non-financial indexes). Relevant salaries and compensations are reviewed by the Remuneration Committee and resolved by the Board of Directors. The Company will also be keeping a close eye on the latest developments in the global economy, international financial environment, and state of the industry in order to predict its operational development, profits status, operational risks and changes in pertinent regulations in the near future in order to review the compensation system, thereby striving for an ideal balance between the Company's sustainable operation and relevant risk control.

2.2 Implementation of Corporate Governance

2.2.1 Board of Directors

- The term of the 14th committee is from August 27, 2021 to May 31, 2024.
- The term of the 15th committee is from May 31, 2024 to May 30, 2027.
- There were seven Board meetings in 2024. Director's attendance records were as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Chairman	Jui-Tsung Chen	7	0	100%	Re-election
Director	Representative of Kinpo Electronics, Inc.: Wei-Chang Chen	3	0	100%	Took office on May 31, 2024
Director	Representative of Taiwan Venture Capital Co., Ltd.: Charng-Chyi Ko	7	0	100%	Re-election
Director	Sheng-Chieh Hsu	5	2	71.43%	Re-election
Director	Chieh-Li Hsu	6	1	85.71%	Re-election
Director	Representative of Binpal Investment Co., Ltd.: Wu-Chun Hsu	3	0	100%	Took office on May 31, 2024
Director	Chung-Pin Wong	7	0	100%	Re-election
Director	Chiung-Chi Hsu	7	0	100%	Re-election
Director	Anthony Peter Bonadero	5	2	71.43%	Re-election (Note 2)
Director	Sheng-Hua Peng	7	0	100%	Re-election
Independent Director	Duh Kung Tsai	3	0	100%	Took office on May 31, 2024
Independent Director	Wen-Chung Shen	7	0	100%	Re-election
Independent Director	Lee-Chiou Chang	3	0	100%	Took office on May 31, 2024
Independent Director	Shui-Shu Hung	3	0	100%	Took office on May 31, 2024
Independent Director	Tzu-Ting Huang	3	0	100%	Took office on May 31, 2024
Chairman	Sheng-Hsiung Hsu	4	0	100%	Left office on May 31, 2024
Director	Representative of Binpal Investment Co., Ltd.: Wen-Being Hsu	4	0	100%	Left office on May 31, 2024
Director	Yen-Chia Chou	2	2	50%	Left office on May 31, 2024
Director	Ming-Chih Chang	4	0	100%	Left office on May 31, 2024
Independent Director	Min-Chih Hsuan	3	1	75%	Left office on May 31, 2024
Independent Director	Duei Tsai	4	0	100%	Left office on May 31, 2024

1. The actual attendance rate (%) is calculated based on the number of meetings held during the individual's tenure and the actual number of meetings attended.
2. Foreign director Anthony Peter Bonadero was not present for 2 of 7 board meetings due to scheduling and time zone differences.

- Independent Director's attendance records for 2023:

Title	Name	1 st Meeting	2 nd Meeting	3 rd Meeting	4 th Meeting	5 th Meeting	6 th Meeting	7 th Meeting
Independent Director	Duh Kung Tsai	-	-	-	-	●	●	●
Independent Director	Wen-Chung Shen	●	●	●	●	●	●	●
Independent Director	Lee-Chiou Chang	-	-	-	-	●	●	●
Independent Director	Shui-Shu Hung	-	-	-	-	●	●	●
Independent Director	Tzu-Ting Huang	-	-	-	-	●	●	●
Independent Director	Min-Chih Hsuan	●	★	●	●	-	-	-
Independent Director	Duei Tsai	●	●	●	●	-	-	-

Note: ●: Attendance in Person; ★: By Proxy; ◎: Absent

■ Other notes:

- For Board of Directors meetings that meet any of the following descriptions, state the date, session, the discussed topics, Independent Directors' opinions, and how the Company has responded to such opinions:**
 - Conditions described in Article 14-3 of the Securities and Exchange Act: Not applicable (the Company has an Audit Committee rather than supervisors)
 - Any other documented objections or qualified opinions raised by Independent Directors against board resolutions in relation to matters other than those described above: None.

2. Disclosure regarding avoidance of interest-conflicting agendas, including the names of Directors concerned, the agendas, the nature of conflicting interests, and the voting outcome:

Board of Directors Meeting	The agendas, the nature of conflicting interests, and the voting outcome
16th Meeting (14th Term) 2024.03.12	Approved the first mid-year employees' bonus <u>for</u> the year 2024 In accordance with the Company's Regulations Governing the Proceedings of Board of Directors Meetings, an interested party relationship exists between any Directors and any agenda proposals, such Directors shall excuse themselves during discussion of and voting on those proposals. Accordingly, to avoid a conflict of interest, Directors Jui-Tsung Chen, Chung-Pin Wong, Ming-Chih Chang and Sheng-Hua Peng, also acting as Compal's managerial officers, avoided discussion and voting on this proposal. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.
17th Meeting (14th Term) 2024.04.16	Approved the release of non-competition restrictions for the managers An interested party relationship existed with Director Chung-Pin Wong. In order to avoid a conflict of interest, this Director excused himself from discussion and voting on this proposal. Upon solicitation of comments by the chairman of the meeting, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present. Approved the appointment of Group President of the Kinpo & Compal Group The Director Jui-Tsung Chen will be a deputy chairman to preside at this meeting to discuss and vote on this proposal. An interested party relationship existed with Director Sheng-Hsiung Hsu. In addition, Sheng-Hsiung Hsu and Sheng-Chieh Hsu are second-degree relatives (brothers), Sheng-Hsiung Hsu and Chieh-Li Hsu (attended by proxy of Sheng-Hsiung Hsu) are second-degree relatives (father and son). In order to avoid a conflict of interest, these Directors excused themselves from discussion and voting on this proposal. Upon solicitation of comments by the chairman of the meeting, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.
18th Meeting (14th Term) 2024.05.13	Approved employees' salary adjustment for the year 2024 In accordance with the Company's Regulations Governing the Proceedings of Board of Directors Meetings, an interested party relationship exists between any Directors and any agenda proposals, such Directors shall excuse themselves during discussion of and voting on those proposals. Accordingly, to avoid a conflict of interest, Directors Jui-Tsung Chen, Chung-Pin Wong, Ming-Chih Chang and Sheng-Hua Peng, who are also acting as managerial officers of Compal, avoided discussion and voting on this proposal. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present. Approved the release of non-competition restrictions for the managers An interested party relationship existed with Director Ming-Chih Chang. In order to avoid a conflict of interest, this Director excused themselves from discussion and voting on this proposal. Upon solicitation of comments by the Chairman of the meeting, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.
1st Meeting (15th Term) 2024.05.31	Approved the appointment of Group President of the Kinpo & Compal Group An interested party relationship existed between Director Sheng-Chieh Hsu and Sheng-Hsiung Hsu, who are second cousins (brothers), and Chieh-Li Hsu and Sheng-Hsiung Hsu, who are first cousins (father and son). In order to avoid a conflict of interest, these Directors excused themselves from discussion and voting on this proposal. Upon solicitation of comments by the chairman of the meeting, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present. Approved the appointment of President An interested party relationship existed with Director Anthony Peter Bonadero. In order to

Board of Directors Meeting	The agendas, the nature of conflicting interests, and the voting outcome
	avoid a conflict of interest, this Director excused themselves from discussion and voting on this proposal. Upon solicitation of comments by the Chairman of the meeting, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.
	Approved the appointment of the term 6th Remuneration Committee members An interested party relationship exists with Independent Directors Duh Kung Tsai, Wen-Chung Shen, Lee-Chiou Chang, Shui-Shu Hung, and Tzu-Ting Huang. In order to avoid a conflict of interest, these Independent Directors excused themselves from discussion and voting on this proposal. Upon solicitation of comments by the Chairman of the meeting, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.
	Approved the appointment of the term 2nd Sustainability Committee members An interested party relationship exists with Independent Directors Duh Kung Tsai, Wen-Chung Shen, Lee-Chiou Chang, Shui-Shu Hung, Tzu-Ting Huang. and Director Sheng-Hua Peng. In order to avoid a conflict of interest, these Independent Directors excused themselves from discussion and voting on this proposal. Upon solicitation of comments by the Chairman of the meeting, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.
	Approved the appointment of the term 2nd Risk Management Committee members An interested party relationship exists with Independent Directors Duh Kung Tsai, Wen-Chung Shen, Lee-Chiou Chang, Shui-Shu Hung, Tzu-Ting Huang. and Director Sheng-Hua Peng. In order to avoid a conflict of interest, these Independent Directors excused themselves from discussion and voting on this proposal. Upon solicitation of comments by the Chairman of the meeting, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.
2nd Meeting (15th Term) 2024.08.13	Approved the Directors' Remuneration for the year 2023 The Independent Director Duh Kung Tsai to act as a deputy chairman to preside at this meeting to discuss and vote on this proposal. Since an interested party relationship exists, the Directors (i.e., Jui-Tsung Chen, Wei-Chang Chen, Charng-Chyi Ko, Sheng-Chieh Hsu, Chieh-Li Hsu, Wu-Chun Hsu, Chung-Pin Wong, Chiung-Chi Hsu, Sheng-Hua Peng and Anthony Peter Bonadero) recuse and exclude themselves from discussion and voting on this proposal to avoid a conflict of interest. Upon solicitation of comments by the deputy chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.
	Approved 2nd mid-year employees' bonus for the year 2024 In accordance with the Company's Regulations Governing the Proceedings of Board of Directors Meetings, an interested party relationship exists among any Directors and any agenda proposals, such Directors shall recuse and exclude themselves during discussion of and voting on those proposals. Accordingly, to avoid a conflict of interest, Directors Chung-Pin Wong and Sheng-Hua Peng, who are also acting as managerial officers and employees of Compal, avoided discussion and voting on this proposal. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.
	Approved the remuneration of the newly appointed Top Management The Independent Director Duh Kung Tsai to act as a deputy chairman to preside at this meeting to discuss and vote on this proposal. An interested party relationship existed in Directors Jui-Tsung Chen and Anthony Peter Bonadero, the Directors Sheng-Chieh Hsu and Group President Sheng-Hsiung Hsu are second cousins (brothers), Chieh-Li Hsu and Group President Sheng-Hsiung Hsu are first cousins (father and son). In order to avoid a conflict of interest, this Director excused themselves from discussion and voting on this proposal. Upon solicitation of comments by the deputy chairman of the meeting, no

Board of Directors Meeting	The agendas, the nature of conflicting interests, and the voting outcome
	objection was addressed and the resolution was adopted unanimously by the remaining Directors present.
	Approved the appointment of Chief Sustainability Officer An interested party relationship existed with Director Sheng-Hua Peng. In order to avoid a conflict of interest, this Director excused themselves from discussion and voting on this proposal. Upon solicitation of comments by the Chairman of the meeting, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.
	Approved the appointment of the manager of the Kaohsiung Branch An interested party relationship existed in Director Sheng-Hua Peng. In order to avoid a conflict of interest, this Director excused themselves from discussion and voting on this proposal. Upon solicitation of comments by the Chairman of the meeting, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.
	Approved providing a Guarantee and endorsement of a 70% owned subsidiary for Kinpo & Compal Group Assets Development Corporation. The Independent Director Duh Kung Tsai to act as a deputy chairman to preside at this meeting to discuss and vote on this proposal. Directors of the Company, Jui-Tsung Chen, Sheng-Hua Peng, Sheng-Chieh Hsu, and Chieh-Li Hsu are also acting as Directors of Kinpo&Compal Group Assets Development Corporation. To avoid a conflict of interest, they recuse and exclude themselves from discussion and voting on this proposal in accordance with the Company's Regulations Governing the Proceedings of Board of Directors Meetings. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.
3rd Meeting (15th Term) 2024.11.12	Approved the compensation of Employees' bonus in cash <u>for the year 2023</u> In accordance with the Company's Regulations Governing the Proceedings of Board of Directors Meetings, an interested party relationship exists among any Directors and any agenda proposals, such Directors shall recuse and exclude themselves during discussion of and voting on those proposals. Accordingly, to avoid a conflict of interest, Director Sheng-Hua Peng, who also acts as a managerial officer and employee of Compal, avoided discussing and voting on this proposal. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.
	Approved the proposal for the 2024 year-end employees' bonus In accordance with the Company's Regulations Governing the Proceedings of Board of Directors Meetings, an interested party relationship exists among any Directors and any agenda proposals, such Directors shall recuse and exclude themselves during discussion of and voting on those proposals. Accordingly, to avoid a conflict of interest, Directors Chung-Pin Wong and Sheng-Hua Peng, who also act as managerial officers and employees of Compal, avoided discussing and voting on this proposal. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.

3. Self-Evaluation of the Board of Directors:

■ Performance Evaluation of the Board of Directors

Evaluation cycles	Once a year
Evaluation periods	From June 1, 2023 to May 31, 2024
Scope of evaluation	Board of Directors, Functional Committees (Including Audit Committee, Remuneration Committee), individual Directors
Method of evaluation	Internal self-evaluation of the Board of Directors and Functional Committees (Including Audit Committee, Remuneration Committee), Self-evaluation of individual Directors
Content of evaluation	◆Criteria for evaluating the performance of the Board of Directors, which should cover the following five aspects: 1. Participation in the operation of the Company; 2. Improvement of the quality of the Board of Directors' decision making; 3. Composition and structure of the Board of Directors; 4. Election and continuing education of the Directors; and 5. Internal control. ◆Criteria for evaluating the performance of the Functional Committees, which should cover the following five aspects: 1. Participation in the operation of the Company; 2. Awareness of the duties of the Functional Committee; 3. Improvement of the quality of decisions made by the Functional Committee; 4. Makeup of the Functional Committee and election of its members; and 5. Internal control. ◆Criteria for evaluating the performance of the individual Directors, which should cover the following six aspects: 1. Alignment with the goals and mission of the Company; 2. Awareness of the duties of a Director; 3. Participation in the operation of the Company; 4. Management of internal relationships and communication; 5. The Director's professionalism and continuing education; and 6. Internal control.

■ External performance evaluation of the Board of Directors

The external evaluation mechanism for performance was added in the “Rules for Performance Evaluation of the Board of Directors and Functional Committees,” passed by the Board on November 10, 2023. The Company shall appoint an external independent professional institution or a panel of external experts and scholars to conduct a performance evaluation at least once every three years and the external board performance evaluations shall be completed before the end of the first quarter of the following year, the evaluation results shall be reported to the Board of Directors. The company has appointed EY Business Advisory Services Inc. to conduct a performance evaluation of the board of directors for the first time in November 2023. For the performance evaluation of the company, please refer to the company's website: <https://www.compal.com/investor-relations/corporate-governance/>

4. Enhance the valuation regarding the target achievement and execution by the Board of Directors in the current and most recent year:

- The Company established a “Remuneration Committee” in 2011. During the election of the 11th Board of Directors and Supervisors at the 2012 annual shareholders’ meeting, three (3) Independent Directors were elected and appointed as committee members of the Remuneration Committee.

- Supervisor positions were replaced with the Audit Committee after the 12th Board of Directors was elected at the 2015 annual shareholders' meeting.
- In 2019, the "Rules and Procedures for Board of Directors Meetings" was amended in accordance with the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers" and "Company Act," and the Company shall appoint a chief corporate governance officer to execute corporate governance matters.
- In 2020, to implement corporate governance, enhance the function of the Board of Directors, and set the performance targets, the "Rules of Self-Evaluation of the Board of Directors and Functional Committees Performance" were adopted to strengthen their operational efficiency. The performance of evaluation results for the year 2022, submitted to the Remuneration Committee for analytical review and reported to the Board of Directors for discussion and improvement, shall be used as a reference in determining individual Directors' compensation and their nomination for the next office term. The performance evaluation results have been published on the Company's website.
- In 2022, to fulfill the company's commitment to sustainable development and improve the company's overall capacity in ESG risk management, Compal Electronics established a Sustainability Committee.
- In 2023, in order to strengthen corporate governance and risk management functions, a Risk Management Committee is to be set up. In addition, in conjunction with the added external performance evaluation mechanism in "Board of Directors Self-Assessment of Performance," passed by the Board on November 10, 2023, and the Company commissioned an external independent professional organization to conduct an external performance evaluation of the overall Board of Directors for the first time in 2023.

2.2.2 Audit Committee

■ Duties of the Audit Committee

The Audit Committee is an enhancement to the Company's supervisory and management function. It assists the Board of Directors in various decisions such as review of financial statements, internal control policies, internal audits, accounting policies and procedures, major asset transactions, appointment/dismissal/independence/suitability of certified public accountants, appointment/dismissal of the chief accountant and chief auditor, etc., thereby ensuring that the Company operates in compliance with the competent authority's instructions and relevant laws.

■ The powers of the Committee are as follows:

1. Adopting or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
4. Matters in which a Director is an interested party.
5. Asset transactions or derivatives trading of a material nature.
6. Loans of funds, endorsements, or provision of guarantees of a material nature.
7. The offering, issuance, or private placement of equity-type securities.
8. The hiring or dismissal of a certified public accountant or their compensation.
9. The appointment or discharge of a financial, accounting, or internal audit officer.
10. Annual financial reports, which are signed or sealed by the Chairman, a managerial officer, and an accounting officer.
11. Business Report, proposal for distribution of profits or covering losses.
12. Other material matters may be required by this Corporation or the competent authority.

Professional Qualifications and Experience of Audit Committee Members

Title	Name	Professional Qualifications and Experience
Independent Director	Duh Kung Tsai	Bachelor of Industrial Engineering Dept., Taipei Institute of Technology Chairman & Chief Strategy Officer of Powertech Technology Inc., Director of Greatek Electronics Inc., Independent Director of Chicony Power Technology Co. Ltd. The individual has rich knowledge and adequate experience in the electronics industry, business operations, risk management, and corporate mergers/acquisitions, which is extremely helpful to the company's development. The Independent Director possesses more than 30 years of work experience required for the Company's business.
Independent Director	Wen-Chung Shen	Bachelor of Electrical Engineering Dept., National Taiwan University Chairman of Her Tuo Co., Ltd., and Director and Executive Vice President of Compal The individual has rich knowledge and adequate experience in the electronics industry, business operations, and risk management, which is extremely helpful to the company's development. The Independent Director possesses more than 30 years of work experience required for the Company's business.
Independent Director	Lee-Chiou Chang	Bachelor of Public Finance Dept., Master of Insurance Dept., NCCU Chairman of Yuanta Securities Co., Ltd., Team leader of Securities and Futures Bureau, FSC Chairman of Sun Ten Group., Chairman of Panion & BF Biotech Inc., Chairman of Ho Tung Chemical Corp. The individual has rich knowledge and adequate experience in biotechnology, medical, business operations, and financial accounting, which is extremely helpful to the company's development. The Independent Director possesses more than 30 years of work experience required for the Company's business.
Independent Director	Shui-Shu Hung	Bachelor of Medicine Dept., National Taiwan University Chairman of Catcher Technology Co., Ltd. The individual has rich knowledge and adequate experience in the electronics industry, business operations, and risk management, which is extremely helpful to the company's development. The Independent Director possesses more than 30 years of work experience required for the Company's business.
Independent Director	Tzu-Ting Huang	Bachelor of Law Dept., National Chung Hsing University Chief Operating Officer, Consultant, Property Rights and Marketing Department Services of Acer Incorporated, Independent Director of Flytech Technology Co., Ltd. The individual has rich knowledge and adequate experience in the electronics industry, Property Rights and Marketing Department Services and Supply Chain Management, which is extremely helpful to the company's development. The Independent Director possesses more than 30 years of work experience required for the Company's business.

Attendance of Members at Audit Committee Meetings

- The company's Audit Committee is composed of three (term of the 3rd) and five (term of the 4th) independent directors.
- The term of the 3rd committee is from August 27, 2021 to May 31, 2024.
- The term of the 4th committee is from May 31, 2024 to May 30, 2027.
- There were seven Audit Committee meetings during 2024, and the committee members' attendance records were as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Convener	Duh Kung Tsai	3	0	100%	Took office on May 31, 2024

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Committee Member	Wen-Chung Shen	7	0	100%	Re-election
Committee Member	Lee-Chiou Chang	3	0	100%	Took office on May 31, 2024
Committee Member	Shui-Shu Hung	3	0	100%	Took office on May 31, 2024
Committee Member	Tzu-Ting Huang	3	0	100%	Took office on May 31, 2024
Convener	Min-Chih Hsuan	3	1	75%	Left office on May 31, 2024
Committee Member	Duei Tsai	4	0	100%	Left office on May 31, 2024

Note: The actual attendance rate (%) is calculated based on the number of meetings held during the individual's tenure and the actual number of meetings attended.

■ The major audit items of the Audit Committee in 2024 are as follows:

1. Annual and interim financial reports, Business report, Proposal for distribution of profits
2. To evaluate the CPAs' independence and competence for performing the financial report audit
3. Matters in which a Director is an interested party
4. Election of the Committee convener and Chairman of the 4th Audit Committee
5. Appointment of the President, Accounting Officer, Financial Officer and Internal Audit Officer
6. A material monetary loan, providing endorsements and a Corporate Guaranty Letter
7. A material asset transaction.
8. The amendments to the internal control system
9. Assessment of the design and operational effectiveness of the internal control system.
10. The defects, irregularities, and the status of corrections in the internal control system.
11. Annual audit plan for the year 2025
12. Compliance with the relevant laws and regulations by the Corporation.

■ Other notes:

1. **The Company should record the date of the Board of Directors' meeting, the term, content of discussion, the result of the Audit Committee's decision and the actions the Company has taken in response, should any of the following situations arise in the operation of the Audit Committee:**

(1) Matters listed in Item 5, Article 14 of the Securities and Exchange Act:

Board of Directors Meeting	Content of discussion and actions taken in response	Matters listed in Item 5, Article 14 of the Security Act	Not approved by the Audit Committee, but had the consent of more than two-thirds of all directors.
15th Meeting (14th Term) 2024.2.29	1. To approve the Audited Consolidated Financial Report and Parent Company Only Financial Report for the year 2023	V	None
	2. To approve the proposal for the Distribution of Earnings for the year 2023	V	None
	3. To approve a fund loan to 100% owned subsidiary Compal Smart Device India Private Limited	V	None
	4. To approve a fund loan to 100% owned subsidiary Compalead Eletrônica do Brasil Indústria e Comércio Ltda.	V	None
	5. To approve providing a Corporate Guarantee Letter for Compal Tecnologia Do Brasil Ltda., a 100% owned subsidiary of the Company, to Quanta Computer Inc.	V	None

Board of Directors Meeting	Content of discussion and actions taken in response	Matters listed in Item 5, Article 14 of the Security Act	Not approved by the Audit Committee, but had the consent of more than two-thirds of all directors.
	6. To approve providing a Corporate Guarantee Letter for Compalead Eletrônica do Brasil Indústria e Comércio Ltda., a 100% owned subsidiary of the Company, to Quanta Computer Inc.	V	None
	▲Resolution adopted by the Audit Committee (2024.2.29): Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present.		
	▲Action taken by the Company in response to the opinion of the Audit Committee: Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Directors present.		
16th Meeting (14th Term) 2024.3.12	1. To approve a senior level management change	V	None
	2. To approve the Business Report for the year 2023	V	None
	3. To approve the investment in CGS Technology (Poland) sp. z o.o. (a Polish subsidiary) by participating in the capital injection by cash.	V	None
	4. To approve a fund loan to 100% owned subsidiary Compal Tecnologia Do Brasil Ltda.	V	None
	5. To approve the Internal Control System Statement for the year 2023	V	None
	▲Resolution adopted by the Audit Committee (2024.3.12): Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present.		
	▲Action taken by the Company in response to the opinion of the Audit Committee: Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Directors present.		
17th Meeting (14th Term) 2024.4.16	1. To approve the release of non-competition restrictions for the managers	V	None
	2. To approve the evaluation of CPAs' independence and competence in performing financial report audits.	V	None
	3. To approve the amendment to the "2024 Annual Audit Plan"	V	None
	▲Resolution adopted by the Audit Committee (2024.4.16): Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present.		
	▲Action taken by the Company in response to the opinion of the Audit Committee: • Motion 1 An interested party relationship existed with Director Chung-Pin Wong. In order to avoid a conflict of interest, this Director excused himself from discussion and voting on this proposal. Upon solicitation of comments by the Chairman of the meeting, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present. • Except for motion 1 Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Directors present.		
18th Meeting (14th Term) 2024.5.13	1. To approve the 1Q 2024 Consolidated Financial Review Report	V	None
	2. To approve the release of non-competition restrictions for the managers	V	None

Board of Directors Meeting	Content of discussion and actions taken in response	Matters listed in Item 5, Article 14 of the Security Act	Not approved by the Audit Committee, but had the consent of more than two-thirds of all directors.
	▲Resolution adopted by the Audit Committee (2024.5.13): Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present. ▲Action taken by the Company in response to the opinion of the Audit Committee: • Motion 2 An interested party relationship existed with Director Ming-Chih Chang. In order to avoid a conflict of interest, this Director excused himself from discussion and voting on this proposal. Upon solicitation of comments by the Chairman of the meeting, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present. • Except for motion 2 Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Directors present.		
1st Meeting (15th Term) 2024.5.31	1. Election of the Committee convener and the Chairman of the 4th Audit Committee	V	None
	2. To approve the appointment of the President	V	None
	3. To approve the appointment of the Accounting Officer	V	None
	4. To approve the appointment of the Financial Officer	V	None
	5. To approve the appointment of the Internal Audit Officer	V	None
	▲Resolution adopted by the Audit Committee (2024.5.31): • Motion 1 Duh Kung Tsai is elected by all members as the convener and Chairman of the Audit Committee. • Except for motion 1 Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Directors present.		
	▲Action taken by the Company in response to the opinion of the Audit Committee: • Motion 1: Not applicable (No request for the consent of the Board of Directors) • Motion 2 An interested party relationship existed with Director Anthony Peter Bonadero. In order to avoid a conflict of interest, this Director excused himself from discussion and voting on this proposal. Upon solicitation of comments by the Chairman of the meeting, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present. • Except for motions 1 and 2 Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Directors present.		
2nd Meeting (15th Term) 2024.8.13	1. To approve the 1H 2024 Consolidated Financial Review Report	V	None
	2. To approve the appointment of the manager of the Kaohsiung Branch	V	None
	3. To approve a loan to Henghao Technology Co. Ltd.	V	None
	4. To approve a loan to Unicom Global, Inc.	V	None
	5. To approve providing a Guarantee and endorsement of a 70% owned subsidiary for Kinpo & Compal	V	None

Board of Directors Meeting	Content of discussion and actions taken in response	Matters listed in Item 5, Article 14 of the Security Act	Not approved by the Audit Committee, but had the consent of more than two-thirds of all directors.
	Group Assets Development Corporation.		
	6. To approve providing a Guarantee and endorsement of a 100% owned subsidiary for Compal Ruifang Health Assets Development Corporation.	V	None
	7. To approve providing a Guarantee and endorsement of a 100% owned subsidiary for CGS Technology (Poland) Sp. z o. o.	V	None
	▲ Resolution adopted by the Audit Committee (2024.8.13): Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present.		
	▲ Action taken by the Company in response to the opinion of the Audit Committee: • Motion 2 An interested party relationship existed with Director Sheng-Hua Peng. In order to avoid a conflict of interest, this Director excused himself from discussion and voting on this proposal. Upon solicitation of comments by the Chairman of the meeting, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present. • Motion 5 The Independent Director Duh Kung Tsai to act as a deputy chairman to preside at this meeting to discuss and vote on this proposal. Directors of the Company, Jui-Tsung Chen, Sheng-Hua Peng, Sheng-Chieh Hsu, and Chieh-Li Hsu are also acting as Directors of Kinpo&Compal Group Assets Development Corporation. To avoid a conflict of interest, they recuse and exclude themselves from discussion and voting on this proposal in accordance with the Company's Regulations Governing the Proceedings of Board of Directors Meetings. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present. • Except for motions 2 and 5 Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Directors present.		
3rd Meeting (15th Term) 2024.11.12	1. To approve the 3Q 2024 Consolidated Financial Report	V	None
	2. To approve the internal control procedures for Sustainability Information Management	V	None
	3. To approve providing a Corporate Guarantee Letter for COMPAL TECNOLOGIA DO BRASIL LTDA., a 100% owned subsidiary of the Company, to Quanta Computer Inc.	V	None
	4. To approve providing a Corporate Guarantee Letter for COMPALEAD ELETRONICA DO BRASIL IND. E COM. LTDA., a 100% owned subsidiary of the Company, to Quanta Computer Inc.	V	None
	5. To approve a fund loan to 100% owned subsidiary COMPAL EUROPE (POLAND) Sp. z o.o	V	None
	6. To propose for approval of the annual audit plan for year 2025	V	None
	▲ Resolution adopted by the Audit Committee (2024.11.12): Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present.		
	▲ Action taken by the Company in response to the opinion of the Audit Committee:		

Board of Directors Meeting	Content of discussion and actions taken in response	Matters listed in Item 5, Article 14 of the Security Act	Not approved by the Audit Committee, but had the consent of more than two-thirds of all directors.
	Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Directors present.		

(2) With the exception of the aforementioned matters, other matters not approved by the Audit Committee but receiving the consent of more than two-thirds of all Directors: None.

2. Actions of the Independent Directors with respect to the avoidance of conflict of interest should be disclosed, including the name of the Independent Director, the matter, the reasons for the avoidance, and the voting and attendance status: None.

3. Status of communication between Independent Directors, Internal Audit Officer, and CPA:

(1) Method of communication between Independent Directors, the Internal Audit Officer, and CPAs:

- After the Internal Audit Officer has submitted an audit report and follow-up report, he/she should provide the completed audited items to the Independent Directors for review by the end of the following month. Should the Independent Directors require clarification of the audit and follow-up, they should contact the internal audit supervisor. The internal auditor shall report the audit results to the Audit Committee on a quarterly basis and discuss the relevant matters in person with the committee.
- The Independent Directors must communicate with the CPA on a yearly basis through the Audit Committee or the Board of Directors' Meeting. The CPA shall report to the Independent Directors on the results of the financial statement audit and other pertinent legal requirements while the Audit Committee shall also evaluate the selection, independence, and fitness of the CPA engaged by the Company.

(2) Summary of the communications between Independent Directors and Internal Audit Officer:

Audit Committee	Content of discussion	Results
15 th Meeting (3 rd Term) 2024.2.29	1. Report on the operational status of the internal audit activities	The report was reviewed by the Audit Committee whereupon independent directors raised no objection or further instruction.
16 th Meeting (3 rd Term) 2024.3.12	1. Report on the operational status of the internal audit activities	The report was reviewed by the Audit Committee whereupon independent directors raised no objection or further instruction.
	2. To approve the Internal Control System Statement for the year 2023	The proposal was approved by the Audit Committee and will be resolved by the Board of Directors
17 th Meeting (3 rd Term) 2024.4.16	1. Report on the operational status of the internal audit activities	The report was reviewed by the Audit Committee whereupon independent directors raised no objection or further instruction.
18 th Meeting (3 rd Term) 2024.5.13	1. Report on the operational status of the internal audit activities	The report was reviewed by the Audit Committee whereupon independent directors raised no objection or further instruction.
2 nd Meeting (4 th Term)	1. Report on the operational status of the internal audit activities	The report was reviewed by the Audit Committee whereupon independent

Audit Committee	Content of discussion	Results
2024.8.13 (Note)		directors raised no objection or further instruction.
3 rd Meeting (4 th Term) 2024.11.12 (Note)	1. Report on the operational status of the internal audit activities	The report was reviewed by the Audit Committee whereupon independent directors raised no objection or further instruction.
	2. To propose for approval of the annual audit plan for the year 2025	The proposal was approved by the Audit Committee and will be resolved by the Board of Directors

Note: The management team will not be present when the internal audit supervisor communicates with the independent directors in the audit committee.

(3) Summary of the communications between the Independent Directors and CPA:

Audit Committee	Content of discussion	Results
15 th Meeting (3 rd Term) 2024.2.29 (Note)	1. To approve the Audited Consolidated Financial Report and Parent Company Only Financial Report for the year 2023 • Statement of Independence • Responsibilities of the Auditors for the Audit of the Financial Statements • Types of Audit Opinions Issued • Scope of the Audit (including Key Audit Matters) • Audit Findings • Update on Key Accounting Standards, Securities Regulations, and Tax Legislation	The independent directors had no issue with the content of the communication. The proposal was approved by the Audit Committee, and be resolved by the Board of Directors.
2 nd Meeting (4 th Term) 2024.8.13	1. To approve the 1H 2024 Consolidated Financial Review Report • Types of Review Conclusions Issued • Scope of the Review • Findings of the Review • Implementation Plan for IFRS Sustainability Disclosure Standards • Update on Key Accounting Standards, Securities Regulations, and Tax Legislation	The independent directors had no issue with the content of the communication. The proposal was approved by the Audit Committee and be resolved by the Board of Directors.
3 rd Meeting (4 th Term) 2024.11.12	1. To approve the 3Q 2024 Consolidated Financial Review Report • Types of Review Conclusions Issued • Scope of the Review • Review Findings • Annual Audit Plan • Update on Key Accounting Standards, Securities Regulations, and Tax Legislation	The independent directors had no issue with the content of the communication. The proposal was approved by the Audit Committee and be resolved by the Board of Directors.

Note: The management team will not be present when the CPAs communicate with the independent directors in the audit committee.

2.2.3 Corporate Governance Implementation and Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
I. Has the Company established and disclosed its corporate governance principles based on the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?”	Yes		The Company’s corporate governance principles were approved by the Board of Directors on April 16, 2024, and have been disclosed on its official website and MOPS.	No deviations were found
II. Shareholding structure and shareholders’ interests				
1. Has the Company implemented a set of internal procedures to handle shareholders’ suggestions, queries, disputes, and litigation?	Yes		The Company has a spokesperson and an acting spokesperson who represent the interests of the shareholders and a unit that specializes in addressing shareholders’ suggestions, queries, disputes, and litigation.	No deviations were found
2. Is the Company constantly informed of the identities of its major shareholders and the ultimate controller?	Yes		The Company keeps track of the identities of its ultimate beneficiaries by monitoring insider shareholding positions (including Directors, supervisors, managers, and shareholders with more than 10% ownership interest), with the shareholder registry held by the share administration agency.	No deviations were found
3. Has the Company established and implemented risk management practices and firewalls for affiliated companies?	Yes		The Company has an “Internal Control Policy - Non-trade Activities - Supervision and Management of Subsidiaries,” “Internal Control Policy - Trade Activities – Investment Management,” and “Guidelines on Financial and Business Dealings Between Affiliated Enterprises” to set up and execute firewalls and risk controls over related parties.	No deviations were found
4. Has the Company established internal policies that prevent insiders from trading securities against non-public information?	Yes		To prevent insider trading, the “CO10 Insider Trading Prevention Management” and “Insider Trading Prevention Procedures” have been included as part of the internal control of the Company. Details are published on the intranet and linked to the TWSE website to which employees have access. Both policies have been included as part of the compulsory e-Learning courses for departmental heads, and eCSA questionnaires are issued on a yearly basis to facilitate self-assessment. Insiders such as Directors,	No deviations were found

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
			supervisors, and managers are given a copy of the TWSE “Directions Concerning Securities Market Regulatory Matters for TWSE Listed Companies and Their Directors, Supervisors, and Major Shareholders” when they come aboard to make them aware of the company insider rules. In accordance with the 'Key Points for Managing Insider Trading Prevention,' when the company becomes aware of significant internal information, it must not trade in the company's or its invested businesses' stocks, other securities with equity characteristics, or non-equity corporate bonds, whether in its own name or in the name of others, until the information is clarified and remains unpublished, or within eighteen hours after it has been made public. The directors of the company are not allowed to trade their stocks during the closed period of 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report. The company also reminded directors by email seven days before the closure that they are prohibited from buying and selling the company's stocks.	
III. Assembly and obligations of the Board of Directors				
1. Has the board devised and implemented policies to ensure the diversity of its members?	Yes		The Company has rules in place such as the “Corporate Governance Guidelines” and “Rules for Director Elections” to ensure a diversified board member composition in addition to drafting suitable guidelines for diversification based on the Board’s operation, the Company’s operating format, and its needs and developments. These rules and regulations are formulated and include, without being limited to, the following two general standards. 1. Basic requirements and values: Gender, age, nationality, and culture; 2. Professional knowledge and skills. As such, board members are required to possess the required knowledge, skills, and character in order to accomplish the goal of ideal corporate governance. For more information on the diversification of board members, please refer to page20	No deviations were found

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
2. Apart from the Remuneration Committee and Audit Committee, has the Company assembled other functional committees at its own discretion?	Yes		Apart from the Remuneration and Audit Committees, the Company also has a Sustainability Committee headed by the President and a member, Sheng-Hua Peng. The Sustainability Committee is responsible for taking the lead in explaining company policies and positions externally, defining goals and directions internally, integrating resources, reviewing action plans, monitoring execution progress, and reporting results to the board of directors on a yearly basis. In order to strengthen corporate governance and risk management functions, the Company has established a "Risk Management Committee" and reports regularly (at least once a year) to the Board of Directors to review the implementation of risk management and make necessary recommendations for improvement.	No deviations were found
3. Has the Company established performance evaluation measures and methods for the Board of Directors, conducted performance evaluation annually and regularly, reported the results of performance evaluation to the Board of Directors and applied them to the reference of salary and remuneration of individual Directors and for nomination and renewal?)	Yes		The Board of Directors adopted the "Rules of Self-Evaluation of the Board of Directors and Functional Committees Performance" on March 30, 2020. The performance evaluation scope covers the evaluation of the Board as a whole, as well as individual Directors and Functional Committees. Methods of evaluation included the Self-Evaluation of the Board of Directors and Functional Committees, self-evaluation by individual board members, or other appropriate methods. The evaluation results, submitted to the Remuneration Committee for analytical review and reported to the Board of Directors for discussion and improvement, shall be used as a reference in determining individual Directors' compensation and their nomination for the next office term. In order to implement corporate governance and enhance the functions of the company's board of directors, the Board of Directors amended the "Rules for Performance Evaluation of the Board of Directors and Functional Committees" on November 10, 2023. The Company shall appoint an external independent professional institution or a panel of external experts and scholars to conduct a performance evaluation at least once every three years. The external board performance evaluations shall be completed before the end of the first quarter of the following year, and the evaluation results shall be reported to the Board of Directors. ■ Internal performance evaluation of the Board of Directors and Functional Committees in 2023 is as	No deviations were found

Assessment criteria	Actual governance			Deviation and causes of deviation																					
	Yes	No	Summary description																						
			follows: <table><tr><th>Items</th><th>Average Score</th><th>Evaluation Grade</th></tr><tr><td>Individual board members</td><td>4.65</td><td>Good</td></tr><tr><td>Board of Directors</td><td>4.91</td><td>Good</td></tr><tr><td>Audit Committee</td><td>4.95</td><td>Good</td></tr><tr><td>Remuneration Committee</td><td>4.95</td><td>Good</td></tr><tr><td>Sustainability Committee</td><td>4.89</td><td>Good</td></tr><tr><td>Risk Management Committee</td><td>4.95</td><td>Good</td></tr></table> ■ External performance evaluation of the Board of Directors and Functional Committees in 2023 The company has appointed EY Business Advisory Services Inc. to conduct a performance evaluation of the board of directors for the first time in November 2023. For the performance evaluation of the company, please refer to the company's website: https://www.compall.com/investor-relations/corporate-governance/	Items	Average Score	Evaluation Grade	Individual board members	4.65	Good	Board of Directors	4.91	Good	Audit Committee	4.95	Good	Remuneration Committee	4.95	Good	Sustainability Committee	4.89	Good	Risk Management Committee	4.95	Good	
Items	Average Score	Evaluation Grade																							
Individual board members	4.65	Good																							
Board of Directors	4.91	Good																							
Audit Committee	4.95	Good																							
Remuneration Committee	4.95	Good																							
Sustainability Committee	4.89	Good																							
Risk Management Committee	4.95	Good																							
4. Is the independence of external auditors assessed on a regular basis?	Yes		The Company evaluates the independence and competence of the CPA at least once a year, in accordance with Article 47 of the Certified Public Accountant Act and No. 10 of the Professional Ethics for Certified Public Accountants of the Republic of China. The CPA cannot be a Director, supervisor, or shareholder of the Company and may not receive payroll or be a related party to the Company. The Company requests the “Evaluation Form of the CPA's Independence and Competence” along with “the CPA’s Independent Confirmation” and the “Audit Quality Indicators (AQIs)” from the CPA. The company also evaluates the independence of the CPA in accordance with the items listed (please refer to page 59), as well as 13 indicators of AQIs. After evaluation, the CPA has no other financial interests or joint investment relationship with the Company except for the service fees due from audit, financial and tax cases. The CPA's family members do not violate the independence requirements, the experience in auditing, professional support, and training hours of the CPA and his/her firm are all comparable to the peer industry by referring to	No deviations were found																					

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
			the AQIs. The latest evaluation of the independence and competence of the CPA was approved by the Audit Committee held on March 20, 2025, and was resolved by the Board of Directors held on March 20, 2025. The same evaluation applies to the condition whenever there is an internal rotation within the CPA firm.	
IV. Is the listed or OTC Company equipped with competent and sufficient corporate governance personnel and is its designated corporate governance Director responsible for corporate governance related matters (including but not limited to providing information required by Directors and supervisors to carry out business, assisting Directors and supervisors in complying with laws and regulations, managing related matters of the Board of Directors' meeting and shareholders' meeting in accordance with laws, taking minutes of the Board of Directors' meeting and shareholders' meeting, etc.)	Yes		Vice-President Cheng-Chiang Wang was appointed to lead and supervise affairs pertaining to corporate governance in accordance with the Company's "Corporate Governance Guidelines," while the Board of Directors secretariat was assigned as the Company's responsible unit to handle corporate governance affairs. Vice-President Cheng-Chiang Wang and the designated personnel responsible for corporate governance have more than 25 years of experience in stock affairs and meeting-related management for publicly traded companies. They are primarily responsible for handling corporate governance affairs, such as handling matters relating to board meetings and shareholders meetings according to the laws, producing minutes of board meetings and shareholders meetings, assisting in onboarding and continuous development of Directors, reviewing the legality of Independent Director qualifications, conduct matter related to Director change, furnishing information required for duty execution by Directors and members of the audit committee, ensuring legal compliance and taking other matters set out in the articles or corporation or contracts, periodically examining and revising the Company's corporate governance guidelines and relevant procedures, improving disclosure transparency, safeguarding shareholder rights and promoting better corporate governance. For more information on the status of Compal's corporate governance operations for 2024, refer to page 59.	No deviations were found
V. Has the Company provided proper communication channels and created dedicated sections on its website to address corporate	Yes		The Company addresses stakeholder relations on its corporate website, Sustainability report, and Compal ESG website. Separate contact persons, phone numbers, and e-mail addresses have been provided for each type of stakeholder relationship to ensure that queries are directed to the relevant departments. In addition, an online "Material Aspects" questionnaire was also created for stakeholders to identify issues of significant concern. The Company will address stakeholders'	No deviations were found

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers, and suppliers)?			responses properly and consider their suggestions as part of the Company's goals. The company regularly reports to the Board of Directors each year on the issues of concern to stakeholders, communication channels, and response methods. The communication status with stakeholders for the year 113 of the Republic of China was reported to the Board of Directors on March 20, 114. For detailed information, please refer to the company's website: https://www.compal.com/esg/zh/page.aspx?id=31	
VI. Does the Company engage a share administration agency to handle shareholder meeting affairs?	Yes		The Chinatrust Commercial Bank – Securities Trust has been appointed as the share administration agency responsible for handling shareholder affairs and meetings and for providing share administration services.	No deviations were found
VII. Information disclosure				
1. Has the Company established a website that discloses financial, business and corporate governance-related information?	Yes		The Company website at (www.compal.com) is regularly updated with information such as financial performance, corporate governance and shareholder meetings.	No deviations were found
2. Has the Company adopted other means to disclose information (e.g. an English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, broadcasting of investor conferences via the Company website)?	Yes		- The Company website has both Chinese and English pages. The information is gathered and disclosed by a dedicated department. - The Company also has a spokesperson and an acting spokesperson. - Investor conferences are held regularly and whenever deemed necessary. The proceedings are posted on the Company's website and also broadcast on the TWSE platform (at https://www.compal.com/investor-relations/financial-release/). - The Company publicly discloses its ESG actions. (URL: https://www.facebook.com/compalCSR).	No deviations were found
3. Does the Company announce and declare an annual financial report within two months	Yes		The Company's financial reports were not able to be announced and filed within two months after the end of the fiscal year (2024). However, the date of the Company's announcement and	Carefully assess the feasibility of releasing and filing

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
after the end of the fiscal year and announce and declare the first, second, and third quarter financial reports and the operation of each month ahead of the required time limit?			filing of financial reports for the year and the first, second, and third quarters, as well as business operational results for each month, was earlier than required by statute.	the annual financial report within two months after the end of the fiscal year
VIII. Does the Company offer other vital information (including but not limited to employee rights, employee care, investor relationships, supplier relationships, stakeholders' interests, continuing education of Directors/supervisors, risk management policies, risk assessment standard implementation status, implementation status of customer policies, insuring against liabilities of Company Directors and supervisors) that would enable a better understanding of the Company's corporate governance practices?	Yes		Employee rights and care for employees (please refer to page60) • Code of Conduct for Directors, managers, and employees (please refer to page 61) • Investor relations (please refer to page 61) • Supplier relations and operation status of customer policy (please refer to pages 62) • Interested Parties' interests (please refer to page 62) • Risk management practice and framework (please refer to pages 62-64), Risk analysis (please refer to page 211) • Purchasing liability coverage for the Company's Directors & Supervisors (please refer to page 69) • Continuing education for Directors and managers (please refer to pages 69-72) • Succession plan for Board members and key Management team (please refer to page72) • Acquisition of certificate(s) by the Company's personnel related to the transparency of financial information (please refer to page73)	No deviations were found

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
IX. State the improvements that have been made with regard to the results of the latest Corporate Governance Evaluation conducted by TWSE in the most recent •Pursuant to "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies", the corporate governance unit irregularly gave referrals for relevant training information from the competent authorities, external professional institutions, and Kinpo Group Management Consultant Company from time to time. The company and Kinpo Electronics, Inc. also regularly hold refresher courses. In 2024, members of the Board of Directors completed a total of 128 hours of training. •In 2024, the enactment and amendment to the "Corporate Governance Best-Practice Principles", "Sustainability Committee Charter", "Sustainability Committee Organization Structure", internal control system for "Sustainability Information Management Operations", "Environmental Sustainability Policy", "Biodiversity & No Deforestation Policy", "Information Security Policy", "Personal Data and Privacy Protection Policy", "Non-Discrimination and Anti-Harassment Policy", "Labor Policy", "Environment Health and Safety Policy", "Raw Materials of Green Product Policy" and "Tax Policy and Management Guidelines" were proposed to accommodate the corporate governance, all of which have been submitted to the Board of Directors for resolution. •In 2025, the amendment to the "Human Rights Policy", "Ethics Policy", and "Environment Health and Safety Policy" were proposed to accommodate corporate governance, all of which have been submitted to the Board of Directors for resolution. •In 2025, in accordance with legal regulations and business needs, the "Non-Executive Employees" will be defined and submitted to the Board of Directors for resolution. In addition, the "Articles of Incorporation" will be revised and submitted to the Board of Directors and the Shareholders' Meeting for resolution as well. •The Chinese and English versions of the Shareholders' Meeting Annual Report, along with the English version of the Annual Financial Report, were uploaded at least 18 days prior to the meeting.				

■ Items to evaluate the independence of the CPA:

Item	Evaluation result	Meets independence or not
Whether or not the CPA has a direct or material indirect financial interest in the Company	NO	YES
Whether or not the CPA has a joint investment relationship with the Company or its affiliates or has shares in financial gains therewith with the Company or its affiliates	NO	YES
Whether or not the CPA holds any share of the Company and its affiliates, or the CPA lends or borrows funds to or from the Company and its affiliates	NO	YES
Whether or not the CPA has any improper relationship with the Company, or is currently employed by the Company to perform routine work for which the CPA receives a fixed salary	NO	YES
Whether or not the CPA participates in the Company's management and operational decision-making	NO	YES
Whether or not the CPA is a spouse, lineal relative, direct relative by marriage, or a collateral relative within the second degree of kinship of any responsible person or managerial officer of the Company	NO	YES
Whether or not the CPA provides management consulting or other non-attestation services that may affect the CPA's independence	NO	YES
Whether or not the CPA permits others to practice under his/her name	NO	YES
Whether or not the CPA accepts commission related to his/her business	NO	YES
As for the latest attestation work, whether or not the CPA remains unchanged over seven years	NO	YES
Whether or not the CPA has received any sanction or has any circumstances that affect his/her independence	NO	YES

■ The results of Compal's corporate governance unit operations for 2024 are as follows:

- Compile and prepare relevant documents in need for the Audit Committee and the Board of Directors' Meetings in accordance with pertinent regulations and operational/financial request; and be responsible for coordination with proposal making relevant units.
- The review and amendment to the meeting materials of the Compensation Committee, Sustainable Development Committee, and Risk Management Committee.
- The amendment to the "Rules and Procedures for Board of Directors Meetings", "Audit Committee Charter" required by the applicable laws and regulations, all of which have been submitted to the Board of Directors for resolution.
- The enactment and amendment to the "Corporate Governance Best-Practice Principles", "Sustainability Committee Charter", "Sustainability Committee Organization Structure", internal control system for "Sustainability Information Management Operations", "Environmental Sustainability Policy", "Biodiversity & No Deforestation Policy", "Information Security Policy", "Personal Data and Privacy Protection Policy", "Non-Discrimination and Anti-Harassment Policy", "Labor Policy", "Environment Health and Safety Policy", "Raw Materials of Green Product Policy" and "Tax Policy and Management Guidelines" were proposed to accommodate the corporate governance,

all of which have been submitted to the Board of Directors for resolution.

- The performance evaluation of directors and independent directors, the Board of Directors, the Audit Committee, the Remuneration Committee, the Sustainability Committee and the Risk Management Committee are submitted to the board of directors.
- Planned the communication meeting between Independent Directors, Internal Audit Supervisors and CPA to have the Audit Committee determine the independence and fitness of the CPA engaged by the Company, as well as to ensure sound corporate governance. For the records of the communication meetings, please see pages 48-50.
- Pursuant to “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies”, Compal has advocated and encouraged Directors to take part in the courses. In addition, the corporate governance unit irregularly gave referrals relevant training information from the competent authorities, external professional institutions, and Kinpo Group Management Consultant Company from time to time. The company and Kinpo Electronics, Inc. also regularly hold refresher courses.
- The Company disclosed and announced important financial and operational information in conjunction with the events of the Board of Directors Meetings and Shareholders Meetings. In addition, the Company has held financial result announcement conferences at least twice a year and was invited to participate in domestic/foreign brokers’ investor forums on a quarterly basis to help investors understand the Company’s financial and operational results.
- Registered the date for Shareholder Meetings as required by law; prepared meeting notifications within the scheduled deadline, meeting handbook, and meeting minutes and filing; coordinated relevant units, agents for stock affairs, CPA, attorneys and so forth.
- Edit contents on the chapter on corporate governance in the Annual Report– responsible for the collection of data, compilation of stock affairs data, and coordination of different units and editing.
- Corporate governance evaluation – responsible for the collection of data, plan setting, compilation of stock affairs data, coordination of different units and website maintenance.
- The Company has offered liability coverage for directors, supervisors and managers. The amount for their liability insurance in 2024 came to USD 50,000 thousand, which was roughly equivalent to TWD 1,624,750 thousand. Vital information relating to their liability insurance was reported to the Board of Directors at the latest meeting of the Board of Directors.
- The Corporate Governance Officer took 17 hours of continuing education. For the exact education program, please see pages 71-72.

Other vital information on the operating status of corporate governance:

■ Employees' rights and care for employees

Compal respects employees' rights and tends to their needs. Internal policies are constantly updated to reflect the latest labor regulations and published to ensure employees understand and comply. Compal's subsidiaries in the USA, China, Brazil, Vietnam, Mexico, and Poland have all established employment guidelines in accordance with local labor regulations, and all terms of employment are compliant with the laws of the local countries and regions.

To uphold the principle of workplace equality, the company respects employees' freedom of assembly and association and has established labor union organizations in Kunshan, Chengdu, Chongqing, Vietnam, and Brazil. Employees are offered equal compensation for equal work, whereas salary details are approved based on the nature of work involved and individual performance. The Company has nursery rooms available throughout the organization. It actively prevents and resolves workplace unlawful infringement incidents, grants workers the breaks and overtime pay they deserve, purchases social insurance coverage, and contributes to employees' pension funds.

Compal is committed to creating communication platforms where employees may exchange opinions and information. We set up the employees' opinions mailbox and the anti-violence mailbox. Moreover, a “Sunshine Group” and hotlines have been set up at all plant sites and are run by compassionate people who promptly

respond to employees' thoughts. By providing employees with the means to express feelings and complaints, the Company is able to help employees resolve difficulties in a timely manner. In an attempt to create a joyful work environment where talents are assigned to suitable positions, Compal publishes recruitment information internally and offers employees the freedom to choose or transfer to positions they consider suitable, thereby assuring satisfaction across the workforce and protecting employees' interests.

Compal provides employees with the following health-related facilities and services outside of work:

- Common dining: Employee dining facilities have been made available to serve nutritious and healthy foods.
- Recreation centers: Places where employees may hold club activities, exercise, and socialize.
- Spiritual, health, and arts seminars: The Company organizes health seminars, spiritual seminars, musical performances, and art exhibitions from time to time, and uses them as a means of stress relief to cater to employees' physical and mental health.
- Infirmary and stationed physicians: Employees may consult physicians and access timely medical assistance for themselves and their family members.
- Employee assistance services are available.
- Through a dedicated line or e-mail, employees can consult with consultants on work, family, relationships, physical and mental health, mental illness, finance, legal, and management issues.

■ Code of conduct for Directors, managers, and employees

Compal has established an ethics policy as described below to enforce business integrity and to guide employees toward complying with laws and ethics for the protection of Compal's and stakeholders' assets, interests, and reputation:

- Comply with government regulations.
- Protect the interests of employees, customers, shareholders, suppliers, communities, and relevant organizations.
- Uphold business integrity and the principles of fair trade, fair advertising, and fair competition. Refrain from making illicit gains. Make information transparent to stakeholders while at the same time respecting intellectual property rights, privacy, and identity protection. Prohibit retaliation and make responsible purchases of minerals.
- Continually improve, execute, and convey the Company's ethics policy to relevant organizations.

In addition to implementing an ethics policy, Compal has also established a Human Resource Management Policy, Director and Manager Code of Conduct, and Employee Code of Conduct not only in the employees' best interest, but also to communicate with stakeholders about the moral standards and behavioral guidelines that employees are bound to obey when carrying out their duties. All employees are required to sign a "Confidentiality Pledge" when coming on board, which is a declaration to abide by the Company's rules, the Human Resources Management Policy and to maintain the confidentiality of the Company's business secrets.

■ Investor relations

The Company has an Investor Relations Department, which handles shareholders' recommendations. The department bridges communication between the Company and its investors. In addition to hosting investor seminars on a regular and ad-hoc basis, the department has also created an Investor Relations section on the Company's website to facilitate complete and fair disclosure of Compal's latest progress and thereby provide investors with a full understanding of the Company's business performance and long-term goals.

In 2024, Compal proactively participated in online investor forums and investor conference calls, hosted by either local or foreign brokers every quarter, 12 events in total and 2 events with full video recording disclosure, to regularly update shareholders and investors on its financial results and business progress. This enhanced investors' understanding of the Company's operation and increased communication and

engagement.

■ Supplier relations and execution of customer policy

The Company signs contracts with all suppliers and customers not only to protect the interests of both parties, but also to maintain a strong working relationship.

We prioritize customer satisfaction alongside our commitment to delivering high-quality, competitive products. As a trusted OEM partner for leading global brands, we establish dedicated customer service teams and utilize diverse communication channels and an internal management system to ensure efficient and real-time service.

Our structured communication approach includes daily emails for instant information sharing, weekly meetings to track project progress, quarterly business reviews (QBRs) for in-depth performance analysis, annual surveys for customer feedback, and ad-hoc audits to continuously refine our service. By maintaining close and transparent communication, we not only strengthen long-term customer relationships but also build a responsible and sustainable customer management policy.

Our customer satisfaction survey evaluates six key aspects: cost, R&D, operations, quality, service, and sustainability. This assessment covers major brand customers as well as new clients, regional strategic partners, and industry-academic collaborators, ensuring our products and services align with sustainability goals.

In 2024, Compal achieved an overall customer satisfaction score of 90.2, successfully surpassing our annual target of 90, demonstrating our commitment to service excellence and continuous improvement.

■ Stakeholders' interests

Interested parties are able to communicate with and make suggestions to the Company for the protection of their interests. The Company provides customers with safe, high-quality products and complete and accurate product information. Customers' complaints are addressed immediately.

■ Risk management

1. Risk management practice

The Company has established a risk management policy, which the Board of Directors approved on March 15, 2022. The policy's core values are complying with the laws and regulations of the place where it operates and setting up risk control procedures in accordance with international standard systems. The Company expects that the policy can identify operational risks in advance. Therefore, the Company can adopt appropriate assessments and actions to transform, reduce, or prevent risks.

(1) Comply with the policies and regulations of the country in which it operates:

The Company has its own financial, sales, and accounting system, and a system for monitoring the financial and business information of its subsidiaries in accordance with "Regulations Governing the Establishment of Internal Control Systems by Public Companies". The Company also has guidelines in place for supplier management, customer relations, R&D, human resources, financial affairs, credit/endorsement/ guarantee arrangements with affiliated businesses, and acquisition/disposal of key assets. These policies, risk assessment standards, and procedures serve as guidelines by which employees may abide for risk assessment and management. Dedicated personnel have been appointed in every department to manage, control, minimize, and prevent the Company's risks. Follow the local policies and regulations of important production bases. For example: the relevant guidelines of the "The Basic Norms of Enterprise Internal Control" issued by the Ministry of Finance of the People's Republic of China in

conjunction with the China Securities Regulatory Commission, the National Audit Office, the China Banking Regulatory Commission and the China Insurance Regulatory Commission.

(2) Establish risk control procedures in accordance with the international standard systems.

In accordance with ISO 31000 methodology, the Company performs the identification, analysis, and evaluation processes to confirm the risk issues. Then, the risk issues are compiled in five major areas: strategy, finance, operations, legal compliance, and environment. Finally, the Company uses the "Risk Analysis Matrix" to prioritize risk management by considering the Company's resources.

The company developed the internal control system to consider the organization's structures, authorization, and control points of operation procedure, and it has been distinguished between the overall level and the operational level. Five elements (Control Environment, Risk Assessment, Control Operation, Information and Communication, Supervision) have been incorporated into each transaction cycle at the operational level. The Company achieves the goal of implementing internal control through the internal control self-assessment and performance assessment.

Besides, the company has referred to the Three Lines of Defense (TLD) model for risk management issued by the IIA and operates practices to establish an organization and procedures for risk management.

(3) From the implementation perspective, all the divisions of the Company evaluate various business risks to make contingency plans, while preparing the annual budget and work plan. At the same time, the internal audit office drafts the annual audit plans for the coming year based on the risk assessment of operating activities. The annual audit plan is implemented after approval by the Board of Directors, and the execution status is also reported to the Board of Directors. Given the Company's role as an ODM for 5C electronics, we review and assess business risks on an annual basis and reflect our findings in the financial statements under accounts such as allowance for doubtful debts, warranty reserves, and royalties. All provisioning policies are submitted to the CPA for review whenever adjustments are made. This is to ensure that financial reports present a fair view of the Company's operations. Furthermore, the Company has dedicated personnel appointed to monitor and control exchange rate risks, and take hedging measures as necessary (please refer to page 211-212).

(4) If an important operating activity is identified with a potential urgent risk, it can be reported to the supervisor immediately for proper prevention. Extremely important matters, such as investments or engineering project bidding, will be jointly reviewed by relevant departments. Audits will be performed on a regular or irregular basis.

(5) The future plan of risk management in the following five years.

a. Continue to manage the "new type of risk," as referred to in the GRPS research report issued by WEF.

According to the Global Risks Perception Survey carried out by the World Economic Forum every year, we evaluate key issues such as economy, geopolitics, environment, society and technology, from the "likelihood" and "impact" of the event. We also take new types of risks into management scope such as climate change or contagious disease.

b. Digital transformation to enhance corporate governance

As business models become more complex, manual post-checks become outdated. We use the information system continuously to save labor costs, enhance the effectiveness of the Three Lines of

Defense (TLD) model through IT techniques and, most importantly to achieve the goal of warning in advance.

2. Risk management framework

Key risk areas	Frontline unit (Business organizer) (Level 1)	Risk review and control (Executive management meeting) (Level 2)	Board of Directors, Audit Committee, Risk Management Committee, Auditing Office (Level 3)
- Interest rate, exchange rate, inflation and financial risks - High-risk or highly leveraged investment, loan to third party, endorsement, guarantee, trading of derivatives and treasury investment	Finance Group	Operation Team	- Auditing Office: Risk inspection, evaluation, supervision, improvement and reporting - Board of Directors, Audit Committee, Risk Management Committee Decision-making and ultimate control over risk evaluation
- R&D planning - Changes in policy and law - Changes in technology and industry - Changes in corporate image - Investment, subsidiary and M&A benefits	- Business departments/centers (Note 1) - Common departments (Note 3)	- Corporate investment review - Executive management meeting - Subsidiaries monitoring and management report	
- Expansion of factory, production site and equipment - Centralized purchase or sale	- Business departments/centers (Note 1) - Common departments (Note 3)	- Monthly operating meeting - Production and marketing meeting	
- Equity transfer involving Directors, supervisors, and major shareholders - Change of management	- Share administration affairs - Board of Directors	- Share administration affairs - Head of Finance/Accounting	
- Litigation and non-contentious cases - Handling of product safety incidents - Other operational affairs	- Product risk management - Managers of all levels	- Legal affairs - Business groups/ Sub. Business groups (Note 2)	
Personnel behavior, ethics, and conduct	- Managers of all levels - Global HR Center	Personnel Evaluation Committee	
Rules (including SOPs), internal control system and compliance with regulations	Managers of all levels	- Legal Affairs Office - Operations Development Office - Finance - Accounting - Global HR Center - Intelligence & Technology Center	
Board of Directors Meetings	- Share administration affairs - Secretary of the Board of Directors	Legal Affairs Office	
Prevention of insider trading	Managers of all levels	Insider Trading Prevention Office	
Information security management	Managers of all levels	- Information Security (ISMS) Committee - Information Security Team	

Notes:

1. Business departments/centers: America/Europe, Asia Pacific, Operations, Enterprise Products, Auto Electronics, Creativity, Quality Assurance, Procurement, R&D, Manufacturing, and Sales, etc.
2. Business groups/Sub. Business groups: PCBG, Worldwide PC Sub.BG, Global Pro. & Strategic Supply Chain Office, ISBG, COO Office, SD Operation Sub. BG, SDBG and CIRI etc.
3. Common departments: Finance, Accounting, Global HR Center, Operations Development Office, Legal Affairs Office,

3. The actual performance of risk management

(1) Organization Structure and Authority

Compal follows the "Risk Management Best Practices Principles for TWSE/TPEX Listed Companies" announced on August 8, 2022. It establishes the "Risk Management Committee" under the Board of Directors, appointed by Board resolution, with a membership of no less than three individuals. Over half of the committee members must be independent directors, and the chairman should be designated from among the independent directors. The Risk Management

Committee

is accountable to the Board of Directors and submits proposals to the Board of Directors for resolution.

The committee's functions are as follows:

- Review risk management policies, procedures, and structures, and assess their applicability and effectiveness regularly.
- Approve the risk appetite (risk tolerance), and guide resource allocation.
- Review management reports on significant risk issues.
- Determine risk prioritization and levels of risk control.
- Review the implementation of risk management and propose improvement suggestions; provide an annual report to the Board of Directors on a regular basis (at least once a year), and disclose risk management-related information in the annual report, corporate social responsibility report, and company website.
- Execute the risk management decisions of the Board of Directors.

The Risk Management Committee is a governance body under the Board of Directors, working with

the Audit Committee to assist each operational unit in improving the risk management system.

The

operational processes are detailed in the figure below.

The Board of Directors proposes risk management policies based on its mission and vision. These policies are reviewed annually by the Risk Management Committee, and submitted to the Board of Directors for approval. Once approved, the operational units are responsible for implementing the plan and regularly supervising the progress of the projects.

(2) Committee Appointment:

On May 10, 2023, Compal established the Risk Management Committee with the approval of the Board of Directors. Due to the re-election of the board of directors, on May 31, 2024, the board resolved to appoint the second term of the Risk Management Committee, consisting of all independent directors Wen-Chung Shen, Duh Kung Tsai, Lee-Chiou Chang, Shui-Shu Hung, Tzu-Ting Huang and director Sheng-Hua Peng. The committee unanimously elected independent director Wen-Chung Shen as the convener and meeting chairman.

(3) Attendance of Members at Risk Management Committee Meetings:

The Risk Management Committee of Compal is composed of 4 members in the first term and 6 members in the second term.

The term of the 1st committee is from May 10, 2023 to May 31, 2024.

The term of the 2nd committee is from May 31, 2024 to May 30, 2027.

In 2024, the Risk Management Committee held Three meetings. The qualifications and attendance of Committee members were as follows:

Title	Name	Major	Term	Actual attendance	Number of delegated attendances	Attendance Rate (%)
Convener	Wen-Chung Shen	Operations Management and Risk Management	Re-election	3	0	100%
Committee Member	Duh Kung Tsai	Operations Management, Risk Management and Mergers and Acquisitions	New-Election	2	0	100%
Committee Member	Lee-Chiou Chang	Operations Management and Strategic Planning	New-Election	2	0	100%
Committee Member	Shui-Shu Hung	Operations Management and Risk Management	New-Election	2	0	100%
Committee Member	Tzu-Ting Huang	Operations Management, Information Security and Risk Management	New-Election	2	0	100%
Committee Member	Sheng-Hua Peng	Operations Management and Risk Management	New-Election	2	0	100%
Convener	Min Chih Hsuan	Operations Management, Performance Management, Investment, Mergers and Acquisitions	Former	1	0	100%
Committee Member	Duei Tsai	Operations Management and Information Security	Former	1	0	100%
Committee Member	Chung-Pin Wong	Operations Management, Performance Management and Risk Management	Former	1	0	100%

Note: The actual attendance rate (%) is calculated based on the number of meetings held during the individual's tenure and the actual number of meetings attended.

(4) Resolutions and Follow-up Actions of the Risk Management Committee:

Meeting Date	Subject Matter	Resolution and Follow-up
3 rd Meeting (1 st Term) 2024.4.16	1. To approve the 2024 Risk Appetite.	Unanimously approved without objection by all the Committee Members present and submitted to the Board of Directors for resolution.
1 st Meeting (2 nd Term) 2024.5.31	1. Election of the Convener and Chairman of the 2 nd Risk Management Committee.	Committee Member Wen-Chung Shen is elected as Convener and Chairman by all the Committee Members present
2 nd Meeting (2 nd Term) 2024.11.12	1. To approve the risk management objectives for the year 2025.	Unanimously approved without objection by all the Committee Members present and submitted to the Board of Directors for resolution.
	2. To approve the risk appetite for the year 2025.	Unanimously approved without objection by all the Committee Members present and submitted to the Board of Directors for resolution.

(5) Reporting Process:

The Risk Management Committee formulates an annual plan for the board of directors' resolution each year and reports the implementation of risk management to the board at least once a year. The implementation of risk management for the year 2024 was reported to the board on March 20, 2025.

The Implementation Result of Risk Management in 2024			
Management of Operational Risk		Financial Calculation of Climate Change Risk	
1. The Function Team has implemented risk mitigation measures and achieved risk control. For example, the risk of infectious disease transmission has been reduced to below the Top 5 by 2024. (High risk > Medium risk)	2. In response to policy changes following the U.S. election, the variables for overseas expansion have increased, and the various processes of overseas expansion sites (Vietnam/Brazil/Mexico) have been audited, optimized, integrated and revised. A local Auditing Office (Vietnam) has been established to strengthen the consistency of group operation compliance in order to slow down the rate of increase in H2.	1. The extent of climate risk impact has been controlled, resulting in a yearly decrease in climate risk, from moderate risk to low risk	2. After communicating and explaining with the factory and various units, fill out the risk management questionnaire and integrate the quantitative data.

(6) Digital system:

Compal has completed the establishment of a risk management digital system, utilizing information technology to quantify risk appetite. The implementation of digital systems will enhance the protection of the rights and interests of investors and defend the company.

■ Purchasing liability coverage for the Company's Directors, supervisors, and managers

Since 2002, the Company has purchased liability insurance for its Directors, supervisors, and managers. The summary of the insurance policies purchased in 2024 is listed as follows:

Insured Individuals	Insured amount	Insured Period	Date of submission to the Board of Directors
Directors, Supervisors and Managers	USD 50,000,000 (Equivalent to TWD 1,624,750,000)	From:2024.11.21 To: 2025.11.21	2025.02.14

■ Continuing education for Directors and managers

All Directors and managers possess relevant professional knowledge and skills. In addition to offering relevant information on a regular and intermittent basis to Directors and managers, the Company would also organize seminars and workshops when deemed necessary. Training completed by Directors and managers in 2024 includes:

Continuing education for directors

Title	Name	Date of training	Organized by	Course title	Hours of training
Director	Jui-Tsung Chen	2024/3/14	Compal Electronics, Inc.	2024 Global Economic Outlook	2
Director	Jui-Tsung Chen	2024/3/16	Importers and Exporters Association of Taipei	Outlook for Global Political, Economic, and Financial Trends in 2024 and Strategies Taken by Taiwanese Enterprises	3
Director	Jui-Tsung Chen	2024/4/16	Independent Director Association Taiwan	A Brief Discussion on Two Major Risks in the High-Tech Manufacturing Industry: Export Trade Controls under Geopolitical Conflicts and Supply Chain Procurement Fraud	3
Director	Wei-Chang Chen	2024/2/22	Kinpo Group Management Consultant Company	Global Economic and Financial Market Outlook	2
Director	Wei-Chang Chen	2024/3/16	Importers and Exporters Association of Taipei	Outlook for Global Political, Economic, and Financial Trends in 2024 and Strategies Taken by Taiwanese Enterprises	3
Director	Wei-Chang Chen	2024/5/14	Independent Director Association Taiwan	Latest Development Trends in Sustainable Governance Issues and Responsibilities of Directors and Supervisors	3
Director	Wei-Chang Chen	2024/8/13	Taiwan Institute of Directors	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
Director	Wei-Chang Chen	2024/8/14	Taiwan Institute of Directors	The Real Value Created by Circular and Low-Carbon Innovation - Understanding Circular Economy and Governance	3
Director	Charng-Chyi Ko	2024/4/16	Independent Director Association Taiwan	A Brief Discussion on Two Major Risks in the High-Tech Manufacturing Industry: Export Trade Controls under Geopolitical Conflicts and Supply Chain Procurement Fraud	3
Director	Charng-Chyi Ko	2024/5/14	Independent Director Association Taiwan	Latest Development Trends in Sustainable Governance Issues and Responsibilities of Directors and Supervisors	3
Director	Charng-Chyi Ko	2024/8/13	Taiwan Institute of Directors	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
Director	Charng-Chyi Ko	2024/8/14	Taiwan Institute of	The Real Value Created by Circular and	3

Title	Name	Date of training	Organized by	Course title	Hours of training
	Ko		Directors	Low-Carbon Innovation - Understanding Circular Economy and Governance	
Director	Sheng-Chieh Hsu	2024/4/16	Independent Director Association Taiwan	A Brief Discussion on Two Major Risks in the High-Tech Manufacturing Industry: Export Trade Controls under Geopolitical Conflicts and Supply Chain Procurement Fraud	3
Director	Sheng-Chieh Hsu	2024/8/13	Taiwan Institute of Directors	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
Director	Chieh-Li Hsu	2024/3/16	Importers and Exporters Association of Taipei	Outlook for Global Political, Economic, and Financial Trends in 2024 and Strategies Taken by Taiwanese Enterprises	3
Director	Chieh-Li Hsu	2024/8/13	Taiwan Institute of Directors	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
Director	Wu-Chun Hsu	2024/6/12	Securities and Futures Institute	How should directors and supervisors oversee corporate risk management and crisis management?	3
Director	Wu-Chun Hsu	2024/8/13	Taiwan Institute of Directors	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
Director	Chung-Pin Wong	2024/3/14	Compal Electronics, Inc.	2024 Global Economic Outlook	2
Director	Chung-Pin Wong	2024/3/16	Importers and Exporters Association of Taipei	Outlook for Global Political, Economic, and Financial Trends in 2024 and Strategies Taken by Taiwanese Enterprises	3
Director	Chung-Pin Wong	2024/4/16	Independent Director Association Taiwan	A Brief Discussion on Two Major Risks in the High-Tech Manufacturing Industry: Export Trade Controls under Geopolitical Conflicts and Supply Chain Procurement Fraud	3
Director	Chung-Pin Wong	2024/8/13	Taiwan Institute of Directors	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
Director	Chiung-Chi Hsu	2024/4/16	Independent Director Association Taiwan	A Brief Discussion on Two Major Risks in the High-Tech Manufacturing Industry: Export Trade Controls under Geopolitical Conflicts and Supply Chain Procurement Fraud	3
Director	Chiung-Chi Hsu	2024/8/13	Taiwan Institute of Directors	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
Director	Anthony Peter Bonadero	2024/8/13	Taiwan Institute of Directors	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
Director	Anthony Peter Bonadero	2024/12/27	Taiwan Corporate Governance Association	Licensing and M&A in the Biotech Industry	3
Director	Sheng-Hua Peng	2024/3/14	Compal Electronics, Inc.	2024 Global Economic Outlook	2
Director	Sheng-Hua Peng	2024/3/16	Importers and Exporters Association of Taipei	Outlook for Global Political, Economic, and Financial Trends in 2024 and Strategies Taken by Taiwanese Enterprises	3
Director	Sheng-Hua Peng	2024/4/16	Independent Director Association Taiwan	A Brief Discussion on Two Major Risks in the High-Tech Manufacturing Industry: Export Trade Controls under Geopolitical Conflicts and Supply Chain Procurement Fraud	3

Title	Name	Date of training	Organized by	Course title	Hours of training
Director	Sheng-Hua Peng	2024/9/30	Taiwan Stock Exchange Corporation	Taiwan Capital Market Summit	3
Independent Director	Duh Kung Tsai	2024/6/5	Taiwan Corporate Governance Association	Regulations and Case Analysis of Competitive Behavior in Corporate Management Rights	3
Independent Director	Duh Kung Tsai	2024/7/3	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6
Independent Director	Duh Kung Tsai	2024/8/13	Taiwan Institute of Directors	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
Independent Director	Wen-Chung Shen	2024/4/16	Independent Director Association Taiwan	A Brief Discussion on Two Major Risks in the High-Tech Manufacturing Industry: Export Trade Controls under Geopolitical Conflicts and Supply Chain Procurement Fraud	3
Independent Director	Wen-Chung Shen	2024/7/3	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6
Independent Director	Wen-Chung Shen	2024/8/13	Taiwan Institute of Directors	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
Independent Director	Lee-Chiou Chang	2024/8/13	Securities and Futures Institute	Carbon trading mechanism and carbon management applications	3
Independent Director	Lee-Chiou Chang	2024/11/12	Securities and Futures Institute	Outlook for the Global Economic Situation in 2025	3
Independent Director	Shui-Shu Hung	2024/8/13	Taiwan Institute of Directors	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
Independent Director	Shui-Shu Hung	2024/12/20	Taiwan Corporate Governance Association	How directors review Financial Reports	3
Independent Director	Tzu-Ting Huang	2024/7/16	Taiwan Corporate Governance Association	Zero-carbon strategy considerations, ESG mindset and energy practices that enterprises should possess	3
Independent Director	Tzu-Ting Huang	2024/8/13	Taiwan Institute of Directors	Trends and Risk Management in Digital Technology and Artificial Intelligence	3

Continuing education for managers

Title	Name	Date of training	Organized by	Course title	Hours of training
Senior Vice President	Ta-Chun Wang	2024/3/16	Importers and Exporters Association of Taipei	Outlook for Global Political, Economic, and Financial Trends in 2024 and Strategies Taken by Taiwanese Enterprises	3
Vice President	Guo-Dung Yu	2024/3/14	Compal Electronics, Inc.	2024 Global Economic Outlook	2
Corporate Governance Officer	Cheng-Chiang Wang	2024/3/14	Compal Electronics, Inc.	2024 Global Economic Outlook	2
Corporate Governance Officer	Cheng-Chiang Wang	2024/3/16	Importers and Exporters Association of Taipei	Outlook for Global Political, Economic, and Financial Trends in 2024 and Strategies for Taiwanese Enterprises	3
Corporate Governance Officer	Cheng-Chiang Wang	2024/4/16	Independent Director Association Taiwan	A Brief Discussion on Two Major Risks in the High-Tech Manufacturing Industry: Export Trade Controls under Geopolitical Conflicts and Supply Chain Procurement Fraud	3
Corporate Governance Officer	Cheng-Chiang Wang	2024/8/13	Taiwan Institute of Directors	Trends and Risk Management in Digital Technology and Artificial Intelligence	3
Corporate	Cheng-Chiang	2024/9/30	Taiwan Stock Exchange	Taiwan Capital Market Summit	3

Title	Name	Date of training	Organized by	Course title	Hours of training
Governance Officer	Wang		Corporation		
Corporate Governance Officer	Cheng-Chiang Wang	2024/10/18	Securities and Futures Institute	The 2024 seminar on preventing insider trading	3
Accounting Officer	Cheng-Chiang Wang	2024.09.09-2024.09.10	Accounting Research and Development Foundation	"Training program for the new Accounting Officer" The class for the new Accounting Officer was requested due to the company's share exchange/transaction being in a public place.	12
Internal Audit Officer	Hui Chun Yu	2024/09/18	The Institute of Internal Auditors-Chinese Taiwan	How to Use Big Data to Enhance Audit Operations	6
		2024/09/23	The Institute of Internal Auditors-Chinese Taiwan	"Analysis of Sustainable Information Disclosure Policy" and Key Points of Internal Control and Internal Audit Discussion	6

■ Succession plan for Board members and key Management team

Since 2018, Compal has launched a succession plan for board members and the key management team to establish a solid foundation for sustainable corporate development. In terms of board succession planning, the Company cultivates senior managers to join the board, familiarizing them with board operations and group strategic planning, thereby deepening their alignment with our core values and equipping them with the necessary knowledge, skills, and qualities to perform their duties. Additionally, the Company has established the "Board Performance Evaluation Measures," using performance evaluation metrics as a reference for future board member selection. For key management succession planning, the Company regularly identifies and selects potential successor management teams to meet the future development and growth needs of the group. Internally, through regular "Group General Managers Meetings" and "Executive Management Meetings", we systematically promote experience exchange, learning, and inheritance among management levels to achieve the goal of long-term sustainable operation.

Actual Operations:

After the re-election of the board of directors at the shareholders' meeting in 2024, former Chairman Mr. Sheng-Hsiung Hsu (Rock Hsu) officially stepped down from his position as Chairman of Compal, successfully completing the succession plan. The current Chairman, Mr. Ray Chen, has accumulated over 40 years of experience in Taiwan's ICT industry. He was promoted from President & CEO to Vice Chairman and Chief Strategy Officer of Compal in 2018, during which he guided the company's short-term and long-term strategic planning and actively promoted diversified business and new business development. He officially took the position of Chairman on May 31, 2024.

Current President & CEO Mr. Anthony Peter Bonadero joined Compal in 2009 and has over 15 years of management experience with the company. He was elected as a board member of Compal in 2018. Before being promoted to President & CEO, he served as Executive Vice President of Compal's subsidiary, Auscom Engineering Inc., and was the head of Compal's PC Business Group, making significant contributions to business development, customer relations, and corporate innovation initiatives. He officially took the position of President & CEO on May 31, 2024.

■ Certificate and qualification acquisition status for personnel involved in financial information transparency

Name of certificate	No. of persons
CPA qualification	5 persons
USCPA qualification	2 persons
Senior Securities Specialist	13 persons
Securities Specialist	5 persons
Futures Specialist	6 persons
Securities Investment Trust and Consulting Professional	6 persons
Chartered Financial Analyst	1 person
Certificate In ESG Investing	1 person
Investor Relations Charter (IRC®)	1 person
Certified Internal Auditor - Taiwan	3 persons
Certified Internal Auditor	3 persons
Certified Information Systems Auditor	2 persons
Information Security Management Lead Auditor	3 persons
Certified Basic Proficiency for foreign exchange personnel	1 person
Certified Basic Proficiency for credit officer	3 persons
ISO9001 Quality Management System Auditor	1 person
Bank Internal Control and Audit	1 person
Financial Planning Personnel	1 person

2.2.4 Composition, Responsibilities, and Operations of the Remuneration Committee

1. Professional Qualifications and Independence Analysis of Remuneration Committee Members

Conditions Identity Name		Professional Qualifications and Experience	Independence Criteria	March 31, 2025 Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Convener Independent Director	Wen-Chung Shen	- Bachelor of Industrial Engineering Dept., Taipei Institute of Technology - Chairman of Her Tuo Co., Ltd., and Director and Executive Vice President of Compal - The individual has rich knowledge and adequate experience in the electronics industry, business operations, and risk management, which is extremely helpful to the company's development. The Independent Director possesses more than 30 years of work experience required for the Company's business.	- Compliance with independence requirement (note) - The person/themselves or his/her spouse or relatives within the second degree (or in the name of others) hold 5,151,000 shares of the Company at a ratio of 0.11%.	0
Independent Director	Duh Kung Tsai	- Bachelor of Industrial Engineering Dept., Taipei Institute of Technology - Chairman & Chief Strategy Officer of Powertech Technology Inc., Director of Greatek Electronics Inc., Independent Director of Chicony Power Technology Co. Ltd. - The individual has rich knowledge and adequate experience in the electronics industry, business operations, risk management, and corporate mergers/acquisitions, which is extremely helpful to the company's development. The Independent Director possesses more than 30 years of work experience required for the Company's business.	- Compliance with independence requirement (note) - The person/themselves or his/her spouse or relatives within the second degree (or in the name of others) hold 0 shares of the Company at a ratio of 0%.	0

Identity	Name	Conditions	Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Independent Director	Lee-Chiou Chang		- Bachelor of Public Finance Dept., Master of Insurance Dept., NCCU - Chairman of Yuanta Securities Co., Ltd., Team leader of Securities and Futures Bureau, FSC - Chairman of Sun Ten Group, Chairman of Panion & BF Biotech Inc., Chairman of Ho Tung Chemical Corp. - The individual has rich knowledge and adequate experience in biotechnology, medical, business operations, and financial accounting, which is extremely helpful to the company's development. The Independent Director possesses more than 30 years of work experience required for the Company's business.	- Compliance with independence requirement (note) - The person/themselves or his/her spouse or relatives within the second degree (or in the name of others) hold 0 shares of the Company at a ratio of 0%.	1
Independent Director	Shui-Shu Hung		- Bachelor of Medicine Dept., National Taiwan University - Chairman of Catcher Technology Co., Ltd. - The individual has rich knowledge and adequate experience in the electronics industry, business operations, and risk management, which is extremely helpful to the company's development. The Independent Director possesses more than 30 years of work experience required for the Company's business.	- Compliance with independence requirement (note) - The person/themselves or his/her spouse or relatives within the second degree (or in the name of others) hold 0 shares of the Company at a ratio of 0%.	0
Independent Director	Tzu-Ting Huang		- Bachelor of Law Dept., National Chung Hsing University - Chief Operating Officer, Consultant, Property Rights and Marketing Department Services of Acer Incorporated, Independent Director of Flytech Technology Co., Ltd. - The individual has rich knowledge and adequate experience in the electronics industry, Property Rights and Marketing Department Services and Supply Chain Management, which is extremely helpful to the company's development. The Independent Director possesses more than 30 years of work experience required for the Company's business.	- Compliance with independence requirement (note) - The person/themselves or his/her spouse or relatives within the second degree (or in the name of others) hold 0 shares of the Company at a ratio of 0%.	1

Note: Compliance with independence requirement: State whether the members of the Remuneration Committee meet the independence requirement.

- Including but not limited to the fact that the person him/herself or his/her spouse or relatives within the second degree have not worked as the directors, supervisors or employees of the Company or its affiliated enterprises;
- Have not worked as a director, supervisor or employee of a company that has a specific relationship (per the provisions of subparagraphs 5~8, paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange) with the Company;
- Have not received remuneration by providing business, legal, financial, accounting and other services to the Company or its affiliates in the last 2 years;
- Number of shares of the Company and shareholding ratio of the person him/herself or his/her spouse or relatives within the second degree (or in the name of others).

2. Responsibility of the Remuneration Committee

- Formulate and regularly review the policies, systems, standards and results for the performance evaluation and remuneration of directors (including independent directors) and managers.
- Regularly evaluate and determine the remuneration of directors (including independent directors) and managers.

The salary and remuneration mentioned above include cash remuneration, stock options, dividends, retirement benefits or severance payments, various allowances and other measures with substantial incentives.

3. Attendance of Members at Remuneration Committee Meetings

- The company's Remuneration Committee is composed of three (term of the 5th) and five (term of the 6th) independent directors separately.
- The term of the 5th committee is from August 27, 2021 to May 31, 2024.
- The term of the 6th committee is from May 31, 2024 to May 30, 2027.
- There were six Remuneration Committee meetings in 2024 and the committee members' attendance records were as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Convener	Wen-Chung Shen	6	0	100%	Re-election
Committee Member	Duh-Kung Tsai	3	0	100%	Took office on May 31, 2024
Committee Member	Lee-Chiou Chang	3	0	100%	Took office on May 31, 2024
Committee Member	Shui-Shu Hung	3	0	100%	Took office on May 31, 2024
Committee Member	Tzu-Ting Huang	3	0	100%	Took office on May 31, 2024
Committee Member	Min-Chih Hsuan	2	1	66.67%	Left office on May 31, 2024
Committee Member	Duei Tsai	3	0	100%	Left office on May 31, 2024

Note: The actual attendance rate (%) is calculated based on the number of meetings held during the individual's tenure and the actual number of meetings attended.

■ The discussion of the Remuneration Committee and the resolution, as well as the actions the Company has taken in response to any opinions arising from the Remuneration Committee.

Board of Directors Meeting	Content of discussion and actions taken in response
15 th Meeting (14 th Term) 2024.2.29	1. To approve the proposal for the distribution of compensation to employees and directors for the year 2023
	▲ Resolution Adopted by the Remuneration Committee (2024.2.29): Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present.
	▲ Action taken by the Company in Response to the opinion of the Remuneration Committee: • Motion 1: Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Directors present.
16 th Meeting (14 th Term) 2024.3.12	1. To approve the 1st mid-year bonus of 2024
	▲ Resolution Adopted by the Remuneration Committee (2024.3.12): Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present.
	▲ Action taken by the Company in Response to the opinion of the Remuneration Committee: In accordance with the Company's Regulations Governing the Proceedings of Board of Directors Meetings, an interested party relationship exists between any Directors and any agenda proposals, such Directors shall excuse themselves during discussion of and voting on those proposals. Accordingly, to avoid a conflict of interest, Directors Jui-Tsung Chen, Chung-Pin Wong, Ming-Chih Chang and Sheng-Hua Peng, who are also acting as managerial officers of Compal, avoided discussion and voting on this proposal. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.
18 th Meeting (14 th Term) 2024.5.13	1. To approve the proposal for the percentage to distribute the compensation to directors and employees for the year 2024.
	2. To approve employees' salary adjustment for the year 2024
	▲ Resolution Adopted by the Remuneration Committee (2024.5.13): Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present.
	▲ Action taken by the Company in Response to the opinion of the Remuneration Committee: • Motion 1: Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Directors present. • Motion 2: In accordance with the Company's Regulations Governing the Proceedings of Board of Directors Meetings, an interested party relationship exists between any Directors and any agenda proposals, such Directors shall excuse themselves during discussion of and voting on those proposals. Accordingly, to avoid a conflict of interest, Directors Jui-Tsung Chen, Chung-Pin Wong, Ming-Chih Chang and Sheng-Hua Peng, who are also acting as managerial officers of Compal, avoided discussion and voting on this proposal. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.

Board of Directors Meeting	Content of discussion and actions taken in response
1 st Meeting (15 th Term) 2024.5.31	1. Election of the Committee convener and meeting Chair of the 6th Remuneration Committee
	▲ Resolution Adopted by the Remuneration Committee (2024.5.31): Wen-Chung Shen is elected by all members of the Committee as the convener and meeting Chair.
	▲ Action taken by the Company in Response to the opinion of the Remuneration Committee: Not applicable (No request for the consent of the Board of Directors)
2 nd Meeting (15 th Term) 2024.8.13	1. To approve the Directors' remuneration for the year 2023
	2. To approve the 2nd mid-year bonus of 2024
	3. To approve the remuneration of newly appointed Top Management
	▲ Resolution Adopted by the Remuneration Committee (2024.8.13): Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present.
	▲ Action taken by the Company in Response to the opinion of the Remuneration Committee:
	• Motion 1: Chairman Sheng-Hsiung Hsu asked the Independent Director Min-Chih Hsuan to act as a deputy chairman to preside at this meeting, discuss and vote on this proposal. Since an interested party relationship exists, the Directors (i.e., Jui-Tsung Chen, Wei-Chang Chen, Charng-Chyi Ko, Sheng-Chieh Hsu, Chieh-Li Hsu, Wu-Chun Hsu, Chung-Pin Wong, Chiung-Chi Hsu, Sheng-Hua Peng and Anthony Peter Bonadero) recuse and exclude themselves from discussion and voting on this proposal to avoid a conflict of interest. Upon solicitation of comments by the deputy chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present. • Motion 2: In accordance with the Company's Regulations Governing the Proceedings of Board of Directors Meetings, an interested party relationship exists between any Directors and any agenda proposals, such Directors shall excuse themselves during discussion of and voting on those proposals. Accordingly, to avoid a conflict of interest, Directors Chung-Pin Wong and Sheng-Hua Peng, who are also acting as managerial officers of Compal, avoided discussion and voting on this proposal. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present. • Motion 3: The Independent Director Duh Kung Tsai acted as a deputy chairman to preside at this meeting, discuss and vote on this proposal. An interested party relationship existed in Directors Jui-Tsung Chen and Anthony Peter Bonadero, the Directors Sheng-Chieh Hsu and Group President Sheng-Hsiung Hsu are second cousins (brothers), Chieh-Li Hsu and Group President Sheng-Hsiung Hsu are first cousins (father and son). In order to avoid a conflict of interest, these Directors excused themselves from discussion and voting on this proposal. Upon solicitation of comments by the deputy Chairman of the meeting, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.
3 rd Meeting (15 th Term)	1. To approve the remuneration of newly appointed Top Management
	2. To approve employee compensation in cash for the 2023

Board of Directors Meeting	Content of discussion and actions taken in response
2024.11.12	3. To approve the year-end bonus payment for the 2024 ▲ Resolution Adopted by the Remuneration Committee (2024.11.12): Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present. ▲ Action taken by the Company in Response to the opinion of the Remuneration Committee: • Motion 1 Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Directors present. • Motion 2: In accordance with the Company's Regulations Governing the Proceedings of Board of Directors Meetings, an interested party relationship exists between any Directors and any agenda proposals, such Directors shall excuse themselves during discussion of and voting on those proposals. Accordingly, to avoid a conflict of interest, Director Sheng-Hua Peng, who is also acting as a managerial officer of Compal, avoided discussion and voting on this proposal. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present. • Motion 3: In accordance with the Company's Regulations Governing the Proceedings of Board of Directors Meetings, an interested party relationship exists between any Directors and any agenda proposals, such Directors shall excuse themselves during discussion of and voting on those proposals. Accordingly, to avoid a conflict of interest, Directors Chung-Pin Wong and Sheng-Hua Peng, who are also acting as managerial officers of Compal, avoided discussion and voting on this proposal. Upon solicitation of comments by the chairman, no objection was addressed and the resolution was adopted unanimously by the remaining Directors present.

■ Other notes:

1. If the Board of Directors declines to adopt or modify a recommendation of the remuneration committee, it should specify the date of the meeting, the session, the nature of the motion, the resolution made by the Board of Directors, and the Company's response to the remuneration committee's opinion (e.g., if the amount of remuneration passed by the Board of Directors exceeds the remuneration committee's recommended amount, the circumstances and cause for the difference shall be specified): None.
2. If resolutions of the remuneration committee are objected to by members or become subject to a qualified opinion, which has been recorded or declared in writing, then the date of the meeting, the session, the nature of the motion, all members' opinions and the response to members' opinions should be specified: None.

2.2.5 Corporate Sustainability Development

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
1. Does the Company conduct risk assessments on environmental, social, and corporate governance issues related to the Company's operation in accordance with the principle of materiality and formulate relevant risk management policies or strategies?	Yes		To fulfill the company's commitment to sustainable development and improve the company's overall capacity in ESG risk management, Compal Electronics established a Sustainability Committee (the "Committee") with the approval of the board of directors in March 2022. The second Committee is composed of six members appointed by the board of directors, more than half five of the members in the Committee are independent directors, and the member Sheng-Hua Peng is elected by all Committee members as the chairperson. Holding at least one meeting a year, the Committee is responsible for taking the lead in explaining company policies and positions externally, defining goals and directions internally, integrating resources, reviewing action plans, monitoring execution progress, and reporting results to the board of directors. Composition, Responsibilities, and Operations of the Sustainability Committee, Board of Directors' Supervision of the Sustainability Committee. Please refer to pages 109-110. For the 2024 Sustainable Development operation and implementation, please refer to pages 105-106. The targets and plans of the 2025 Sustainable Development are available on pages 105-106. The results of implementation are also disclosed in our Annual Report, Sustainability Report, and on our corporate website/Compal ESG.	No deviations were found
2. Has the Company set up a full-time (or part-time) unit to promote corporate social responsibility, which is authorized by the Board of Directors to be handled by the senior management and reported to the Board of Directors?	Yes		■ The Group performs risk identification, assessment and analysis, response and management at least once a year. ■ The scope of execution includes the parent company and a significant operating subsidiary company. 1. Risk identification: Collect environmental, social, and corporate governance issues that stakeholders are concerned about, refer to analysis reports on international situations and industry trends, and then classify risk issues into "Strategy," "Finance," "Operation," "Legal Compliance," and "Environment." 2. Risk assessment	No deviations were found

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
			Through a risk analysis matrix, the likelihood and impact of risk issues are evaluated respectively and ranked by the evaluation result. " Supply chain material interruption risk," "risk of overseas factory expansion," and "Product Quality Risk " were rated as the top three risk issues. 3. Risk response and management (1) Risk of overseas factory expansion Due to the changes in the international situation such as the China-United States trade war, the demand for international strategic planning of customers, as well as the fact that multinational factory operations can strengthen the company's flexible and efficient management model and build the advantage of continuous and uninterrupted operations, the demand for overseas expansion of operating bases is increasing However, factors such as geopolitics and infectious diseases may affect the smoothness of the supply chain, thereby affecting the company's ability to flexibly produce and respond flexibly. In response to this risk, the company intends to take the following measures a. Prudent investment evaluation and analysis, drawing on other past business failure cases and taking into account national policies and research reports of professional institutions (for example, geopolitical risk index). b. Introduce local professionals and establish a management team with an international vision and risk awareness. c. Build an "agglomeration economy" with strategic partners, increase productivity, reduce production costs and expenses through resource sharing, increase the degree of localization of the supply chain, and coordinate with existing suppliers to set up cargo distribution centers around the new factory. (2) Supply chain material interruption risk The Company's operations are greatly affected by fluctuations in the raw material market. Shortages of materials will lead to reduced shipments from suppliers, which in turn will reduce product shipments, resulting in decreased revenue and net profit. The	

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
			risk of material shortage and production stoppage arising from the model of precise inventory management is also increasing day by day. Under these circumstances, the Company intends to take the following countermeasures: - Continue to strengthen the supply chain information system and improve the platform's management mechanisms such as demand forecasting, inventory inquiry and delivery instructions. - Strengthen the strategic partnership of key component manufacturers. - Big data analysis to grasp the changing trend of the raw material market - In response to the impact of Covid-19, plan and promote online bidding (inquiry and price negotiation) and the modularization of the procurement system (3) Product Quality Risk If defective products are not detected before shipment, it will cause losses to the customer and affect the company's reputation. It will also impact customer satisfaction with the company and may even lead to substantial compensation claims. Our company actively implements quality value and embodies quality application in three major aspects: technology, manufacturing, and service. However, the semi-automatic production and quality management mechanisms are still limited by human factors, thus facing the potential risk of undetected defective products due to human error by operators. The following measures will be taken: - During the new product introduction phase, quality engineers will conduct product durability verification based on customer specifications, simulating customer usage conditions for systematic testing to ensure the product's quality, safety, and reliability. - After transitioning to mass production, corresponding inspections are conducted from material arrival to product shipment. Incoming quality control personnel perform incoming inspections, and quality control tests are conducted according to customer specifications. Inspection standards are agreed upon with the customer. After 100% of the quality control tests pass, sampling tests are conducted through open-box inspections to prevent non-conforming products from being shipped.	

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
			c. To avoid issues with product reliability caused by changes in parts and processes, continuous reliability testing will be conducted on mass-produced products. Any defects will be reported back to the front-end quality engineers and production line for improvement. d. On-site customers will work with quality control personnel and auditors to test finished products on the production line according to the certification standards of the U.S. General Services Administration, verifying the quality of products before shipment.	
3. Environmental issues.				
(1) Has the Company established an appropriate environmental management system according to its industrial characteristics?	Yes		Compal Electronics has established an environmental management system covering all facilities based on its "Environmental Sustainability Policy" and operational characteristics. Dedicated personnel are assigned to collect and review regulations related to environmental, occupational safety, and health laws monthly. Procedures and operations that do not comply with regulations are regularly revised to ensure compliance with environmental laws and sustainability principles. In the event of significant regulatory changes, policy or target adjustments will be proposed accordingly. To enhance environmental management effectiveness, Compal has implemented quantitative management mechanisms and comprehensively promoted the establishment and execution of environmental management systems. As of the publication date of this report, all facilities have obtained ISO 14001 Environmental Management System certification and completed third-party verification of ISO 14064 Greenhouse Gas Inventory Reports. Additionally, certain facilities have adopted ISO 50001 Energy Management and UL 2799 Waste Management processes as needed to further improve energy efficiency and waste recycling rates. Compal has set Science-Based Targets (SBT) and committed to RE100, establishing specific sustainability objectives, including: • A 4.48% annual reduction in carbon emissions compared to the previous year. • A 1% annual reduction in energy consumption, water usage, and waste generation compared to the previous year.	No deviations were found

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
			Optimization of waste resource utilization through UL 2799 management processes. To monitor the progress and effectiveness of these targets, the company holds two Sustainability Development Committee meetings annually to review the progress of various objectives and their actual performance as part of internal management and improvement efforts. Compal actively promotes intelligent environmental management by establishing the Compal Cloud for Sustainability, a digital platform that integrates carbon emission data from internal operations and external partners. Equipped with AI verification and multilingual capabilities, the platform enhances the timeliness and accuracy of information, thereby improving decision-making efficiency across global sites. The company also provides grievance and feedback mechanisms to respond to stakeholder expectations. Furthermore, Compal incorporates major environmental issues such as air pollution, noise, and wastewater into the materiality assessment of its ESG report, aligning with ISO 14001 Clause 6.1.2 to identify potential environmental impacts. In recent years, as global economic activities increasingly affect ecosystems, Compal has adopted the Taskforce on Nature-related Financial Disclosures (TNFD) framework and completed the location phase analysis using the LEAP methodology. The company uses GIS and biodiversity mapping data to assess potential nature-related risks at its operational sites and key Tier 1 supplier locations. Additionally, the ENCORE database is applied to evaluate dependency and impact on ecosystem services, formulating measures for avoidance, mitigation, restoration, and transformation to achieve No Net Loss (NNL). The findings have been integrated into Compal's risk management process. In 2024, the company did not incur any violations of environmental regulations, demonstrating a solid and continuously improving environmental management performance.	
(2) Is the Company committed to improving the efficiency of resource utilization and using recycled materials with a low impact on the environment?	Yes		Compal is committed to minimizing environmental impact across all product life cycle stages. From the initial design phase, the company integrates three core principles into product development: material selection, energy-saving design, and ease of disassembly and recycling. The R&D team focuses not only on user needs, functionality, and added value but also on reducing environmental burdens at every stage. In terms of using recycled materials, Compal has fully incorporated recycled content into the R&D	No deviations were found

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
			phase. Specifically for commercial notebook products, the company set a target of achieving 5% of total device weight from recycled materials. In 2024, a total of 11 notebook models successfully met this design goal, demonstrating Compal's consistent capability in developing and mass-producing products with recycled materials. To enhance energy efficiency, Compal continuously improves production processes and energy management systems. In 2024, the company's electricity intensity within the standalone financial report boundary was 311 kWh per NT\$1 million in revenue—a decrease of 39 kWh compared to 2023—achieving its annual goal of a 1% reduction. Compal has set a long-term target of using 100% renewable energy by 2050 and reached a 46.3% renewable electricity usage rate in 2024. Additionally, Compal has established a digital Environmental and Energy Monitoring Platform to collect and analyze real-time electricity usage across its facilities. Energy budgets are calculated daily based on production capacity, enabling proactive power management and energy-saving reminders. Facilities in Pingzhen, Kunshan, Chengdu, and Chongqing have all obtained ISO 50001 Energy Management System certification and continue to optimize major energy-consuming equipment and systems. Looking ahead, Compal will continue promoting energy-efficient product design and the use of recycled materials while strengthening carbon and energy management across the group and supply chain. It will work steadily toward its goal of achieving net-zero emissions by 2050.	
(3) Does the Company assess the risks and opportunities of climate change for the enterprise now and in the future and take measures to deal with climate-related issues?	Yes		Extreme weather conditions caused by global warming and climate change have had significant impacts on the world and Taiwan and pose unprecedented challenges to mankind. Apart from mitigation, we must also begin adaptation operations since climate change is inevitable. Adaptation applies not only to individuals but also to corporations, for it is important for companies to minimize business risks caused by extreme weather. This will require extensive and thorough risk assessments in order to turn risks into opportunities. Continue to follow the TCFD framework to identify risks and opportunities, incorporate strategic planning and risk management mechanisms, further identify financial shocks, and plan the use of capital.	No deviations were found

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
			According to the results of identification, evaluation and sorting of risks and opportunities, the operating decision-making committee will select three risks and three opportunities for calculating financial risks, which are: Risk 1. Importing alternative recycled raw materials increases the cost of R&D technology transformation. Action 1. In the design stage, Compal considers waste reduction and resource reuse, introduces environmentally friendly materials and low-polluting alternative materials, and introduces many regulation update design patterns that can reduce the use of natural resources and increase recycling. Actively develop and introduce recycled plastics and biodegradable plastics in electronic products to meet international trends and meet customer expectations. Risk 2. In response to external requirements, the increase in the use of renewable energy will increase operating costs. Action 2. Global awareness of environmental protection is gradually on the rise. Green production is the most important part of maintaining environmental resources and industrial competitiveness. Compal continues to abide by its excellent green production methods and improves the operation mode of power saving, water saving, and waste reduction. In 2024, procurement included 8,066.9 MWh of photovoltaic power, 28,251.7 MWh of hydroelectric power, and 94,426 green energy certificates. Risk 3. Improve the energy efficiency standards of various assets and increased operating costs. Action 3. The "Energy and Environment Monitoring" platform has been completed, which can immediately understand the energy consumption of the plants, calculate the daily energy usage budget according to the production capacity, and provide energy saving tips to employees at any time; create new means to improve energy efficiency, and choose energy-saving products when energy-consuming equipment needs to be replaced. We have actively introduced external counseling units, and a total of 7 plants have passed the ISO 50001	

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
			energy management system certification and are on par with the EP100 target. Opportunity 1. Actively take sustainability as a way to continuously gain customers' favor. Action 1. In recent years, climate actions <u>such</u> as carbon reduction have been raging like a storm around the world, and internationally renowned large companies have issued relevant carbon reduction commitments. Being confronted by the environmental impacts brought about by those climate changes, Compal has also actively invested itself in green product design, plant energy-saving management, and coping measures to extreme climate by promoting lean production, controlling energy use, reducing useless waste in the production process, and creating higher economic benefits as well as environmental protection. Opportunity 2. Assist suppliers in low-carbon transformation and reduce procurement costs affected by climate change. Action 2. Compal uses the ISO 14001 environmental management system to evaluate suppliers' environmental policies and implementation in the new supplier selection criteria and adds a green management evaluation form for new supplier management and selection. To accelerate supply chain participation in the net-zero transition, Compal has invited 34 key suppliers to join the ONE+N Electronics Supply Chain Net-Zero Acceleration Program. In collaboration with external energy-saving and carbon reduction experts, Compal has established the Industry Low-Carbon Advisory Team to actively assist suppliers in developing carbon reduction plans, providing carbon footprint monitoring guidance, and promoting investments in high-efficiency technologies and processes. This initiative aims to optimize system performance, reduce energy consumption, and lower carbon emissions. The program aims to achieve a tangible carbon reduction of 14,761 tCO₂e, enhancing the industry's low-carbon competitiveness and resilience.	

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
			At the same time, Compal is expanding its existing project experience to supplier management, strengthening suppliers' carbon reduction capabilities, and working together to drive supply chain decarbonization efforts towards the shared goal of net-zero emissions. Opportunity 3. Introduce smart manufacturing processes to improve production and distribution efficiency, thereby reducing operating costs Action 3. Although Compal Electronics is not a high-energy consuming industry, it is also actively working to improve the energy efficiency of its production lines. In addition to promoting the automation of production lines, it has also eliminated all difficulties in building its equipment networking system to connect different equipment usage conditions at various stages, which is convenient for remote monitoring and management.	

(4) Does the Company prepare statistics of greenhouse gas emissions, water consumption, and the total weight of waste in the past two years and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction, or other waste management?	Yes	Compal has continuously conducted greenhouse gas (GHG) inventories since 2009 and actively participated in international initiatives. ■ SBTi Science-Based Target Initiative: Validated in September 2024. <u>GHG Reduction Targets</u> (Scope 1 & 2, based on the 2019 baseline year): • Short-term target: Reduce emissions by 4.48% annually compared to the previous year. • Mid-term target: Achieve a 50.68% reduction by 2030. • Long-term target: Reduce emissions by 90% by 2050 and neutralize residual emissions through carbon offsetting to achieve net-zero. Emissions. <u>Scope3 Targets</u> (based on the 2021 baseline year) ○ 25% reduction by 2030. ○ 90% reduction by 2050. ■ RE100 Commitment: Officially joined RE100 in June 2024, with commitments to: ○ 50% renewable energy use by 2030. ○ 50% renewable energy use by 2040. ○ 100% renewable energy use by 2050. ■ Waste Management, Water Resource Conservation, and SDGs 6 • Implementation of UL 2799 Waste Management Process: Collaborating with suppliers to use recyclable and reusable packaging materials to reduce waste at the source. • Targeting a 50% waste reduction by 2025 (based on the 2009 baseline year). • Although Compal does not use water in manufacturing processes and is not a high water-consuming industry, it remains committed to watershed management and water conservation initiatives to improve water efficiency. • Providing a safe and healthy working environment, ensuring employees have clean drinking water and well-maintained sanitation facilities (WASH) while promoting water conservation and hygiene management. • Gradually installing water-efficient flushing systems across all sites and conducting awareness campaigns to enhance water efficiency. • Regularly testing drinking water quality to ensure compliance with safety standards, while strengthening employee health education, including hand hygiene and disease prevention measures. ■ Implementing Sustainable Production and Climate Action (SDGs 12 & 13) • Integrate sustainable consumption and production models from the design phase to ensure that products align with environmentally friendly principles throughout their lifecycle.	No deviations were
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Assessment criteria	Actual governance			Deviation and causes of deviation																		
	Yes	No	Summary description																			
			• Continuously enhance energy and resource efficiency, collaborating with suppliers to promote the circular economy and maximize resource utilization. • Reduce waste at the source by optimizing manufacturing processes and material usage, minimizing waste generation, and increasing reuse rates. • Actively invest in renewable energy and carbon reduction technologies to lower carbon emissions and mitigate climate change impacts. • Strengthen corporate climate risk management and adaptation strategies to enhance operational resilience, ensuring supply chain stability and sustainable business development. ■ Reducing Environmental Impact of Operations • Actively implementing water conservation and waste reduction programs across all sites while strengthening water resource and carbon emission management to achieve sustainable business operations. • Greenhouse gas emissions from Scope 1 and Scope 2 under the standalone financial reporting boundary were reduced by 12.7% compared to the previous year, and by 64.0% compared to the base year, successfully achieving the phased reduction target. Starting from 2024, the calculation scope has been expanded to include the headquarters, all manufacturing sites, and subsidiaries, covering greenhouse gas emissions, water consumption, and total waste generation, with specific data as follows: <table><tr><th>Items</th><th>2023</th><th>2024</th></tr><tr><td>Scope 1 greenhouse gas emissions (tCO₂e)</td><td>21,131.01</td><td>12,471.19</td></tr><tr><td>Scope 2 (Market-based) greenhouse gas emissions (tCO₂e)</td><td>168,142.01</td><td>102,504.49</td></tr><tr><td>Scope 1+2 greenhouse gas emissions (tCO₂e)</td><td>189,273.02</td><td>114,976.00</td></tr><tr><td>Total water consumption (Tons)</td><td>3,690,079</td><td>3,452,864</td></tr><tr><td>Total general waste (Tons)</td><td>37,915</td><td>30,836</td></tr></table>	Items	2023	2024	Scope 1 greenhouse gas emissions (tCO ₂ e)	21,131.01	12,471.19	Scope 2 (Market-based) greenhouse gas emissions (tCO ₂ e)	168,142.01	102,504.49	Scope 1+2 greenhouse gas emissions (tCO ₂ e)	189,273.02	114,976.00	Total water consumption (Tons)	3,690,079	3,452,864	Total general waste (Tons)	37,915	30,836	
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Assessment criteria	Actual governance					Deviation and causes of deviation			
	Yes	No	Summary description						
			<table><tr><td>Total hazardous industrial waste (Tons)</td><td>1,832</td><td>1,229</td></tr></table> Note 1. Relevant figures are currently under continuous verification. For detailed explanations and verified data, please refer to the Sustainability Report. 2. In this context, only Scope 2 emissions are disclosed based on market standards. For complete disclosure, please refer to the report. 3. For complete Scope 3 information, please refer to 1-1-1.			Total hazardous industrial waste (Tons)	1,832	1,229	
Total hazardous industrial waste (Tons)	1,832	1,229							
4. Social issues									
(1) Has the Company formulated management policies and specific management plans regarding social issues in accordance with relevant laws and regulations and International Human Rights Conventions?	Yes		The company is committed to creating a respectful and dignified working environment, which is considered one of its core values. We strictly adhere to the labor-related laws and regulations of the operating location, and follow the "International Bill of Human Rights," "United Nations Guiding Principles on Business and Human Rights," "International Labour Organization Declaration of Fundamental Principles and Rights at Work," "Organization for Economic Co-operation and Development Guidelines for Multinational Enterprises," and "The United Nations’ Ten Principles of United Nations Global Compact” (UNGC)," and take actions consistent with the Responsible Business Alliance Code of Conduct (RBA) Code of Conduct. We treat all personnel with dignity and respect and have established a human rights policy and implemented management practices. In order to identify, assess, and mitigate the impact of human rights on the company and its supply chain, we have established a comprehensive human rights due diligence process, assessed risk issues, developed mitigation measures, and completed investigation reports. Investigations are conducted at least every three years. The latest human rights due diligence report will be released in 2025. For detailed information, please refer to the official website "Compal ESG > Inclusive Growth > Human Rights Due Diligence. Human rights policy and labor-related training courses have been included as mandatory courses for all employees.			No deviations were found			

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
(2) Has the Company established and implemented reasonable employee welfare measures (including compensation, vacation, and other benefits) and properly reflected the operating performance or the results of employee compensation?	Yes		■ Employee Benefits The Company allocates 0.05% of its turnover to welfare funds every year. It has employee welfare committees to handle various welfare matters, including marriage, funeral, and childbirth allowance, recreational and entertainment allowance, Children's Scholarship, festival gift certificates, birthday gift certificates, cultural and leisure allowance and other welfare matters. ■ Employee compensation Pursuant to the Articles of Association, when the Company makes a profit in a year, no more than 2% of the Company's pre-tax profits (not including remuneration for employees and Directors) shall be appropriated to employees. The aforementioned bonus, adjustment in wages, and employee compensation are reviewed by the Remuneration Committee and resolved by the Board of Directors. The Company's remuneration policy is based on personal ability, contribution to the Company, and performance, and it is considered to be a positive correlation between operating performance and remuneration. In addition, the Company aims to create a diverse and equal working environment. In 2024, 38.45% of worldwide Compal employees and 30.04% of female supervisors were women. The Company is committed to cultivating local talent in overseas factories. In 2024, the proportion of local supervisors in China and Brazil was 92.14% and 92.86%, respectively. A new paid leave policy for family companionship has been added, allowing employees to balance family care amidst their busy work schedules.	No deviations were found
(3) Does the Company provide employees with a safe and healthy work environment? Are employees trained regularly on safety and health issues?	Yes		The Company has established a dedicated ESH team and a Safety Inspection Task Force responsible for developing and implementing annual ESH plans. Through routine site inspections, employee training, equipment maintenance, incident reporting, and corrective action mechanisms, systematic OHS management is implemented across the organization. In accordance with regulations, fire drills are conducted twice annually at all sites. In 2024, there were no fire incidents reported. Each site tailors its risk identification and emergency response measures based on operational characteristics, including the installation of evacuation maps, emergency lighting, and fire extinguishers, which are inspected and updated regularly to ensure readiness in emergency	No deviations were found

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
			situations. Additionally, the Company collaborates with external partners to offer regular health checkups, on-site medical consultations, and Employee Assistance Programs (EAP). Medical rooms and health promotion platforms are available at all sites in Taiwan to support employees in monitoring health risks and receiving necessary support. Safety Performance To enhance safety governance, the Company conducted a total of 10,974 instances of ESH training in 2024, totaling 13,135 training hours. Training topics included first aid, fire safety, electrical safety, and risk prevention in operational environments. A total of 33 occupational injury cases were reported in 2024, accounting for approximately 0.09% of total employees. The majority of incidents were commuting-related traffic accidents. In response, the Company has strengthened internal road safety awareness campaigns. All sites conduct safety inspections in accordance with their autonomous inspection plans, with frequencies categorized as daily, quarterly, and annually. Inspection areas include electrical equipment, workplace layouts, and fire safety facilities. ESH personnel issue improvement suggestions and follow-up verifications to address identified non-compliance or potential risks. In 2024, the improvement completion rate across all units reached 100%. Moreover, the Company actively promotes health and wellness. In 2024, 22 health promotion events were held in Taiwan, along with the release of 36 health articles. In overseas regions, 50 health campaigns were organized. Activities included step-count challenges, massage services, stress-relief workshops, and cardiovascular health programs aimed at enhancing employee awareness of health issues, encouraging healthy lifestyles, and reducing risks associated with unhealthy habits.	

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
(4) Has the Company established an effective employee career development training program?	Yes		Annual training programs are tailored to suit the needs of different employees based on the Company's business strategies, policy guidelines, and career roadmaps. These include newcomer training, core competencies, managerial competencies, and common competencies courses. The Company constantly aims to establish itself as a learning organization and coach management. In 2024, a total of 766 training sessions (both internal and external) were organized; these courses delivered 204,997 hours of training and 137,096 persons enrolled.	No deviation was found
(5) Does the Company follow relevant laws and regulations and international standards for customer health and safety, customer privacy, marketing and labeling of products and services and formulate relevant policies and grievance procedures to protect the rights and interests of consumers or customers?	Yes		Product Compliance and Safety We are committed to providing products and services that comply with international regulations and industry standards for our contract manufacturing brand clients. We adhere to safety standards such as ISO 9001 and IEC 62368-1, while monitoring environmental regulations like the EU's REACH. Through rigorous product testing and assessments, we ensure that all products meet compliance standards before they are brought to market. Information Security and Privacy Protection To safeguard client privacy and information security, we have implemented an information security management system that complies with ISO 27001 certification. This provides our contract manufacturing brand clients with comprehensive data protection mechanisms. Additionally, we establish information security agreements with clients to jointly maintain the confidentiality and security of data. Quality Management and Customer Satisfaction We have established a comprehensive quality management system that covers supply chain management, manufacturing, and final inspection. We continuously monitor the quality of our products and services and follow standardized problem-solving SOPs to ensure that any issues are addressed and improved promptly. Product Labeling Compliance Our products are labeled in accordance with local regulations and international standards, including	No deviations were found

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
			environmental labels, energy labels, and safety instructions. This ensures that our contract manufacturing brand clients comply with regulatory requirements for import and local market sales.	
(6) Does the Company have a supplier management policy that requires suppliers to follow relevant specifications and implement them in environmental protection, occupational safety and health, or labor human rights issues?	Yes		Compal, as a global leader in professional manufacturing and a member of RBA, views sustainable supply chain management as a key factor in business development. We are committed to ensuring that all products and services meet the highest ethical, environmental, and human rights standards. In our procurement process, suppliers are required to sign Compal's procurement contracts and comply with international quality and environmental regulations. ESG performance is also incorporated into supplier selection, and we continuously introduce ISO international standards to enhance the overall performance of the supply chain. Compal has established and publicly issued a Supplier Code of Conduct, which serves as the core basis for supply chain management and ensures that suppliers strictly adhere to international sustainability norms and standards. This code follows the RBA Code of Conduct and covers areas such as labor rights, health and safety, environmental protection, business ethics, and management systems. To ensure that the code aligns with the latest international standards, it is periodically reviewed and optimized based on global sustainability trends and developments. In 2024, Compal adopted the latest RBA 8.0 Code of Conduct and integrated it with 14 internal sustainability policies, particularly emphasizing "biodiversity" and the protection of natural ecosystems as key components of environmental sustainability. In 2024, we	No deviations were found

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
			achieved a 100% signature rate from key suppliers (including indirect procurement), and the complete code is made publicly available on our ESG official website: Compal_SCC_2024_v0_tc. Moving forward, we will continue to promote the implementation of international standards by our supply chain partners, ensuring that the supply chain balances environmental sustainability and ecological balance while developing. Regarding sustainable risk management, we assess risks through the "Supplier ESG Risk Assessment Questionnaire," which classifies issues based on their importance and assigns suppliers to high, medium, or low-risk categories. At the same time, inherent risks are considered for inclusion in the random audit list. After the 2024 risk analysis, 5% of suppliers advanced to the next stage of management, undergoing internal or third-party written and on-site audits and guidance to ensure compliance with Compal's ESG standards and mitigate supply chain risks. In supply risk management, we regularly review the resilience of suppliers' global production sites to ensure that, in the event of international geopolitical risks, appropriate measures are taken to maintain supply chain resilience. Since its launch in 2023, the "Compal Academy" has been committed to strengthening the partnership between Compal and its suppliers by sharing information and knowledge. It offers online courses on topics such as environmental sustainability, social responsibility, corporate governance, and green manufacturing technologies. Through these courses, we	

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
			aim to communicate Compal's carbon reduction and net-zero goals and actions while helping suppliers enhance their professional knowledge and capabilities, reinforcing their commitment and ability to implement carbon reduction and net-zero objectives. In 2024, the Compal Academy continued to optimize the platform and update the course offerings to 39 classes, with content focusing more on practical applications and professional depth, boosting suppliers' competitiveness in sustainable management and innovative manufacturing. We strengthened two-way communication with suppliers and expanded learning resources to engage more stakeholders, collectively enhancing sustainable actions. Looking ahead, we will further expand the course offerings, deepen industry standards and regulatory training, and continue optimizing the learning experience through data analysis, working hand in hand with suppliers to create a development model that advances both economic growth and sustainability. Learning Platform - Compal Academy: https://www.compal.com/esg/go/	
5. Does the Company prepare the Corporate Sustainability and Social Responsibility Report and other reports that disclose the Company's non-financial information in accordance with the international reporting standards or guidelines? Is the	Yes		The Company has published annual CSR reports (The name will be changed to Sustainability Report in 2022) for its stakeholders on its website since 2010. The Sustainability report was first certified by an external institution in 2012. The Company adopted the Global Reporting Initiative's most updated guidelines (GRI Standards, published in 2018) to prepare its Sustainability report. The report was compiled based on issues concerning stakeholders and the Company's key objectives. In 2021, we added Sustainability Accounting Standards Board (SASB) standards to disclose relevant information. To ensure the credibility of reported contents, the Company commissioned SGS to	No deviations were found

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
aforesaid report confirmed or guaranteed by a third-party verification organization?			provide independent assurance based on the criteria specified in AA 1000, GRI Standards and SASB Standards. After their assurance, the report was certified as meeting AA 1000 Standard Type 2, mid-level accountability and the GRI Standards Core Requirements. The TCSA Taiwan Corporate Sustainability Awards, organized by the Taiwan Institute for Sustainable Energy. The Company has been continuously honored with prestigious awards, including the “Taiwan Top 100 Sustainability Model Enterprise Award” and the “Taiwan Sustainability Report – Platinum Award.” In addition, the Company also received the “Global Corporate Sustainability Award – Gold Award” in 2024.	

1. Implementation of Climate-Related Information

Item	Implementation Status		
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	In 2022, the Sustainable Development Committee was established, with members appointed by the Board to make decisions and supervise sustainable development initiatives. The committee members elected one of their own as Chairperson. Their responsibilities include implementing corporate social responsibility, establishing effective governance systems, and aligning with global trends to promote sustainable business objectives. Simultaneously, the Chief Sustainability Officer established a Sustainable Development Office, with two Deputy Chief Sustainability Officers assisting. This office comprises ten functional groups, each setting strategic objectives, overseeing implementation, and reporting on effectiveness. Under the Sustainable Development Committee, a Responsible Manufacturing Functional Group was established to spearhead green environmental initiatives, climate change mitigation and adaptation efforts within the factory premises. It evaluates relevant risks and opportunities and regularly reports progress and achievements in green initiatives to the sustainability committee.		
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Type	Risk Topics	Time
	Transition risks	Failure to take initiative on sustainable action may cause the loss of customers.	Short-term
	Transition risks	Failure to take initiative on sustainable action may cause the loss of investors.	Short-term
	Transition risks	The increased use of renewable energy required by society boosted operating costs.	Short-term
	Transition risks	Operating costs increased from meeting assets with the latest energy efficiency standards.	Mid-term
	Transition risks	Operating costs increased from the inclusion of emerging technology in smart processes.	Mid-term
	Transition risks	Technology development costs continue to climb due to renewed product standards.	Short-term
	Transition risks	Declined customer orders due to a passive response to new standard requirements.	Short-term
	Transition risks	Enhancing GHG emissions reporting obligations	Short-term
	Transition risks	Failure to invest in the introduction of emerging technologies.	Mid-term
	Physical risks	Service interruption due to the high frequency and severity of heavy rain and floods.	Mid-term
	Physical risks	Costs increased or Company operations are affected as a result of supply shortage due to suppliers under the influence of climate change.	Mid-term
	Physical risks	Detriment to assets caused by low-lying land submerged as a result of sea level rise.	Long-term
	Physical risks	Operating costs increased due to the raised temperature, which caused equipment to consume more energy.	Short-term
	Physical risks	Business pressure and impact from water scarcity.	Long-term

Item	Implementation Status		
	Physical risks	Company operations are affected as a result of a supply shortage due to water scarcity.	Mid-term
	Opportunity Topics		Time
	The inclusion of a smart manufacturing process will make productivity and distribution more efficient and lower operating costs.		Short-term
	Low carbon products and services to win higher market share.		Short-term
	Recycled aluminum and plastics sourced products in support of emission reduction and material reuse.		Mid-term
	Remain customers' favorite with ongoing sustainable actions.		Short-term
	Remain investors' favorite with ongoing sustainable actions.		Short-term
	Assist suppliers in their low carbon transition to reduce purchase costs affected by climate change.		Mid-term
	Gain more orders with an effective contingency plan that navigates operations back to normal in a shorter time than others when disasters occur.		Short-term
	Participating program in the use of renewable energy.		Short-term
	Obtaining incentives from the Public Sector and collaborating with stakeholders.		Short-term
	Improve energy efficiency in factories		Short-term
3. Describe the financial impact of extreme weather events and transformative actions.	Risk event		Scope of impact
	Introduce alternative recycled raw materials and increase the cost of R&D technology transformation.		Increased indirect operating costs
	In response to external requirements, the increase in renewable energy consumption has increased operating costs.		Increased indirect operating costs
	Improve the energy efficiency standards of various assets and increased operating costs.		Increased indirect operating costs
	Opportunity event		Scope of impact
	Take proactive and sustainable actions to continue to gain customer favor.		Revenue increase
	Assist suppliers to carry out low-carbon transformation and reduce procurement costs affected by changes in climate factors.		Improve business resilience
	Introduce smart manufacturing processes to improve production and distribution efficiency, thereby reducing operating costs.		Reduced operating costs
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Using the TCFD framework, we systematically analyze policies and regulations, technology, market dynamics, corporate reputation, and acute and chronic climate risks. We evaluate the impacts of these risks and opportunities on the company, multiplying the values of "likelihood of occurrence" and "impact severity" to prioritize them. Significant climate risks/opportunities are confirmed by the board of directors.		

Item	Implementation Status
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Following the TCFD framework, we analyze the risks and opportunities that the company faces under different climate scenarios, using scenarios such as the Sustainable Development Scenario (SDS) and Stated Policies Scenario (STEPS) discussed by the International Energy Agency (IEA), as well as the Shared Socioeconomic Pathways (SSP1-2.6 and SSP2-4.5) proposed by the Intergovernmental Panel on Climate Change (IPCC).
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	In response to climate-related risks and the transition toward sustainability, Compal has launched a series of concrete initiatives, as outlined below: <u>Transition Plan Overview</u> 1. Through the ONE+N Net-Zero Acceleration Program for the Electronics Supply Chain, Compal collaborates with supply chain partners to promote low-carbon product development, process optimization, and equipment replacement. The program has already achieved a cumulative emissions reduction of 14,761 metric tons of CO₂. 2. The officially launched Compal Sustainability Cloud Platform provides real-time and accurate data on carbon emissions and renewable energy usage, effectively supporting management decision-making. 3. As a member of both RE100 and SBTi, Compal is committed to using 100% renewable energy by 2050 and has developed science-based carbon reduction pathways aligned with the 1.5°C global climate target. <u>Indicators and Targets for Identifying and Managing Climate Risks</u> 1. Carbon Reduction Targets • Scope 1 and 2: Using 2019 as the base year, reduce emissions by 50.68% by 2030 and 90% by 2050. Residual emissions will be neutralized through carbon offsets to achieve net-zero. • Scope 3: Using 2021 as the base year, reduce emissions by 25% by 2030 and 90% by 2050. 2. Supply Chain Carbon Inventory and Management • A carbon data management platform has been established to integrate carbon inventory data from suppliers. Participation in the CDP Supply Chain Program enhances partners' carbon management capabilities. 3. Energy Management • Compal has implemented energy monitoring and control systems to improve energy efficiency. Measures include variable-frequency control for chillers and cooling towers to effectively reduce manufacturing-related emissions. 4. Low-Carbon Product Development • Compal promotes the design of high-efficiency products and employs Life Cycle Assessment (LCA) and Product Carbon Footprint (PCF) methodologies to systematically quantify emissions, thereby reducing environmental impact during the use phase. <u>Ongoing Actions</u> 1. Strengthening Low-Carbon Supply Chain Management • Building upon existing achievements, Compal continues to expand the scope of energy-saving and low-carbon R&D, driving collective action across the supply chain to establish industry benchmarks for emissions reduction. 2. Enhancing Participation in International Initiatives • Compal actively engages in international ESG ratings such as CDP and DJSI, continually improving performance and verifying emission reduction outcomes through third-party assessments.

Item	Implementation Status
	Through these initiatives, Compal is committed to enhancing corporate resilience, proactively addressing climate transition risks, and steadily advancing toward net-zero through innovative technologies and close collaboration with its supply chain.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	In 2024, Compal established its internal carbon pricing fee mechanism, serving as a crucial tool for operational and investment decision-making while enhancing carbon reduction efficiency. The pricing foundation is based on four key factors: 1. Carbon reduction costs: Pricing is determined based on the marginal cost of internal energy-saving initiatives and renewable energy procurement. 2. Global carbon pricing trends: References international carbon trading market prices (e.g., EU, US, Korea) and adjusts future carbon fees accordingly. 3. Regulatory and market adaptation: Ensures compliance with Taiwan's carbon fee policies, helping the company and supply chain mitigate cost impacts in advance. 4. SBTi reduction targets: Aligns internal carbon pricing with the company's short-, medium-, and long-term carbon reduction pathways. Scope of application: Currently, the internal carbon fee applies to Scope 1 and Scope 2 emissions, with potential future expansion to Scope 3 supply chain management based on execution results. The fee guides capital expenditures, equipment upgrades, procurement, and operational decisions, driving the transition to low-carbon operations. Compal will continuously optimize the mechanism to maintain competitiveness and achieve the 2050 net-zero target.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Compal has set Science-Based Targets (SBT) for carbon reduction and obtained verification in September 2024. The targets cover the entire group and all subsidiaries included in the consolidated financial statements. The carbon reduction goals and progress are as follows: Scope 1 & Scope 2 (Baseline Year: 2019) • Short-term goal: Reduce carbon emissions by 4.48% annually. • Mid-term goal (2030): Achieve a 50.68% reduction in carbon emissions. • Long-term goal (2050): Achieve a 90% reduction, ultimately reaching net-zero emissions through carbon offsetting. Scope 3 (Baseline Year: 2021) • 2030: Reduce emissions by 25%. • 2050: Reduce emissions by 90%. To achieve its carbon reduction targets, Compal is actively increasing the use of renewable energy through the following key measures: • Installing photovoltaic power generation systems at factory sites. • Purchasing green electricity (direct supply of renewable energy). • Investing in green energy funds and purchasing renewable energy certificates (RECs). In 2024, Compal obtained a total of 94,426 RECs, which were used to offset carbon emissions.

Item	Implementation Status
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out points 1-1 and 1-2 below).	Since 2009, Compal has complied with ISO 14064 standards to complete GHG inventories for Scope 1 and Scope 2 emissions, obtaining certification through third-party verification. The greenhouse gas (GHG) inventory for Compal's consolidated financial reporting boundary in 2024, encompassing the parent company and subsidiaries included in the consolidated financial statements, has been completed. The third-party verification opinion is expected to be obtained by June 2025.

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Item	Implementation Status		
Greenhouse Gas Inventory Information Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.	The greenhouse gas inventory data covers emissions from the entire Compal Group, including its consolidated subsidiaries. The 2024 verification boundary at the time of publication of the annual report includes Compal and its own factories in Taiwan, China, and Vietnam, and it will be gradually updated.		
	<u>Compal and Subsidiaries' Greenhouse Gas Emissions</u>		
	Unit: tCO2e		
		2023	2024
	Scope 1	21,131.01	12,471.19
	Scope 2(MARKET-BASED)	168,142.01	102,504.81
	Total Emissions	189,273.02	114,976.00
	Emission Intensity (tCO2e per million TWD)	0.200	0.126
	Scope 3		
	Category 1 Purchased Goods and Services	5,703,540.38	5,482,384.93
	Category 2 Capital Goods	43,003.16	41,345.09
	Category 3 Fuel- and Energy-Related Activities	63,105.35	48,421.29
	Category 4 Upstream Transportation and Distribution	307,697.11	295,817.42
	Category 5 Waste Generated in Operations	153,449.30	139,385.40
	Category 6 Business Travel	24,712.14	23,759.64
	Category 7 Employee Commuting	68,114.46	65,488.95
	Category 8 Upstream Leased Assets	7.32	7.01
	Category 9 Downstream Transportation and Distribution	131,098.62	122,021.06
	Category 10 Processing of sold products	1,250.77	1,202.60
	Category 11 Use of Sold Products	19,317,921.43	18,561,218.99
Category 12 End-of-Life Treatment of Sold Products	129,273.09	124,277.85	
Category 13 Downstream Leased Assets	0.00	0.00	
Category 14 Franchises	0.00	0.00	
Category 15 Investments	35,197.00	13,328.16	
Consolidated Revenue Coverage	100.00%	100.00%	

Note 1: Direct emissions (Scope 1, referring to emissions directly from sources owned or controlled by the company), energy indirect emissions (Scope 2, referring to greenhouse gas emissions that are a result of the purchase of electricity, heat, or steam), and other indirect emissions (Scope 3, referring to emissions generated by the company's activities, but not directly related to energy indirect emissions, and originating from sources owned or controlled by other companies).

Note 2: The data for direct emissions and energy indirect emissions should be reported in accordance with the schedule set out in the regulations specified in Article 10, Section 2 of this guideline. Information on other indirect emissions may be voluntarily disclosed.

Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or the ISO 14064-1 standard issued by the International Organization for Standardization (ISO).

Note 4: Greenhouse gas emission intensity can be calculated per unit of product/service or revenue, but at a minimum, the data should specify the figures calculated based on revenue (in New Taiwan Dollars, millions).

1-1-2 Greenhouse Gas Assurance Information

Item	Implementation Status
Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.	Since 2009, Compal has continuously conducted greenhouse gas (GHG) inventories and obtained verification statements through third-party audits. The verification status for 2023 and 2024 is as follows: Scope of Verification: 2023: Covers Scope 1 and Scope 2 emissions from the headquarters, Taiwan, China, and Vietnam sites, as well as Scope 4 emissions from the employee dormitory R in Chongqing and purchased water. 2024: Covers Scope 1 and Scope 2 emissions within the boundary of the consolidated financial statements, as well as Scope 4 emissions from purchased water and procured fuel and energy. Verification Body: SGS Taiwan Ltd. Verification Standard: ISO 14064-1:2018 Verification Opinion: The verification opinion for 2023 has been obtained. The verification for 2024 is expected to be completed in June 2025, with full verification details to be disclosed in the sustainability report.

Note 1: The company should follow the schedule as specified in the regulations set forth in Article 10, Section 2 of this guideline. If the company has not obtained complete assurance on its greenhouse gas information by the publication date of the annual report, it should state, "Complete assurance information will be disclosed in the sustainability report." If the company does not prepare a sustainability report, it should state, "Complete assurance information will be disclosed on the public information observatory," and the complete assurance information should be disclosed in the following year’s annual report.

Note 2: The assurance institution should meet the relevant requirements set by the Taiwan Stock Exchange and the Taiwan OTC Exchange for sustainability report assurance institutions.

Note 3: The disclosure content can refer to the best practice reference examples provided on the Taiwan Stock Exchange's Corporate Governance Center website

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Item	Implementation Status
Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.	Greenhouse Gas Reduction Targets - Scope 1 and Scope 2 baseline year is 2019 - Short-term: Reduce carbon emissions by 4.48% compared to the previous year. - Mid-term: Achieve a 50.68% reduction in carbon emissions by 2030.

Item	Implementation Status																																										
	Long-term: Achieve net zero emissions by 2050. • Scope 3 baseline year is 2021. Mid-term: Achieve a 25% reduction in carbon emissions by 2030. Long-term: Achieve a 90% reduction in carbon emissions by 2050. ■ Achievement of reduction goals within the consolidated financial statement boundary Greenhouse gas emissions from Scope 1 and Scope 2 decreased by 10.2% compared to the previous year and by 68.8% compared to the baseline year, achieving interim reduction targets. ■ Greenhouse gas emissions base year Scope 1 + 2 data in 2019 Boundary includes consolidated subsidiary reports Unit: tCO₂e <table> <tr> <th>2019</th><th>Emissions</th></tr> <tr> <td>Scope 1</td><td>19,361.27</td></tr> <tr> <td>Scope 2 - market-based</td><td>349,671.86</td></tr> </table> Scope 3 data in 2021 Unit: tCO₂e <table> <tr> <th>2021</th><th>Emissions</th></tr> <tr> <td>Category 1: Purchased goods and services</td><td>28,088,201.07</td></tr> <tr> <td>Category 2: Capital goods</td><td>202,402.55</td></tr> <tr> <td>Category 3: Fuel- and Energy-Related</td><td>49,734.85</td></tr> <tr> <td>Category 4: Upstream transport</td><td>29,107.44</td></tr> <tr> <td>Category 5: Waste</td><td>14,008.31</td></tr> <tr> <td>Category 6: Business travel</td><td>3,116.87</td></tr> <tr> <td>Category 7: Employee commuting</td><td>20,400.00</td></tr> <tr> <td>Category 8: Upstream leased assets</td><td>-</td></tr> <tr> <td>Category 9: Downstream transport</td><td>69,565.12</td></tr> <tr> <td>Category 10: Processing of sold products</td><td>-</td></tr> <tr> <td>Category 11: Use of sold products</td><td>15,667,620.00</td></tr> <tr> <td>Category 11a: Use of sold products, excluding sale of fossil fuels</td><td>15,667,620.00</td></tr> <tr> <td>Category 11b: Sale of fossil fuels</td><td>-</td></tr> <tr> <td>Category 12: End-of-life treatment of sold products</td><td>142,166.32</td></tr> <tr> <td>Category 13: Downstream leased assets</td><td>-</td></tr> <tr> <td>Category 14: Franchises</td><td>-</td></tr> <tr> <td>Category 15: Investments</td><td>17,797.07</td></tr> </table> ■ Greenhouse Gas Reduction Strategy To achieve the vision of carbon neutrality, Compal is implementing low-carbon manufacturing, promoting low-carbon product design, and strengthening the management processes of sustainable supply chains. Additionally, Compal refers to key ESG performance indicators to construct corporate carbon management systems. ■ Actions and Activities:	2019	Emissions	Scope 1	19,361.27	Scope 2 - market-based	349,671.86	2021	Emissions	Category 1: Purchased goods and services	28,088,201.07	Category 2: Capital goods	202,402.55	Category 3: Fuel- and Energy-Related	49,734.85	Category 4: Upstream transport	29,107.44	Category 5: Waste	14,008.31	Category 6: Business travel	3,116.87	Category 7: Employee commuting	20,400.00	Category 8: Upstream leased assets	-	Category 9: Downstream transport	69,565.12	Category 10: Processing of sold products	-	Category 11: Use of sold products	15,667,620.00	Category 11a: Use of sold products, excluding sale of fossil fuels	15,667,620.00	Category 11b: Sale of fossil fuels	-	Category 12: End-of-life treatment of sold products	142,166.32	Category 13: Downstream leased assets	-	Category 14: Franchises	-	Category 15: Investments	17,797.07
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Item	Implementation Status
	- Promote Low-Carbon Manufacturing: - Implement energy-saving measures in our facilities. - Utilize renewable energy sources and purchase certificates. - Join the RE100 initiative. - Promote Low-Carbon Product Design: - Increase the number of products that meet voluntary eco-label (Ecolabel) requirements and EnergyStar standards. - Enhance Sustainable Supply Chain Management Processes: - Implement the 1+N Electronic Supply Chain Net Zero Acceleration Plan to drive substantial carbon reduction among suppliers. - Invite suppliers to participate in the CDP Supply Chain Disclosure initiative by 2024.

Note 1: The company should follow the schedule set forth in the regulations as specified in Article 10, Section 2 of this guideline.

Note 2: The base year should be the year in which the consolidated financial report boundary is completed for the greenhouse gas inventory. For example, in accordance with the regulations in Article 10, Section 2 of this guideline, a company with a capital of over 10 billion NTD should complete the inventory for the consolidated financial report of 2024 by the year 2025, so the base year would be 2024. If the company has completed the inventory for the consolidated financial report earlier, it may use the earlier year as the base year. Additionally, the data for the base year may be calculated using either a single year's data or an average of several years.

Note 3: The disclosure content can refer to the best practice reference examples provided on the Taiwan Stock Exchange's Corporate Governance Center website.

■ Composition, Responsibilities and Operations of the Sustainability Committee

To fulfill the company's commitment to sustainable development and improve the company's overall capacity in ESG risk management, Compal Electronics established a Sustainability Committee (the "Committee") with the approval of the board of directors in March 2022. The 2nd Sustainability Committee comprises six members appointed by the board of directors on May 31, 2024. Five of the members in the Committee are independent directors, and member Sheng-Hua Peng has been elected as the convener and chairman by all members. Holding at least one meeting a year, the Committee is responsible for taking the lead in explaining company policies and positions externally, defining goals and directions internally, integrating resources, reviewing action plans, monitoring execution progress, and reporting results to the board of directors.

Based on the four major aspects of Economy, environment, society, and governance ("EESG"), the Committee is composed of ten task forces, including "Innovation", "Customer Relationship", "Supply Chain", "Environment", "Responsible manufacturing", "Human Resources", "Social Participation", "corporate governance", "information security", and "risk management". Composed of the heads of departments from business sectors across different regions, task forces are responsible for stipulating the operating guidelines, development tools, and workflow of each project, making annual plans through regular meetings, checking operational directions and execution progress, and reporting results to the Committee. Committed to promoting sustainable development strategies, Compal Electronics will continue to contribute to environmental protection and the transition to a low carbon

economy.

1. The Duties of the Sustainability Committee Authority

- (1) To formulate the sustainability policy.
- (2) To set up annual plans and strategic directions for sustainable development.
- (3) To review, track and revise the implementation and effectiveness of sustainability activities, and report to the board of directors.
- (4) To supervise the disclosure of sustainability information and review the Sustainability Report.
- (5) To supervise the decisions on the Company's "Corporate Governance Best Practice Principles" or other sustainability-related matters resolved by the Board of Directors.

2. Board Oversight of Sustainability Committee

The directors of the company shall exercise the due care of good administrators to urge the Company to perform its sustainable development initiatives, examine the results of the implementation thereof from time to time, and continually make adjustments so as to ensure the thorough implementation of its sustainable development policies. The Sustainability Committee reports regularly to the board of directors, covering topics such as the schedule of Greenhouse Gas inventory and verification, annual communication methods and results with stakeholders, annual implementation results of Sustainability and greenhouse gas-related matters, proposed material topics in the Sustainability Report, and annual sustainability plans and strategies. The Board of Directors provides guidance to the Committee in developing sustainability plans and strategies across various topics. The Board must also evaluate the likelihood of success of these strategies, irregularly review the progress, and urge the management team to make adjustments when necessary.

3. Professional Qualifications and Experience of Sustainability Committee Members

Identity	Name	Academic Background and Work Experience	Major
Director	Sheng-Hua Peng	Master of Electronics Engineering, National Taiwan University Director of Arcadyan Technology Corporation EVP of Compal Electronics, Inc.	Operation Management, Leadership and Decision-Making, Knowledge of Industry, International Market Perspective, Risk Management, Finance and Accounting
Independent Director	Duh-Kung Tsai	Bachelor of Industrial Engineering Dept., Taipei Institute of Technology Chairman of Powertech Technology Inc. Director of Greatek Electronics Inc.	Operation Management, Leadership and Decision-Making, Knowledge of Industry, International Market Perspective, Risk Management, Finance and Accounting, Investment M&A
Independent Director	Wen-Chung Shen	Bachelor of Electrical Engineering Dept., National Taiwan University Chairman of Hetuo Investment CO., Ltd. Independent Director of Compal Electronics, Inc.	Operation Management, Leadership and Decision-Making, Knowledge of Industry, International Market Perspective, Risk Management, Finance and Accounting
Independent Director	Lee-Chiou Chang	Bachelor of Public Finance Dept., Master of Insurance Dept., NCCU Chairman of Sun Ten Group Chairman of Panion & BF Biotech Inc. Chairman of Ho Tung Chemical Corp.	Operation Management, Leadership and Decision-Making, Knowledge of Industry, International Market Perspective, Risk Management, Finance and Accounting, Investment M&A
Independent Director	Shui-Shu Hung	Bachelor of Medicine Dept., National Taiwan University Chairman of Catcher Technology Co., Ltd.	Operation Management, Leadership and Decision-Making, Knowledge of Industry, International Market Perspective, Risk Management, Investment M&A
Independent Director	Tzu-Ting Huang	Bachelor of Law Dept., National Chung Hsing University Chief Operating Officer, Consultant, Property Rights and Marketing Department Services of Acer Incorporated, Independent Director of Flytech Technology Co., Ltd.	Operation Management, Leadership and Decision-Making, Knowledge of Industry, International Market Perspective, Risk Management, Law

4. Operations

- The company's Sustainability Committee is composed of three (term of the 1st) and six (term of the 2nd) Committee members separately.
- The term of the 1st committee is from March 15, 2022 to May 31, 2024.
- The term of the 2nd committee is from May 31, 2024 to May 30, 2027.
- In 2024, the Sustainability Committee held six meetings and the attendance of Committee members was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Convener	Sheng-Hua Peng	3	0	100%	Took office on May 31, 2024
Committee member	Wen-Chung Shen	6	0	100%	Re-election
Committee member	Duh-Kung Tsai	3	0	100%	Took office on May 31, 2024
Committee member	Lee-Chiou Chang	3	0	100%	Took office on May 31, 2024
Committee member	Shui-Shu Hung	3	0	100%	Took office on May 31, 2024
Committee member	Tzu-Ting Huang	3	0	100%	Took office on May 31, 2024
Convener	Chung-Pin Wong	3	0	100%	Left office on May 31, 2024
Committee member	Duei Tsai	3	0	100%	Left office on May 31, 2024

Note: The actual attendance rate (%) is calculated based on the number of meetings held during the individual's tenure and the actual number of meetings attended.

- Topics of discussion in the Sustainability Committee's meeting:

Meeting Date	Subject Matter	Resolution and Follow-up
5 th Meeting (1 st Term) 2024.3.12	1. The schedule of GHG (Greenhouse Gas) inventory and verification in Compal and its subsidiaries.	With the consent of all attending members present, it was passed without objection, and reported to the Board of Directors.
	2. To approve the Sustainability Report Material Topics for the year 2023	Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present.
	3. To approve the targets and plans of Sustainability for the year 2024.	Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present.
6 th Meeting (1 st Term) 2024.4.16	1. The implementation result for 2023 Sustainability. (Including greenhouse gas inventory, verification, reduction targets, strategies and action plans.)	With the consent of all attending members present, it was passed without objection and reported to the Board of Directors.
7 th Meeting (1 st Term) 2024.5.13	1. To approve the Compal 2023 Sustainability Report.	Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present.
	2. To approve "Environmental Sustainability Policy".	Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present.
	3. To approve "Biodiversity & No Deforestation Policy".	Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present.
1 st Meeting (2 nd Term) 2024.5.31	1. The Election for the Chairman of the 2nd Sustainability Committee.	Sheng-Hua Peng is elected by all members as the Chairman of the Sustainability Committee.

Meeting Date	Subject Matter	Resolution and Follow-up
2 nd Meeting (2 nd Term) 2024.8.13	1. To approve the establishment and amendment of Sustainability Policies.	Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present.
	2. To approve the amendment of the “Sustainability Committee Charter”.	Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present.
	3. To approve appointing the senior manager as Chief Sustainability Officer (CSO).	Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present.
3 rd Meeting (2 nd Term) 2024.11.12	1. The communication methods and results with various stakeholders in 2023.	With the consent of all attending members present, it was passed without objection and reported to the Board of Directors.
	2. Greenhouse gas inventory and verification schedule progress report.	With the consent of all attending members present, it was passed without objection and reported to the Board of Directors.
	3. To approve the plans and strategies of Sustainability for the year 2025.	Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present.
	4. To approve the amendment of the Sustainability Committee Organization Structure.	Upon solicitation of comments by the Chairman, no objection was addressed, and the resolution was adopted unanimously by the Committee Members present.

■ Board of Directors' Supervision of the Sustainability Committee

The Sustainability Committee was established in 2022 under the Board of Directors to provide leadership on sustainability matters. The Committee periodically briefs the Board on its current implementation and resolutions. Therefore, the Board evaluates the likelihood of success for the goals and plans proposed by the Committee while also periodically reviewing the performance and implementation status, urging the management team to make adjustments when necessary. The Committee submits proposals to the Board for approval each year, including the “Sustainability Report Material Topics,” “Sustainability Report,” and “Yearly Sustainability Targets and Plans.” Additionally, the progress of implementing the “IFRS Sustainability Disclosure Standards,” and “Greenhouse Gas Inventory and Verification Progress” will be reported to the board quarterly. “The Communication Status with Stakeholders,” “The Execution Status of Sustainability Targets and Plans” and “The Information Security Governance Execution Status” will also be reported to the board yearly. The progress of the plan for the fourth quarter and the implementation status for the entire year in 2024 are scheduled and reported to the Board on March 20, 2025.

■ The implementation results of 2024 Sustainable Development

Item	Results																
Environmental Sustainability	1. Science-based Targets (SBTs) have been set, and the baseline greenhouse gas (GHG) inventory under the consolidated financial statement boundary has been completed. The base year for Scope 1 and Scope 2 is 2019, with total emissions of 369 KtCO₂e. The targets were validated by the Science-Based Targets Initiative (SBTi) in September 2024. 2. In 2024, greenhouse gas emissions in Scope 1 and 2 decreased by 12.7% compared to the previous year. (For detailed explanations and verified data, please refer to the Sustainability Report.) 3. Greenhouse gas inventory of Compal and consolidated subsidiaries (Scope 1 and 2) counted as 319K tCO₂e for 2021. 4. Became a regular member of RE100 in June 2024. ONE+N net zero program of the Industry Development Administration (IDA): Achieving reduction of 12,879 tCO₂e, ahead of project targets of 10,000 tCO₂e.																
Responsible Manufacture	The short-term goal is to reduce electricity, water and waste intensity by 1% per year. <table><tr><th>Items</th><th>2023</th><th>2024</th><th>Reduction percentage</th></tr><tr><td>Electricity intensity (KWh/million revenue)</td><td>350.3</td><td>311.1</td><td>-11.2%</td></tr><tr><td>Water intensity (Tons/million revenue)</td><td>2.2</td><td>2.1</td><td>-5.2%</td></tr><tr><td>Waste intensity (kg/million revenue)</td><td>8.12</td><td>6.32</td><td>-22.2%</td></tr></table> Note: The 2023 data covers headquarters, R&D, and manufacturing sites in Taiwan, China, Vietnam, and Brazil; the 2024 data covers the full boundary of the standalone financial statements.	Items	2023	2024	Reduction percentage	Electricity intensity (KWh/million revenue)	350.3	311.1	-11.2%	Water intensity (Tons/million revenue)	2.2	2.1	-5.2%	Waste intensity (kg/million revenue)	8.12	6.32	-22.2%
Items	2023	2024	Reduction percentage														
Electricity intensity (KWh/million revenue)	350.3	311.1	-11.2%														
Water intensity (Tons/million revenue)	2.2	2.1	-5.2%														
Waste intensity (kg/million revenue)	8.12	6.32	-22.2%														
Innovation	1. Increased the recovery and recycling rate of plastic tapes/ packaging by 16%. 2. Product Carbon Footprint system development, phase I for supplier upload, went live in November 2024. 3. Product Carbon Footprint (PCF) and Environmental Product Declaration (EPD) Reports were completed and reviewed by IDA. 4. The energy efficiency of 59 products (94%) was 15% better than Energy Star 8.0 or the previous generation. 5. 65 projects (81%) incorporated recycled plastic materials with a recycling rate over 30%. 6. All projects complied 100% with all environmental, EMC (Electromagnetic Compatibility), RF (Radio Frequency), and safety regulations. 7. The proportion of ESG-related patent applications was 14% of total patents. 8. More than 5 projects related to the research, development, and design of reducing carbon emission products or reducing carbon emission-related investment and offset plans. 9. Increased cost savings from innovations in production processes by 53% compared to 2023. 10. Completed product carbon reduction reached 3,786 tCO₂e. (Target: 2,000 tCO₂e)																

Item	Results
Human Resources	1. Global employee satisfaction survey coverage rate reached 69%. 2. Retention rate of key positions: 94% 3. The average training hours per manager was 24.88 hours.
Social Participation	1. In 2024, 3,091 employees participated in various public welfare activities of the COMPAL and HCI Foundation, and donations exceeded NT\$5.7 million, for a total social welfare investment of more than NT\$45 million. 2. Compal received the "Green Transportation Excellence Contribution Award" from Neihs Science Park, the first place in the "Keelung, Taipei, New Taipei, Taoyuan My Carbon Reduction Passbook" for the second and third quarter of 2024, and the "Silver Medal" from the Ministry of Education. In the 5th year, we cooperated with Kaohsiung City Library for "Multi-purpose Promotion and Public Welfare Cooperation", and the second "Compal Happy Reading" area was set up in the Qishan Branch Library in 2024; Compal's "ESG Reading Program" served 34,844 people in Qishan, Liugui, and Meituo communities. 3. In order to support cultural development and the cultivation of local talents, Compal sponsored two performances each of the Xuan-Yin Concert and the W3 Troupe's public service cooperation "Flourishing Star Project". To support the creation and performance of Taiwanese musicians, to provide schoolchildren in remote areas with the opportunity to see physical theater performances. This fun and educational program builds personal risk response skills in the face of climate change. 4. The 4th year of the "Mooncake Donation Project": 1,038 colleagues donated Mid-Autumn Mooncake sets to 4,292 disadvantaged students in New Taipei, Taoyuan, Taichung, Miaoli, Changhua, Pingtung, Hualien, Hsinchu, and Kaohsiung. We continue to cooperate with social enterprises and social welfare organizations to care for disadvantaged children. 5. Compal co-organized the 4th "Taipei Science and Technology Cup Love Earth Charity Road Run" in Taipei Neihs Technology Park. To advocate national sports, improve the physical and mental health of employees in Neihs Tech Park, take care of socially vulnerable people, and build a beautiful, good, and healthy society. 6. Sponsored the "Kangaroo Project" from the Rural Center of Fu Jen University for the 6th year, for the after-school tutoring center and community teacher training program at New Taipei, Taoyuan, Taichung and Miaoli Schools. 7. Promoted SDG 4 (Sustainable Development Goals).4 Quality Education of UN, held in the "Compal Reading Volunteer Project" to promote reading education in rural villages for the 17th year, to serve 24,185 school children and residents. In 2024, a total of 85 tablets and 165 smart wireless lamps were sent to children of disadvantaged families in New Taipei, Pingtung, Taoyuan and Kaohsiung areas so that the environment did not limit their learning and they were able to study. 8. We regularly hold volunteer service activities. In 2024, we had 15 volunteer service activities with 593 participants. We also held three blood donation activities. (314 employees donated 482 bags of blood, a total of 120,550cc). 9. Donated NT\$10 million to Hualien Earthquake Relief in 2024.
Corporate Governance	1. ESG Performance: FTSE ESG, ISS ESG, S&P ESG, Sustainalytics ESG were improved. The 10th TWSE CG evaluation remains the same at 21~35%. 2. The major penalty event by the government: 0. 3. The major violation event or anti-corruption by employees in any country: 0

Item	Results
Risk Management	1. The extent of climate risk impact has been controlled, resulting in a yearly decrease in climate risk, from moderate risk to low risk. 2. Factories and various units cooperated to fill out the risk management questionnaire and integrate the quantitative data. 3. Risk mitigation measures were implemented and risk control has been achieved. (The risk of infectious disease transmission has been reduced from High risk to Medium risk). 4. The various process of overseas expansion sites (Vietnam / Brazil/Mexico) were audited, optimized, and integrated. A local Auditing Office (Vietnam) was established to strengthen the consistency of group operation compliance in order to slow down the rate of increase.
Customer Relationship	Key customer satisfaction: 90.3%
Information Security	1. Completed Information Security Committee management review meetings to ensure the continued applicability, appropriateness and effectiveness of ISMS (Information Security Management System). 2. Privacy and Information security-Availability of critical systems: 99.99%.
Supply Chain Management	1. Consolidation of the sustainable supply chain management process. 90% of suppliers have adopted the management system. 2. Develop a supplier questionnaire management system and a CMRT system (CMRT/EMRT survey completed in Aug. 2024). 3. In 2024, the SAQ will add new questions about suppliers' GHG Inventory, international initiatives, and certification status. The scope of the SAQ will expand to include 80% second-tier suppliers, and new supplier regional locations will be added (Tier 2: 83 suppliers). 4. Establish an annual supplier audit procedure and complete 22 supplier audits (100%). Invite 450 suppliers to join CDP; 246 suppliers submitted reports, which will be disclosed in the 2024 ESG report. 5. Enhanced ESG GO Platform, expanding course offerings from 3 to 39. 6. Invited 9 suppliers for IDA One+N Program carbon reduction KPI video (100%). Until December 2024, carbon reduction is reached 9,092.7 tCO₂e (82.85%) and the total reduction plan is 10,975 tCO₂e. 7. 100% of critical suppliers (176 suppliers including MRO) have signed the Supplier Code of Conduct, which includes a commitment to environmental sustainability 8. Release the first Compal CMRT report. Use the new system to automate notifications to non-compliant smelters and conduct the CMRT/EMRT survey. (Response rate 100%). 9. 100% compliance with hazardous substance regulations for products and customer specifications. 10. The number of halogen-free parts and production process projects reached 81%. 11. Project compliance on Full Material Disclosure (FMD) reached 63%

■ The Targets and Plans of 2025 Sustainable Development

NO.	Targets	Plans
1	Focus on responsible manufacturing and the innovative design of low carbon in green products to reach the goals of circular economy and net zero emissions.	1. Renewable energy in electricity consumption ratio should be 44% 2. Greenhouse gas emissions (Scope 1+2) reduce by 4.48% compared to 2024 3. Complete the establishment of an internal carbon pricing mechanism, and define the governance framework. 4. Continuing to promote carbon reduction in the supply chain and achieving the target of 10,000 tCO₂e (ONE+N net zero program). 5. Adopt recycled plastic material with a recycling rate of >40% in green products. 6. Incorporating three types of recycled materials in green product design. 7. More than 5~10% of all patent applications with ESG-related patents. 8. Optimize the hazardous substances management system to ensure 100% compliance with hazardous substances regulations and customer specifications. 9. Integrate supplier interfaces and optimize questionnaires through the QMS (Question Management System) to complete the investigation and analysis of newly added hazardous substances. 10. Implement the second and third phase evaluations of the product carbon footprint system (including manufacturing, transportation, usage, and disposal) to build the capability of carbon emissions inventory throughout the product lifecycle.
2	Implementing DEI policy and workplace gender equality, strengthening talent development and retention to create a positive work environment and an employee-friendly workplace.	1. Retention rate of key positions: 90% 2. The average training hours per manager is 16.5 hours. 3. Global proportion of female employees: 40%; Proportion of female managers: 32% 4. Global engagement survey coverage rate reaches 100%. 5. Global record of 0 occupational diseases and 0 fire incidents. 6. Taiwan's Frequency-Severity Indicator (FSI) is better than the industry standard published by the public sector. 7. Note: Excluding traffic-related occupational accidents. 8. By 2030, increase 10% of the social investment in comparison with 2020.
3	Continuously strengthening corporate governance quality and risk management. Enhance the sustainable supply chain to improve sustainability evaluation and performance in the long run.	1. Independent Director seats account for 1/3, and one BOD seat for the different genders. 2. Aim for a Top 20% ranking in the TWSE CG Evaluation. 3. Control the number of medium and high risks: High-risk maintains 0 items, Moderate risk reduced to 9 items. 4. The major penalty event by the government: 0 (* Major Definition: >NT\$1Mn) 5. Violation against honest operation or anti-corruption by employees in any country: 0 6. A risk management audit will be conducted every two years in compliance with the ISO 31000 framework and methodology. 7. 100% implement the risk management course in HQ. 8. Sustainable information management is incorporated into the internal control system & included in the annual audit plan. 9. Key customer satisfaction > 90% (Entire customer satisfaction > 75%). 10. 100% customer satisfaction survey overage.

NO.	Targets	Plans
		11. Information Security: Availability of critical system>99.44%. 12. Click-through rate for employee social engineering drills < 5%. 13. No complaints involving violations of information security or personal data protection resulted in judicial action. 14. More than 90% of suppliers have adopted the management system. Control the proportion of high-risk suppliers to remain below 5%. 15. Audit 10% of the total number of suppliers to mitigate supplier sustainability risks. 16. Defined high-carbon emission suppliers and invited them to join CDP.

5. If the Company has established the corporate Sustainable Development principles based on “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe any discrepancy between the principles and their implementation:

■ The Company has revised the “Compal Corporate Sustainable Development Best Practice Principles” based on “Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.” An “ESG Office” has also been introduced specifically for the purpose of promoting Corporate Governance, environmental sustainability, public welfare, and information disclosure. The Company has adopted the principles of RBA by including corporate sustainability in its overall business plan, thereby making sure that everything it does is confirmed by RBA. The Sustainability Committee reports its progress regularly to the Board of Directors, and the ESG Office publishes annual Sustainability reports to ensure proper disclosure of CSR information.

■ The Company continues to follow the recommendations of the Best Practice Principles and has implemented various climate governance and resource management measures, including:

- (1) **Climate Risk Management**
Incorporating climate-related risks and opportunities into the Company’s enterprise risk management (ERM) framework, which is regularly assessed through ERM questionnaires and materiality analysis to inform operational decision-making.
- (2) **Product Resources and Circular Economy**
Developing the capability to evaluate product carbon footprints across the full life cycle, and adopting circular design principles to enhance low-carbon product development and resource efficiency.
- (3) **Carbon Reduction Targets and Performance Tracking**
Establishing science-based carbon reduction targets with a clear tracking and reporting mechanism. Performance is reported annually to the Board of Directors to reinforce top-level oversight.
- (4) **Water Resource Management**
Initiating rainwater harvesting system planning at operational sites located in regions with high water stress to improve water efficiency and reuse rates.
- (5) **Biodiversity Risk Assessment**
Completing preliminary biodiversity impact assessments and integrating findings into site development and environmental planning processes.
- (6) **Supply Chain ESG Promotion**
Establishing an online ESG training platform for suppliers, providing educational resources, and gradually implementing auditing and management mechanisms to strengthen supplier sustainability capabilities.
- (7) **Management System Implementation**
All Company manufacturing sites have obtained ISO 14001 Environmental Management System certification. ISO 50001 Energy Management System implementation is underway based on operational characteristics, aiming to enhance energy efficiency and organizational resilience.

In terms of social participation, the Company focuses on education, care for disadvantaged groups, and sustainability advocacy, with key initiatives tailored to the characteristics of the industry.

6. Other important information to facilitate a better understanding of the Company’s corporate social responsibility practices:

■ **External initiatives and participation**

Compal Electronics has pledged to achieve the net-zero target under the “Business Ambition for 1.5°C” initiative and officially received verification from the Science Based Targets initiative (SBTi) in September 2024, demonstrating its commitment to science-based carbon reduction pathways.

As a responsible global environmental citizen, Compal has actively participated in international and regional sustainability initiatives. Since 2009, the company has responded to CDP's Climate Change questionnaire, and later expanded its disclosure to include Water and Supply Chain modules. In 2015, Compal was first selected for the CDP Climate Disclosure Leadership Index (CDLI), and in 2024 received a CDP overall rating of "B," indicating Management level performance.

In April 2024, Compal also joined "RE100," a global renewable energy initiative led by The Climate Group and CDP, committing to 100% renewable energy usage across the group by 2050. To support this goal, Compal launched its proprietary platform, the "COMPAL CLOUD FOR SUSTAINABILITY," which features multilingual support and AI-powered verification. This platform enables real-time and accurate tracking of carbon emissions and renewable energy data across global sites, enhancing sustainability management and decision-making effectiveness.

■ Energy management system

In view of the most fundamental way to save energy, reduce greenhouse gas emissions, and improve energy productivity, after detailed evaluation, gradual practice, and continuous maintenance, in 2024, there were Taoyuan (PCP), Kunshan (KS3 and CDT), Chengdu (CD) and Chongqing (CQ and CQA), a total of 6 factories have obtained ISO 50001 energy management system certification, and relevant experience has been extended to other factories.

■ Supply chain carbon management

Compal has implemented a series of concrete actions in supply chain management to achieve its net-zero transformation goal. Since 2023, the company has launched the "ONE+N Electronics Supply Chain Net-Zero Acceleration Program," collaborating with 34 supplier partners to promote carbon inventory, energy-saving improvements, and renewable energy adoption. This initiative established a "leading-and-supporting" carbon reduction pathway, achieving a cumulative carbon reduction of 14,761 tCO₂e, exceeding the original target. Compal also provides a carbon data and energy monitoring platform with tailored guidance, incorporating AI and IoT technologies to enhance suppliers' data accuracy and carbon management capability. For suppliers with significant reduction potential, Compal formed a Low-Carbon Industry Coaching Team to conduct on-site diagnostics and provide improvement recommendations, reinforcing practical support.

In addition, Compal developed the "ESG GO Training Platform," an ESG e-learning platform offering comprehensive training resources. Key suppliers are also invited to participate in circular economy workshops to strengthen their sustainability mindset and implementation skills. To bolster international alignment, Compal actively encourages suppliers to join global initiatives such as CDP and SBT, offering educational training and related courses, thereby enhancing the overall resilience and global competitiveness of the supply chain.

■ Formulate human rights protection policies and specific management plans, as well as related policies and their implementation.

Our company adheres to the principle that the employment of staff must be based on the individual's characteristics, abilities, and the degree of compatibility with the job. Decisions on employment are made without discrimination based on race, ethnicity or social origin, social class, ancestry, religion, physical disability, gender, sexual orientation, family responsibilities, marital status, political views, age, or other forms of discrimination. Both the headquarters and all factory locations have established management procedure documents for "Non-Compulsory, Non-Discriminatory, Anti-Harassment Standards." Compal's Taiwan

headquarters and overseas manufacturing centers do not work or provide services under any form of retaliation or threat, nor as a means of debt repayment. The Company also refrains from using involuntary workers and child labor.

A human rights policy has been established, as well as a process for conducting due diligence on human rights. Regular reviews and improvements are conducted to ensure the implementation of human rights protection work is more comprehensive.

The above relevant regulations are disclosed on the official website: "CSR- Inclusive Growth- Human Rights Due Diligence and Health Care" and Sustainability reports.

- Policies for workplace diversity and promotion of gender equity are established, and relevant implementation status is reviewed.

Compal is committed to promoting gender equality and DEI culture. In addition to ensuring that colleagues are treated differently regardless of gender or sexual orientation, Compal is also committed to creating a working environment that respects human rights and is dignified. The headquarters and each factory have formulated management procedure documents for the "Non-Discrimination and Anti-Harassment Policy" and "Human Rights Policy".

Compal Non-Discrimination and Anti-Harassment Policy:

<https://www.compal.com/CSR/Upload/ArticleImages/2023/07/07/2023070715045475.pdf>

Compal's Human Rights Policy:

<https://www.compal.com/CSR/Upload/ArticleImages/2023/07/07/2023070715042022.pdf>

With the promotion of equality in the workplace and the promotion of DEI culture, the proportion of male and female employees at Compal in 2024 is 61.55% and 38.45%. Compared to last year, the proportion of females has decreased slightly by 0.11%.

Compal is committed to creating a diversified workplace, cultivating global talents, and strengthening the human capital of each factory location. The proportion of local supervisors in our factories in China, Brazil, and the United States is as high as 92.14%, 92.86%, and 80.00%. In the Vietnam factory, the proportion of local supervisors has also increased by 6.55% compared to 2023.

- Compal regularly conducts employee satisfaction surveys and discloses the implementation status and improvement plans.

Compal is committed to fostering a positive and healthy career development environment for its employees. Since 2022, the company has conducted an Employee Well-being Survey to better understand employees' physical and psychological experiences at work and enhance workplace well-being.

The survey categorizes questions into four key indicators: "Well-being," "Purpose," "Satisfaction," and "Stress." These indicators are used to analyze employees' overall sense of well-being in the workplace.

In March 2024, the survey results showed an average overall score of 72.92. To further improve employee well-being, the company identifies the three lowest-rated survey items for in-depth analysis and proposes improvement measures. These initiatives are carefully reviewed and tracked to demonstrate the company's commitment to valuing employee feedback and fostering a high-quality, fulfilling workplace.

- Formulate the personal data protection policy and its implementation.

Our company formulates "Compal Group - Policies and Regulations for the Protection of Personal Data and Privacy", stating that employees should abide by and protect various forms of personal data processing procedures, the scope of application, corrective actions, and disciplinary actions. "Compal Group - Policies and Regulations for the Protection of Personal Data and Privacy" applies to all group-wide in Compal. All employees of Compal and personnel of the customers, suppliers, contractors, external consultants and vendors of Compal shall be governed by the Regulations. The "Personal Data Management Team" is

established across functions for the proper protection of privacy rights, and the hotline at +886287978588#14385, or the e-mail at Compal_PIR@compal.com, is set for filing a complaint and reporting. Compal adopts a zero-tolerance policy for privacy protection. In the use of personal information, unless the individual explicitly agrees, Compal will not collect any personal information.

Our company's "Compal Group - Policies and Regulations for the Protection of Personal Data and Privacy" is disclosed on the internal company website and the external official website (Compal ESG website <https://www.compal.com/ESG/ZH/page.aspx?Id=16>).

Compal adheres to the privacy policy and prohibits the secondary use of customer data. It is also prohibited from using personal information for secondary purposes. We have confirmed that there has been no secondary use in actual practice (0%). There was zero secondary use through internal monitoring in 2024. There have been no substantiated complaints about invasion of customer privacy or loss of customer information in the past three years. If any relevant personnel are in breach of duty, Compal will take disciplinary and corrective actions to protect data privacy. Compal continues to raise public awareness about personal data and privacy protection, maintaining the confidentiality of important assets for the company and all stakeholders. Based on the aspects of "Employee Personal Data Protection Education and Dissemination," "Internal Management and Technical Protection," and "Incident Response and Risk Management," the following quantitative data and management indicators related to the personal data protection policy for 2024 are disclosed:

- Employee Personal Data Protection Education and Dissemination
Two personal data and privacy protection disseminations in 2024 (first and third quarters)
- Internal Management and Technical Protection
Personal data management team conducted one personal data review/audit in 2024
Audit Office conducted one personal data security audit in 2024
- Incident Response and Risk Management
No incidents of violation of the Personal Data Protection Act in 2024

- The community's risks and opportunities are assessed, and corresponding measures are adopted. In addition, specific measures and implementation outcomes are reviewed.

Compal responded to the "Keelung, Taipei, Hsinpei, Taoyuan My Carbon Reduction Passbook" Neihu Science Park Green Transportation Action by encouraging employees to commute to work by public transportation to alleviate traffic and save energy and reduce carbon emissions, and won the first place in the "Keelung, Taipei, Hsinpei, Taoyuan My Carbon Reduction Passbook" of the Neihu Science Park for the second quarter and the third quarter of 2024.

Compal has long been concerned about the lives of disadvantaged groups and residents in rural communities, so that they can live a healthy life free from hunger; it promotes digital learning and quality education to improve the educational gap between urban and rural areas, narrow inequality, and eliminate poverty. Compal's headquarters are in Taipei Neihu Science Park. It sponsors and forms the Compal 10K team every year to respond to the Neihu Science Park Charity Road Run, gather the development power of the internal medicine community, promote health promotion and help social groups promote public welfare services.

Compal has a R&D center in Kaohsiung. It has cooperated with the Kaohsiung Municipal Library on the "ESG Rural Reading Charity Cooperation Project" for five consecutive years in 2024. It has sponsored TWD500,000 to help Kaohsiung Panxiang District Library provide community residents with diverse reading and learning

methods and serve community students and residents according to age. In 2024, the second "Compal Xiyue.com" section was set up in the Qishan branch. It will also assist the Liugui, Qishan, and Meinong branches to include: mobile libraries, story theater groups, on-site reading, and AR environmental education games. Use different learning methods to assist students in various communities in their academic learning and build awareness of the initiative to sustainably protect the community environment and the community's cultural heritage. In 2024, Compal's "ESG Rural Reading Charity" served 34,556 people in Liugui, Qishan and Meinong areas.

Compal has set up a factory in Taoyuan for many years, and emphasizes –local development and talent cultivation. Compal has long been concerned about the weaknesses of remote villages and the Taoyuan area. Compal's Taipei headquarters in Neihu District also sponsors TWD 200,000 annually to respond to the Neihu Science Park Charity Road Race, to consolidate the development power of the Neihu community, to promote health promotion and to help social organizations to promote public welfare services.

Compal has long-term cooperation with public welfare groups and employs disadvantaged groups in need.

Since 2019, we have cooperated with Duobao Academy to hire Duobao artistic youths in Taipei. In 2024, we hired five Duobao artistic youths with Asperger syndrome from Duobao Academy to help them learn, encourage them to develop their talents, and gradually make a living on their own.

- Local manpower at the place where the Company's business operation is located is hired, and the manpower ratio is reviewed.

In 2024, the number of employees whose registered address in Taipei was 4,433 accounting for 71.85% of the total employees in Taipei operating area; the number of employees whose registered address in Taoyuan was 1,301, accounting for 88.68% of the total employees in Taoyuan operating area; the number of employees whose registered address Kaohsiung was 22, accounting for 75.86% of the total employees in Kaohsiung operating area.

Compal has established multiple manufacturing bases worldwide as production hubs, and the proportion of local employees was over 90% in 2023. In addition to creating local employment opportunities, the influx of migrant workers brings consumption to the local area, promoting local economic development.

- Corporate environmental education

The company continues to introduce corporate environmental education into employee training and green experience activities. It continues to respond to the "Taiwan Marine Waste Management Action Plan", starting from source reduction, starting from caring for rivers, organizing ecological tours of the Tamsui River Basin, inviting company employees, Supply chain partners and cooperating social welfare groups participated in environmental education and beach cleanup activities, a total of 1 session. Over the past few years, more than 5,000 people have shared the life stories of every corner of the land of Taiwan. The company fully supports the "experiential" environmental education action from top to bottom, and colleagues and family members enthusiastically participate in it from bottom to top; calls on colleagues to trickle down into a river, use the power of consumers to choose safe food, and give customers gifts as New Year's gifts to let demand come. Change the supply and support sustainable agriculture, forestry, fishery and animal husbandry.

Introduce relevant concepts into the company's product design, especially set up courses related to the circular economy, and invite professional lecturers to explain the actions and requirements of international customers in the ESG field so that colleagues can reduce the impact of products on the environment from R&D and manufacturing shock.

■ Supporting green and social enterprises

In recent years, many social enterprises have emerged with the goal of protecting the environment and improving public interest. In support of their efforts, the Company encourages employees to purchase products and services offered by social enterprises in hopes that by redirecting purchasing power, we may be able to muster positive energy to solve society's issues. We invited 7 social enterprises and public welfare groups, including Taiwan DB Art Collective, Yuan care, Doghome Org., A good day, TriBake, Yu-Cheng Social Welfare Foundation, and Kanner Village Social Enterprise, to join the Compal Social & Green Market Event. We encourage employees to know more about social enterprises and give them more support through the event.

In 2024, Compal collaborated with the Wild Bird Society of Taipei Guandu Nature Park, Yu-Cheng Social Welfare Foundation/Jixian Sheltered Workshop, I Can Sheltered Workshop, Hanner Family, Taiwan DB Art Collective, Yuan care, Doghome Org., A good day, TriBake, and employees have donated more than TWD 900,000.

■ Community engagement

- The Company has long been sponsoring the maintenance and management of Zhouzi Park No. 2 in Neihu in order to provide community residents and industrial park workers with a nice place for leisure and recreation activities.
- Compal co-organized the fourth "Taipei Science and Technology Cup Love Earth Charity Road Run" in Taipei Neihu Technology Park.
- Compal has teamed up with the "Kangaroo Project" from the Center of Care Services for Rural Area Education of Fu Jen Catholic University for the sixth year for the after-school tutoring center and community teacher training program at New Taipei, Taoyuan, Taichung, and Miaoli.
- Compal Neihu employees support the "2024 Blood donation activity"; 366 people participated in and donated, totaling 120,500 cc.

■ Social services

- Compal's employees have run the "Compal Volunteer Club" since 2004. Members of this club visit disadvantaged children on the weekends and guide them in reading good books. This program aims to help them develop the habit of reading and the ability to think independently, preparing them for the future. The volunteers have also worked with Hsu Chauing Social Welfare and Charity Foundation to provide extracurricular education for immigrant children. Since 2009, they have been visiting Dingshe Elementary School, Shoushan Elementary School, Jong Jen Elementary School, Wuhan Elementary School, Nan-Shi Primary School, Chung Ping Elementary School, Shuang Long Elementary School, Neihai Elementary School, Nan Sing Elementary School, Hsiang An Elementary School, Tien Hsin Elementary School, Hua Hsun Elementary School, Wu Cyuan Elementary School, San He Elementary School, Chung-Shing Elementary School, Sin-Jie Elementary School, Xin Lu Elementary School, Fu An Elementary School, Dacheng Elementary School, Long-Sing Primary School, San Keng Primary School, Shanghu Primary School, Yisheng Elementary School, Shi-Hai Primary School, Te-Long Elementary School, Sha Keng Elementary School, Da Po Elementary School, Haibin Elementary School in Taoyuan and Guoling Elementary School in Yilan during public holidays to accompany children in their reading activities. As of the end of 2024, the volunteers had assisted 7,969 immigrant children and children from disadvantaged families.
- Compal has been encouraging college volunteer clubs to join the Company's "reading volunteers" initiative and provide study aids to children from low-income families in the neighborhood. By sharing good reading materials

and environmental awareness, the Company hopes to contribute to the learning progress of disadvantaged children.

- To Promote sustainable environmental action in 2024, Compal cooperated with the Wild Bird Society of Taipei Guandu Nature Park , and 119 Compal volunteers carried out Participated in the wetland ecological environment education program, and 59 people participated in the wetland service at Guandu Nature Park.

■ Social welfare

(1) Budget sponsorship

- Donated NT\$10 million to Hualien Earthquake Relief in 2024
- Compal sponsored NT\$3M to the Chinese Culture Association to promote local culture and economy, and to support the development of Taiwan's arts and culture as well as international art exchanges. To continue to enhance and deepen Taiwan's cultural strength, to give new contemporary meaning to diverse traditions, and to demonstrate the thickness of Taiwan's culture.
- For the 5th year, Compal sponsored & cooperated with Kaohsiung City Library. In 2024, the second "Compal Happy Reading" area was set up in the Qishan Branch Library; Compal's "ESG Rural Reading Charity " served 34,844 people in Liugui, Qishan and Meinong communities.
- Initiated by the Hsu Chaung Social Welfare & Charity Foundation, the Dream Realization Project, joined by colleagues from Compal and New Kinpo Group, has already been running for 13 consecutive years. In 2024, 283 Compal colleagues took part in activities to help disadvantaged children continue their studies and develop their natural talents.
- Sponsoring of budgets for college volunteer clubs
In an attempt to encourage college students to participate in volunteer service, the Company has been contributing TWD 600,000 every year since 2004 to sponsor college clubs in reading promotion directed at children, after-school classes, and environmental education in locations that lack resources and for low-income households. In 2024, 22 college clubs applied for sponsorship, 591 student volunteers participated in sponsored volunteer activities, for which the company contributed a sum of TWD796,477 that benefited 3,425 school children and community residents.
- For the second year, Compal sponsored the “ Care and Health Day activities” of Fuzhou University Hospital to take care of vulnerable residents in the community and encourage community elders to develop the habit of regular health check-ups.
- Sponsoring of budgets for the Compal Sunshine Scholarship
The Compal x Sunshine Scholarships has entered its 26th year. It provides "Outstanding Computer Talent Scholarships" and "Computer Excellence Scholarships" for students with burns and facial impairments who have excellent computer skills.
- In addition to charity involvement, the Company also provides strong support to academic and industrial organizations including: Taipei City Friends of the Police Association Neihsu Office, Taoyuan City Volunteer Fire Brigade Fourth Battalion, Taiwan District of Kiwanis International, Taiwan Institute for Sustainable Energy, Taipei Neihsu Science Park Development Association, National Association for the Advancement of Biotechnology and Medical Industry, Inc, Taipei Graduate Institute of Business Administration Foundation, Taoyuan Federation of Enterprises. A sum of TWD 2,710,000 was donated to the above mentioned entities in 2024.

(2) Donation of supplies

- In 2024, a total of 165 smart wireless lamps were sent to children of disadvantaged families in New Taipei,

Pingtung, Taoyuan and Kaohsiung, so that their learning was not limited by the environment.

- Compal employees collected goods for charity: 21 colleagues donated second-hand laptops and stationery to help rebuild the Shan Tou College, which was damaged by Typhoon Kemi.
- Sharing Care with Mooncake Charity Activity: 1,038 colleagues donated Mid-autumn moon cake sets to 4,292 disadvantaged school children in New Taipei, Taoyuan, Taichung, Miaoli, Changhua, Pingtung, Hualien, Hsinchu and Kaohsiung.
- Initiated by the Hsu Chauing Social Welfare & Charity Foundation, the Children's Day Wish Gift Collection, joined by colleagues from Compal and New Kinpo Group, has already stepped into its eighth year. In 2024, 98 Compal colleagues took part in activities to help disadvantaged children from 3 to 13 years old and prepare exclusive gifts for Children's Day.

(3) COMPAL's Christmas Big Brothers and Santa sisters deliver blessings to Yongfu Elementary School.

COMPAL Volunteers visited the Taoyuan City Shangtian Elementary School, Dongshi Elementary School, and Luzhu Elementary School with the Hsu Chauing Social Welfare Charity Foundation to share the festive atmosphere with teachers and students. To express their blessings, they distributed Christmas gifts to 425 students.

- Resources are invested to support domestic cultural development, and the support method and outcome are reviewed.

Following the sponsorship of "The Second Matsu International Art Island" by the Chinese Culture Association in 2023, which will promote cultural development in remote areas.

In 2024, Compal sponsored TWD 3 million from the Chinese Culture Association to support local art and cultural activities and to enhance and deepen Taiwan's cultural strength. It will also strengthen Taiwan's cultural and international exchanges. "Traveling with Hazy Humid Day," a 10-year tour of Taiwan co-organized by the Chinese Culture Association and the Nara Yoshitomo Foundation, traveled to the outlying island of Penghu to meet with local residents and children, and exhibited a number of artworks. The program traveled to the outlying island of Penghu to meet with local residents and children, and exhibited a number of artworks.

Compal sponsored two music performances in Taiwan, "Listening—Taiwan Imagery III" and "Painting · Sound and Shadow II" in 2024. Taiwanese musicians will perform the works of Taiwanese composers. The goal is to hear and recognize "Taiwan" through music, promote the development of local arts and culture, and allow local talents to have room for development. Compal also promotes cultural and artistic activities to foster cultural development.

Compal also sponsors the Art Foundation and Duobao Academy, allowing talented artists to develop their talents and promote the development of art and culture. The Number of Beneficiaries exceeds 20 thousand.

Compal is committed to improving the learning quality and sustainable environmental education of students in rural areas. From 2016 to 2019, it sponsored the large-scale children's drama "Recovering Lost Courage" for charity performances across Taiwan, inviting more than 9,000 disadvantaged school children and it was viewed by their families.

After the epidemic was lifted in 2023, we will cooperate with Taiwan's Shuiyuan Village Theater Company on the charity "Guardian of the Stars Project" and sponsor Taiwan's Shuiyuan Village Theater Company to

perform the children's play "Pandora's Hope" to encourage children to maintain their confidence and ability to face the life risks of global climate change. Let school children in remote communities have the opportunity to watch theater performances in person.

Compal continued to promote the "Star Guardian Program" by sponsoring two live performances in 2024. One performance was held at Taoyuan Dahua Elementary School for 260 students, and the other was held at Changhua Daxing Elementary School for 280 students, allowing students in remote communities to have more exposure to cultural and artistic performances.

In January 2024, Compal held its 2025 Annual Banquet. The event featured an opening performance by Zhao Zhi-Han, a renowned performer in Taiwan honored with the title "Diabolo Supreme", along with his team. The celebration also included live performances by Taiwan's rock legend Wu Bai, popular local band Nine One One, healing-voiced singer Claire Kuo, and powerhouse vocalist Ivy. In June, Compal hosted its 40th Anniversary & Family Day Celebration, inviting Taiwanese rock sensation 831 and Singaporean singer-songwriter Tanya Chua to perform. These events reflect Compal's ongoing support for traditional folk arts and contemporary music culture. In total, both events attracted nearly 21,000 attendees, with performance costs exceeding NTD 8,000,000.

At the end of each year, Compal also organizes art and cultural activities. The 2024 "Autumn with Arts & Inspiration" event featured a special exhibition in collaboration with Aman Guqin Society, an organization dedicated to promoting the ancient guqin instrument and its culture. The exhibition showcased the history of the guqin, the evolution of guqin notation, and traditional craftsmanship. A hands-on experience area was also set up, allowing employees to try playing this cherished instrument of ancient scholars. During the exhibition period, guqin lectures and elegant gatherings were held to provide deeper insights into the aesthetics and cultural significance of this traditional musical art.

■ Safety and health

At a time when financial performance is as important as environmental protection, the Company considers "occupational safety and health" to be an important issue that no business shall neglect. Only by creating a safe work environment are employees able to unleash their full potential, which is a driving force behind the Company's progress. For this reason, the Company not only ensures that every operation is compliant with environmental, safety, and health rules, but also commits to eliminating or reducing safety and health risks to employees, suppliers, contractors, and stakeholders that are caused by production procedures, facilities, and activities. At Compal, we see financial performance, environmental protection, and occupational safety and health as three co-existing and complementary factors of business. The Company created its official environmental safety and quality policies to guide employees toward protection in the workplace and social responsibilities. Furthermore, these policies also provide employees and external stakeholders (such as suppliers, contractors, customers, environmental organizations, government agencies and community residents) with a better understanding of the Company's environmental safety efforts and its resolve to protect and minimize risks to the environment. Ultimately, we hope to direct the attention of our partnered vendors to environmental protection, safety and health, and work together towards accomplishing our goals.

(1) Environmental safety and health policy:

- Set up an environmental, health and safety management unit, led by the top management. We set quantitative goals and prioritize actions every year. In the meantime, continue to implement, promote,

supervise, and improve related plans to ensure the achievement of goals and effective implementation of the system.

- Comply with ISO standard, the relevant laws and commit ourselves to going beyond industry standards.
- Stay abreast of global climate change issues, commit to the use of renewable energy, strive to improve energy efficiency actively, and prevent pollution. In addition, set energy use and waste reduction targets, increase resource productivity, and reduce environmental impact.
- Sharing sustainable expertise and experience with suppliers and value chain partners to exert social influence.
- Employ green design, carefully select suppliers and materials, and provide safe products with low environmental impact.
- Provide a healthy and safe working environment, as well as safe drinking water, sanitation, and hygiene (WASH) facilities, to maintain the physical and mental health of workers.
- Ensure open communication channels to encourage active participation of employees and employee representatives in the consultation, negotiation, and decision-making of company safety and health matters. Through training and advocacy, deepen employees' awareness to continuously improve and enhance environmental, health, and safety performance.

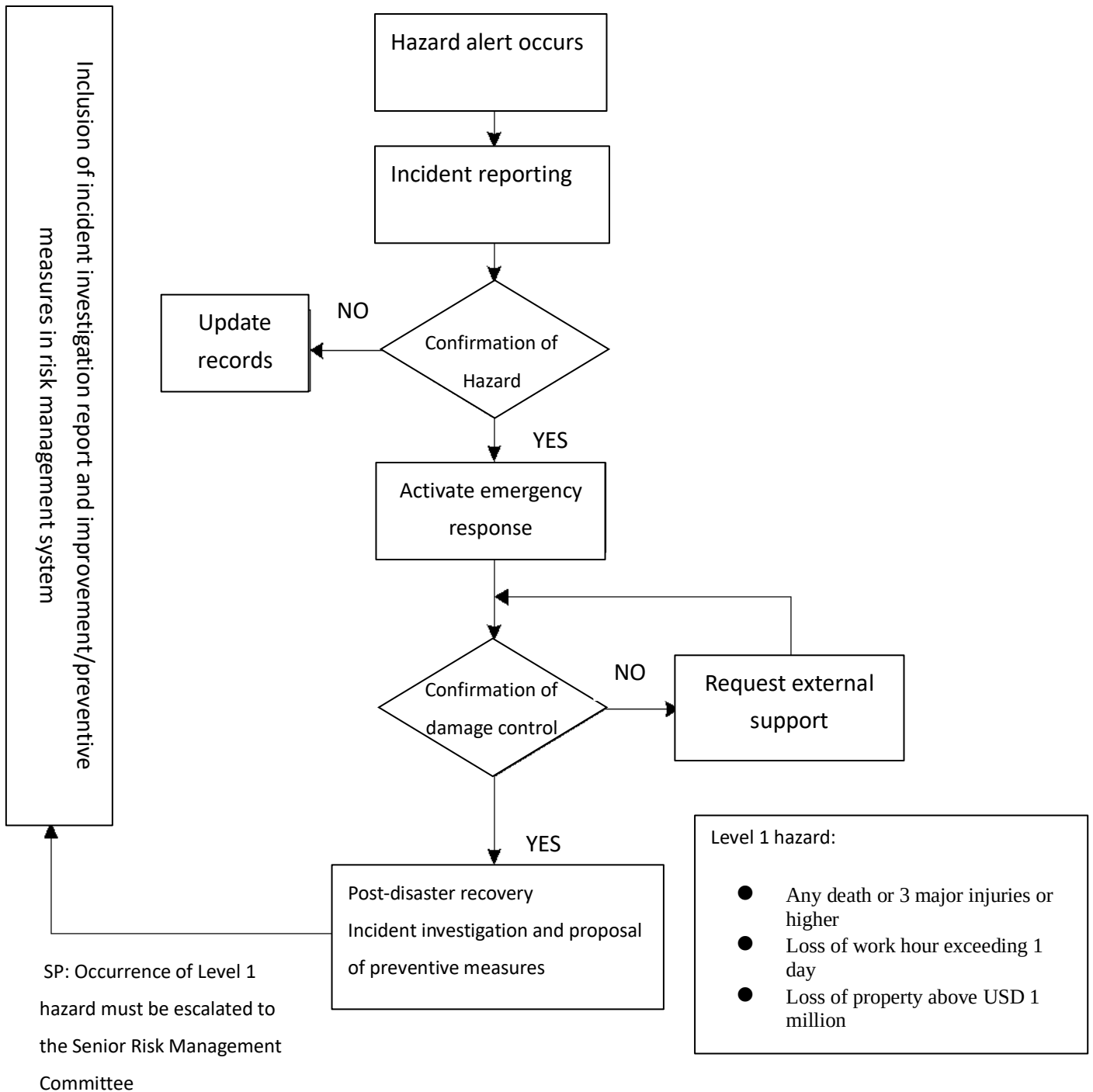
(2) Environmental safety and health systems/measures:

In an attempt to minimize losses on occupational hazards and rectify hidden dangers and recurring safety incidents for more harmonic labor-management relations, the Company subsequently assembled an Environment Safety Promotion Committee that specializes in the development of environment safety plans. Any environment safety-related policies and goals proposed are subject to review during the Environmental Safety Management Review Meeting. Once reviewed, the Committee becomes responsible for supervising work safety units in the implementation of safety and health-related measures, auto inspections, maintenance, and training to eliminate hazardous factors in the environment. In addition, the Committee also supervises relevant departments in completing hazard prevention and loss control systems.

(3) Execution

- Fire safety equipment/facilities plans and execution: Appropriateness and adequacy of fire safety equipment/facilities are reviewed whenever there is a change to the layout of the business premises. Locations of fire safety equipment/facilities and evacuation routes are clearly labeled on each floor. The Company also engages professional and qualified fire safety inspectors to conduct annual fire safety inspections and reports according to law.
- Water/power plans and execution: The Company promotes proper awareness and implements appropriate control on all uses of water and power equipment for more effective conservation of energy and resources. The administrative department is responsible for the day-to-day inspection of power usage, power systems, and water equipment. All inspection findings are detailed in the "Safety and Health Equipment Inspection Log" and any issues discovered are rectified immediately.
- Cleaning, monitoring, and control of industrial waste: Handled by the Factory Affairs Division of various factories and the General Affairs Department of the headquarters. Waste generated by factories can be classified into the following categories:
 - a. Hazardous waste: Sorted according to "Standards for Defining Hazardous Industrial Waste" stipulated by the Environmental Protection Administration (EPA), Executive Yuan, and collected by certified contractors for subsequent treatment.
 - b. Industrial waste: Industrial waste other than hazardous industrial waste is collected and treated by certified contractors.

- Emergency response procedures: These procedures have been established to guide the Company through disruption of production, information, and raw material supply in the occurrence of natural or man-made disasters. Incident resolution procedures:



- (4) Quality Policy (pursuing continuous improvement to meet customer needs): We commit to
- . Implement customer-oriented performance management.
 - . Create competitive advantages in products and services.

2.2.6 Ethical Corporate Management

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
I. Establishment of integrity policies and solutions				
1. Does the Company have an ethical corporate management policy approved by the Board of Directors and clearly state the ethical corporate management policy and practice in its internal regulations and external documents, as well as the commitment of the Board of Directors and senior management to actively implement the corporate management policy?	Yes		The Company has established the “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” and, in addition, clearly outlined the procedures for ethical management and guidelines to conduct in its HR policies, social responsibility policies, the integrity principles and code of conduct for Directors, supervisors, managers, and the general code of conduct. The Company’s “Rules and Procedures for Board of Directors Meetings” contains a conflicting interest clause that requires Directors to disassociate from all discussion and voting on any agenda that poses a conflict of interest between the Company and themselves or the legal entities they represent. The Board of Directors has resolved to adopt the relevant integrity management policies, and the Directors and high-level management have issued a statement of compliance with the integrity management policies, committing to actively implementing integrity management.	No deviations were found
2. Has the Company established an evaluation mechanism for the risk of unethical behavior, regularly analyzed and evaluated the business activities with high unethical behavior risk within the business scope and formulated a plan to prevent unethical behavior accordingly which at least covers the preventive measures for the behavior in paragraph 2, Article 7 of the “Ethical Corporate	Yes		When the Company’s internal audit prepares the next year’s audit plan, unethical behavior was included in the scope of risk assessment. The relevant audits are performed accordingly, and the “Procedures for Ethical Management and Guidelines for Conduct” were adopted to govern the following items: • Prohibition against offering and accepting of improper benefits • Prohibition against lobbying • Prohibition against illegal political donations • Prohibition against improper donations or sponsorships • Prohibition against inappropriate gifts, treatments and illegitimate benefits • Prohibition against unfair competition • Prohibition against leakage of commercial secrets and infringement of intellectual property rights • Prohibition against insider trading and rules of confidentiality Furthermore, the “Information Security Policy” has introduced measures to prevent violation of commercial secrets.	No deviations were found

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
Management Best Practice Principles for TWSE/GTSM Listed Companies”?				
3. Does the Company stipulate the operating procedures, behavior guidelines, and disciplinary and grievance systems in its unethical behavior prevention plan and implement them and regularly review and revise the plan?	Yes		The Company has established the “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” (hereinafter, “Procedures and Behaviors”) as an incentive to insiders and outsiders to report unethical conduct or misconduct. Any insider who makes a false report or a malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance has substance. This Company has appointed a contact person and has established a hotline and mailbox that can be used either through the Intranet of the Company website or the official Company website. Any person involved in unethical conduct will be referred to an authorized department and processed according to the “Procedures for Ethical Management and Guidelines for Conduct.” The Company carries out regular reviews and revises relevant measures every year. Also, we arrange related training on Ethical Corporate Management and announce the request to follow Ethical Corporate Management Best Practice Principles.	No deviations were found
II. Integrity actions				
1. Does the Company evaluate the integrity of all counterparties with which it has business relationships? Are there any integrity clauses in the agreements it signs with business partners?	Yes		The Company requests each of its suppliers to sign the "Letter of Undertaking for Compliance with the RBA Code of Conduct by Vendors" (hereinafter referred to as “RBA Code of Conduct”), according to which suppliers are requested to abide by local laws and regulations on workers, environment, safety, health, management, and moral conduct. It prevents them from corruption and unethical behavior.	No deviations were found
2. Has the Company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once a year) report to the Board of Directors its ethical corporate management policy and plan to prevent unethical behavior as well as its supervision of	Yes		The Company has appointed its Human Resources & Administrative Management Department and the Legal Affairs Office as the competent units responsible for promoting corporate integrity management. They jointly formulate and implement policies, with the Audit Office responsible for supervision and reporting to the Board of Directors once a year. To prevent potential conflicts of interest, the Company has established the “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct.” In addition, the Company has also designed relevant on-line teaching courses on the e-Learning platform, including legal affairs related training on information security, the Personal Information Protection Act, relevant company policies and employees’ code of conduct so as to familiarize all employees with the aforementioned guidelines and thereby facilitate the promotion of honest management.	No deviations were found

Assessment criteria	Actual governance			Deviation and causes of deviation																					
	Yes	No	Summary description																						
the implementation?			Status of Operation and Implementation in 2024: The Company requires suppliers to follow the RBA Code of Conduct, sign the RBA Code of Conduct commitment or complete the RBA Code of Conduct questionnaire. Among 948 suppliers with transaction records, 948 have signed the RBA Code of Conduct commitment or completed the RBA Code of Conduct questionnaire, making for a signing rate of 100%. In addition, 18,490 employees completed 10,983 hours of integrity management related training, including: <table><tr><th>Courses</th><th>Attendances</th><th>Hours</th></tr><tr><td>New Employee Orientation</td><td>429</td><td>843</td></tr><tr><td>On-job Training for New Employees</td><td>520</td><td>2,860</td></tr><tr><td>New Employee Orientation</td><td>16</td><td>96</td></tr><tr><td>Compal ESG (Environmental, Social and Governance) Course</td><td>8,001</td><td>3,361</td></tr><tr><td>Trade Secrets and NDA Training</td><td>136</td><td>68</td></tr><tr><td>Information Security Education and Training</td><td>9,388</td><td>3,755</td></tr></table>	Courses	Attendances	Hours	New Employee Orientation	429	843	On-job Training for New Employees	520	2,860	New Employee Orientation	16	96	Compal ESG (Environmental, Social and Governance) Course	8,001	3,361	Trade Secrets and NDA Training	136	68	Information Security Education and Training	9,388	3,755	
Courses	Attendances	Hours																							
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Compal ESG (Environmental, Social and Governance) Course	8,001	3,361																							
Trade Secrets and NDA Training	136	68																							
Information Security Education and Training	9,388	3,755																							
3. Does the Company have any policy that prevents conflict of interest, and channels that facilitate the reporting of conflicting interests?	Yes		The Company has established the “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” (hereinafter, “Procedures and Behaviors”). A Director, managerial officer or other interested party of the Company attending, or present at a Board of Directors’ meeting shall explain the important contents of his/her/its interest at the Board of Directors' meeting if he/she or the legal entity he/she represents has an interest in the proposals listed in such meeting. In addition, if it is likely to prejudice the Company’s interest, he/she shall not participate in the discussion and voting and shall recuse himself/herself from the discussion and voting and shall not exercise voting rights as a proxy on behalf of other Directors. The Directors shall exercise discipline among themselves and may not support each other in any inappropriate manner. If, in the course of conducting company business, an employee of the Company discovers that a potential conflict of interest exists involving themselves or the legal entity that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest are likely to obtain improper benefit, the matter shall be reported to their immediate supervisor and the responsible unit. The supervisor shall provide the employee with the proper instructions. No employee of the Company may use company resources for commercial activities other than those of this Company, nor may his or her job performance be affected by involvement in	No deviations were found																					

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
			commercial activities other than those of this Company. The Company's Personnel Management Rules and "Employee's Statement of Ethics and Compliance" have introduced rules to identify, supervise, and manage conflicts of interest for business activities that are more prone to dishonest behavior. There are channels in place for Directors, supervisors, managerial officers, stakeholders, and board meeting participants to state their conflicting interests with the Company. To prevent leakage of material inside information, the Company has established "CO10 Insider Trading Prevention Management" as part of its internal control and demanded strict compliance from Directors, supervisors, managers, employees, and any party that gains knowledge of the Company's material non-public information whether because of their identity, job responsibility, or controlling relationships.	
4. Has the Company established an effective accounting system and internal control system for the implementation of ethical corporate management and has the internal audit unit, according to the assessment results of the risk of unethical behavior, drawn up relevant audit plans to check the status of unethical behavior prevention accordingly, or entrusted an independent auditor to carry out the audit?	Yes		The Company has set "Ethical Corporate Management Best Practice Principles" and focuses on creating an effective accounting system and internal control system to avoid high-risk or unethical business activities and the use of external or secret accounts. Self-evaluation is performed on a regular basis to make sure the design and execution of the system is effective. Since 2019, when the Company's internal audit prepared the next year's audit plan, unethical behavior was included in the scope of risk assessment, and relevant audits are performed accordingly.	No deviations were found
5. Does the Company organize internal or external training on a regular basis to maintain business integrity?	Yes		The Company organizes training courses in accordance with "Regulations Governing the Establishment of Internal Control Systems by Public Companies" and the board-approved "Insider Trading Prevention Principles." Insider training prevention courses are organized for vice president-grade employees and above, while general employees take training on ethical behavior on a yearly basis.	No deviations were found
III. Implementation of a whistleblowing system				
1. Does the Company provide	Yes		The Company has mailboxes in place to receive malpractice reports from within or outside the	No deviations were

Assessment criteria	Actual governance			Deviation and causes of deviation
	Yes	No	Summary description	
incentives and means for employees to report malpractice? Does the Company assign dedicated personnel to investigate the reported malpractice?			Company. Once a report has been sent to the mailbox, it will be referred to the appropriate department and personnel, depending on the nature of the underlying issue to handle or conduct related checks.	found
2. Has the Company established standard operating procedures for the investigation of malpractice reports, follow-up measures after investigation, and the relevant confidentiality mechanism?	Yes		The Company has established procedures for reporting matters for filing, assigning, verifying, etc., and requires the responsible person to take relevant actions depending on the investigation's results. The case content and whistleblower information shall be processed confidentially.	No deviations were found
3. Does the Company assure malpractice reporters that they will not be mistreated for making such reports?	Yes		The Company's relevant regulations and Employee Code of Conduct are clearly regulated. They require the responsible unit or person not to disclose the content of the case and the identity of the whistleblower and to take necessary protective actions to ensure that the whistleblower is not treated inappropriately or retaliated against.	No deviations were found
IV Enhanced information disclosure				
1. Has the Company disclosed its integrity principles and progress on its website and MOPS?	Yes		The Company has disclosed corporate governance and business integrity matters and updated the progress of such efforts in its annual reports, Sustainability reports, Investor Relations-Corporate Governance-Major internal policies, and the "Compal ESG—Sustainable Management—Compal's code of Conduct" section of its website.	No deviations were found
V	If the Company has established business integrity policies in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies," please describe its current practices and any deviations from the Best Practice Principles: The Company's "Business Integrity Principles" and "Business Integrity Procedures and Behaviors" have been passed by the Board of Directors and disclosed on the Company's website and MOPS. A specialized unit will be empowered to enforce these policies and ensure employees' compliance.			
VI.	Other information relevant to understanding the Company's business integrity (e.g. reviews of business integrity principles): Courses have been introduced to the e-Learning system so that employees are made aware of the Company's "Business Integrity Principles" and "Business Integrity Procedures and Behaviors."			

2.2.7 Other Important Information Regarding Corporate Governance

Please refer to the Company's website→Compal ESG

<https://www.compal.com/csr/zh/default.aspx>

- Sustainable Management
- Stakeholders
- Supply Chain Management
- Environment
- Inclusive Growth
- Charity
- Download Report

Please refer to the Company's website→ Stakeholder Communication

<https://www.compal.com/stakeholder-communication-area/>

- Employee Overview
- Customer Relations
- Quality Certification
- Supplier Relations
- Investor Relations

2.2.8 Internal Control Systems

1. Statement of the Internal Control System: Please visit the Public Information Observation Station (<https://mops.twse.com.tw>) and click on "Single Company", "Corporate Governance", "Company Rules/Internal Control": and then, click on "Internal Control Statement Announcement" to inquire
2. If an independent auditor is entrusted with reviewing the internal control system, the independent auditor's report: None.

2.2.9 Major Resolutions Made in Shareholders' and Board Meetings

1. Shareholders' meeting

■ Time: 9:00 am, May 31, 2024

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

■ Major Resolutions:

- (1) Ratified the Business Report and Financial Statements for 2023.
- (2) Ratified the Distribution of Earnings for 2023.
- (3) Election of the 15th Term of Directors
 - New Directors are:
Jui-Tsung Chen, Representative of Kinpo Electronics, Inc.: Wei-Chang Chen, Representative of Taiwan Venture Capital Co., Ltd.: Charng-Chyi Ko, Sheng-Chieh Hsu, Chieh-Li Hsu, Representative of Binpal Investment Co., Ltd.: Wu-Chun Hsu, Chung-Pin Wong, Chiung-Chi Hsu, Anthony Peter Bonadero, Sheng-Hua Peng
 - New Independent Directors are:
Duh Kung Tsai, Wen-Chung Shen, Lee-Chiou Chang, Shui-Shu Hung, Tzu-Ting Huang
- (4) Approved the release of non-competition restrictions for Directors

■ Post-meeting Execution:

- (1) The 15th Term of Directors approved by the Ministry of Economic Affairs on July 1, 2024

2. Major Resolutions of Board Meetings

Date	Material resolutions
15 th Meeting (14 th Term) 2024.02.29	1. Approved for senior level management change 2. Approved the proposal for the distribution of compensation to employees and directors for the year 2023 3. Approved the Audited Consolidated Financial Report and Parent Company Only Financial Report for the year 2023 4. Approved the proposal for the Distribution of Earnings for the year 2023 5. Approved the proposal for cash dividends from Earnings for the year 2023 6. Approved the proposal for cash distribution from Capital Surplus 7. Approved the relevant matters regarding the distribution of the year 2023 cash dividends and cash distribution from capital surplus to shareholders 8. Approved fund loan to a 100% owned subsidiary Compal Smart Device India Private Limited 9. Approved fund loan to a 100% owned subsidiary Compalead Eletrônica do Brasil Indústria e Comércio Ltda. 10. Approved providing a Corporate Guarantee Letter for Compal Tecnologia Do Brasil Ltda., a 100% owned subsidiary of the Company, to Quanta Computer Inc. 11. Approved providing a Corporate Guarantee Letter for Compalead Eletrônica do Brasil Indústria e Comércio Ltda., a 100% owned subsidiary of the Company, to Quanta Computer Inc. 12. Approved the issuance of a Letter of Support by the Company to facilitate its subsidiary in obtaining credit facilities from financial institutions 13. Approved the authorization for the Company to obtain credit facilities from financial institutions
16 th Meeting (14 th Term) 2024.03.12	1. Approved the Internal Control System Statement for the year 2023 2. Approved the Risk Management Targets for the year 2024 3. Approved the senior level management change 4. Approved the Business Report for the year 2023 5. Approved the Business Plan for the year 2024 6. Approved the proposal on the election of the 15th term of Directors 7. Approved the convention of the 2024 Annual General Shareholders' Meeting 8. Approved the Sustainability Report Material Topics for the year 2023. 9. Approved the targets and plans of Sustainability for the year 2024 10. Approved obtaining newly issued shares of CGS Technology (Poland) sp. z o.o. (a Polish subsidiary) by participating in the capital injection with cash. 11. Approved a fund loan to 100% owned subsidiary Compal Tecnologia Do Brasil Ltda. 12. Approved the first mid-year employees' bonus for the year 2024
17 th Meeting (14 th Term) 2024.04.16	1. Approved the amendment to the "2024 Annual Audit Plan" 2. Approved the amendment to the "Corporate Governance Best-Practice Principles" 3. Approved the Risk Appetite for the year 2024. 4. Approved the nomination of candidates and their qualification review for the 15th term of directors 5. Approved the release of non-competition restrictions for the managers 6. Approved the release of non-competition restrictions for Directors 7. Approved the evaluation of CPAs' independence and competence in performing financial report audits. 8. Approved the amendment to the "Tax Policy and Management Guidelines" 9. Approved the issuance of a Letter of Support by the Company to facilitate its subsidiary in obtaining credit facilities from financial institutions 10. Approved the authorization for the Company to obtain credit facilities from financial institutions 11. Approved the appointment of Group President of the Kinpo & Compal Group.

Date	Material resolutions
18 th Meeting (14 th Term) 2024.05.13	1. Approved employees' salary adjustment <u>for</u> the year 2024 2. Approved the proposal for the appropriated percentage for the remuneration of employees and Directors for the year 2024 3. Approved the 1Q 2024 Consolidated Financial Review Report 4. Approved 2023 Sustainability Report. 5. Approved the enactment to the "Environmental Sustainability Policy" 6. Approved the enactment to the "Biodiversity & No Deforestation Policy" 7. Approved the release of non-competition restrictions for the managers 8. Approved the issuance of Letter of Support by the Company to facilitate its subsidiary in obtaining credit facilities from financial institutions 9. Approved the authorization for the Company to obtain credit facilities from financial institutions
1 st Meeting (15 th Term) 2024.05.31	1. Approved the appointment of the Group President of the Kinpo & Compal Group 2. Approved the appointment of the President 3. Approved the appointment of the Accounting Officer 4. Approved the appointment of the Financial Officer 5. Approved the appointment of the Internal Audit Officer 6. Approved the appointment of the term 6th Remuneration Committee members 7. Approved the appointment of the term 2nd Sustainability Committee members 8. Approved the appointment of the term 2nd Risk Management Committee members
2 nd Meeting (15 th Term) 2024.08.13	1. Approved the 1H 2024 Consolidated Financial Review Report 2. Approved the senior level management change 3. Approved the Directors' Remuneration for the year 2023 4. Approved 2nd mid-year employees' bonus for the year 2024 5. Approved the remuneration of newly appointed Top Management 6. Approved the amendment of the "Rules and Procedures for Board of Directors Meetings" 7. Approved the amendment of the "Audit Committee Charter" 8. Approved the amendment of the "Sustainability Committee Charter" 9. Approved the enactment and amendment to the related rules regarding Sustainable development policies 10. Approved the appointment of the Chief Sustainability Officer 11. Approved the appointment of the manager of the Kaohsiung Branch 12. Approved a loan to Henghao Technology Co. Ltd. 13. Approved a loan to Unicom Global, Inc. 14. Approved providing a Guarantee and endorsement of a 70% owned subsidiary for Kinpo & Compal Group Assets Development Corporation. 15. Approved providing a Guarantee and endorsement of a 100% owned subsidiary for Compal Ruifang Health Assets Development Corporation. 16. Approved providing a Guarantee and endorsement of a 100% owned subsidiary for CGS Technology (Poland) Sp. z o. o. 17. Approved the issuance of a Letter of Support by the Company to facilitate its subsidiary in obtaining credit facilities from financial institutions 18. Approved the authorization for the Company to obtain credit facilities from financial institutions
3 rd Meeting (15 th Term) 2024.11.12	1. Approved the annual audit plan for year 2025 2. Approved the Risk Management Targets for the year 2025 3. Approved the Risk Appetite for the year 2025. 4. Approved the senior level management change 5. Approved the remuneration of newly appointed Vice Presidents. 6. Approved the compensation of Employees' bonus in cash for year 2023 7. Approved the proposal for the year-end bonus payment for the 2024

Date	Material resolutions
	8. Approved the 3Q 2024 Consolidated Financial Report 9. Approved the enactment of the internal control system for “Sustainability Information Management Operations” 10. Approved the plans and strategies of the Sustainability for the year 2025 11. Approved the amendment of the Sustainability Committee Organization Structure. 12. Approved providing a Corporate Guarantee Letter for COMPAL TECNOLOGIA DO BRASIL LTDA., a 100% owned subsidiary of the Company, to Quanta Computer Inc.. 13. Approved providing a Corporate Guarantee Letter for COMPALEAD ELETRONICA DO BRASIL IND. E COM. LTDA., a 100% owned subsidiary of the Company, to Quanta Computer Inc. 14. Approved a fund loan to 100% owned subsidiary COMPAL EUROPE (POLAND) Sp. z o.o 15. Approved the issuance of a Letter of Support by the Company to facilitate its subsidiary in obtaining credit facilities from financial institutions 16. Approved the authorization for the Company to obtain credit facilities from financial institutions
4th Meeting (15th Term) 2025.02.14	1. Approved the senior level management change 2. Approved the investment in CGS Technology (Poland) sp. z o.o. (a Polish subsidiary) by participating in the capital injection with cash. 3. Approved the indirect participation in cash capital injection by the US subsidiary Compal USA (Indiana), Inc. through a BVI subsidiary Billion Sea Holdings Ltd., which is owned 100% by Compal Electronics, Inc. 4. Approved the issuance of a Letter of Support by the Company to facilitate its subsidiary in obtaining credit facilities from financial institutions 5. Approved the authorization for the Company to obtain credit facilities from financial institutions
5th Meeting (15th Term) 2025.02.27	1. Approved the Internal Control System Statement for the year 2024 2. Approved the proposal for the distribution of compensation to employees and directors for the year 2024 3. Approved the Audited Consolidated Financial Report and Parent Company Only Financial Report for the year 2024 4. Approved the remuneration of newly appointed Vice Presidents. 5. Approved the Business Report for the year 2024 6. Approved the Business Plan for the year 2025 7. Approved the proposal for Distribution of Earnings for the year 2024 8. Approved the relevant matters regarding the distribution of the cash dividends from Earnings for the year 2024 9. Approved the convention of the 2025 Annual General Shareholders’ Meeting 10. Approved a fund loan to 100% owned subsidiary Compal Tecnologia Do Brasil Ltda. 11. Approved the authorization for the Company to obtain credit facilities from financial institutions
6th Meeting (15th Term) 2025.03.20	1. Approved the first mid-year employees’ bonus for the year 2025 2. Approved the enactment of the definition of the “Non-Executive Employees” 3. Approved the amendment of the “Articles of Incorporation” 4. Approved the release of non-competition restrictions for the managers 5. Approved the release of non-competition restrictions for Directors 6. Approved the change of independent auditors 7. Approved CPAs’ independence and competence in performing financial report audits. 8. Approved the Sustainability Report Material Topics for the year 2024. 9. Approved the Short, Medium, and Long-term Sustainability Targets for the year 2025. 10. Approved the amendment of Sustainability Policies. 11. Approved fund loan to 100% owned subsidiary Compalead Eletronica do Brasil Industria e Comercio Ltda

Date	Material resolutions
	12. Approved the issuance of a Letter of Support by the Company to facilitate its subsidiary in obtaining credit facilities from financial institutions 13. Approved the authorization for the Company to obtain credit facilities from financial institutions

2.2.10 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None.

2.3 Certified Public Accountant (CPA) Fee Information

Unit: TWD Thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Remarks
KPMG	Kuo, Kuan Ying	2024.01.01~ 2024.12.31	9,580	4,211	13,791	Note
	Chien, Szu Chuan					

Note: Other non-audit fees: Tax consultation, transfer pricing report, business registration and others.

- (1) Changes in the accounting firm that result in lesser audit fees paid in comparison to the previous year, which should disclose the amount, percentage, and the reasons: None
- (2) Reduction of audit fees by more than 10% compared to the previous year, which should disclose the amount, percentage, and the reasons: None

2.4 Replacement of CPA:

1. About the former CPA

Date of replacement	Approved by the Board of Directors on March 20, 2025		
Reason and explanation for replacement	Due to adjustments in work and duties at KPMG, the CPAs were changed from Kuo, Kuan-Ying and Chien, Szu Chuan to Kuo, Kuan-Ying and Au, Yiu-Kwan starting from 1Q 2025.		
State whether the commissioner or the CPA terminated the service or declined the commission	Party involved Situation		Commissioner
	Voluntarily terminated the commission		Not applicable
	Will no longer accept/continue the commission		Not applicable
Other audit report opinions and causes issued within the last two years other than an unqualified opinion	N.A.		
Did he/she have opinions that differed from those of the publisher?	Yes		Accounting principles or practices
			Disclosure of financial report
			Scope or step of auditing
			Other
	N.A.	V	
	Description		
Other items of disclosure (Contents that should be disclosed as covered in Clauses 1.4-1.7, Section 6, Article 10 of this guideline)	N.A.		

2. About the succeeding CPA

Name of accounting firm	KPMG
Name of CPA	Kuo, Kuan-Ying and Au, Yiu-Kwan
Date commissioned	Approved by the Board of Directors on March 20, 2025
Items of consultation and results on the accounting methods for specific transactions, accounting principles and potential opinions for financial reports prior to commissioning	N.A.
Written opinion from succeeding CPA on items of disagreement with the former CPA	N.A.

3. The Company shall disclose the content of the reply letter from the former CPA. The former CPA's response to matters as described in Item 1 and Item 2-3 of subparagraph 6, Article 10 of the Standards: None.

2.5 If the Chairman, president, and financial or accounting manager of the Company had worked for the accounting firm or related parties thereof in the most recent year, the name, title, and the term of service with the accounting firm or the related party must be disclosed: None.

2.6 For the most recent year and as of the date of publication of the annual report, changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders:

For details on equity changes, please visit the Public Information Observation Station (<https://mops.twse.com.tw>), click on "Single Company", "Equity Change/Securities Issuance", "Equity Transfer Information Inquiry", and then click on "Post-Insider Shareholding Change Report Form" to inquire

2.6.1 Shares Trading with Related Parties:

Name	Reason for transfer	Transaction date	Counterparty	Counterparty's relationship with the Company, Directors, Supervisors, Managers, and shareholders with more than 10% ownership interest	Shares	Transaction price
Kuo-Chuan Chen	Gift	2024.11.01	Chang Hsiu-Chen	Husband and wife	250,000	36.00

2.6.2 Shares Pledged with Related Parties: None

2.7 Relationship among the Top Ten Shareholders

March,31,2025

Unit: Shares

Name	Self Shares held		Shareholdings of spouse and minors		Total shares held in the names of others Shares held		Spouse, relative of second degree or closer, and relationships among top 10 shareholders	
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Name	Relationship
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF。	405,921,000	9.21%	-	-	0	0%	None	None
Yuanta/P-shares Taiwan Dividend Plus ETF	231,345,072	5.25%	-	-	0	0%	None	None
Kinpo Electronics, Inc.	151,628,692	3.44%	-	-	0	0%	None	None
Representative: Sheng-Hsiung Hsu	8,975,401	0.20%	17,107,025	0.39%	0	0%		
New Labor Pension Fund	99,829,908	2.27%	-	-	0	0%	None	None
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	57,061,652	1.29%	-	-	0	0%	None	None
Chunghwa Post Co., Ltd.	52,700,000	1.20%	-	-	0	0%	None	None
Representative: Kwo-Tsai Wang	0	0	0	0	0	0%		
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	52,327,900	1.19%	-	-	0	0%	None	None
JP Morgan Chase Bank Custody ABP Retirement Fund Investment Account	41,057,699	0.93%	-	-	0	0%	None	None
Taiwan Business Bank Co., Ltd.	39,991,000	0.91%	-	-	0	0%	None	None
Representative: Vacancy	-	-	-	-	-	-		
Labor Insurance Fund	37,347,831	0.85%	-	-	0	0%	None	None

2.8 Ownership of Shares in Affiliated Enterprises

December 31, 2024

Unit: Shares; %

Investees (Note)	Invested by the Company		Held by directors, supervisors, managers, and directly/indirectly controlled entities		Aggregate investment	
	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage
Panpal Technology Corp.	500,000,000	100.00	-	-	500,000,000	100.00
Gempal Technology Corp.	90,000,000	100.00	-	-	90,000,000	100.00
Hong Ji Capital Co., Ltd.	100,000,000	100.00	-	-	100,000,000	100.00
Hong Jin Investment Co., Ltd.	29,500,000	100.00	-	-	29,500,000	100.00
HippoScreen Neurotech Corp.	9,550,000	96.00	-	-	9,550,000	96.00
SHENNONA CO., Ltd.	2,000,000	100.00	-	-	2,000,000	100.00
Aco Healthcare Co., Ltd.	330,276,403	71.46	2,250,000	0.49	332,526,403	71.95
ARCE Therapeutics, Inc.	44,540,079	20.29	6,019,987	2.74	50,560,066	23.03
Raypal Biomedical Co., Ltd.	4,646,143	30.00	5,064,999	32.70	9,711,142	62.70
Rayonnant Technology Co., Ltd.	29,500,000	100.00	-	-	29,500,000	100.00
RiPAL Optotronics Co., Ltd.	6,000,000	100.00	-	-	6,000,000	100.00
Unicom Global Inc.	20,000,000	100.00	-	-	20,000,000	100.00
Palcom International Corporation	10,000,000	100.00	-	-	10,000,000	100.00
Henghao Technology Co., Ltd.	29,014,952	100.00	-	-	29,014,952	100.00
Compal Broadband Networks Inc.,	29,060,176	43.15	13,672,854	20.31	42,733,030	63.46
Crownpo Technology Co., Ltd.	3,738,668	33.23	6,140,286	54.58	9,878,954	87.81
Kinpo Group Management Consultant Company	300,000	37.50	300,000	37.50	600,000	75.00
Mactech Co., Ltd.	21,756,192	52.88	274,954	0.67	22,031,146	53.55
General Life Biotechnology Co., Ltd.	15,035,000	50.12	-	-	15,035,000	50.12
Lead-honor Optoelectronic Co., Ltd.	2,772,000	42.00	-	-	2,772,000	42.00
Infinno Technology Corporation	4,648,322	27.72	443,233	2.64	5,091,555	30.36
Allied Circuit Co., Ltd.	10,157,730	19.92	7,022,133	13.77	17,179,863	33.69
Arcadyan Technology Corp.	41,304,504	18.74	34,445,953	15.60	75,750,457	34.34
Avalue Technology Inc.	14,924,070	20.55	380,000	0.52	15,304,070	21.07
River Regeneration and Rejuvenation Biotechnology Co. Ltd.	6,000,000	31.25	10,999,144	57.29	16,999,144	88.54
Core Profit Holdings Ltd.	147,000,000	100.00	-	-	147,000,000	100.00
Flight Global Holding Inc.	89,755,495	100.00	-	-	89,755,495	100.00
Just International Ltd.	48,010,000	100.00	-	-	48,010,000	100.00
High Shine Industrial Corp.	42,700,000	53.58	37,000,000	46.42	79,700,000	100.00
Compal International Holding Co., Ltd.	53,001,000	100.00	-	-	53,001,000	100.00
Big Chance International Co., Ltd.	90,820,000	100.00	-	-	90,820,000	100.00
Compal Rayonnant Holdings Limited	12,500,000	100.00	-	-	12,500,000	100.00
Auscom Engineering Inc.	3,000,000	100.00	-	-	3,000,000	100.00

Investees (Note)	Invested by the Company		Held by directors, supervisors, managers, and directly/indirectly controlled entities		Aggregate investment	
	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage
Compal Europe (Poland) Sp. z o.o.	844,369	100.00	-	-	844,369	100.00
CGS Technology(Poland) Sp. z o.o.	1,611,607	100.00	-	-	1,611,607	100.00
Bizcom Electronics, Inc.	100,000	100.00	-	-	100,000	100.00
Compal Electronics (Holding) Ltd.	1,000	100.00	-	-	1,000	100.00
Compalead Electronics B.V.	6,426,516	100.00	-	-	6,426,516	100.00
Etrade Management Co., Ltd.	46,900,000	65.23	25,000,000	34.77	71,900,000	100.00
Webtek Technology Co., Ltd.	100,000	100.00	-	-	100,000	100.00
Forever Young Technology Inc.	50,000	100.00	-	-	50,000	100.00
Lipo Holding Co., Ltd.	98,000	49.00	102,000	51.00	200,000	100.00
Ascendant Private Equity Investment Ltd.	31,253,125	34.72	38,750,000	43.05	70,003,125	77.77
UniCore BioMedical Co., Ltd.	7,000,000	100.00	-	-	7,000,000	100.00
Shennona Corporation	-	100.00	-	-	-	100.00
Starmems Semiconductor Corp.	6,465,000	38.03	1,630,000	9.59	8,095,000	47.62
Kinpo&Compal Group Assets Development Corporation	402,500,000	70.00	-	-	402,500,000	70.00
Compal Ruifang Health Assets Development Corporation	30,000,000	100.00			30,000,000	100.00
POINDUS SYSTEMS CORP.	11,768,199	56.04	33,000	0.15	11,801,199	56.19
Compal Healthcare & Technology Ltd.	4,000,000	100.00	-	-	4,000,000	100.00
Compal Mexico Electromex, S.A. de C.V.	-	99.9	-	0.1	-	100.00

Note: Investments made by the Company using the Equity Method.

III. Capital Overview

3.1 Capital and Shares

3.1.1 Source of Capital

March 31, 2025

Year	Month	Issuance Price	Authorized capital		Paid-up capital		Remarks		
			Shares	Amount (TWD)	Shares	Amount (TWD)	Source of capital	Paid in properties other than cash	Others
2018	3	10	6,000,000,000	60,000,000,000	4,419,191,625	44,191,916,250	Cancellation of Restricted Employee Shares of \$10,890,000	N.A.	Change of capital approved by the Ministry of Economic Affairs on March 21, 2018
2018	5	10	6,000,000,000	60,000,000,000	4,407,146,625	44,071,466,250	Cancellation of Restricted Employee Shares of \$120,450,000	N.A.	Change of capital approved by the Ministry of Economic Affairs on May 29, 2018

Share Type	Authorized capital			Remarks
	Outstanding shares (public listed)	Unissued shares	Total	
Ordinary shares	4,407,146,625	1,592,853,375	6,000,000,000	Approved to include 100,000,000 shares of employees shares and corporate bonds with warrant in capital.

■ Shelf registration system information: None

3.1.2 List of Major Shareholders

March 31, 2025

Shareholder's name	Shares held	Percentage (%)
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	405,921,000	9.21%
Yuanta/P-shares Taiwan Dividend Plus ETF	231,345,072	5.25%
Kinpo Electronics, Inc.	151,628,692	3.44%
New Labor Pension Fund	99,829,908	2.27%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	57,061,652	1.29%
Chunghwa Post Co., Ltd.	52,700,000	1.20%
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	52,327,900	1.19%
JP Morgan Chase Bank Custody ABP Retirement Fund Investment Account	41,057,699	0.93%
Taiwan Business Bank Co., Ltd.	39,991,000	0.91%
Labor Insurance Fund	37,347,831	0.85%

3.1.3 Dividend Policy and Implementation Status

1. Dividend Policy

When the Company makes a profit during the year, 10% of the annual net income after appropriating income tax expense, offsetting any prior deficit, is to be set aside as legal reserve and a special reserve is set aside or reserved in accordance with the pertinent laws and regulations. The balance of earnings available for distribution is composed of the remainder of the said profit and the retained earnings from previous years. The earnings appropriation, distribution of dividends, and bonuses shall be proposed by the Board of Directors and approved at a Shareholder's Meeting. The rest of the unappropriated earning shall be reserved.

The Company is in a growth period of its life cycle. And as such, for the consideration of future capital needs and to meet cash flow needs of its shareholders, the Company's distribution of cash dividends, after closing and distribution of earnings, shall be no less than 10% of the total cash and stock dividends.

Although a dividend ratio has not been specified in the Company's articles of incorporation, the Company shall not appropriate less than 30% of its income after tax for dividends, after taking into account factors such as the Company's capital needs, the capital budget, long term financial plans, domestic and international competition, and the interests of the shareholders. The board of directors shall propose the distribution of earnings and submit them to the shareholders' meeting for approval.

2. The Board of Directors' resolution on dividend distribution

- The 2024 distribution of earnings of shareholders' dividends in the amount of TWD 6,170,005,275 was approved by the Board of Directors Meeting on February 27, 2025. The aforementioned amount is set to be distributed as an all-cash dividend of TWD 1.4 per share.

- The Board of Directors has approved to set an ex-dividend record date for distribution and record date of cash distribution from capital surplus on April 4, 2025, and cash distribution has been paid out on April 25, 2025.

3. When there is a significant change in the expected dividend policy, it should be stated: None.

3.1.4 Impact on 2024 Business Performance and EPS resulting from Stock Dividend Distribution:

Not Applicable (The Company did not disclose its 2025 annual financial forecast)

3.1.5 Employees' and Directors' Compensation

1. Employees' and directors' compensation policies as stated in the Articles of Incorporation

When the Company makes a profit in a fiscal year, the Company's pre-tax profits in such fiscal year, prior to the deduction of compensation to employees and directors, shall be distributed to employees as compensation in the amount of no less than two percent (2%) thereof and to directors as compensation in an amount of no more than two percent (2%) of such profits. In the event that the Company has accumulated losses, the Company shall reserve an amount to offset the accumulated losses.

The compensation to employees as mentioned above may be distributed in the form of stock or cash and employees entitled to receive said stock/cash may include the employees of the Company's subordinate companies pursuant to the Company Act.

2. Basis for estimating employees' and directors' compensation and stock dividends, and accounting treatments for any discrepancies between the amounts estimated and the amounts paid.

- Compensation to directors and employees, as denoted in the Articles of Incorporations, shall be estimated based on income before tax prior to the subtraction of directors and employee compensation during the current year and multiplied by the ratio as denoted in the Article of Incorporation (shall not be more than 2% or less than 2% of the remainder, respectively.)
- If the compensation approved for distribution to employees is to be in the form of common shares, the number of shares is determined by dividing the amount of the compensation by the closing price of the shares on the day preceding the Board of Directors' meeting.
- If the actual amounts differ from the amounts estimated, the differences are recorded as gains/losses in the subsequent year as a change in accounting estimate.

3. 2024 employee compensation proposal passed by the Board of Directors

- Accrued employee compensation is TWD 1,363,545,333 and Director compensation is TWD 72,722,418.
- If the estimated distribution amount differs from the amounts estimated in accrued expenses, the variance, reason, and resolution should be disclosed: No variance.
- The proposed distribution of employee stock compensation, and the size of such an amount as a

percentage of the sum of the after-tax net income stated in the individual financial reports for the current period and total employee compensation: Not applicable (no employee stock compensation).

4. Actual distribution of 2023 employee and Director compensation:

- Accrued employee compensation is TWD 814,142,600 and Director compensation is TWD 43,051,019.
- The 2023 actual distribution of employee and Director compensation remained as proposed by the Board of Directors.

3.1.6 Company Buyback of Own Shares: None

3.2 Bonds: None

3.2.1 Overseas Corporate Bonds: None

3.2.2 Domestic Corporate Bonds: None

3.2.3 Exchangeable Bonds: None

3.2.4 Blanket declaration of issued corporate bonds: None

3.2.5 Corporate bonds with warrants: None

3.3 Preferred shares: None

3.4 Global Depositary Receipts

1. Issuance

Details		Date of issue:	November 9, 1999	May 21, 2001
Issuance and trading location			Luxembourg	Luxembourg
Total sum issued			USD 122,160,000	USD 174,816,000
Issuance price per unit			USD 15.27	USD 6.07
Number of units issued			8,000,000 units	28,800,000 units
Source of represented securities			Participating shareholder(s): Kinpo Electronics, Inc.	1. Participating shareholder(s): 44,000,000 shares contributed by (1) Kinpo Electronics, Inc. (2) Panpal Technology Corporation (3) Gempal Technology Corporation 2. New cash issue of Compal shares: 1,000,000,000 shares
Quantity of represented securities			40,000,000 ordinary shares of Compal Electronics	144,000,000 ordinary shares of Compal Electronics
GDR holders' rights and obligations			1. Voting rights: According to the terms of the depositary agreement and the laws of the Republic of China, the GDR holder is entitled to the voting rights of shares represented under the Global Depositary Receipts. 2. Rights to dividend distribution, share subscription, and other rights: Unless otherwise specified in the agreement, the GDR holder carries identical rights as do ordinary share holders	
Trustee			N.A.	N.A.
Depositary bank			JPMorgan Chase Bank, N.A.	JPMorgan Chase Bank, N.A.
Custodian			Standard Chartered Bank (Taiwan) Limited	Standard Chartered Bank (Taiwan) Limited
Unredeemed balance			904,622 units (March 31, 2025)	
Allocation of expenses incurred at issuance and over the duration			Borne by participating shareholder(s)	Allocated proportionally between the Company and participating shareholders
Key terms of the depositary and custodian agreements			See descriptions below	
Per Unit Market Price	2024	High	USD \$ 6.4	
		Low	USD \$ 4.5	
		Average	USD \$ 5.56	
	Year-to-date (March 31, 2025)	High	USD \$ 6.05	
		Low	USD \$ 4.8	
		Average	USD \$ 5.65	

2. Key terms of the depositary and custodian agreement

(1) Key terms of the depositary agreement

■ Depositary receipts

Each depositary receipt represents 5 ordinary shares of Compal Electronics, Inc.

■ Transferability /Settlement

Application will be made to the Depositary Trust Company ("DTC"), Euroclear and Clearstream for acceptance of the GDRs for their respective settlement in their book-entry settlement systems. Transfers of the GDRs will be permitted only within DTC, Euroclear and Clearstream in accordance with their usual rules and operating procedures.

■ Deposit and Cancellation of Compal's Shares

After the initial offerings and deposit of the GDRs and subject to the applicable laws and regulations, the Deposit Agreement and the Custody Agreement, and payment of relevant fees, GDR Holders will be entitled to withdraw and take delivery of the underlying shares represented by such GDRs. GDR Holders may also request the Depositary to sell the underlying shares on their behalf. Upon receipt of any proceeds from any such sale, the Depositary shall convert or cause to be converted any such proceeds into US dollar and distribute any such proceeds after deduction or payment of any fees, expenses, and taxes incurred in connection with such sale, as provided in the Deposit Agreement to the GDR Holders.

Investors may deposit the underlying shares for issuance of additional GDRs in respect of such shares in accordance with the relevant R.O.C laws and regulations as well as the relevant provisions of the Deposit Agreement and Custody Agreement.

The GDRs are listed on the Luxembourg Stock Exchange.

■ Dividends and other Distribution

The Depositary shall convert all cash dividends received by it in connection with the underlying shares into US dollars in accordance with relevant R.O.C laws and regulations and distribute the resulting US dollars to the GDR Holders in proportion to the number of GDRs representing the underlying shares held by each of them, after deduction or upon payment of the fees and expenses of the Depositary and relevant taxes.

The Deposit Agreement will contain arrangements for dealing with the amount required to be withheld according to the applicable R.O.C laws and regulations on account taxes or other governmental charges payable in respect of dividends and distributions, whether in cash or stock.

If a distribution is made by the Company in the form of stock dividends (including stock dividends distributed from retained earnings or capital reserves), to the extent permitted by R.O.C laws, the Depositary will, subject to the terms of the Deposit Agreement, adjust the number of shares represented by the Master GDRs and cause DTC, Euroclear and Clearstream to distribute to the GDR Holders, in proportion to their holdings, additional GDRs. If such a distribution cannot be made in accordance with the provisions of the Deposit Agreement, the Depositary will sell the shares so received and distribute the proceeds, after deduction or upon payment of the fees and expenses of the Depositary and relevant taxes, to the GDR Holders. Sales of the stock dividends, if any, should be handled in accordance with the Deposit Agreement and R.O.C laws.

■ Taxes

- The dividends (cash or stock) distributed by the Company will be subject to the prevailing rate of withholding tax.
- GDR Holders wishing to cancel GDRs and who instruct the Depositary to sell the underlying shares in the Taiwan Stock Exchange will be subject to the Securities Transaction Tax at the prevailing rate.
- Currently, there is no capital gains tax on the sale of shares. The rates and reimposition of the capital gains tax on the sale of the shares are subject to changes to the applicable R.O.C laws

(2) Key terms of the custody agreement

■ Deposit of the Underlying shares for the Issuance of GDR(s):

The underlying shares issued by Compal when presented to the Custodian for deposit as the basis for issuance

of GDR(s), must be accompanied by the documents requested by the Custodian.

■ **Notification of Depositary to Issue GDR(s):**

The Custodian, upon receipt of Compal's issued underlying shares, shall notify the Depositary immediately of the deposit of the underlying shares for issuance of GDR(s). Upon receipt of such notification, the Depositary shall issue and deliver the GDR(s) representing the underlying shares to the beneficial owners, to the extent permitted by applicable laws.

■ **Release of Underlying Shares Upon Cancellation of GDR(s):**

The Depositary shall immediately notify the Custodian of the surrender of GDR for cancellation against release and delivery of the underlying shares to the person designated by the Depositary, or, at the request of GDR Holders, dispose of the shares in the market and cause the proceeds to be made available to the Depositary to be distributed to the GDR Holders. The Custodian may require and collect payment from the person designated by the Depositary a sum sufficient to reimburse it for any taxes or other charges levied.

■ **Share Reconciliation as of the Record Date**

The Custodian shall advise the Depositary as of the close of business on each Record Date of the total number of the Company's underlying shares deposited with the Custodian.

3.5 Employee Warrants: None

3.6 Subscription of New Shares by Employees and Restricted Shares: None

3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions: None

3.8 Financing Plans and Implementation:

1. Execution of the previous issue or private placement of securities that have not been completed: None
2. The latest three-year issuance or private placement of securities has been completed and the project benefits have not yet been revealed: None

IV. Operational Highlights

4.1 Business Activities

4.1.1 Business Scope

1. Main areas of business and revenue contribution

■ Main areas of business operations

The development, design, manufacture, and sales of Notebooks, Gaming notebooks, 2-in-1 Notebooks, AIO, 5G Module, 5G User Equipment, 5G Small Cell, 5G O-RAN, Private Network solution, Tablets, Smartphones, Smart Wearable Devices, Smart Hearable Devices, Smart Display Products, AR/VR Smart Devices, Smart Home Devices, Smart Medical and Healthcare, Smart Medical Imaging and Medical AI System, IoT Vertical Solutions, Smart Medical and Healthcare, Automotive Electronics, and Servers.

■ 2024 Revenue contribution

Major Divisions	(%) of Total Sales
5C electronics	99.6%
Other products	0.4%
Total	100%

2. Current and future product development

■ Notebooks

In 2024, Compal leverages its strong R&D and market insights to launch next-generation laptops powered by Intel, AMD, and Qualcomm's latest processors. With expertise in system integration and manufacturing, we help customers quickly adopt new AI PCs, addressing key demands for AI computing, personalization, and security. Our portfolio spans entry-level to high-end models, ensuring competitiveness across all segments.

Despite global economic uncertainties, inflation, and geopolitical tensions, the PC market presents both challenges and opportunities. Enterprise demand remains strong, driven by digital transformation and the Windows 10 EOS upgrade cycle. Meanwhile, the AI PC ecosystem is creating new growth in high-performance laptops. Consumer recovery varies by region, but Generative AI (GenAI) is accelerating device upgrades, positioning laptops as a key AI platform. Brands are expanding AI PC offerings across all price tiers to meet diverse market needs.

In 2025, Compal will enhance AI PC development by integrating advanced AI computing and intelligent resource management, improving performance and user experience. We will also adapt global production strategies to mitigate supply chain risks. Through R&D investment, deeper partnerships, and optimized manufacturing, Compal will drive innovation, ensuring customers stay competitive in the AI era.

■ Gaming Notebooks

The gaming market continues to expand, and Compal is actively engaged in the development of gaming

notebooks, collaborating with clients to bring them to market. With the continuous evolution of gaming, consumers' demand for high-performance, immersive gaming experiences in gaming notebooks is increasing, and they are expecting outstanding performance in various scenarios. Our products feature diverse designs and cutting-edge technology, including the latest processors, graphics chips, patented innovations, and advanced cooling solutions, ensuring the best gaming experience. As we enter the AI era, the latest generation of processors and graphics card technology seamlessly integrates AI into gaming laptops. Through AI-driven computations, gaming performance, visuals, and smoothness are optimized, delivering a more immersive and intelligent ultimate gaming experience for players.

■ 2-in-1 Notebooks

2-in-1 laptops, with their multi-modal application capabilities, not only offer traditional laptop functions through Windows 11 but also feature touchscreen operation and high mobility like a tablet, making them an attractive choice for consumers seeking versatile applications. Leveraging its extensive R&D expertise, Compal has introduced various innovative concepts, integrating exclusive technologies, eco-friendly materials, and advanced thermal solutions into 2-in-1 laptops of different designs and sizes. This has created new market demand and garnered widespread acclaim from both customers and consumers.

■ All-in-one (AIO)

The AIO has been on the market for years. It is an elegant design that combines a screen and computer with a truly special thin shape. The product has replaced the desktop in many households and corporations. Compal, in its design, not only utilizes a unique rotating hinge that allows for adjustable screen angles but also adds AI features and wireless charging for smartphones. It also uses sustainable, environmentally friendly materials to provide the best writing experience. Because Compal has the fundamental technical capabilities required for notebook PCs as featured in the AIOs, it can also commence production in a very short time.

■ 5G Module, 5G User Equipment, 5G Small Cell, 5G O-RAN and Private Network solution

5G Communications and related applications are a consistent development trend for global operators. 5G offers three main usage scenarios, including enhanced Mobile Broadband (eMBB), massive Machine-Type Communications (mMTC), and Ultra-Reliable and Low-Latency Communications (URLCC). These usage scenarios can provide support for various industries and emerging application services.

Compal adheres to its long-term technical advantages in the communication field, provides 5G communication devices and networking equipment, and offers a highly end-to-end integrated 5G networking infrastructure solution (the so-called non-public network or private network).

The 5G universal integrated module complies with 3GPP Release R15/R16/R17 specification, is backward compatible with 4G LTE / 3G WCDMA, supports high-speed LTE Cat20, and supports both 5G NSA & SA networking modes. Modules with multi-band support include WCDMA/ TDD-LTE/ FDD-LTE, 5G FR1 (Sub-6GHz) & 5G FR2 millimeter waves etc. Modules are also built with GPS / GNSS global positioning system, eSim, and other functions, all of which need foundational technology of the coming 5G user equipment and AIOT

applications & devices.

3GPP Release 17 (B5G) and the coming new versions utilize satellite communication technology to expand the coverage of 5G networks, thereby achieving a global wireless communication network. This development also opens up entirely new markets for communication products and services. As the direction of future development evolves, the diversification and high reliability of communication technologies will become crucial priorities in the field of telecommunications, necessitating a close integration with Ka/Ku high-frequency band technologies and B5G communication protocols.

Building upon years of accumulated expertise in communication technologies and collaborative development experience with partners, Compal has recently intensified its focus on the development of communication network equipment. Driven by the advancement of 5G open network architecture, the company has actively forged strategic alliances with both domestic and international partners. Product development encompasses 5G Integrated Small Cells, ORU (O-RAN Radio Unit), and 5G AI Network Management, among others, aiming to construct an open, intelligent, efficient, energy-saving, and sustainable network ecosystem. This ecosystem is designed to support diversified future application demands and provide enterprise private network and public network solutions.

The applications of 5G devices, network equipment, and 5G Enterprise private and Public network solutions are projected to expand across a broad spectrum of sectors and industries, including entertainment, culture, tourism, finance, healthcare, transportation, education, manufacturing, agriculture, government services, and public utilities, etc.

■ Tablets

Compal has cultivated the consumer tablet and e-Reader market for years, earning recognition from leading global brand customers through its abundant manufacturing achievements, professional technical experience, and reliable product quality. Facing the slowdown trend of the global tablet and e-Reader market in recent years, Compal is initiating breakthroughs in technologies, product features, and cost management, aiming to explore new applications of the tablet market to engage more business opportunities and raise profits.

■ Smartphones

Compal has accumulated over 15 years of experience in the design, development, and manufacturing of smartphones, earning the trust and recognition of leading industry brand clients. In recent years, the company has focused on smartphone OEM services, emphasizing the continuous enhancement of factory automation for assembly and testing equipment. This approach improves production efficiency, enhances product quality, and boosts manufacturing capacity. Additionally, Compal aligns with clients' market strategies to develop new applications, such as AI-powered smartphones, aiming to drive sales growth trends.

■ Smart Wearable Devices

Based on its design engineering capabilities and manufacturing experience, Compal has achieved a considerable market share in the Google Wear OS-based smartwatch market. With upcoming new features and in addition

to the development of more compact and energy-efficient smartwatches, we are also devoted to expanding our wearable product lines to satisfy various requirements from our customers.

■ Smart Hearable Devices

According to data from the World Health Organization, approximately 466 million people worldwide suffer from hearing loss, including about 34 million children. With the aging population and increasing noise pollution, this number is expected to continue rising. Leveraging wireless Bluetooth technology, Compal is continuously developing hearing-related Bluetooth earphone technologies, including spatial broadcasting, extended usage time, wearing comfort, and adaptive noise cancellation and transparency modes using AI to automatically detect different environments, making hearing aids more convenient and comfortable to use. Based on the latest Bluetooth standards, Compal is developing low-latency integrated systems for Bluetooth earphones through LE Audio and introducing the latest Auracast technology to provide a more flexible and efficient audio transmission experience. Compal will continue to advance the latest technologies in wireless Bluetooth earphones, wireless Bluetooth hearing aids, and wireless Bluetooth assistive listening devices, offering more convenient and accessible aids for hearing-impaired users, thereby improving their quality of life.

■ Smart Display Products

Consumers have become very accustomed to using smart TVs to watch streaming media. As consumer demands evolve, Compal leverages its accumulated technical advantages, customer needs, and strategic partner collaborations to plan the mass production and launch of a new smart streaming platform model that will hold the number one market share in the U.S. in 2025. In the future, Compal will continue to optimize image quality design, incorporate generative AI (GAI) applications in design, and integrate technologies such as large-size touch screens, ultra-high brightness backlights, and transparent OLED panels. In addition to the consumer market, Compal will also explore new business opportunities in the commercial, GAI educational, and specific application markets.

■ AR/VR Smart Devices

AI/AR glasses are attracting global market attention in 2025, with shipment volumes expected to grow rapidly by 2030. Compal integrates computing, display technology, and smart wearable device design capabilities with manufacturing experience, and has established a deep collaboration with international chip giant Qualcomm. Their AR/VR solutions have been adopted by numerous clients in various vertical markets. Moving forward, Compal will continue to focus on display technology, developing solutions that combine Micro LED/LCoS with waveguide technology to meet the size and design requirements similar to regular glasses. Recognizing the importance of photography features for AI glasses users and industry players, Compal leverages its experience in smartphones to develop smaller-sized cameras that can produce high-quality photos through software correction, providing users with a superior experience. For vertical market clients, Compal will continue to optimize systems and pursue lightweight development, integrating 5G communication hardware and software solutions to meet the demand for 5G+AR/VR smart solutions.

■ Smart Home Devices

In recent years, with the development of the Internet of Things (IoT) and Artificial Intelligence (AI), smart home devices equipped with intelligent voice assistants have become the control centers of smart homes. Leveraging its existing capabilities in the production and design of smart mobile devices, Compal has applied these skills to the development of smart speakers, smart displays, and smart cameras, earning recognition from clients. Moving forward, Compal will continue to integrate AI, focusing on large language models to enhance the performance of intelligent voice assistants, and will adopt the Matter standard to improve user experience. The company also plans to expand the depth and breadth of its product offerings, using Matter as the foundation for the development of smart home products.

■ Smart Medical and Healthcare

The aging population, the flourishing healthcare industry, and the rise of sports fashion, especially the popular and convenient smart devices, have all contributed to smart healthcare becoming a focus of attention. It has also become a major matter of cross-industry cooperation. Compal has responded to market demand and the rapid advent of the IoT era through active engagement in the healthcare market. The Company has reached out to major hospitals and point of care (POC) centers, such as those engaged in long-term care, using our strengths in integration and extensive experience in product development. The designs, which include science, technology, and humanity, help caregivers to provide higher quality services and also give hope of a better quality of life and personal dignity to those who need healthcare.

■ Smart Medical Imaging and Medical AI System

Seeing the increasing demand for AI-based image information infrastructure in the market, in the international medical market sector, small hospitals, clinics, or telemedicine stations have a growing need to replace traditional film reading systems. Compal is actively entering the smart medical image system field, including PACS (Picture archiving and communication system) or Smart Operating Room imaging systems, hoping to enhance AI infrastructure for hospitals or medical-related diagnostic fields.

We are also developing artificial intelligence-assisted evaluation systems, such as the CAG AI Lesion Computer-Aided Detection System and AI Weaning Evaluation System for Mechanical Ventilation, to help solve clinical physicians' pain points and improve the quality of medical services. The SaMD products have been registered by the Food and Drug Administration of the Ministry of Health and Welfare in Taiwan.

■ Auto electronics (AE)

The Company's Auto Electronics Parts (AEP) Business Unit is currently engaged in providing products such as Telematics, in-vehicle infotainment, and Advanced Driver Assistance Systems (ADAS). It deals with customers that are primarily international Tier-1 car suppliers and leading car manufacturers.

■ Servers

The cloud application market is experiencing transformative growth, with significant data storage and computing analytics migration to cloud-based server infrastructures. Recognizing this critical market evolution, Compal is adopting a proactive, customer-centric approach to research and development and market engagement. The company is intensifying its investment in R&D for high-density computing power and precision performance management, while simultaneously establishing more direct customer interactions to deeply understand evolving technological pain points and market needs. This strategic approach goes beyond traditional server design, focusing on developing comprehensive solutions that directly address clients' specific computational challenges. By engaging more closely with enterprises and data centers, Compal aims to not only design and manufacture servers with superior cost-performance value but also to become a collaborative partner in solving complex infrastructure challenges, thereby differentiating itself in an increasingly competitive market landscape.

In response to the transformative technological landscape, Compal is strategically expanding its data center infrastructure capabilities, with a focused emphasis on the rapidly growing AI ecosystem. While the cloud service provider market presents fierce competition, Compal can leverage its robust OEM/ODM foundation to create a distinctive market entry strategy. Recognizing the exponential growth in computational demands, Compal is proactively diversifying its infrastructure production to address complex workloads across general computing, high-performance computing (HPC), storage, and AI technologies. The company's deep expertise in hardware manufacturing provides a competitive advantage in developing versatile infrastructure solutions that span enterprise computing, scientific research, and cutting-edge AI applications. By leveraging its manufacturing strengths and technological innovation, Compal aims to capitalize on market opportunities—with AI serving as the primary growth catalyst—and establish itself as a pivotal emerging supplier in the evolving computational infrastructure landscape.

4.1.2 Industry Overview

1. Current and future industry prospects

■ Notebooks

In 2024, global notebook shipments rebounded to 190 million units, up 3.1%, driven by enterprise replacements. The end of Windows 10 support accelerated corporate upgrades, sustaining commercial demand growth. By 2025, as Windows 10 support ends, businesses will prioritize IT budgets for device upgrades to ensure security and stability. Brands will enhance AI computing and enterprise management features to strengthen competitiveness. Consumer demand will rise with AI adoption. Advances in generative and on-device AI improve smart assistants, voice recognition, and image processing, driving upgrades. US tariff policy shifts may impact supply chains and costs, influencing pricing and brand strategies. With a diversified manufacturing footprint and strong supply chain network, Compal will work closely with partners to navigate these challenges. AI-driven innovations and commercial replacements will continue driving stable notebook

market growth in 2025.

■ Gaming Notebooks

In 2024, the global gaming market continued to grow, with game OEMs experiencing steady revenue increases and a rising number of players driving the expansion of the esports industry. Additionally, the growing popularity of competitive gaming further boosted demand for high-performance gaming PCs, prompting gaming laptop OEMs to actively expand their market presence. However, global economic instability and the anticipated launch of next-generation discrete graphics cards the following year made consumers more cautious in their purchasing decisions. Despite these challenges, the overall shipment volume of gaming laptops in 2024 still saw modest growth, reaching 25 million units, slightly outpacing the growth rate of the overall laptop market. Looking ahead to 2025, NVIDIA is set to launch its next-generation discrete GPUs, several highly anticipated AAA titles will be released, and AI-driven innovations in gaming are expected to enhance product appeal. These factors are projected to further drive the growth of the gaming laptop market.

■ 2-in-1 Notebooks

Over the years, 2-in-1 laptops have not only maintained strong price competitiveness but have also evolved to cater to various market segments with different usage modes. Additionally, the acceleration of digital transformation post-pandemic, along with the growing demand for digital content—such as streaming services, online gaming, e-books, multimedia applications, and business services—has further driven the market demand for 2-in-1 laptops. According to IDC, global 2-in-1 laptop shipments reached approximately 92 million units in 2024. Looking ahead to 2025, major manufacturers are expected to continue offering cost-effective products while integrating AI with 2-in-1 laptops, which will be a key market trend. This integration will enhance intelligent and personalized user experiences, further driving market growth.

■ All-in-one (AIO)

The AIO market is currently dominated by HP, Lenovo, Apple, and Dell. Those top brands account for more than 80% of the market share. Brand manufacturers add AI capabilities to optimize video and audio quality. In addition to meeting the differences in usage requirements derived from different scenarios, brand manufacturers are also striving to innovate in product specifications and designs. AIO shipments will remain stable in 2025, around 9 million units.

■ 5G Module, 5G User Equipment, 5G Small Cell, 5G O-RAN and Private Network solution

According to the Ericsson Mobility Report, the global number of mobile network subscriptions is projected to reach approximately 8.3 billion in 2024, with 5G subscriptions accounting for a quarter of the total. This growth trajectory is expected to continue throughout the forecast period, with 5G subscriptions anticipated to surpass 4G for the first time by 2027, becoming the dominant mobile access technology. GSA statistics indicate that, as of early 2025, 333 telecom operators have commercially launched 5G network services in over 122 countries. Globally, 156 operators are investing in 5G Standalone (SA) technology, spanning from evaluation to full

deployment. Among these, 70 operators have officially launched or soft-launched 5G SA services in public networks, as reported by GSA. As of February 2025, over 2,804 5G terminal devices have been released globally, encompassing smartphones, MiFi devices, 5G notebooks, customer premises equipment (CPE), tablets, televisions, in-vehicle devices, and robotics, among others. Notably, numerous products incorporating Compal's 5G solutions are already available in the market. The company will continue to expand its partnerships across diverse 5G application domains, developing a wider range of 5G terminal products.

Market research reports indicate that the global 5G small cell market is projected to reach USD 18.8 billion by 2027, reflecting the accelerating deployment of 5G infrastructure. The global enterprise private network RAN equipment market is expected to grow to USD 4.2 billion. The global 5G RAN market is forecasted to reach USD 100 billion by 2027. Compal's new products, 5G small cells and 5G O-RAN private networks and vertical solutions enhance network speeds and bring breakthroughs in enterprise private networks, smart city and smart factory applications. It is expected that small cells and private network solutions will improve 5G coverage and vertical applications.

■ Tablets

The demand for tablet devices continues to decline in 2024 due to slowing global economic growth, uncertain global geopolitical risk, and the ongoing market erosion by large-screen smartphones. According to IDC data, global tablet shipments in 2024 rebounded from the bottom of 2023, but overall market scale remained to shrink. Lacking new features, even the leading brand Apple couldn't avoid market share decline, even with a slight rebound in shipments.

Competition in the tablet market is becoming even fiercer in the future with the entry of smartphone manufacturers such as Huawei, Xiaomi, Honor, vivo, and OPPO. By leveraging existing technology and experience in the smartphone domain, these manufacturers will bring more innovation and competition to the tablet market, driving technological advancements and price competition.

However, there is still demand for mid/high-end tablets aimed at [business and](#) education purposes, serving as alternatives and new applications. In the future, Compal will continue to monitor and respond to market changes, providing customers with competitive and diverse tablet products.

■ Smartphones

According to IDC data, the global smartphone market rebounded in 2024 after two years of decline, driven by easing macroeconomic pressures and the emergence of generative AI-enabled devices. Annual shipments grew by 6.4% to reach 1.24 billion units. Looking ahead to 2025, the market is expected to be further fueled by deeper AI integration and continuous 5G infrastructure expansion, propelling demand and industry growth.

■ Smart Wearable Devices

According to IDC, in 2024, the smartwatch market experienced its first decline in terms of overall market shipment at an annual rate of -4.5%. Apple is still the top vendor by market share. However, the market growth

mainly comes from low-end products, especially driven by the Chinese and Indian markets. Affected by market saturation, Apple's WatchOS has declined, while Google's WearOS was relatively strong, with less than 1% decline only. In 2025, Compal continues to provide best-in-class manufacturing and ODM services with the latest technical developments for brand customers. By integrating the latest smartwatch platform and technologies, Compal provides a variety of product design solutions hand-in-hand with brand customers to meet the demand of different target market segments and end-user attributes.

■ Smart Hearable Devices

According to a report by Global Information, the global smart earphone market was valued at \$9.3 billion in 2023 and is expected to grow to \$38.8 billion by 2032, with a compound annual growth rate (CAGR) of 17.2%. The rapid growth of the wireless smart Bluetooth earphone market in recent years is primarily driven by technological advancements (Bluetooth 5.3 LE Audio for high-quality, low-latency audio, and Auracast for efficient audio transmission), increased consumer demand (due to the removal of headphone jacks in smartphones and the convenience of wireless technology), and diverse application scenarios (not only for music and calls but also for activities like sports and gaming).

Compal continues to enhance its Bluetooth earphones with hearing services and next-generation Bluetooth technology, LE Audio, providing users with better sound quality, improved power efficiency, longer charging intervals, and extended effective range. Additionally, these earphones feature broadcasting capabilities that allow simultaneous connection to multiple devices. Compal will gradually introduce related peripheral products, leveraging its professional integration technology to collaborate with clients in creating new markets in entertainment, healthcare, and public services.

■ Smart Display Products

According to market research companies, by the end of 2024, the global LCD TV industry experienced a surge in shipments due to the potential tariff war initiated by the newly elected U.S. president. The total global shipments reached approximately 203 million units, marking a 1.2% year-on-year increase. Although inflation in the North American market has eased, the presidential election introduced uncertainties, leading to early stockpiling by channels while market demand remained cautious, resulting in higher inventory levels across major channels. Looking ahead to 2025, challenges such as U.S.-China tariffs and the ongoing Russia-Ukraine war continue to persist, keeping consumer market demand conservative and panel production capacity adjustments challenging. Our company will optimize its operational structure and maintain good flexibility, continue to deepen strategic partnerships, and accumulate R&D capabilities. In addition to the consumer market, we will also focus on the commercial market, GAI educational market, and specific application markets to achieve stable profit growth.

■ AR/VR Smart Devices

In 2024, the Extended Reality (XR, including VR, AR, and MR) market is experiencing rapid growth. According to a market report by TechNavio, the global XR market size is expected to reach \$1,842.9 billion between 2024 and 2029, with a compound annual growth rate (CAGR) of 64.5%. This growth momentum is primarily driven by the

expansion of enterprise applications, the proliferation of consumer-grade devices, and technological breakthroughs in AI and cloud computing.

On the hardware front, the XR device market is rapidly expanding. According to analysis by The Business Research Company, the global XR hardware market is expected to grow at a CAGR of 41.9%, reaching \$550.36 billion by 2028. With breakthroughs in hardware technology, the empowerment of 5G/AI, and the expansion of application scenarios, the XR industry will further transform human interaction and become a significant driving force in the development of the digital economy.

In the coming years, XR will not only have a greater impact on the consumer market, enterprise applications, and industrial automation but will also accelerate the integration of the Metaverse concept, creating a more immersive and interactive digital world.

■ Smart Home Devices

In 2025, technological advancements and changes in consumer demand will drive the development of the smart home market. Voice assistants will become the central control platform for smart home devices, allowing users to manage various appliances and systems through voice commands, enabling more natural interactions. This will not only enhance the user experience but also promote the adoption of voice technology.

Artificial Intelligence (AI) will play a crucial role in home management. By analyzing usage data, AI can predict equipment failures and perform predictive maintenance, thereby improving the efficiency and lifespan of devices. This not only increases the reliability of the equipment but also reduces maintenance costs, providing more efficient services to users.

With the further development of the Internet of Things (IoT) technology, various home devices will become more interconnected, forming a complete smart ecosystem that makes home life more convenient. This interconnectivity facilitates collaboration between devices, offering more efficient home management solutions.

Smart home systems will automatically adjust energy usage based on users' living habits, such as intelligently regulating air conditioning and heating to achieve the optimal balance between comfort and energy efficiency. This helps reduce energy consumption and promotes sustainable development.

Wearable devices and smart sensors will be integrated with smart home systems to provide health monitoring functions. These will help users keep track of their health status and offer personalized advice, enhancing users' health management capabilities and promoting a healthy lifestyle.

As safety awareness increases, smart surveillance cameras, smart locks, and other security devices will become important components of the home, enhancing residential security. These devices offer advanced security features, allowing users to monitor and control home security remotely.

Edge computing technology will improve data processing efficiency, enabling smart devices to respond more quickly, further enhancing user experience and system performance. This helps reduce latency and provides more immediate services.

According to Omdia's forecast, the smart home market will reach \$178 billion by 2025, indicating significant business opportunities and potential in this field. These trends suggest that the smart home market will continue to grow in the coming years, with technological advancements and consumer demand being the main

driving forces.

■ Smart Medical and Healthcare

Increasing shortages of medical staff over recent years have imposed a heavy burden on medical personnel. The result is that medical institutions are desperately searching for more efficient ways to manage personnel and resources. In the United States, hospitals have responded to this crisis with the full implementation of digital charts and modern hospital management systems. Compal is actively introducing promising solutions from abroad to help Taiwanese medical institutions provide better service for patients.

Furthermore, the aging population and shifting focus of medical technology towards convenience have resulted in a change in healthcare practices from always being hospital-based to some home-based and personalized solutions. In light of this, Compal has invested significant resources in the development of integrated products that make it possible for many healthcare services to be carried out at home or at other fixed locations.

The Bilevel Ventilator is facing rapid market growth due to the impact of COVID-19; competitors are strengthening features such as low-noise level, cloud service, and aesthetics. For the Radiofrequency ablation system, the applications are 60% for soft-tissue, 25% for pain management, and 15% for cardiac therapy, and pain management is recognized as the fastest-growing market. The OEM market for handheld medical ultrasound devices has also performed remarkably well, as Taiwanese manufacturers excel in vertical integration of electronics, enabling them to secure a cost advantage of approximately 30%.

■ Smart Medical Imaging System

Although the market for medical AI solutions has flourished in recent years, the most sustainable business model remains "hardware-driven software" (hardware-embedded AI). The primary advantages of AI applications lie in providing assistance—reducing the workload for medical staff, minimizing error rates, and improving service efficiency. Among Taiwanese companies performing well in the market include Ever Fortune.AI, MedFluid, and Quanta Computer.

■ Auto electronics (AE)

In recent years, governments all over the world have been tightening the exhaust emissions standard and safety standards of vehicles and have set a timeframe for implementation. Electrification, connectivity, and ADAS/AD become the megatrend which trigger disruptive changes in the automotive industry.

Disruptive innovation in technologies, along with IT companies (e.g. Google), startups (e.g. AI and sensor startups), and service platform providers (e.g. Uber) entering the market one by one, have changed the traditional supply chain and competitive environment in automotive. Driven by new entrants into the market, new technology introduction, and the Covid pandemic since 2019, legacy carmakers have adapted their sourcing and operation models to the changes and challenges. To cope with those changes and challenges in the auto industry, we have equipped ourselves with ITAF 16949 and ISO 26262 certifications and deployed 5G networking access and ADAS technologies. We established new production and delivery sites in Indiana, USA, in 2021 and Mexico in 2023 to meet the demands of the North American market. A new factory will be set up in Poland in 2025, expected to be completed in 2025 Q2, focusing on the production of automotive electronic

products to meet market needs. At that time, Compal will be upgraded from a Tier 2 supplier to a Tier 1 supplier, further enhancing its market competitiveness!

■ Servers

The global server market currently navigates a landscape of profound uncertainty, characterized by complex technological and strategic dynamics. Emerging AI software frameworks like DeepSeek R1 continue to demonstrate significant potential yet remain in a state of technological flux, while major cloud providers exhibit cautious investment strategies—exemplified by recent pullbacks in data center expansion and strategic consolidation efforts across the industry. These developments have introduced substantial market ambiguity, creating a nuanced environment of both opportunity and risk. Cloud service providers and enterprise customers are increasingly deliberate in their hardware investments, carefully evaluating the long-term viability of AI infrastructure technologies. Beyond traditional large language model (LLM) applications, the market shows promising growth potential in emerging domains such as agentic AI and physical AI, signaling a broader and more diverse computational ecosystem. Against this backdrop, IDC reports x86 server shipments are projected to reach 12.46 million units in 2024, with Gartner forecasting a 6% CAGR for global server shipments through 2028. The market remains characterized by a delicate balance between technological innovation, investment caution, and strategic recalibration in the rapidly evolving AI and data center infrastructure landscape, with expanding horizons beyond conventional AI computing paradigms.

2. Association between upstream, midstream, and downstream industry participants

■ Notebooks

The notebook industry is highly mature, with Taiwanese manufacturers leveraging a fully integrated supply chain for components, logistics, and brand support, ensuring strong flexibility and competitiveness. As a leading ODM, Compal excels in system integration and supply chain management, maintaining stable global production while swiftly adapting to fluctuations in semiconductor components, CPUs, LCD panels, and SSDs. By optimizing costs and efficiency, Compal enhances its competitive edge.

With geopolitical shifts, supply chain restructuring, and semiconductor competition, ODMs and OEMs are diversifying production to reduce risks. Compal's global operations and agile supply chain management ensure stability and competitiveness amid market changes.

Key brands Dell, HP, Lenovo, Acer, and ASUS are expanding AI PC and high-performance notebook development. Compal not only provides reliable manufacturing but also helps brands refine product strategies, leveraging innovation and advanced technology to capitalize on AI adoption, enterprise upgrades, and market shifts.

As environmental regulations tighten, demand for low-carbon materials, recyclability, and sustainable designs is rising. Compal collaborates with brands to integrate high-efficiency architectures, eco-friendly materials, and optimized manufacturing, cutting carbon footprints while ensuring compliance and reinforcing sustainability.

■ Gaming Notebooks

The Esports / gaming market is one of the few segments in the tech industry that continues to experience stable growth, making the establishment of a comprehensive gaming ecosystem a key market priority. Compal not only collaborates closely with suppliers on hardware design, continuously developing advanced innovations to meet the extreme performance demands of gaming laptops, but also goes beyond traditional boundaries to help clients build a complete esports ecosystem. This strategic approach further strengthens market influence and competitive advantage, driving the continued evolution of the gaming laptop industry.

■ 2-in-1 Notebooks

The supply chain and manufacturers of 2-in-1s are identical to those of conventional notebooks, with the addition of some tablet parts suppliers and manufacturers. Support of the existing supply system and its advantage of integration across suppliers allow Compal to maintain full control of the development of key components. This speeds up research and innovation of new features because brand manufacturers and users of 2-in-1s continue to add new requirements. Furthermore, AI will become an indispensable element for both brands and end users.

■ All-in-one (AIO)

The supply chain and manufacturers of AIOs are generally identical to those of conventional notebooks. The upstream supply structure is similar to that for general PCs, with the addition of suppliers of large touchscreen panels. HP, Lenovo, and Dell focus not only on commercial users but also on home multimedia users. Apple's emphasis is on professional applications and usage.

■ 5G Module, 5G User Equipment, 5G Small Cell, 5G O-RAN and Private and Public Network solution

Compal 5G module, 5G devices, 5G Integrated Small Cell, 5G O-RAN, Private and Public network solutions have combined upstream and downstream and dozens of well-known customers and operators to establish a complete 5G product ecosystem, providing flexible and diversified 5G related products to fulfill 5G domain services and requirements.

■ Tablets

Compal continues its product development strategy by maximizing the adoption of the common design components and leveraging designs among different products to lower the risk of fluctuations in customer demand. Additionally, in order to enhance cost advantages in overseas production bases outside of China, Compal actively developed local suppliers to ensure more flexible production and supply, meeting customer and market expectations for product pricing, delivery times, and quality.

■ Smartphones

Compal actively develops and integrates competitive suppliers to ensure material quality aligns with downstream customer and market requirements. Concurrently, the company strengthens local supply chains to

support manufacturing base adjustments, reducing dependency on the China supply chain to mitigate cost and tariff risks while enhancing operational resilience.

■ Smart Wearable Devices

Compal works closely with suppliers for chipsets, sensors, wearable displays, and touchscreen modules to secure parts for wearable devices. In addition to coordinating with upstream suppliers and developing new technologies for new customers, Compal also reaches out to software service suppliers with advanced algorithms. Thanks to the technical collaboration between Compal and its partners, Compal can quickly adjust the supply chain and product development strategies to accommodate the fast-changing market.

■ Smart Hearable Devices

Compal is engaging in strategic collaboration with Bluetooth chip suppliers, leveraging its experience in the hearing field to co-develop high-efficiency noise reduction algorithms with them. Compal is also closely monitoring next-generation Bluetooth LE Audio technology and listening to feedback from key customers to formulate product strategies that meet market demands. Simultaneously, Compal is expanding into new markets such as entertainment, healthcare, and public services.

■ Smart Display Products

In 2023, the global supply chain was continuously impacted by the ongoing US-China trade tariffs plus US-Mexico and US-Canada tariffs. To mitigate risks, we have been actively diversifying our operations outside China and expanding to other regions. We have integrated resources across different regions and levels of the supply chain to optimize production, control operational costs, and provide flexible supply to meet customer demand. Our goal is to ensure that our operations are agile and adaptable to changing market conditions while maintaining high levels of service and quality.

■ AR/VR Smart Devices

Compal continues to engage in deep collaboration with its primary upstream chip supplier, Qualcomm, to jointly develop highly cost-effective reference designs. By integrating midstream and downstream partners, Compal collaborates on the development and production of miniaturized optical displays, sensors, and cameras, providing lighter and more user-friendly devices. For AR/VR vertical applications, Compal offers comprehensive hardware and software solutions to meet market demands.

■ Smart Home Devices

In the realm of smart home applications, Compal offers a diverse range of end products such as smart speakers and smart cameras. By integrating enhanced voice control technology with large language model solutions from AI providers, Compal aims to achieve more natural interaction modes. Collaborating with upstream, midstream, and downstream manufacturers, Compal addresses the needs of different system integrators and various

industry clients by providing customized hardware devices, software support, and platform integration solutions. These offerings cater to a wide range of smart home applications, including home management systems, IoT, energy optimization, health care, and home security monitoring.

■ Smart Medical and Healthcare

(1) Instruments, equipment, and accessories:

- Smart assistance devices and healthcare-related products

Compal is actively investing in the digital transformation of medical equipment, such as a bilevel ventilator. Through Internet connectivity, data from medical equipment can be exchanged and calculations can be made in real-time over the cloud. This can make various user services available, such as respiratory care, automatic record-keeping, reminders, behavior prediction, and so on. These devices can even be connected to advanced and back-end medical service providers for professional medical consultation, to accomplish the Compal vision of a mobile and real-time medical service. In the radiofrequency ablation (RFA) system sector, Compal has integrated upstream supply chains in Taiwan, including precision medical needle manufacturing, medical-grade tubing materials, and power control modules (PWM). This positions the company to explore downstream opportunities in OEM partnerships with major medical device manufacturers. For handheld medical ultrasound devices, apart from key components like CMUT (Capacitive Micromachined Ultrasonic Transducers), which still rely on design and technology from international leaders, nearly all other parts can be sourced from domestic upstream suppliers.

Compal has been working with partners in both the industry and the medical segment for several years and has invested in the development of some rather innovative medical devices. These include: Radiofrequency ablation system, Continuous Glucose Monitoring (CGM), 24-hour blood pressure monitoring (24-hour BPM), handheld smart ultrasound, and others. We expect to provide users and physicians with many more options to help develop a smart medical industry and improve the quality of healthcare.

(2) Management system:

- Digital charts and smart ward solutions

Compal has introduced digital charts through an alliance with foreign partners. This product category offers the potential to aid physicians in diagnosis and reduce the workload on nurses, unlike the conventional management system used by existing medical institutions. Additionally, it can be integrated with many different data management systems currently used in hospitals. Digital transformation is already happening within the healthcare system, and Compal is currently working with several hospitals to develop digital charts and smart ward solutions. Healthcare organizations will no longer operate in isolation, but will be able to coordinate their activities towards the establishment of a uniform standard and reduce the wastage of medical resources.

- Point-of-care solutions

Compal aims to address the recent increase in demand, as well as the shortage of manpower, at nursing centers. This is being done by the introduction of human-operated healthcare solutions, such as

proprietary bedside systems that are compatible with the instruments and specifications of other manufacturers. However, flexibility and the ability to customize products to customer needs will still be maintained. The most important feature of this product is that it works with different types of Smart Home devices and medical instruments, and it supports multiple services. It is intended to provide at-home comfort in nursing and postpartum centers, while also allowing professional care facilities to be set up at home.

■ Smart Medical Imaging System

CAG AI Lesion Computer-Aided Detection System

To reduce the issue of a lack of medical manpower, Compal has been working with the Chi-Mei Hospital and medical center on the development of AI in medicine. Using the existing abundant medical resources of the hospital, Compal is helping to build up a CAG AI Lesion Computer-Aided Detection System, which can be used in hospitals and medical centers. It helps clinical physicians load patients' CAG images and label the lesions with only one simple click, with an accuracy rate of nearly 90%. Reduce errors caused by human factors, reduce the burden on medical practitioners, provide cardiologists with plans for subsequent surgical treatments, and establish key indicators for preoperative evaluation. Compal also expects to help with the medical technology upgrade after the integration of the products in professional medical establishments in Taiwan.

■ Automotive electronics (AE)

The mid-stream players in the supply of automotive electronics are represented by tier-1 AE integrated system providers. This integrated system handles in-car information, communications and entertainment, and is also linked to other auto parts. These products are sold to downstream automobile makers, which places the Company between the midstream and upstream of the AE supply chain.

■ Servers

Server technology is a highly mature industry and one in which Taiwanese manufacturers have developed a comprehensive supply system of upstream, mid-stream, and downstream partners. Main parts such as CPUs, memory, and storage drives are easily secured and downstream customers such as HPE, DELL, and Lenovo all have long-term notebook manufacturing relationships with Compal. Compal now has extensive experience and a reputation for designing and manufacturing server products.

3. Product trends and competition

■ Notebooks

- AI is accelerating the transformation of the notebook industry, driving hardware advancements, software optimization, and market competition. With Microsoft integrating Copilot AI into Windows, notebooks are evolving from traditional computing devices into intelligent AI-powered terminals. Neural Processing Units

(NPUs) are becoming standard in AI PCs, upgrading keyboards, memory, storage, and sensors to enhance real-time computing, personalization, and smart interactions, boosting productivity and user experience.

- The x86 vs. ARM competition is intensifying, with AI computing at the forefront. Intel and AMD are expanding NPU capabilities to optimize AI workloads, improving efficiency and multitasking. Qualcomm and Apple are advancing AI processing in Snapdragon X Elite and M-series chips, strengthening Windows on ARM and Mac ecosystems. As demand shifts, more players are expected to enter the ARM-based processor market, diversifying notebook competition.
- AI PCs will gradually expand across all price segments, driving comprehensive market upgrades. AI acceleration not only enhances performance but also transforms notebook usage, from voice assistants, real-time translation, and background blur to intelligent content creation, video editing, and workflow automation, making devices more intuitive and enhancing both work and entertainment experiences.
- As AI integrates with cloud computing, security requirements are increasing. Biometric authentication, hardware encryption, and AI-driven threat detection are becoming standard to ensure data security and device integrity.

■ Gaming Notebooks

- High-performance processors with AI technology ensure real-time optimization of gaming performance for an enhanced experience.
- Slim design with advanced cooling solutions maintains stability and portability.
- New display technology, such as OLED and high refresh rates, enhances the competitive gaming experience by delivering smoother visuals, faster response times, and more vibrant colors.
- Personalized audio and lighting effects boost game immersion.
- Distinctive exterior design highlights brand and player identity.

■ 2-in-1 Notebooks

- Beyond slim designs and portability, consumers now expect multitasking processors, extended battery life, and stylus support
- The development of edge computing technology is making 2-in-1 laptops more suitable as mobile AI endpoint devices.
- The integration of OLED and advanced display technologies is enhancing visual performance and user experience.
- The multi-modal applications of 2-in-1 laptops have become a core trend in productivity, creative design,

education, and entertainment. In the future, they are likely to be deeply integrated with AI PCs and cloud computing, further expanding their capabilities and market potential.

■ All-in-one (AIO)

- High-end home entertainment AIOs and new flat, portable AIOs present new opportunities.
- AI-powered AIO can enhance overall user experience.
- The product exterior can be designed to match interior decoration and furniture.
- Portable products can be designed with screens that can move in several directions.

■ 5G Module, 5G User Equipment, 5G Small Cell, 5G O-RAN, Private Network solution

5G communication and applications are expected to experience explosive growth in the coming years. 5G user terminals and products will come out with different product categories such as network devices (5G CPE/ 5G USB Dongle/5G Mifi), notebook computers, routers, televisions, and robots... etc.

According to the Ericsson report, the number of global 5G users continues to grow, with an estimated 2.3 billion users by the end of 2024 and 6.3 billion users (67% penetration rate) by 2030. Additionally, the Fixed Wireless Access (FWA) market is growing rapidly, with an estimated 350 million global FWA connections by the end of 2030, nearly 80% of which will be 5G FWA, becoming a significant driver of 5G growth. Ericsson estimates that telecom operators will gain an additional 34% revenue from the digital market driven by 5G by 2026.

Compal provides the leading communication technology, product manufacturing, and technical know-how. Our integrated 5G module, 5G devices, 5G Small Cell, 5G O-RAN, Private, and Public network solutions provide complete technical support and development tools to help our customers develop their 5G products and services.

■ Tablets

Extend R&D technology to large displays and designs for automation.

- Focus on more eco-friendly product designs such as recycled material and repairable design.
- Explore collaborative opportunities with content providers or telecommunications operators.
- Adopt AI technology to explore opportunities in education, for kids, industrial, and medical applications.
- Develop Smart Home and IoT tablets and use them as control centers or multi-functional platforms.
- Develop a foldable tablet to maintain screen size while reducing the overall size.

Tablets have become mature products. The focus now lies in developing new usage scenarios and optimizing the overall user experience through AI functionality. This includes catering to various applications such as the education market, children's market, smart home control centers, or utilization in various industrial IoT

applications, all of which are actively being developed by Compal.

■ Smartphones

- The integration of Artificial Intelligence (AI) features into smartphones has enhanced voice control and application execution efficiency. Smartphone users can now operate devices and utilize applications more conveniently using natural language. Useful applications such as intelligent voice assistants and real-time translation.
- Continued advancements in slimmer designs with larger battery capacities aim to optimize the daily user experience of smartphones.
- While foldable phones have gained significant attention, traditional flat-screen phones will remain dominant in 2025, featuring high screen-to-body ratios, high-resolution displays, and narrower bezel products.

■ Smart Wearable Devices

- Keep watching closely to next generation of connectivity for faster and seamless use cases based on satellite narrow band connectivity.
- Customers who use smart wearable devices for sports also want high-accuracy GPS, a step counter, heart rate monitoring, and other bio-measurements. However, power efficiency remains a key requirement common to all users.
- Customers who use smart wearable devices for health reasons need accurate algorithms and convenient user operation. This will be one of the key success factors of the products.

To satisfy customer needs, Compal not only continues to make more power-efficient and compact designs, but also enhances the flexibility of its production processes.

■ Smart Hearable Devices

As various manufacturers compete in the market, earphones are no longer just for listening to music. In the future, earphones will feature more advanced functions, including active noise cancellation, intelligent voice assistants, and physiological detection. In addition to functionality, earphone design will also focus more on the user wearing experience, including waterproofing, comfort, and integration with AI software.

Moving forward, Compal will not only specialize in hardware development and product manufacturing but will also actively invest in professional hearing hardware and software technologies. This will provide more differentiated functions to end customers. Additionally, Compal will collaborate with research institutions and audiology experts to develop more energy-efficient and high-performance wideband dynamic control algorithms, creating product differentiation and market competitiveness.

■ Smart Display Products

Continuously, our company has been working closely with strategic partners to drive innovation in the development of the latest smart TV platform, and technologies such as artificial intelligence (AI) image and sound processing, integrated large-size touch, ultra-high brightness backlight and transparent OLED panel technologies. By combining these technologies, we aim to create a diverse range of applications and opportunities. This approach will enable us to stay ahead of the competition and maintain long-term competitiveness by accumulating leading-edge technology capabilities.

■ AR/VR Smart Devices

Looking ahead to 2025, competition in the XR market is expected to become increasingly intense, and product iterations may accelerate in the coming years. Hand-eye operation methods offer users a better experience and have a high chance of becoming mainstream. The two main product lines of standalone XR headsets and AR glasses are becoming clearer. Standalone XR headsets do not rely on other computer hosts or smartphones and have the capability to operate independently, providing a stronger sense of immersion, though they are heavier. On the other hand, AR glasses are more similar to regular glasses, are lightweight, and are more suitable for daily wear.

The integration of AI will lead to another wave of smart display device innovation. How AI can be used to create more application scenarios and enhance user experience is likely to dominate the market. The interconnectivity of various devices will continue to be an important trend. Combining 5G, 6G, and achieving product miniaturization will be a significant competitive advantage for smart devices. Compal, leveraging its expertise as a major communication manufacturer, will strive to integrate AI, communication, and miniaturization to provide customers with better product competitiveness.

■ Smart Home Devices

- Smart speakers, smart displays and smart cameras with AI technologies that enable multiple modes of interaction such as voice input, touch, gesture and computer vision.
- Support for the Matter protocol allows connections to a wider range of smart home products from different ecosystems.
- Services integrated with cloud and edge computing and data analysis for user behavior learning will be the key competitiveness of Smart Home products.
- Enhanced voice assistants, smart health monitoring, optimized home energy management, and smart security monitoring will become major trends to meet market demands.

■ Smart Medical and Healthcare

(1) Instruments, equipment, and accessories:

- Medical equipment and healthcare-related products

Medical equipment with Internet connectivity is a trend for the future. Devices that have functionalities that

allow access to information from a health management platform will be easier to operate and are also more competitive in the market. Compal will continue investing in the development of medical instruments and equipment with such connectivity to provide better quality services to customers with the help of a management platform and cloud service.

- Innovative medical devices

As new biosensors and related hardware such as MCU/firmware/biomaterials and software have matured over recent years, the development of the innovative medical devices industry has also moved to another stage. Continuous investment and development by Compal have led to more and more customers gaining trust in our design and development capacity, and the market trend is now moving towards an alternative device generation.

Bilevel Ventilator: the market has demonstrated steady growth (CAGR 6.5%) in recent years, driven by rising cases of sleep apnea and chronic respiratory diseases. Southeast Asia, China, and India have emerged as the fastest-growing regions due to improving healthcare accessibility. Chinese brands (e.g., BMC, ResMed China) compete in the entry-level segment with aggressive pricing strategies. European/American brands dominate the mid-to-high-end market with three key advantages: low-noise blower motors, customized comfort designs, and cloud-based management systems.

Radiofrequency Ablation (RFA) Systems: the market is also growing steadily (CAGR 7.2%), with major players targeting distinct niches: Boston Scientific expanded in China/India, leveraging high liver disease prevalence and increased medical procurement. Stryker focuses on the rapidly growing pain management sector and actively acquires upstream supply chain companies. Chinese brands (e.g., ResMed, MicroPort Shanghai) target primary care clinics, undercutting Western prices by 10–30%.

Handheld Ultrasound Devices: This market is booming (CAGR 18.5%), fueled by trends like telemedicine and community healthcare. Key developments include the integration of cloud-based platforms and AI-assisted diagnostics, expansion into emergency/ambulance services, community clinics, and veterinary medicine, and Compal's actively developing AI-enhanced handheld ultrasound for community respiratory care.

(2) Management system:

- Digital charts and smart ward solutions

The United States currently has the most popular (Level 7) digital chart and hospital management system, and other countries around the world are following closely behind. The purpose of this product is to deliver functions that will be of assistance to physicians and nurses while still being easy to operate. Alliances with world industry leaders have made it possible for Compal to introduce the solutions to medicine in Taiwan, where its success will be replicated in our medical systems and it will also be moved to other countries in

Asia.

- Point-of-care solutions

An aged society, combined with a need for differentiated medical services, make respiratory care center, nursing centers and postpartum care centers especially popular in Taiwan. This management system provides them with a comprehensive solution and makes it possible for communications to be established between several different medical devices while patient privacy remains protected. Compal has invested in the development of related hardware and software and is working with existing medical instrument suppliers on the growth in this market.

■ Smart Medical Imaging System

The worldwide population with cardiovascular diseases has reached 550 million in 2024, marking a 15% increase from a decade ago. This growing patient burden, coupled with insufficient healthcare capacity, has created significant strain on physicians' medical image interpretation workloads. Key AI Solutions in the Market: Siemens Healthineers (syngo.via Frontier), GE Healthcare, China's Shukun Technology. These industry leaders have developed AI-powered coronary artery image recognition systems, consistently achieving:

- ✓ 90% sensitivity in detection
- ✓ <1 minute processing time per case

■ Automotive electronics (AE)

Telematics, in-vehicle-infotainment, and Advanced Driver Assistance Systems (ADAS).

■ Servers

The rack-mounted server is still the mainstream product today because it can be easily maintained and scaled up as business grows. Tower servers are still favored among SMEs for their low cost, but their market share has been steadily declining. Blade servers are relatively expensive to set up and may gradually be replaced by more simplified High Density servers.

The number of servers required for Data Centers has increased continuously year after year. Although the demand for conventional enterprise-grade servers has gone down slightly, demand for both types of servers will ultimately reach equilibrium. In addition to cost performance, design flexibility and quick response to customer needs are the two most decisive factors for a product's success.

The rapid growth of AI and high-performance computing (HPC) has made thermal solutions a strategic business stronghold. Liquid cooling is evolving from a niche technology to a mainstream solution for AI and HPC data centers, driven by rising power demands and the limitations of traditional air cooling in managing high-density computing.

4.1.3 Research and Development

1. Research and Development Expenses over the past year

Unit: TWD Thousands; %

Year	R&D expenses	Operating revenue	R&D expenses as a percentage of operating revenue
2024	18,900,065	910,253,024	2.1

2. New products developed

■ Notebooks

- High-end products: Designed for professionals, gamers, and content creators, featuring next-generation processors with built-in AI optimization, ultra-high-resolution displays, high refresh rate screens, and high-performance GPUs for an unmatched computing experience. A new gaming laptop design features an innovative touchpad that can switch into a wireless game controller, allowing seamless transitions between keyboard and gamepad for enhanced gameplay flexibility.
- Mainstream products: Expanding the 16-inch and 14-inch lineup, integrating thin and light designs, narrow bezels, and 16:10 aspect ratio displays. Equipped with the latest processors from leading chipmakers, offering both integrated and discrete GPU options to cater to different user needs.
- Business products: Business notebooks designed specifically for corporate users. These products feature enhanced structural design and security, and are offered to large corporations, SME, and the education sector. Security mechanisms such as fingerprint recognition, camera shutter, facial recognition, and voice recognition are incorporated to satisfy the user's need for security and data confidentiality.
- Special products: Balancing performance and ultra-thin design, Compal is actively developing next-generation thermal solutions to set new industry benchmarks. Additionally, eco-friendly materials and smart manufacturing technologies are being integrated to drive sustainability and intelligence in notebook development, creating new opportunities in the market.

■ 2-in-1 Notebooks

- A 2-in-1 laptop featuring a sustainable and eco-friendly design is now in mass production and available on the market.
- A newly designed 2-in-1 laptop with a built-in stand and ventilation holes is now in mass production and available on the market.

■ All-in-one (AIO)

- Compal has successfully designed, mass-produced, and launched AIOs for mainstream users.
- Compal plans to acquire touch control technologies with pen support and introduce AIOs in sizes ranging from 21" to 32."
- Compal has successfully designed AIOs with a wireless charging dock.

■ 5G Module, 5G User Equipment, 5G Small Cell, 5G O-RAN, Private Network solution

- 5G O-RAN Solutions was unveiled in 2023 MWC Barcelona and will obtain certification and mass production in 2023. These include ORU, ODU, DU inline accelerator, and OCU equipment and solutions.
- Qualcomm X35 5G RedCap R17 M.2 / LGA module started development in 2024.
- Mediatek T300 5G RedCap R17 M.2 / LGA module will be certified and mass-produced in 2024.
- Qualcomm SDX12 M.2 4G and Mediatek T700 5G R15 M.2 modules have been successfully launched and shipped to NB customers since 2024.
- MediaTek MT6825 NTN module will be certificated and mass-produced in 2025.
- Qualcomm X72/75 5G R17 M.2 / LGA module will be developed in 2023.
- MTK based T830 5G R16 LGA module is developed in 2024.
- Qualcomm X62/65 5G R16 M.2 / LGA module will be mass-produced in 2022.
- 5G integrated small cell developed in 2021 and obtained product certification.
- MTK T750 5G M.2 / LGA module has been mass-produced in 2021.
- Qualcomm x55 5G M.2 / LGA module obtained product certification, including GCF, CE, CCC, TELEC, FCC, PTCRB, etc., which have been mass-produced in 2020.
- 5G products obtain interoperability test reports and certifications from major worldwide 5G operators.
- 5G indoor/outdoor CPE, and MiFi have been in development and mass-produced in 2020. To extend 5G module to various types of devices.

■ Tablets

- Developed and manufactured cost-effective WiFi tablets with good performance for entertainment and enterprise applications.
- New tablets with in-cell display, longer power duration of tablet use, new battery technology and wireless charging function.
- Developed and mass-produced a new generation of waterproof e-Readers with a wireless charging function.

■ Smart Wearable Devices

- Compal supports a variety of product types, such as luxurious material and design, wireless charging, offline maps, high-accuracy GPS, and high-level water resistance for sports watches. Customized product design and more power efficiency to support 3C and fashion brand requests. A new generation of lighter, smaller, narrow border, multi-purpose smartwatches with diversified designs have been introduced.
- Mass-produced eSIM enabled LTE smartwatch with global connectivity and carriers.

■ Smart Hearable Devices

- Bluetooth headsets with smart assistants have been developed and are in mass production.
- Long-term investing in high-end AI technology to develop Bluetooth headsets and Bluetooth hearing

aids with more intelligent noise cancellation features.

- Bluetooth hearing aids with the TAIWAN FDA have been developed and are in mass production.
- Successfully developed ITE (In-The-Ear), BTE (Behind-The-Ear), and RIC (Receiver-In-Canal) medical and hearing aids, providing customers with a wider range of hearing aid products.

■ Smart Display Products

Developed, mass-produced, and launched the most popular size of TV models with the latest smart TV platform to gain more market share.

■ AR/VR Smart Devices

Successfully developed AR waveguide display optical modules combined with AI smart translation functions, as well as industrial wide-angle cameras used in automotive production lines. Both have been adopted by clients for new projects.

■ Smart Home Devices

- Smart speakers: successfully mass-produced and launched on the market, assisting European clients in establishing a more complete ecosystem for smart home appliances.
- Non-contact sleep monitoring device: successfully mass-produced, incorporating low-power millimeter-wave RF technology and environmental sensors to measure users' breathing and heart rate, assess sleep quality, and provide recommendations.
- Smart cameras: Continuously developing new features for smart cameras, incorporating Gen AI to automatically filter photos or videos and create memorable highlight reels, enhancing user experience.

■ Smart Medical and Healthcare

- Digital charts and a smart ward solution
Compal is promoting business opportunities in this respect. Several hospitals have begun adopting and exploring our smart ward solution this year.
- Point-of-care solutions
More than ten point-of-care centers in Taiwan have begun trials and official use of this solution. Several prominent nursing centers in China have also shown interest and have commenced collaborating in its use.
- Innovative medical devices
Many innovative medical device cases have been executed and plans for the achievement of FDA/TFDA/CE certification have been established.

■ Smart Medical Imaging System

Compal Medical's "AI-Assisted Coronary Angiography Detection System" has obtained TFDA clearance (Medical Device License No. 007976). Key features of the approved system include 30-second automated analysis (vs. 15-30 minutes for manual interpretation), clinical validation at two independent medical centers,

and physician decision-support functionality within approved indications.

■ Auto Electronics (AE)

- Compal has mass-produced various systems and modularized several products that it has designed and developed.

■ Servers

- General Purpose Rack-mounted Servers

Compal collaborates closely with leading silicon partners such as Intel and AMD to deliver the latest generation of general-purpose rackmount servers in sync with their product roadmaps, ensuring time-to-market.

- AI Servers

Maintain strong silicon partnerships with AMD and NVIDIA to design GPU servers that meet diverse AI workload demands. Our approach not only emphasizes modular design for maximum standardization but also enhances product flexibility to adapt to the rapidly evolving market, so we are not only shortening the development time but also ensuring the product quality.

4.1.4 Long-term and Short-term Development

1. Short-term Development

- Aligning with AI application trends and cross-sector user needs, actively allocating resources to R&D while integrating AI technology to enhance innovative designs. Dedicated to product differentiation, aiming to launch innovative products that precede market demand. We will enhance operational efficiency to further increase our product competitiveness and push the sales growth rate higher than the market average.
- We will improve logistics management and flexibility to shorten delivery times.
- We will consolidate material supply to fulfill OEMs' demands.
- We will elaborate on different market strategies for different product markets. Mainstream products will be bundled with new technology and modular features to boost the added value and diversity of products. For featured products, we will adopt a prospective standpoint in our design concept for new products to become the focal point of the product market. User functionality should be taken into consideration as well as competitive pricing for lower priced products.
- Strengthen and deepen relationships with silicon partners to increase investments in AI servers and ensure timely product delivery to market.
- Diversified production sites to mitigate geopolitical risk and strengthen cost competitiveness.
- In response to geopolitical factors, we continue to expand our manufacturing footprint worldwide, with plans to establish a production facility in North America in the near future.
- We will improve product profitability to achieve the maximum utilization of capacity and enhance overall operational efficiency and profitability.
- Several cross-industry alliance strategies will be used for the rapid development of a diversified product line

that will strengthen customer relationships in the shortest possible time.

- Actively advancing smart manufacturing and smart factory initiatives, not only innovating in processes but also incorporating eco-friendly materials in design and across product categories, demonstrating a commitment to sustainable development.

2. Long-term Development

- Integrating smart manufacturing and smart factories into the company's culture and operations, emphasizing continuous process innovation, design optimization, and the extensive use of eco-friendly materials across product lines to achieve a sustainable development strategy. Aiming to establish an eco-friendly product ecosystem, propelling the industry towards a greener, smarter future.
- A spirit of innovation will strengthen value-added Company products and improve long-term core competitiveness.
- Cooperation with our customers will be improved to allow better product planning, development, and manufacture as well as comprehensive after-sales service.
- Horizontal and vertical integration of all parts and products of the Group's affiliates will be strengthened strategically and aligned with customer needs, to give them more convenient and complete services.
- Optimization of the quality of sophisticated products will be enhanced by new development and cost structures and strategic alliances with main parts providers to give customers better and more competitive products and services.
- Closer horizontal and vertical cooperation will be made with affiliates in the Group to create and strengthen the loyalty of long-term customers.
- Our ability to innovate will be further cultivated, aimed at more accurate prediction of market trends, before clients do, and provide them with products and services and high value-added solutions to improve long-term core competitiveness.
- The Company has established a service-oriented business model and new revenue sources through careful long-term upstream and downstream integration and cooperation.
- We are strengthening the breadth of learning of our team in preparation for future new business and product development through cross-industry alliances.
- We are cultivating the ability to control key technology, strategize high-end product lines, and gain cooperation opportunities with big manufacturers around the world.
- Strengthen market development in the U.S. and focus on targeting top-tier CSPs.

4.2 Market and Sales Overview

4.2.1 Market Analysis

1. 2024 Sales (Service) by Regions

Sales Regions	Percentage
Americas	43.6%
Europe	21.3%
Asia (Including Taiwan)	32.3%
Other Area	2.8%
Total	100.0%

2. Market Share

■ Smart Wearable Devices

According to IDC, global notebook shipments reached approximately 190 million units in 2024, with Compal maintaining its position as a key industry supplier and a stable market share. Leveraging strong R&D, global manufacturing, and supply chain expertise, Compal continues to strengthen its position while expanding into AI PCs and emerging applications, deepening collaboration with brand partners.

Looking ahead, Compal remains committed to driving innovation, optimizing production, and enhancing supply chain agility, advancing the industry toward greater efficiency, intelligence, and sustainability while expanding its global presence.

■ 5G Module and 5G User Equipment

Compal 5G UE Modules shipped from 2020, which is applied to various product categories such as 5G Mifi, 5G CPE routers, 5G notebooks, 5G AR/VR, 5G drones, 5G robots, 5G real-time cameras, 5G Industrial PC and industrial routers, and 5G USB Dongle, etc. The 5G standard is the major worldwide communication standard and trend that will bring rich product possibilities and high growth.

In addition to these applications, Compal also focuses on connected notebooks and diverse vertical IoT applications. This includes LPWA (Low Power Wide Area) product lines and NTN (Non-Terrestrial Networks) backup solutions, which further enhance the versatility and reliability of 5G technology. Furthermore, the Fixed Wireless Access (FWA) market is experiencing significant growth, with global FWA service provider revenue expected to grow from \$27 billion in 2022 to \$67 billion by 2028, driven by the ability of FWA to provide broadband services in underserved areas.

■ 5G Small Cell, 5G O-RAN, Private and Public Network solution

Compal offers a diverse range of 5G NR integrated small cells, along with various wireless access terminal devices. These products cater to both outdoor and indoor application scenarios, accelerating 5G network

deployment and reducing implementation barriers across different environments. Coupled with Compal's customized 5G O-RAN, network management systems, and private network application solutions, the company effectively addresses the deployment needs of various industrial settings. Furthermore, its public network equipment has undergone IoT testing with telecommunications operators, further validating the stability and application potential of these devices. Deployment is currently underway in multiple domestic sites, contributing to industrial digital transformation and strengthening industry development.

■ Smart Wearable Devices

Compal remains a major ODM supplier of Google Wear OS Smartwatches. The smartwatch market competition is expected to become fierce over the next three years. Compal will endeavor to win more worldwide brand customers while providing more valuable designs to meet market demand and adjusting the direction of product development with market trends.

■ Smart Hearable Devices

Compal has already shipped several models of smart hearable products, including Bluetooth headsets and TWS earbuds. Because smart hearable products require high accuracy and miniature manufacturing, Compal is also investing in optimizing the product design and manufacturing processes to enhance production efficiency. The Bluetooth product line has also expanded to include and officially mass-produce assistive listening devices and medical-grade hearing aids. Additionally, it continues to integrate Bluetooth earphone technology with AI to enhance noise reduction performance, voice enhancement, and active array microphone technology, providing more competitive products and improving customer competitiveness.

■ Smart Display Products

Our company has successfully mass-produced and launched the most popular size of smart TV in 2024. We have also received high-quality reviews from consumers, averaging over 4.5 stars, and have successfully secured cooperation plans with existing customers for next year. We plan to continue our momentum in shipping products and actively expand our product lines to commercial, GAI educational market and specific-purpose markets in order to maintain stable growth in the future.

3. Future Supply and Demand Situation and Growth of the Market

■ Notebooks

According to IDC, global notebook demand stabilized in 2024, with shipments reaching approximately 190 million units, driven by enterprise refresh cycles and increasing AI PC adoption. In 2025, market momentum is expected to strengthen. The end of Windows 10 support will accelerate enterprise upgrades, sustaining strong commercial laptop demand. AI's rapid expansion, coupled with AI-enhanced processors, will boost notebook performance and consumer appeal, further driving replacement cycles. Brands will focus on product upgrades, performance optimization, and AI-driven innovations, ensuring steady market growth.

■ Gaming Notebooks

According to IDC, gaming laptops accounted for approximately 13% of the overall laptop market in 2024, with shipments reaching 25 million units. Looking ahead to 2025, the gaming market is expected to gain further momentum with the launch of next-generation graphics cards, the release of over 40 AAA titles, and the continued integration of hardware and software technologies. Although global political and economic uncertainties persist, the steady growth of the gaming industry is expected to drive demand. As a result, gaming laptop shipments are projected to continue increasing in 2025, further expanding market demand.

■ 2-in-1 Notebooks

With continuous improvements in the supply chain and many Chinese OEMs entering the market, the cost and price of 2-in-1 notebooks have significantly decreased. Coupled with the digital transformation trend, 2-in-1 notebooks with versatile use scenarios are gradually gaining widespread acceptance among consumers. According to IDC data, global shipments of 2-in-1 notebooks reached 92 million units in 2024. It is anticipated that in 2025, as brands continue to launch more diversified products and integrate new technologies such as 5G and AI, the application scope of 2-in-1 notebooks will broaden, expected to generate more business opportunities.

■ All-in-one (AIO)

The global AIO market remains stable. According to IDC statistics, AIO shipments reached 9.1 million units in 2024, and shipments will be about 8.8 million units in 2025. Compal will continue to cultivate this market, committed to meeting consumers' demands for high performance and integrated design.

■ 5G Module, 5G User Equipment, 5G Small Cell, 5G O-RAN, Private Network solution

According to the Ericsson Mobility Report, in 2024, the global number of mobile network subscriptions is estimated to be approximately 8.3 billion, with 5G subscriptions representing a quarter of the total. This growth trend is projected to persist throughout the forecast period, and by 2027, 5G subscriptions are anticipated to surpass 4G for the first time, becoming the dominant mobile access technology. It's estimated that more than 2 billion 5G devices of various types (an average of 2 to 3.6 connected devices per person) will be purchased. Compal will continue to develop 5G products with customers and various 5G domain partners.

According to recent market research reports, the global 5G small cell market is projected to reach USD 18.8 billion by 2027, reflecting the accelerating deployment of 5G infrastructure. The global enterprise private network RAN equipment market is expected to grow to USD 4.2 billion. The global 5G RAN market is forecasted to achieve USD 100 billion by 2027. Targeting the substantial market opportunities in 5G small cells, 5G O-RAN, and private network application solutions, Compal is actively engaged in developing 5G small cells, 5G O-RAN, and private and public network solutions. The company has established deep integration and collaboration with numerous operators and industry partners, proactively entering the 5G small cell equipment, 5G O-RAN, private network, and public network solution supply chains to penetrate the global market.

■ Tablets

Although global inflation becomes lower and stable in the wake of the USA's tariffs on China, the tablet market is cast a shadow of uncertainty. The tablet market remains characterized by three trends: enlarged screen sizes, increased prices and performance, and integration of AI-generated content. Compal will also focus on larger screen sizes and the integration of AI technology, combined with 4G/5G communication technology, to enter the mid/high-end tablet market.

■ Smartphones

According to IDC's, as the final market demand is still weak, the increase in shipments due to competition from major manufacturers has pushed up channel inventories. In addition, as government subsidies have reduced and suppliers have reduced production capacity to reduce losses, component costs have gradually increased. In the first half of 2024, the shipments of the global smartphone industry will tend to be conservative. From the perspective of industrial structure, as high-end market demand gradually returns to rationality, the growth of 5G mobile phones is lower than expected and manufacturers focus on the development of low-end products. In the future, the proportion of design outsourcing is likely to remain fourth among global smartphones in the fourth quarter of 2023. The proportion of success. Compal maintains a stable mobile phone sales forecast and actively explores more opportunities.

■ Smart Wearable Devices

IDC predicts that smartwatches will continue to grow with modest momentum driven by new technologies in the following years. To be well-prepared for the potential opportunities, Compal is developing more advanced features such as sensors for activity detection, 4G LTE for always-on connection, Voice control, and AI integration. Compal will continue to accumulate relevant technologies to extend its reach into more diversified wearable device product lines.

■ Smart Hearable Devices

According to a report by the Bluetooth Special Interest Group (SIG), the annual shipment volume of Bluetooth devices is expected to reach 7.5 billion units by 2028, with a compound annual growth rate (CAGR) of 8%. This growth is primarily driven by Low Energy (LE) Audio technology, which enhances audio performance and improves support for hearing aids. Auracast™ broadcast audio, as part of LE Audio, is expected to see a significant increase in adoption in public places, offering new scalable options for hearing solutions. More vendors join the market and it becomes more competitive. To create more value, Compal is focusing on new technologies for longer battery life, better sound quality, more efficient connections, and smarter user interaction.

■ Smart Display Products

In 2025, the global consumer LCD TV supply chain will continue to seek profit solutions amid the impact of tariffs between the U.S. and China, as well as the U.S., Mexico, and Canada. Panel manufacturers will continue

to adjust production capacity, and the market is expected to remain stable or experience slight growth. In addition to continuing to operate the consumer market for the development of smart display products, Compal will focus more on developing and operating commercial, GAI educational market and specific-purpose market demand in the future.

■ Smart Home Devices

The smart home device market is expected to continue its rapid growth in the coming years, driven primarily by technological advancements and changes in consumer demand. According to the latest market research, the global smart home market is projected to reach \$371.5 billion by 2030, with a compound annual growth rate (CAGR) of 19.6% from 2024 to 2030.

Firstly, technological advancements are one of the main factors driving market growth. The integration of the Internet of Things (IoT), Artificial Intelligence (AI), and voice assistant technologies enables smart home devices to offer seamless connectivity and automation. These technological advancements not only enhance the user experience but also promote the adoption of smart home devices.

Secondly, consumer demand for home automation and convenience is continuously increasing. Smart home devices such as thermostats, lighting systems, and appliances provide greater convenience and energy efficiency, meeting the modern household's needs for comfort and energy savings.

■ Smart Medical and Healthcare

(1) Instruments, Equipment, and Accessories:

- According to a report by IEK Consulting of the Industrial Technology Research Institute, the global medical device market size will be US\$514.77 billion in 2023, a 6.5% increase from 2022. It is estimated to grow to US\$614.15 billion in 2026, with a CAGR of approximately 6.2% from 2023 to 2026.
- Bilevel Ventilator: following Philips' 2021 recall of 4 million units (due to safety incidents), the company's market share declined by ~18%. This created an annual \$800 million market opportunity gap for competitors. Radiofrequency ablation system: emerging application markets driving growth: pain management: USD 2.5 billion, CAGR 19.4%. Thyroid ablation: USD 470 million, CAGR 10.6%. Handheld Ultrasound Device: TAIWAN's leadership in global OEM market: Innolux-manufactured devices for Butterfly Network achieved: \$120 million annual revenue (2020), demonstrates Taiwan's competitive edge in medical electronics integration.
- Innovative medical devices: The sales of innovative medical devices, such as continuous blood sugar monitoring systems, reached USD 1.8 million in 2018 and will hit USD 2.5 billion in 2026, with a CAGR of 33%.

(2) Management Systems:

- Electronic Medical Records (EMR) and Smart Ward Solutions: According to the GII report, the global electronic medical records market size will reach US\$18.4 billion in 2024 and is expected to reach US\$31.55 billion by 2033, with a CAGR of 6.2% during the forecast period of 2025-2033.

■ Smart Medical Imaging System

- The brainwave monitoring and AI-powered EEG stress evaluation systems represent a growing segment in AI-driven healthcare solutions, combining hardware-software integration. This sector has fostered several successful domestic manufacturers in Taiwan, including: Ever Fortune.AI, MedFluid, Quanta QOCA, and the former achieved NTD 100 million revenue in 2023.

CAG AI Lesion Computer-Aided Detection System: According to a survey by market research firm Markets and Markets, the global AI in Healthcare market will be approximately US\$20 billion in 2024 and is expected to jump to US\$148.4 billion (approximately NT\$4.7 trillion) in 2029, with an average CAGR of 48.1% during the period.

■ Automotive electronics (AE)

S&P Global Mobility estimates global light vehicle production in 2025 will reach 89.6 million units, up 1.7% YoY from 88.2 million in 2024.

■ Server

IDC statistics show that the demand for x86 servers was 12.46 million pieces in 2024 and will reach 13.26 million pieces in 2025. Server demand will continue to rise in the next few years, boosted by cloud computing, which is the major source of x86 server demand, accounting for nearly 84.5% of the shipping volume. As the frame-type server has a higher market share, we have actively engaged in the server market. Worldwide end-user spending on servers is rising due to the growing share of high-cost AI-optimized servers.

4. Competitive advantage:

Compal has long invested in the Information and Communication Technology (ICT) industry and has committed to its role as an ODM. The following is a description of our competitive advantages in terms of R&D and mass production capacity:

■ Notebooks

The Company has been manufacturing notebooks since 1989 and is one of the most experienced notebook manufacturers in Taiwan. Products designed by the Company have won many Editor's Choice awards from renowned magazines worldwide as well as awards from the Taiwan External Trade Development Council.

Furthermore, our design team has great sensitivity and responds to market changes with new commercialized products. To enhance product competitiveness, Compal has assembled an R&D team that specializes in the research of new materials and technologies and is good at adding more value to products. The Company also has an intellectual property rights system in place to protect new technologies developed by the R&D team.

The demand for notebooks by general consumers has dwindled consistently due to the rise of handheld devices. This has forced manufacturers to switch competitive strategies towards faster response and more ergonomic design. The Company has always been sensitive to changes in the market and product trends. The next generation of products is planned well in advance to capture market opportunities and generate revenue.

■ Gaming Notebooks

Compal has been deeply engaged in the gaming laptop market for years, maintaining a leading position in both hardware design and software applications while closely collaborating with major gaming laptop brands. Looking ahead to 2025, Compal will focus on the deep integration of AI and gaming applications to enhance immersive experiences and personalized features for gamers. At the same time, Compal remains committed to developing gaming laptops equipped with next-generation hardware specifications, catering to the diverse needs of different types of players. This dedication will further drive the growth of the gaming market and strengthen its competitive edge in the industry.

■ 2-in-1 Notebooks

Compal has extensive R&D and manufacturing experience in both laptops and tablets. Leveraging its innovative development capabilities, the company focuses on delivering higher performance, lower power consumption, and enhanced keyboard and touch experiences to meet the needs of business, education, creative design, and entertainment sectors. With these advancements, Compal aims to create new market demand for this product category.

■ All-in-one (AIO)

Compal possesses the advantage and ability to commercialize products quickly in this respect. To further emphasize product differentiation, a resolute software development team has been assembled to carry out software development and human-machine interface integration, to make the products more suitable for consumer needs.

■ 5G Module, 5G User Equipment

Compal has been dedicated to the development of communication technology for over 20 years, mastering the evolution of global communication standards (2G/3G/4G/5G/B5G). With comprehensive technical capabilities and manufacturing advantages, we provide the most competitive and flexible solutions for our customers and industry partners. Additionally, all communication product R&D teams are based in Taiwan, with support teams in North America and the Asia-Pacific region to respond promptly to customer needs.

- One-stop capability and services include communication and whole machine design and manufacturing.
- Obtained carrier Interoperability test (IoT) and certification.
- Obtained product certifications, including GCF, CE, CCC, TELEC, FCC, and PTCRB, as well as the carrier certification by request.

■ 5G Small Cell, 5G O-RAN, Private and Public Network solutions

Compal's latest 5G small cell series features a comprehensive upgrade to its antenna configuration, significantly

enhancing data transmission rates and accuracy and strengthening network signal coverage. This ensures superior connectivity quality for both indoor and outdoor long-distance transmissions, establishing industry-leading 5G small cell performance. Compal's integrated small cells and O-RU, among other 5G RAN solutions, utilize high-performance ARM processors, effectively reducing energy consumption and lowering the total cost of ownership (TCO). The integration of an AI-powered intelligent management system delivers high-performance and energy-efficient 5G solutions, providing enterprises with smarter and more sustainable network infrastructure. This product series is characterized by its high flexibility and versatility, enabling precise customization to meet the diverse deployment needs of various industries, thereby accelerating digital transformation and fostering business expansion and innovation.

■ Tablets

Compal will continue to integrate new technologies, including AI and environmentally friendly design, to optimize product specifications, performance, and user experience, offering products for various applications such as gaming, entertainment, business, and education. Additionally, Compal will actively apply 4G/LTE/5G communication technologies, commonly used in smartphones, to tablets to meet users' needs for Internet connectivity from anywhere.

■ Smart Wearable Devices

Compal has developed many different types of wearable devices ahead of its international peers. We have long-term strategic partnerships with technology-leading companies such as Google and Qualcomm to develop innovative technology. Compal currently offers an extensive range of products and leads the industry in many advanced technologies, including video, audio, wireless, and wearable materials.

■ Smart Hearable Devices

Compal has years of experience in acoustic, wireless communication, and mechanical structure design for smart mobile devices. We have experienced engineering teams, systematic development processes, and complete test processes and facilities. We can also provide supply chain management services and excellent cost and quality control. All these can be beneficial to our brand customers or distributors.

■ Smart Display Products

We will continuously adjust the resource allocation between production bases and supply chains, deepen the strategic partnership with customers and manufacturers, develop the latest smart TV platform, integrate large-size touch, ultra high brightness backlight, transparent OLED and state-of-art technologies, improve the competition threshold, and strive to meet the needs of consumer, GAI educational market and commercial and specific-purpose markets at the same time.

■ AR/VR Smart Devices

Through collaborative technology development with strategic partners, Compal offers the latest XR hardware platforms, eye-tracking, spatial awareness, and reference designs based on ergonomic considerations. By integrating Gen AI and lightweight structural design, Compal provides highly customized product design services to meet the needs of commercial clients.

■ Smart Home Devices

Smart homes encompass a variety of connected and intelligent automated household electronic devices, such as appliances, entertainment systems, communication devices, healthcare products, and security solutions. Leveraging its existing R&D and firmware design capabilities in the computer and communication industries, Compal not only offers smart speaker products but also assists clients in smartifying their home appliances. Through communication modules and optical modules, Compal helps integrate large language models to enhance voice assistants and provides comprehensive hardware and software solutions for smart home healthcare, energy optimization, and security monitoring. These customized applications ensure that products meet market expectations more effectively.

■ Smart medical and healthcare

Compal will leverage its existing ITC capabilities and cloud platform to explore cross-industry alliances and opportunities to satisfy customer needs with diverse products and services. Bilevel Ventilator: Compal's units feature three key differentiators to compete in mid-to-high-end markets: Ultra-low noise blower motors (<25dB), Customizable patient comfort interfaces, and a Cloud-based remote monitoring system. These features effectively differentiate from Chinese budget products while challenging EU/US premium brands. Radiofrequency ablation system: Compal possesses two core technological competencies: precision RF energy control systems and integrated micro-electrode needles with liquid cooling technology. These capabilities position the company to pursue OEM partnerships with major global medical device manufacturers. Handheld Ultrasound Device: Taiwan's robust supply chain provides a strong upstream ecosystem for SoC chips and analog ICs, superior vertical integration in electronics manufacturing, and delivers a 30-50% cost advantage compared to Western producers.

■ Smart Medical Imaging System

Leveraging its proven hardware-embedded software monetization strategy, Compal is actively integrating its certified medical software with NVIDIA AI BOX solutions to address two critical hospital pain points: 1. eliminating external connectivity requirements, edge computing avoids sensitive data transmission. 2. seamless hospital system integration, native compatibility with: edge AI computing platforms & in-house EMR/HIS databases.

■ Automotive electronics (AE)

Under megatrends in automotive: Electrification, connectivity, ADAS/AD, we strive to prosper our existing business by concurrent engineering with customers to achieve cost competitiveness and 0 ppm quality in IVI

systems and ICT solutions, and leverage core technologies and experiences to new products to explore new business opportunities.

■ Servers

Compal has many years of experience in computer design and manufacturing, which has helped with our entry into the server industry. Compal's existing business relationships with world-leading server manufacturers also work in our favor. We are increasing our investment in designing more AI servers, enriching our server product lineup.

5. Future opportunities, threats, and responsive strategies

■ Opportunities

- In response to the needs of geopolitics and regional markets, coupled with the rising awareness of environmental protection and sustainability, the notebook industry has also begun to move towards a regionalized supply chain. Compal has successively established manufacturing and maintenance service bases in Taiwan, China, the United States, Vietnam, Brazil, Mexico, Poland, etc., which can quickly respond to customer needs and changes in geopolitics.
- As Microsoft is expected to end support for the Windows 10 operating system by 2025, the demand for computer replacements is anticipated to gradually increase over time. Expansion of software development, aesthetic design and human-machine interface talent has improved the ergonomics of products manufactured by Compal, which adds both value and appeal to customers.
- Compal's strong R&D, manufacturing and operational management experience has earned the trust of world-renowned brands.
- Compal has rigorous processes in place to monitor cost from initial R&D to manufacturing and is therefore able to maintain a competitive edge with our products.
- A rational pricing strategy supported by an alliance with parts suppliers helps secure market growth.
- Compal actively forms alliances with participants across industries. This helps the Company to increase product and customer diversity.
- Compal remains active in developing innovative technologies and exploring new product concepts. The Company collaborates with customers in developing new product lines, and in so doing secures access to new products and technologies.
- The US-China trade war is expected to enhance Compal's design opportunities and slow down the price competition among Chinese manufacturers.
- Enhance artificial intelligence (AI) technology as the foundation of the next generation of smart devices.

■ Opportunities

- Amidst unresolved inflation and ongoing geopolitical conflicts, global economic growth faces significant challenges, warranting caution against potential crises.
- With the United States intensifying restrictions on the expansion of China's supply chain, operators in Taiwan's notebook industry must proactively adjust their strategies. The competitive advantage is shifting from specialization to vertical integration, which not only raises investment costs and expands market scope but also adds complexity to business operations. Faced with the rise of the Chinese supply chain, Taiwanese notebook manufacturers must promptly enhance their capabilities in design, development, and assembly to maintain their competitive edge in the global market.
- The notebook is a highly mature product and requires more diverse, value-adding, and innovative features to differentiate from other market participants.
- The conditions of the US-China trade war, globalization, rapid technological development, and fast-changing industries, increased investments in Taiwan from abroad, as well as the demands of human resources, make recruiting talented individuals more difficult.

■ Strategies

- The Company will adopt strategies that focus primarily on innovation, product added value, and service.
- Quality and production efficiency will be improved to reduce manufacturing costs.
- The use of land and human resources in emerging countries throughout the world will be optimized to reduce the cost of production and basic R&D.
- We will enhance the product design review process and develop a comprehensive database of documents to improve design efficiency and quality while reducing cost.
- New customers and new product lines will be explored in emerging markets.
- We will launch ultra-slim notebooks integrating high performance and portability in response to the machine renewal demand in the commercial market, to seize the commercial market together with customers.
- The gaming market has grown in diversity, with new technologies constantly being introduced to entice consumers into replacing old products. Compal is in the position to offer gaming notebooks at various price levels to meet consumer demand.
- We will cultivate internal R&D talents in AI technologies, hold AI seminars, and training courses.
- We will improve employee benefits, salaries, and other conditions to retain talent, disperse R&D location bases to increase the source of outstanding talents and attract outstanding talents to join the international recruitment.

4.2.2 Major Products and Their Main Uses

1. Main product applications

■ Smart Home Devices

Smart appliances, controls and sensors provide users with diversified services for a smart lifestyle.

■ Tablets

Portable touch screen multimedia, mobile viewing, and online information applications.

■ Smartphones and Modules

Personal communication and internet access.

■ Smart Medicine and Healthcare

Penetration into households and point-of-care areas using technology, including that of the IoT, and gradual integration with our own peripheral software products allows the provision of comprehensive solutions. These can provide convenient and instant smart health care that will enhance dependence on the products and engender user brand loyalty.

Bilevel Ventilator: This device is designed to assist patients breathing via externally supplied pressure and is indicated for conditions including sleep apnea syndrome, chronic respiratory diseases, and obstructive pneumonia. The manufacturing process requires compliance with medical device electrical safety standards, biocompatibility testing, and other validation procedures. Additionally, the product must be designed and developed by an organization certified under the ISO 13485 Medical Device Quality Management System and produced in a QMS-compliant medical device manufacturing facility.

Radiofrequency ablation system: This system is suitable for percutaneous or intraoperative coagulation and ablation of soft tissues. It is currently used for tumor ablation in the liver and other organs, as well as thyroid nodules and tumors. The production process must pass medical device electrical safety testing, biocompatibility testing, ex vivo animal trials, sterilization validation, and other verification procedures. The product must also be designed and developed by an ISO 13485-certified organization and manufactured in a QMS-compliant medical device production facility.

Handheld Ultrasound Device: This device utilizes penetrating echo waves to examine internal tissues, enabling physicians to diagnose pathological conditions based on interpreted data or to perform image-guided interventional treatments. The manufacturing process requires compliance with medical device electrical safety standards, biocompatibility testing, sterilization validation, and other verification procedures. Furthermore, the product must be designed and developed by an ISO 13485-certified organization and

produced in a QMS-compliant medical device manufacturing facility.

■ Smart Medical Imaging System

This product is an artificial intelligence-assisted coronary angiography (CAG) lesion detection system designed to automatically annotate pathological signs—such as focal lesions and bifurcation points—in coronary angiography images and analyze their pathological characteristics. It assists healthcare professionals in confirming pathological findings during CAG examinations.

■ Automotive electronics (AE)

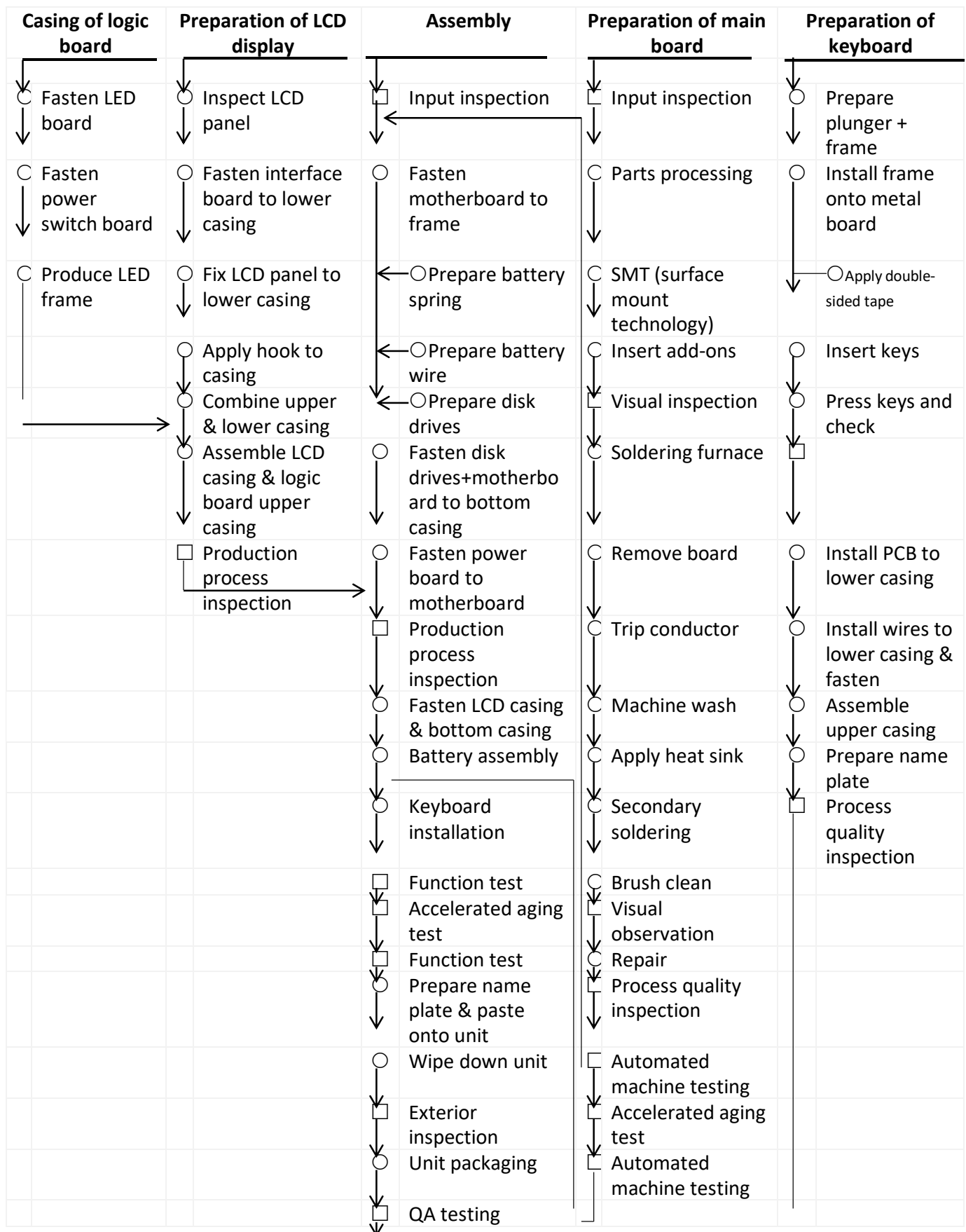
- In-Vehicle Infotainment systems
- Vehicle communication (4G/5G) systems
- ADAS warning systems

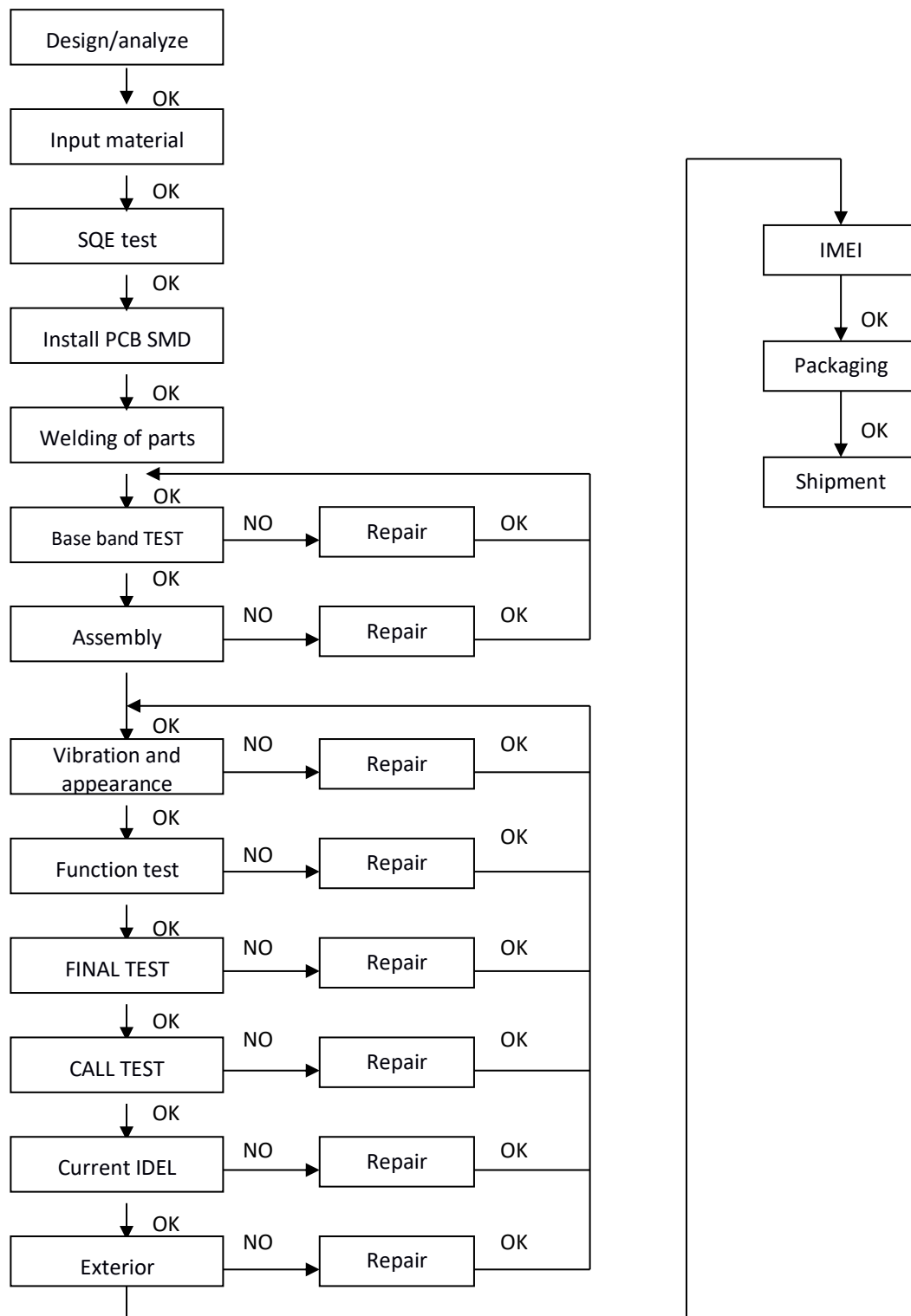
■ Servers

Designed for high power computing, capable of storing massive amounts of data and compatible with different processing programs for data analysis. Built to accommodate different applications required by enterprises, data centers, and cloud platforms. Increase investment to design more AI servers to meet the growing demand for accelerating workloads, such as Artificial Intelligence Inference, Machine Learning (ML), High-Performance Computing (HPC), Data Analytics and Big Data Processing, Virtualization, and Cloud Computing, Autonomous Vehicles, Large Language Model (LLM) and more.

2. Production Process of the Main Products

■ Notebooks





4.2.3 Supply Status of Main Materials

■ CPU/Chipset

- Notebook

Affected by the political and economic environment, the overall demand for laptops in 2024 is relatively conservative. However, with the government departments promoting education project plans and the end of support for Windows 10, it is expected to trigger a wave of replacements, and demand is expected to rebound in the second half of 2025.

The CPU market for laptops is still dominated by Intel and AMD, with market shares of 67.2% and 21.3%, respectively. Apple's ARM architecture CPU is expected to have a penetration rate of 10% in 2024. With Qualcomm and MediaTek gradually launching ARM architecture laptop solutions, it is expected that the market share of ARM architecture CPUs in the laptop market will increase to 13% in 2025.

In terms of new products, Intel launched Lunar Lake in Q3'24, emphasizing lightweight, energy-saving, and integrated LPDDR5X packaging technology, and is expected to launch Panther Lake in Q4'25. AMD launched Strix Point with 50 TOPS NPU in Q3'24 and is expected to launch Gorgon Point in Q1'26. Qualcomm is expected to launch Glymur in Q4'25. With major CPU manufacturers launching new solutions, the laptop market in the second half of 2025 is expected to be promising.

- Smartphone and Module

The global smartphone market is estimated to reach 1.26 billion units by 2025, with an average annual growth rate (CAGR) of 3-5%. This growth is driven mainly by emerging market economies continuing to develop and expanding 5G network coverage. The market recovery is largely fueled by increased consumer spending in these economies. The deep integration of AI technologies is becoming a significant driving force in the market. As smartphone functionalities continue to upgrade, consumer demand for high performance, low power consumption, and intelligent applications is growing steadily.

The global 5G market is forecast to reach \$32.74 billion by 2025, with an anticipated growth to \$71.17 billion by 2030, a CAGR of 16.8%. The wireless module market will continue to be driven by technological innovations and increasing demand. 2025 is seen as a pivotal year for the official launch of 6G standardization, which is expected to bring transformative changes to wireless.

■ Memory

- DRAM

Samsung, SK Hynix, and Micron, the main memory manufacturers, are expected to cease production of DDR3 and DDR4 by 2025, which might cause a supply shortage in the second half of 2025 (2H25). With the DDR5 memory launch, offering higher capacity, faster speeds, and greater bandwidth, the demand for servers is expected to remain strong due to the replacement cycle. Consumer AI PCs and AI smartphones are using DDR5, with the proportion expected to reach 30-40%. This will accelerate the DDR5 and LPDDR5X penetration rates, which are expected to replace DDR4 as the mainstream.

Over the past two years, the major cloud infrastructure has increased its capital expenditures in 2025, as high-bandwidth memory (HBM) has seen strong demand. Even SK Hynix and Micron transfer the capacity to HBM from DDR5 and LPDDR5-1y process, their capacity will still be fully booked in 2025, indicating that the HBM market remains supply-constrained. HBM production has already impacted DDR5 and other memory capacities. On the demand side, consumer products continue to launch, supporting DDR5 CPU and the server side with low inventory, so the demand remains strong.

- NAND flash

As NAND Flash prices weakened in 2024, Micron, Samsung, SK Hynix, and Kioxia began to decrease the capacity from Q4 2024 to prevent oversupply. Compared to the second half of 2024, this reduction in supply is expected to result in a more than 10%-20% decrease in production in Q1 2025. Since the Lunar New Year, NAND Flash market prices have already rebounded, and the price increase is faster than expected.

AI has driven market demand, leading enterprise storage to adopt higher-capacity SSDs. The penetration rate of PCIe 5.0 SSDs is expected to rise from 9% in 2024 to 61% in 2026. Kioxia predicts that AI will drive flash memory demand to increase by 2.7 times until 2028.

In the NAND Flash market, due to a decrease in supplier production and a rebound in demand, the price is expected to increase in 2025.

■ Battery

With the gradual maturation of lithium iron phosphate battery technology, the demand for cobalt has been partially replaced. However, high-performance batteries are still primarily based on ternary lithium batteries (nickel-cobalt-manganese or nickel-cobalt-aluminum), and the price fluctuations of key raw materials such as cobalt and lithium continue to affect the pricing of ternary lithium batteries for laptops. Given the current supply and demand situation for cobalt and lithium in the market, the price trend for laptop batteries in 2025 is expected to remain stable.

Due to continuous downstream integration by cell manufacturers and their choice to integrate packaging processes, the shipment share of pure packaging plants for laptop batteries is expected to decrease from 66% to 60% in 2025. As China advances battery manufacturing technology and integrates packaging processes, these vertically integrated manufacturers will have greater influence in the laptop battery market. Meanwhile, Japanese and Korean battery manufacturers are shifting their focus to higher-performance battery technologies and reducing their investment in the laptop battery market.

■ LCD modules

Affected by political and economic factors and the increased demand for educational tenders, the laptop market in 2024 saw better sales of affordable laptops, leading to an increase in the proportion of traditional panels. With the continuous launch of AI laptops, it is expected that traditional panels will still be gradually replaced by other high-end display technologies in the future. As for OLED panels, due to issues such as yield

and cost, they have not been widely adopted in the laptop market, with an OLED panel shipment penetration rate of only 3.1% in 2024. Samsung announced that competitively priced OLED panels will be launched in the second half of 2026, which is expected to significantly increase OLED's market share in laptops. Currently, 14-inch and 15.6-inch laptop panels remain the mainstream sizes, with the aspect ratio quickly shifting from 16:9 to 16:10. The market share of 16:10 panels was 46.0% in 2024 and is expected to reach 53.2% in 2025.

Benefiting from the Windows 10 operating system upgrade and the laptop replacement wave brought by AI laptops, the demand for high-end panels will be supported. Additionally, the demand for high refresh rate panels in gaming laptops is showing steady growth, and it is expected that the supply/demand and prices of laptop panels will remain stable in 2025.

4.2.4 Major Suppliers and Clients

1. Major Suppliers in the Last Two Calendar Years

Unit: TWD Thousands

Party	2023				2024			
	Name	Amount	Percentage of 2023 net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of 2024 net purchases (%)	Relationship with the issuer
1	Company E	281,375,768	32.19	N.A.	Company E	293,642,001	35.37	N.A.
2	Company J	93,528,302	10.70		Company J	121,685,313	14.66	
	Others	499,129,820	57.11		Others	414,899,266	49.97	
	Net Purchase	874,033,890	100.00		Net Purchase	830,226,580	100.00	

- Causes of changes: No significant change to the major suppliers reported in the last two years.

2. Major Clients in the Last Two Calendar Years

Unit: TWD Thousands

Party	2023				2024			
	Name	Amount	Percentage of 2023 net sales (%)	Relationship with the issuer	Name	Amount	Percentage of 2024 net sales (%)	Relationship with the issuer
1	Company d	379,263,553	40.06	N.A.	Company d	405,779,277	44.58	N.A.
2	Company e	125,647,532	13.27	N.A.	Company e	154,563,831	16.98	N.A.
	Others	441,803,715	46.67		Others	349,909,916	38.44	
	Net sales	946,714,800	100.00		Net sales	910,253,024	100.00	

- Causes of changes: The decrease in sales to Customer a, d, and f in the year of 2023 is mainly due to the decrease in shipments of the corresponding products which was caused by the impact of customer demand.

4.3 Human Resources

Year		December 31, 2023	December 31, 2024	March 31, 2025
Number of employees		58,249	43,216	41,948
Average age		29.85	32.44	31.78
Average years of service		3.45	4.64	4.42
Academic qualifications	Doctoral Degree	0.09%	0.1%	0.1%
	Master's degree	6.52%	8.21%	8.43%
	Bachelor's degree	28.93%	34.01%	33.03%
	High school/Below/others	64.46%	57.68%	58.44%

4.4 Environmental Protection Expenditure

1. Compal is an assembler of electronic products and produces no significant pollution

The company is an information electronics product assembly plant with low energy consumption, high water consumption, and a high pollution industry. In order to protect the environment, it fulfills its social responsibilities, saves energy, reduces carbon emissions, and reduces the impact of global warming. The Taiwan and Mainland China plants together incurred expenses of TWD 94,875 thousand (excluding regular maintenance and green R&D) in 2024. We are keeping the promises we made as earth citizens and hope to make substantial contributions to the protection of the global environment. We will continue our commitment to efforts in this respect. In 2024, Compal had no violations of environmental laws and will keep abreast of relevant regulatory updates and respond immediately to reduce the risk of violations.

Investment in Energy-Saving Equipment

In 2024, Compal invested a total of NT\$3.39 million in energy-saving equipment at the Pingzhen plant in Taiwan. The investment was used to install an air conditioning energy monitoring platform and variable frequency devices to enhance electricity savings and carbon reduction. It is expected to save 316,542 kWh of electricity annually and reduce carbon emissions by 159 tons per year. The details are as follows:

- **Energy Management:** An investment of NT\$2.13 million was made to install an air conditioning energy monitoring platform, which includes multiple digital meters, thermometers, and flow meters. This measure is expected to reduce electricity consumption by 199,740 kWh annually and decrease carbon emissions by 101 tons per year.
- **New Energy-Saving Equipment:** An investment of NT\$1.26 million was made to install variable frequency controllers for the reflow oven exhaust system and the SMT process exhaust system. This measure is expected to save 116,802 kWh of electricity annually and reduce carbon emissions by 58 tons per year.

2. Compliance with EU RoHS directives

- All our company's products comply with the limits required by the RoHS directive, and there are no returns due to exceeding the limits.
- To manufacture environmentally friendly green products and meet the requirements of both international environmental laws and client demand, the Company has implemented "Management Standards for the Control of Environment-Related Substances in Parts and Materials" that cover all hazardous substances currently prohibited by law and banned by customers. We have implemented efficient and effective methods of inspection for hazardous substances using recognized component classification and risk control to establish a plant monitoring mechanism for oversight and verification.

3. Responsive strategies and possible expenses

In the future, the Company will continue to implement its environmental responsibilities, including the boosting of staff knowledge of environmental matters, and spreading updated green living knowledge, the Company's response to government policy with respect to green consumption, and

the regular priority assessment of green product content in procurement, as well as continuous improvement in the energy efficiency of our plants. This includes scrutiny for all kinds of possible violations of environmental regulations in the operations management system, and the mandate to have a timely response to all environmental laws.

4.5 Labor Relations

1. Availability and execution of employee welfare, education, training, and retirement policies. Elaboration of the agreements between employers and employees, and protection of employee rights.

■ Employee welfare

The company provides various employee benefits at each factories, including on-site cafeterias, shuttle bus services, dormitories, and a range of indoor and outdoor sports facilities. In addition to all employees' statutory labor rights and to help them find a balance between work and personal life, both physical and mental, and to improve their vitality in the workplace, the Company has an Employee Benefits Committee, a Life Committee, and other groups responsible for promoting worker welfare. The employee health benefits and activities include a fitness center, a medical facility, periodic health checks, recreational team competitions, family activities, annual banquet, family day, travel, the arts, and leisure and all kinds. Group Life Insurance is covered by the Company and includes accident, medical, and cancer. Employee dependents may also join the scheme at a discounted rate, but at their own expense. We also have benefits such as scholarships for employees and their children.

The Company actively supports the government in resolving the low birth rate crisis and childcare policy in Taiwan. Since 2011, we have provided generous maternity grants for employees and their spouses and children. By the end of 2024, the Company had provided TWD239.71 million in maternity allowances and bonuses. There were 46 counts of employees who took parenting leave, with the right to return to work, in 2024.

Specific measures and implementation results for preventing employees from obesity, hypertension, high blood sugar, and high blood lipids

1. Health Risk Screening and Tiered Management:

Through annual health checkups and surveys, employees with potential health risks are identified and categorized based on their condition. Tailored health advice and follow-up plans are then provided according to each risk level.

2. Risk Reduction Measures:

The company organizes health seminars, wellness promotion activities, educational campaigns, and consultations with doctors to help employees better understand their health data and learn strategies for improvement.

3. Implementation Results:

(1) Following health guidance interventions, the number of employees who showed improvement in each

health indicator is as follows:

- Obesity: 128 employees
- Hypertension: 69 employees
- High Blood Sugar: 16 employees
- High Blood Lipids: 144 employees

(2) In Taiwan, a self-directed weight loss program was launched with 196 participants. Over a 3-month period, weekly information on weight management, healthy eating, and exercise was provided. Participants collectively lost a total of 570.6 kilograms. According to a satisfaction survey conducted at the Taipei Headquarters, 96.7% of participants reported changing their eating habits after the program, and 100% said the program increased their awareness of personal health.

■ Education and training

The Company set training credits and outlined the credit system according to the needs of each level. The Company also integrated all training records into an online learning platform to further assist the competent staff in keeping abreast of learning progress.

In 2024, 766 training sessions (both internal and external) were organized; these courses delivered 204,997 hours of training and 137,096 persons enrolled. The total training expenses were TWD 31,483,000. The training courses included:

- Orientation: New hire seminars and Compal Employee Development Course were organized to help new hires better understand company culture, the current status of the industry, and Company strategy and vision.
- Language training: Basic to advanced English and Japanese courses that train employees to respond to customers and give them a global vision through workspace situational training.
- Managerial skills Training: To establish a comprehensive blueprint of development levels, strengthen core competency at all levels in such aspects as teamwork, issue analysis, innovative thinking, and soon conduct planning for company talent training at various stages.
- Professional training: Categorized new professional knowledge lectures, courses, and experience heritage job training to enhance employee expertise and technology and to enhance the Company's core competitiveness through systematic management.
- E-learning: Offers related courses in new hire requisites, IT, Six Sigma, language, management, sustainable development, and occupational safety. The Company uses internet learning and resource sharing to offer real-time learning. The effect is maximized with a complete learning and training mechanism that utilizes a comprehensive knowledge management system.

■ Retirement system

To arrange retirement for employees, the Company has issued labor retirement rules, which stipulate the conditions and standards for retirement, application, as well as operation of the labor Pension Preparation Fund based on law. A supervisory committee for the workers' retirement preparation fund has also been

established. According to the Regulations for the Allocation and Management of the Pension Preparation Fund, we contribute and deposit labor pension preparation funds into a dedicated account at the Bank of Taiwan per month to protect employees' rights. In accordance with the Labor Pension Act, we have contributed a 6% pension into personal accounts for befitted employees. Also, for those who volunteered to contribute to their pension, the voluntary withholding rate was deducted from the employees' monthly wage to the individual retirement account of the Labor Insurance Bureau since 1st July 2005.

■ Employer-employee communications and the enforcement of worker rights

The Company has always valued employer-employee relations and has communication channels available to facilitate two-way communication that allows the Company to respond to the thoughts and opinions of employees in a prompt manner. The Company not only has policies in place to protect employee rights, but also makes decisions in the best interests of its employees.

2. Personnel management

The Company has clear policies in place to manage human resources and to guide employee behavior. There are specific levels of approval authority and detailed rules to guide decisions concerning employee recruitment, promotion, appraisal, assignment, leave of absence, resignation, confidentiality agreements, reward and discipline. These policies and rules exist to eliminate subjective judgment and to create a fair, open, and systematic corporate culture.

3. Work environment

- Buildings are subjected to annual fire safety inspections and reports.
- Buildings, plants and equipment are inspected daily and maintained on a regular basis.
- The Company hires regular cleaning services to ensure the cleanliness of its work environment.

4. Employee safety

- Personnel entry and exit are controlled by a security system.
- Security personnel are stationed 24 hours a day to patrol plant premises and monitor the surveillance system.
- Lectures and rehearsals are organized annually to demonstrate proper responses to cases of emergency.

5. Actual or estimated losses arising as a result of employment disputes in the recent year up to the publication date of this annual report, and any responsive measures taken

- In the year 2024 and up to the date of publication of this annual report, the Company has not incurred any losses due to labor disputes.
- Future countermeasures and potential expenditures: None.

4.6 Information Security Management

1. Information security risk management framework

The Information Security Committee coordinates and executes Compal's information security related operations and various activities. It consists of one chairman and one deputy chairman. The chairman is a member of Compal's Board of Directors, and the deputy chairman is appointed by the Board of Directors as the Chief Information Security Officer. According to management needs, several members may form the committee, with the head of the department and above as ex-officio members. An executive secretary is responsible for administrative affairs. The Information Security Committee has an Information Security Implementation Team, which is composed of staff from the Information Security Team, which handles the establishment, promotion, maintenance, audit and training of information security related matters. One person is appointed as the head of the Information Security Implementation Team and reports to the Board of Directors once a year. When necessary, the Information Security Committee may invite external information security consultants to serve as advisors.

Compal's Information Security Committee coordinates and discusses information security policies, objectives, resource scheduling, and other issues, and holds management review meetings twice a year to ensure the continuous applicability, appropriateness, and effectiveness of the ISMS, and maintains operational information security and compliance with national laws and regulatory requirements for information security control. It defines the scope of the ISMS, implements risk assessment and risk management tasks, determines acceptable risk levels, discusses the duties and responsibilities in information security related operations, and coordinates information security control measures and processing procedures. It advocates for information security policies and other information security management matters and promotes information security awareness.

2. Information security policy

To achieve its information security strategy of "ensuring business continuity and enhancing customer satisfaction," Compal has implemented an information security management system. This includes formulating roles and responsibilities for information security and ensuring full participation from all employees and contractors. We identify information assets, conduct information security risk assessments, comply with laws and regulations, meet customer security requirements, and carefully evaluate overall information security risk items and acceptance criteria.

In response to the evolving digital environment and ever-changing new technologies, we strengthen digital resilience and implement information security controls with a proactive defense mindset. This includes identification, protection, detection, response, and recovery, aimed at maintaining the confidentiality, integrity, and availability of critical information assets. Through management reviews and performance evaluations, we continuously improve and maintain the effectiveness of the information security management system. Our goal is to gain customer trust, fulfill commitments to shareholders, and achieve sustainable business operations.

3. Policies and Regulations for the Protection of Personal Data and Privacy

Compal formulates "Compal Group - Policies and Regulations for the Protection of Personal Data and Privacy", stating that employees should abide by and protect various forms of personal data

processing procedures, the scope of application, corrective actions, and disciplinary actions.

"Compal Group - Policies and Regulations for the Protection of Personal Data and Privacy" applies to all group-wide in Compal. The "Personal Data Management Team" is established across functions for the proper protection of privacy rights, and the hotline at +886287978588#14385, or the e-mail at Compal_PIR@compal.com, is set for filing a complaint and reporting. Compal adopts a zero-tolerance policy for privacy protection. In the use of personal information, unless the individual explicitly agrees, Compal will not collect any personal information. In addition, Compal is also prohibited from using personal information for secondary purposes. There was zero secondary use through internal monitoring in 2024. If any relevant personnel are in breach of duty, Compal will take disciplinary and corrective actions to protect data privacy.

4. Information security specific management plan

- Compal measures six major information security objectives on a monthly basis, and monitors the measures of information security management control.
 - ✓ Prevent malicious attacks on information services.
 - ✓ Protection and preservation of critical data.
 - ✓ Enhancement of information security awareness.
 - ✓ Satisfy demand from Company personnel for information services such as transfer of data, electronic workflows, and data storage.
 - ✓ Require suppliers to practice sound information security.
 - ✓ Compliance with statutory and contractual obligations: Prevent Company personnel from violating intellectual property rights and relevant laws and non-disclosure agreements.
- The identification of internal external issues with the information security management is conducted every six months to establish stakeholder expectations of the information security management system (including customer requirements on information security).
- The important system backup and recovery test is conducted every six months and a BCP recovery drill is conducted every year to ensure the effectiveness of the BCP plan and compliance with the system recovery goal.
- Information security incident response drills are conducted every year so that information security incidents can be contained and threats resolved as quickly as possible to reduce the scope and degree of impact.
- Social engineering drills & information security guidance are conducted every quarter and education & training conducted every year to enhance employee information security awareness.
- To detect network and system vulnerabilities, vulnerability scans are periodically conducted and professional third-parties commissioned to carry out network and system penetration tests every year to verify the effectiveness and performance of information security defenses.
- Internal/external audits are conducted on a regular basis, along with continuous improvement.
- Risk assessment is carried out on a regular basis and risk assessments conducted based on asset value and business processes. Risk control measures are then carried out for areas assessed to be of high risk.

5. Information security management resources

■ ISO27001 Information security management and audit mechanism

To protect confidential company and customer information, Compal passed the ISO 27001 Information Security inspection in 2005 and was awarded "ISO 27001" certification by BSI. Since then, the scope of certification has been expanded and the Company has been conducting regular follow-ups twice every year and a review audit once every three years. Internal auditing includes the NIST CSF, ISO/IEC 27001:2022, and

TISAX standards; external third-party audits are based on the ISO/IEC 27001:2022 standards as well as the information security requirements of our customers. The scope of verification covers R&D activities of portable computers, all-in-one PC, automotive electronic products, server products, mobile device products, the IT group, the smart device business group-IT division, and the IT division at five factories in Kunshan and Vietnam. The automotive electronics products division has officially passed the TISAX Information Security level 3 Very High certification in 2024.

■ Enhance network security

Compal continues to strengthen information security control requirements, enhance the Company's password policy, and establish a weak password database to prevent employees from using weak passwords. Strengthen the Company's account identity authentication mechanism and implement two-factor authentication to enhance the security of remote login to internal resources and prevent unauthorized users from accessing company resources or customer information. Establishment of MDR threat detection, anomaly analysis and event response to protect against information security threats. Access to sensitive information is controlled by account permissions. The login password shall be regularly changed in accordance with the Company's password policy. Continue to examine the Company's network security plan and ensure the compliance of all devices connected to the corporate network. Compal started the third-party cybersecurity network assessment in 2020. According to the Security Scorecard industry and scale classification scoring information, the average score for the 2024 assessment was 95 points, higher than the average score for manufacturing companies worldwide.

■ Enhance employees' information security awareness

Compal provides eLearning courses and quarterly social engineering drills to simulate hackers' phishing emails, and detect employees' information security risk awareness, supplemented by daily boot up with pop-up information security announcements, and quarterly Information security guidance by email, and also education training to enhance colleagues' information security awareness. In order to implement the concept of information security, new employees complete the information security training program, and all employees are required to complete information security retraining courses every year. The information security education and training shall include Compal's information security management regulations. Upon completion of the training, the validity of the training will be evaluated, and the evaluation will be logged. Information security members participate in the information security intelligence and technology seminar to learn about the latest information security trends and intelligence. Five members of the information security team have obtained an ISO27001 lead auditor license, and one member has a CISSP license. In addition to facing customers and impartial third-party audits, they also conduct internal audits to ensure the implementation of information security management mechanisms.

6. Losses, possible impacts and responses of major information security incidents

The widespread use of computers and rapid development of the internet have greatly changed the way users store and share information. Compal formulated the information security events reporting management procedure, including determining the impact of the incident, damage assessment, and reporting process. With the efforts of all colleagues, Compal did not receive any complaints about a violation of customer privacy or the loss of customer information in 2024. In response to the government's "Cyber Security Guidelines for TWSE/TPEx-Listed Companies", Compal applied to become a member of the

Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC) in 2022 to improve the notification and response to cybersecurity incidents.

4.7 Important Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Patent licensing agreement	Phoenix Technologies Ltd.	Since 2010.1.1 Auto-renewed upon expiry	1. Tool Licenses 2. Source Code licenses 3. Maintenance	None
Trading and manufacturing agreement	Dell Products L.P.	Since 1997.06.26 Auto-renewed upon expiry	Under this agreement, the buyer will procure computer products developed and manufactured by the seller, while the seller will grant the buyer proper licenses to use the products and provide after-sales technical services.	None
Trading and manufacturing agreement	Acer Inc.	Since 2001.10.01 Yearly Auto-renewed upon expiry	Under this agreement, the buyer will procure computer products developed and manufactured by the seller, along with after-sales technical services provided by the seller.	None

V. Review of Financial Conditions, Financial Performance, and Risk Management

5.1 Analysis of Financial Status

Unit: TWD Thousands

Analysis \ Year	2024	2023	Difference	
			Amount	%
Current Assets	379,521,641	368,924,297	10,597,344	2.87
Investments accounted for using the equity method	7,344,492	7,448,351	(103,859)	(1.39)
Property, plant and equipment	31,103,899	29,040,525	2,063,374	7.11
Other Assets	45,571,675	31,357,801	14,213,874	45.33
Total Assets	463,541,707	436,770,974	26,770,733	6.13
Current Liabilities	283,052,147	277,252,062	5,800,085	2.09
Non-current Liabilities	24,023,778	26,746,059	(2,722,281)	(10.18)
Total Liabilities	307,075,925	303,998,121	3,077,804	1.01
Ordinary Share	44,071,466	44,071,466	-	-
Capital surplus	3,472,941	4,270,915	(797,974)	(18.68)
Retained Earnings	78,213,219	72,548,155	5,665,064	7.81
Other Equity Interests	17,588,331	(387,294)	17,975,625	4,641.34
Treasury stock	(881,247)	(881,247)	-	-
Non-controlling Equity	14,001,072	13,150,858	850,214	6.47
Total Equity	156,465,782	132,772,853	23,692,929	17.84
Note: Analysis of variations exceeding 20% and amounting to more than NTD10 million:				
- Increase in other assets: Mainly due to the increase in non-current financial assets at fair value through other comprehensive income. - Increase in other equity: Mainly due to the increase in Non-current financial assets at fair value through other comprehensive income.				

■ Effect of changes on the Company's financial position and Future response actions:

Judging from the aforementioned causes, the effect of changes on the Company's financial position in the last two years are normal outcomes from operating activities.

5.2 Analysis of Financial Performance

Unit: TWD Thousands

Analysis \ Year	2024	2023	Difference	
			Amount	%
Net Sales	910,253,024	946,714,800	(36,461,776)	(3.85)
Cost of Sales	864,881,775	904,317,906	(39,436,131)	(4.36)
Gross Profit	45,371,249	42,396,894	2,974,355	7.02
Operating Expenses	30,529,211	30,349,183	180,028	0.59
Operating Income	14,842,038	12,047,711	2,794,327	23.19
Non-operating Income and Expenses	506,150	(157,286)	663,436	(421.80)
Profit Before Tax	15,348,188	11,890,425	3,457,763	29.08
Less: Income Tax Expense	3,653,527	2,759,747	893,780	32.39
Net Profit (loss)	11,694,661	9,130,678	2,563,983	28.08
Other Comprehensive Income (after tax)	18,178,524	898,965	17,279,559	1,922.16
Total Comprehensive Income	29,873,185	10,029,643	19,843,542	197.85

Note: Analysis of variations exceeding 20%:

- Increase in Net Operating Income: Mainly due to a decrease in Cost of Sales, and a Gross margin increase.
- Increase in Non-operating income and expense: Mainly due to the reduction in Finance costs.
- Increase in Profit before tax, Income tax expense and Net profit: Mainly due to Net Operating income growth.
- Increase in Other Comprehensive Income: Mainly due to an increase in unrealized gains from investments in equity instruments measured at fair value through other comprehensive income and the change in Exchange differences on translation of foreign financial statements.

5.3 Analysis of Cash Flow

5.3.1 Cash Flow Analysis for the Current Year

Unit: TWD Thousands

Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Flow from Operating Activities (2)	Other Cash Inflow (Outflow) (3)	Cash Surplus (Deficit) (1)+(2)+(3)	Financing of Cash Deficit	
				Investment Plans	Financing Plans
72,479,480	25,243,977	(18,775,575)	78,947,882	-	-

Note: 1. Other Cash Inflow (Outflow) includes the Cashflow in investing activities, financing activities, and foreign exchange impacts.

2. Analysis of the change in 2024 cash flows:

- Net cash inflow in operating activities: Mainly due to a decrease in inventories and an increase in other current liabilities.
- Net cash outflow in investing activities: Mainly due to repayment of the loan and distribution of cash dividends.
- Net outflow of financing activities: Mainly due to repayment of the loan and distribution of cash dividends.

3. Financing of cash deficits and liquidity analysis: There is no cash deficit situation.

5.3.2 Cash Flow Analysis for the Coming Year

The Company takes prudent planning and aims to maintain stable cash liquidity, as the cash balance at the beginning of the year plus the net cash inflows from operating activities are adequate in meeting the Company's investing and financing needs.

5.4 Major Capital Expenditures

5.4.1 Major Capital Expenditures and Sources of Capital

Unit: TWD Thousands

Project	Actual or Planned Source of Capital	Actual or Planned Date of Completion	Total Capital	Actual or Expected Capital Expenditure 2024
Property, plant and equipment	Cash flow generated from operations and loans	2024	7,098,856	7,098,856

5.4.2 Expected Benefits

The Company's major capital expenditures are invested to meet the needs of business growth and capacity expansion. Meanwhile, the Company aims to increase automation equipment to enhance production efficiency and achieve the goal of smart manufacturing, which will build the Company's long-term competitiveness.

5.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

1. Investment policy

(1) Competition in the industry has accelerated and Compal is in full thrust integration mode. "Enlightened

Living and Computing with a Green Connection” is the Compal vision. Our long-term investment strategies are to focus on products that relate to our core business, to provide the best quality in computing, communications, consumer, cloud and connection, to provide full solutions in cost and technology, and to put emphasis on our partner’s compliance with labor regulations, and the avoidance of human trafficking and slavery. We also want to strengthen the core resources through vertical integration, diversification, strategic investments or acquisitions, and horizontal competition.

(2) Improve post investment performance, strengthen the integration of Group resources and strategic partnerships with investment businesses, facilitate the cooperation between the Company and invested businesses, and require their full compliance with labor regulations and those against human trafficking and slavery. Connect related customers to an information network and form strategic alliances with other industries. Sustain the performance of operating output in social, economic, and environmental aspects using a high standard of specification. This includes increasing efficiency and productivity, improving the rights of the workers, proper economic development, and environmentally friendly production in a clean operating base. The Company fully supports investment companies with good performance to plan for an IPO to accelerate the realization of good returns on investments.

2. Main causes of profits or losses incurred on investments, and any corrective actions planned

The 2024 consolidated loss from investment using the equity method came to approximately TWD 694 million. The loss was mainly due to the negative impact of the sluggish market or lagging economies of scale.

3. 2025 investment plans

The long-term investment plan for next year will be based on the Company’s operating policy to position ourselves as the pioneer provider of mobile device solutions and provide products, through the integration of R&D resources and clients, of an all-in-one computer, TV, AE and enterprise servers. The Company follows the principle of steady operation and always focuses on our core businesses. We will expand on the foundation of our existing businesses, make some vertical integration where appropriate, and expand horizontally into related activities, while continuing to grow our core business.

In the vertical integration of upstream and downstream businesses that are not involved in hardware production, we will also expand the number of our developers and the proportion of software and firmware, to increase the value of their intangible assets and bring in value from additional sales.

We expect horizontal mergers and expansions to help develop full IoT solutions for our clients, which include applications in cross-industry automation, industrial computers, security control, the healthcare industry, cars, smart medical, smart cities, smart buildings, restaurants, and retail outlets. The primary aim is to provide new investment opportunities and challenges.

In practice, in addition to achieving internal growth under the existing business framework, we also accept the possibility of mergers, acquisitions, joint ventures, technical calibrations, and investment activities through bilateral or multilateral collaboration between business entities.

The Company and affiliates will proceed with the aforementioned expansion based on the consideration of whether the expansion can strengthen the Group’s advantage and assessment of reasonable risks. In terms of reinvestments, we follow the above mentioned principles and set basic principles in the following three directions:

- (1) The vertical integration of upstream and downstream businesses to increase the proportion of self-made parts and improve overall competitiveness.
- (2) Horizontal mergers and expansion of related products and services, as well as other industries that provide prominent synergy or growth.
- (3) Develop technology that benefits the Company or its affiliates or invest in assets that provide synergy or growth.

5.6 Analysis of Risk Management

5.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates, and Inflation on Corporate Finance, and Future Response Measures

Unit: TWD Thousands; %

Items	2024
Net interest revenue and expense	(13,256)
Net gain on foreign currency exchange transaction (including valuation of financial instruments)	424,648

Regarding interest rates and inflation, the company will monitor changes closely and strive for the most favorable loan rate. It will use idle funds in low-risk bank deposits and money market funds to reduce the impact of interest rate and inflation changes on the company.

The Company is export-oriented. Sales and purchases of the Company are mainly accounted for in USD. The change and movement of the exchange rate have a considerable impact on annual profit and loss. To minimize the impact on the Company's operating profit/loss, the Company mainly utilizes hedging such as forward foreign exchange contracts and swaps to minimize the risks of exchange rate movements. In the future, the quotation strategy will be adjusted in a timely manner depending on the fluctuation of the exchange rate. The financial department collects and evaluates the relevant information and trends of the foreign currency market and accommodates the needs of funds and makes foreign currency exchange transactions in time to reduce risk.

5.6.2 Policies, Main Causes of Profits or Losses, and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

1. The Company does not make high-risk, high-leveraged investments.
2. The Company only offers financing to its related parties, mainly providing short-term financing for their operating needs.
3. The Company is engaged in endorsement and guarantee activities, which are only negotiated between subsidiaries and the parent company. The arrangements are covered by proper Endorsement and Guarantee Procedures.
4. The Company uses a hedging strategy for assets and liabilities valued in foreign currencies. Such hedging, done through forward foreign exchange contracts and swap trading, covers the amount of net assets and liabilities to achieve the objective of risk aversion.
5. In addition to prudent evaluation and control of the execution of related policies, the Company also relies on regulations such as "Guidelines for Handling Acquisition and Disposal of Assets", "Endorsement and Guarantee Procedures", "Third Party Lending Procedures", and "Procedures for the Handling of Derivatives Trading".

5.6.3 Future Research and Development Projects and Corresponding Budget

In addition to being committed to product innovation and improving computer and smart device products, the Company regards innovative research and development as the niche for its sustainable growth. The R&D team develops and proposes various R&D programs based on their forecast of new technologies, understanding of market trends, and integration of add-on functions. They also team with clients to meet their market planning

and detailed product development.

In general, the Company usually has less than a one-year product development cycle and aims to shorten the R&D cycle year after year. The IT industry is highly competitive, and the timing of product development is of vital importance. The rapid growth in sales has made the quality, experience, and capacity of R&D a decisive factor that will become the key to whether the Company can achieve its business target and whether the existing customers continue their cooperation with the Company. The 2024 R&D expenses are expected to be TWD 17.4 billion.

5.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

The company's management team closely monitors any policy changes and regulation updates that could impact our operations. In response to significant domestic and international policy and regulation changes in 2024, the company has implemented appropriate measures. These actions have ensured that there is no substantial impact on our financial and business performance.

5.6.5 Effects of and Response to Changes in Technology (including information security risks) and the Industry Relating to Corporate Finance and Sales

The constant arrival of new technology products to replace dated ones has changed the habits of users. This has consequently led to the emergence of different demands, and the development of ARM and Android has also impacted Wintel, which used to monopolize the market. Not only that, the emergence of cloud applications has also resulted in significant changes in the traditional PC market. The rising technology trend of IoT, Artificial Intelligence (AI), and 5G communication will also bring significant developments in the industry as well as market opportunities. To cope with these changes, the Company has expanded new businesses to its existing product lines to embrace the latest industrial trends. As such, the Company has established its Innovation Center which is responsible for following and studying the latest developments in market trends. Not only that, the Innovation Center is also involved in the development of innovative products, technologies, and designs to strengthen the Company's research on consumer behavior and thereby provide more accurate market segmentation and product positioning to satisfy user needs. At the same time, we will also focus on boosting our innovative technology capabilities and plans for future product and market opportunities.

Besides, in response to the changing trend of external information security and the ever-changing hacking techniques, we continue to pay attention to the latest information and technology, keep up with the times in our defense and management, effectively block information security threats, and reduce operational impact. Regarding internal and external information security issues, appropriate resources should be invested, and control measures should be improved to reduce risks. There were no major information security events in 2023, nor did the leakage of confidential information affect our customers and business, nor cause a significant impact on the financials.

5.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures

The company has concentrated on the IT and Communications industry for many years and has firmly adhered to a business philosophy of transcendence, sincerity, and harmony in a culture of ethics and honesty. We aim to be the best in world-class professional design, manufacturing, and services. As we pursue business growth, we always remember our obligations as a corporate citizen. We have strengthened corporate governance, fulfilled corporate social responsibility, and established a good corporate image. As the company scale and business complexity have expanded, the number of employees has increased. Our global production branches have increased in number, we have become acutely aware of the need for periodic checks of the external environment, a self-management system, and operational strategies for strengthening the risk management and early detecting of potential corporate crises and the need for concrete and positive response plans and corrective measures.

The company has been placed among the Top 2000 businesses by <<Forbes Magazine>> and Top 2000 manufacturers in Taiwan by <<CommonWealth Magazine>> respectively for many years, and has received the distinction of the award in the "Taiwan Corporate Sustainability Awards" organized by the Taiwan Institute of Sustainable Energy. These prestigious awards once again reaffirmed the Company's corporate image. In 2024, the company did not experience any crises or significant impacts resulting from changes in corporate image.

5.6.7 Expected Benefits from, Risks Relating to, and Response to Merger and Acquisition Plans

In addition to continued cultivation of the existing information and communication technology (ICT) operations and enhancement of the core profit base, we are actively seeking out upcoming industries for merger, acquisition, joint venture, or technical collaboration, with the aim being to move into industrial computing, medical networking, IoT networking, vehicle networking and the medical equipment market. We will maintain the stable development of existing businesses and move ahead of the curve in other areas with high growth momentum.

The Company will integrate resources to increase R&D capacity, improve operational efficiency, and increase competitiveness. We expect to benefit from synergy, have a positive impact on future shareholder equity, and maintain adequate control of organizational integration matters and financial risks.

5.6.8 Expected Benefits from, Risks Relating to, and Response to Factory Expansion Plans: None

5.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration: None

5.6.10 Effects of, Risks Relating to, and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: None

5.6.11 Effects of, Risks Relating to, and Response to the Changes in Management: None

5.6.12 Litigation or Non-litigation Matters

Inventec Corporation ("Inventec"), because of its former employees who joined Compal Group, submitted a

complaint to the Taipei District Prosecutors' Office asserting that the Company has committed trade secret/copyright infringement. In August 2019, the Taiwan Taipei District Prosecutors Office brought criminal charges against the Company. In order to protect the Company's rights and interests, the Company has retained outside counsel to defend such litigation. Considering the fact that whether the Company has committed the trade secret/copyright infringement depends on whether Inventec's former employees are convicted, the Taipei District Court judge therefore issued a ruling and according to which the Court made a stay of the criminal proceedings pending the determination of related criminal proceedings against those employees. Currently, the criminal proceedings against those employees are still in progress before the court. The Company cannot make any reasonable estimation regarding the possible impact on its business operation.

5.6.13 Other Major Risks

International conglomerates face many risks such as regulatory compliance, business competition, localization, and globalization. It is the responsibility of each Company employee to turn such challenges into future opportunities. Ex ante risk identification, weekly risk assessment and prevention, and post-crisis management have all been added to the Company's target management cycle (PDCA), key performance indicators (KPI), and control system for internal use. Such processes allow the dedicated units responsible for these specific risks to establish rigorous and rapid means for response and a problem-solving culture. By working through regular and unscheduled reviews and combining education, training and a performance risk appraisal system, they can cope with significantly different kinds of risk management based on local conditions. The Company did not face any significant risk in 2024.

5.7 Other Material Issues: None

VI. Special Disclosure

6.1 Affiliation reports:

Please visit the Market Observation Post System (<https://mops.twse.com.tw>), and select "e-Books" followed by the "Affiliated Enterprises Disclosure Section" to search.

6.2 Private Placement of Securities in the Most Recent Year: None

6.3 Other supplementary notes, where applicable: None

6.4 Any Events in 2024 and as of the Date of this Annual Report that had Significant Impacts on Shareholders' Interests: None

Compal Electronics, Inc.

Chairman: Jui-Tsung Chen

Chief Executive Officer (CEO): Anthony Peter Bonadero