



Compal Broadband Networks, Inc.

Business Report

I. 2023 business results

(I) Results of the business plans implemented.

2023 was a year characterized by global economic turmoil and daunting challenges. The pandemic showed signs of subsiding, but the protracted Ukraine-Russia war has resulted in soaring international raw materials and energy prices. Geopolitical tensions, on the other hand, have triggered a restructuring of global supply chains and inflationary pressures engulfing the global economy. Central banks such as the US Fed were therefore forced to adopt monetary tightening policies to curb inflation. However, these policies have also blunted the momentum of economic growth and weakened public spending power. The decline in purchasing power coupled with destocking by manufacturers has caused our overall revenues to shrink compared to that of the previous year. We remain focused on the development of new customers and innovative applications and product functions to inject new impetus for growth. All staff members persist in their efforts to expand our product palette and market share by prioritizing core product categories. We therefore look into the future with great optimism.

(II) Financial position, profitability, and budget execution

Our net operating revenue in 2023 amounted to NT\$ 1,164,054 thousand, which represents a YoY decrease of 53.7%. This can mainly be attributed to (1) mounting global inflationary pressures resulting in sluggish end demand; (2) ongoing destocking by customers coupled with lengthening inventory adjustment periods resulting in dropping customer order demands. Gross profit reached NT\$ 82,857 thousand, a YoY drop by 77.6%. As a result of product and customer portfolio adjustments and price pressure generated by competitors and customers, our post-tax loss and LPS totaled NT\$ 326,109 thousand and NT\$ 4.84, respectively. In the financial dimensions, we uphold the principle of sound financial operations and proper planning of long- and short-term fund allocation in line with operational growth requirements of the Company. The current ratio and debt ratio equaled 291% and 31%, respectively, which indicates a healthy financial structure.

The Company did not disclose the financial forecast, so there is no execution of budget.

(III) R&D status

1. Looking back on 2023, various unfavorable factors including diminishing capital expenditures, post-pandemic inventory pressure, and changes in business models of branded customers caused our major customers to adopt a wait-and-see attitude toward new technologies and products. Looking to 2024, against the backdrop of gradual inventory digestion paired with our unwavering commitment to raising customer satisfaction, it is expected that operators will accelerate upgrades from Wi-Fi 5 to the new-generation Wi-Fi 6 home gateway technology.
2. Our autonomously developed DOCSIS 3.1+Wi-Fi 6 gateway which has passed the CableLabs certification process and supports Mesh Wi-Fi functionality represents an all-inclusive solution of perfect Wi-Fi signal coverage for the whole home. If these gateways are paired with Wi-Fi extenders, they offer users a coherent experience of wireless network services without the need to toggle Wi-Fi frequency bands or change base station account passwords. Compal's Wi-Fi 6 Mesh Extender bundled with the wireless home gateway is currently supplied to our main operator customers in the American and Taiwanese markets.
3. The next-generation wireless network standard Wi-Fi 7 is characterized by higher transmission speed, less lag, more stable connections, and increased capacity density. In

anticipation of this new standard, we have developed the industry-first Wi-Fi 7 DOCSIS 3.1 Gateway, which has already passed the FCC and CableLabs certification processes. This gateway has already been launched in the North American retail market through our branded customers in October 2023. Subsequently, our North American and European operator customers will initiate assessments and testing of our DOCSIS 3.1 +Wi-Fi 7 Gateway and Extender. In the wake of the release of DOCSIS 4.0 chipset solutions by our main chip suppliers in Q4 2023, we are currently accelerating the development of DOCSIS 4.0-related products. We further plan to provide prototypes to our operator customers for testing in Q2 2024.

4. As telecom operators invest heavily in the construction of 5G network services, the last mile to adopt the fixed wireless access network (FWA) service for household broadband services has gradually become clear and has become a promising profit-earning model. Our 5G FWA products have reached the maturity stage and our branded customers commenced delivery of these products in small quantities to telecommunication providers in Q4 2023. We will further expand direct strategic partnerships with telecommunication providers to sharpen the competitive edge of our products.
5. The Company's 10G optical fiber products, developed through strategic cooperation with customers, continuously increase their maturity. Through the comprehensiveness and integrity of the products, the Company's competitive advantage are enhanced.

II. Overview of 2024 business plan

(I) Operating guidelines

In this year, the Company will insist the policies of sustainable operation with continuous growth. The major operating guidelines are as below:

1. Continual launches of Smart Cable Gateway of DOCSIS 3.1/4.0+ Wi-Fi 6/7, to maintain the leadership in the Smart Cable Gateway industry. Cope with the customers' demands, to enhance the network security and the Mesh function of other home routers.
2. Actively develop new product lines, including XGS-PON, 5G FWA, and Wi-Fi 7 AP/Router, to catch the opportunities of technology upgrade in the network communication industry.
3. Monitor the new technology standards in the industry and engage in the early stage test of DOCSIS 4.0 and planning of product blueprint.
4. Based on the current advantageous products, the new markets are expanded to improve the business scale.
5. Focused on the added values of products, enhance the management capability, and develop with customers, strategic partners, and key suppliers together, for better competitive edges.
6. Build the production bases and supply chain system out of China, to effectively diverse the operational risk of over-concentration in China.
7. Comply with the laws and regulations of environmental protection and corporate social responsibility, fulfill the responsibilities as a corporate citizen, and feedback the operating results to the society.

(II) Key production and sales policies

1. Build the production bases and supply chain system out of China, to reduce the regional risks resulted from natural disasters or changes in international conditions or national policies, and provide the competitive production and sales support.
2. Conduct the raw material supply and QC strategy adjustment and control more effectively, to shorten the production cycle, increase the production momentum, for reducing the operating risks while enhancing the utilization of the working funds.
3. With the demand-oriented product design, the simplification of process and better production effectiveness are achieved, while lowering the inventory costs with the common parts and components.
4. Full-ranged quality management and the customer-oriented market strategy and enhance the communication and coordination between the up- and downstream, to achieve the

goal of profit sharing.

III. Future development strategies and external competition, and the effects of regulatory and macro operating environments

(I) Future development strategies of the Company

Expand the new market and the develop the new product mixes with full forces, to catch the great opportunities of technology upgrade in the network communication industry; be committed to the technological innovations, and provide the customized products and services with high added-values, to deepen the values and position in customers' eco-system, while raising the entrance barriers to competitors; the global logistic system is built actively to serve customers while diversifying risks, for seeking the sustainable operation and continuous growth.

(II) Effects of regulatory and macro operating environments

In overall consideration of the US Infrastructure Budget Act, the EU Digital Decade Policy Programme 2030, and the demand gap in the Indian network infrastructure sector, it is projected that demand for network communication equipment will continue to surge in the next few years. Businesses in this industry also hold a cautiously optimistic view. Looking to 2024, the business network equipment specifications will be upgraded; 5G CPE shipments are amplified, Wi-Fi 7 penetration rate is expected to increase, and cable modem will be upgraded to DOCSIS 4.0. resulting in promising continuous growth, but operations will become cautious, including the enhanced strength of controls over capital expenditures and inventory level.

IV. Conclusion

Finally, we'd like to express our most sincere appreciations to each shareholder for your support. All employees of Compal Broadband Networks will insist the foundation of existing technological core capabilities and competitive edges, to continuously enhance the R&D capacity and market development, while effectively integrate and exploit resources, to strive for the Company's growth and strength, as well as the maximum benefits of the Company and shareholders. And we look forward to the encourage and advices the management from each shareholders. Thank you very much, and wish you

Your truly,

Chairman Wong, Chung-Pin



President Wang, Yu-Ho



Accounting Officer Lee, Shu-Cheng





安侯建業聯合會計師事務所
KPMG

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Independent Auditor's

To the Board of Directors of Compal Broadband Networks, Inc.:

Opinion

We have audited the consolidated financial statements of Compal Broadband Networks, Inc. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended December 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the auditors' report as follows:

1. Inventory valuation

Please refer to Note (4)(h) and Note (5) for the accounting policy of inventory valuation, as well as the estimation and assumption uncertainty of the valuation of inventory, respectively. Information regarding the inventory is shown in Note (6)(e) of the financial statements.

Description of key audit matter:

Inventory is measured at the lower of cost and net realizable value. The Group primarily engaged in the research, development, and sale of communication products such as smart gateways, set-top boxes, and wireless broadband routers. The significant change in supply and competitive market of demand may cause fluctuation in product price. Consequently, the book value of inventory may exceed its net realizable value. Therefore, the valuation of inventory is one of the key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included: assessing the rationality of the Group's accounting policies, such as the policy of provision for inventory loss due to price decline, obsolete, and slow moving inventories; inspecting the Group's inventory aging reports' accuracy and analyzing the changes of inventory aging which are in accordance with the Group's accounting policies; sampling and inspecting the Group's sales price, as well as verifying the calculation of the lower of cost or net realizable value; and assessing the disclosure of provision for inventory valuation and obsolescence was appropriate.

Other Matter

Compal Broadband Networks, Inc. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chien, Szu-Chuan and Au, Yiu-Kwan.

KPMG

Taipei, Taiwan (Republic of China)
March 8, 2024



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Independent Auditor's

To the Board of Directors of Compal Broadband Networks, Inc.:

Opinion

We have audited the financial statements of Compal Broadband Networks, Inc.(“the Company”), which comprise the balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended December 31, 2023 and 2022, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the auditors' report as follows:

1. Inventory valuation

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

Description of key audit matters :

Inventory is measured at the lower of cost and net realizable value. The Company primarily engaged in the research, development, and sale of communication products such as smart gateways, set-top boxes, and wireless broadband routers. The significant change in supply and competitive market of demand may cause fluctuation in product price. Consequently, the book value of inventory may exceed its net realizable value. Therefore, the valuation of inventory is one of the key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included : assessing the rationality of the Company' s accounting policies, such as the policy of provision for inventory loss due to price decline, obsolete, and slow moving inventories; inspecting the Company' s inventory aging reports' accuracy and analyzing the changes of inventory aging which are in accordance with the Company' s accounting policies; sampling and inspecting the Company' s sales price, as well as verifying the calculation of the lower of cost or net realizable value; and assessing the disclosure of provision for inventory valuation and obsolescence was appropriate.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company' s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chien, Szu-Chuan and Au, Yiu-Kwan.

KPMG

Taipei, Taiwan (Republic of China)
March 8, 2024

Audit Report of the Audit Committee

The 2023 financial statements of Compal Broadband Networks, Inc. (hereafter “the Company”) have been approved by the Audit Committee and resolved by the board of directors, as well as audited by Chien, Szu-Chuan, CPA and Au, Yiu-Kwan, CPA from KPMG Taiwan with the auditor’s report issued. Additionally, the board of directors also prepared and submit the 2023 Business Report and Proposal of Deficit Compensation; after audit by the Audit Committee, it found no inconsistency to the related regulations including the Company Act. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, it is reported as above, for your review.

To

2024 Regular Shareholders’ Meeting

Compal Broadband Networks, Inc.



Convener of the Audit Committee:



March 8, 2024

Compal Broadband Networks, Inc. and subsidiaries
 Consolidated balance sheet
 December 31, 2023 and 2022

Unit: NT\$ thousand

Assets	December 31, 2023		December 31, 2022			Liabilities and Equity	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:				
1100 Cash and cash equivalents (note (6)(a))	\$ 316,940	19	660,964	25	2120	Current financial liabilities at fair value through profit or loss (note (6)(b))	\$ -	-	8,006	-
1110 Current financial assets at fair value through profit or loss (note (6)(b))	4,373	-	-	-	2130	Current contract liabilities (note (6)(q))	1,846	-	1,926	-
1170 Accounts receivable, net (notes (6)(c) and (6)(q))	400,967	24	488,778	19	2170	Accounts payable	59,773	4	550,823	21
1200 Other receivables, net (notes (6)(d) and (7))	2,551	-	381,840	14	2180	Accounts payable to related parties (note (7))	130,494	8	259,331	10
1310 Inventories (note (6)(e))	612,302	37	738,905	28	2200	Other payables (note (7))	186,946	11	121,419	5
1410 Prepayments	48,368	3	45,431	2	2250	Current provisions (note (6)(j))	80,598	5	117,404	4
1470 Other current assets	5,481	-	7,853	-	2280	Current lease liabilities (note (6)(k))	14,620	1	14,702	1
	1,390,982	83	2,323,771	88	2300	Other current liabilities	4,120	-	1,620	-
							478,397	29	1,075,231	41
Non-current assets:						Non-current liabilities:				
1550 Investments accounted for using equity method (note (6)(f))	3,502	-	7,140	-	2570	Deferred tax liabilities (note (6)(m))	874	-	-	-
1600 Property, plant and equipment (note (6)(g))	159,578	10	158,344	6	2580	Non-current lease liabilities (note (6)(k))	41,192	2	53,777	2
1755 Right-of-use assets (note (6)(h))	55,155	3	67,945	3			42,066	2	53,777	2
1780 Intangible assets (note (6)(i))	658	-	3,997	-		Total liabilities	520,463	31	1,129,008	43
1840 Deferred tax assets (note (6)(m))	57,018	4	76,787	3		Equity (notes (6)(n) and (6)(o)):				
1900 Other non-current assets (note (8))	4,229	-	4,201	-	3110	Ordinary shares	676,381	41	680,021	26
	280,140	17	318,414	12	3200	Capital surplus	372,404	22	379,939	14
					3300	Retained earnings	105,082	6	465,018	17
					3410	Exchange differences on translation of foreign financial statements	(198)	-	(588)	-
					3491	Unearned employee benefit	(3,010)	-	(11,213)	-
						Total equity	1,150,659	69	1,513,177	57
Total assets	\$ 1,671,122	100	2,642,185	100		Total liabilities and equity	\$ 1,671,122	100	2,642,185	100

Chairman: Weng, Tsung-Bing



Managerial Officer: Wang, Yu-He



Accounting Officer: Lee, Shucheng




Compal Broadband Networks, Inc. and subsidiaries
Consolidated comprehensive income statement
December 31, 2023 and 2022

Unit: NT\$ thousand

	2023		2022	
	Amount	%	Amount	%
4000 Operating revenue (note (6)(q))	\$ 1,164,054	100	2,514,695	100
5000 Operating costs (notes (6)(e), (7) and (12))	1,081,197	93	2,145,106	85
Gross profit from operations	82,857	7	369,589	15
Operating expenses: (notes (6)(k), (6)(l), (6)(r), (7) and (12))				
6100 Selling expenses	68,030	6	122,624	5
6200 Administrative expenses	74,594	6	103,684	4
6300 Research and development expenses	235,030	20	242,424	10
7055 Expected credit loss (notes (6)(c) and (6)(d))	23,532	2	836	-
Total operating expenses	401,186	34	469,568	19
Net operating loss	(318,329)	(27)	(99,979)	(4)
Non-operating income and expenses:				
7010 Other income	4,552	-	6,262	-
7020 Other gains and losses (note (6)(s))	2,074	-	18,825	1
7100 Interest income	10,452	1	10,686	-
7510 Interest expense (note (6)(k))	(675)	-	(994)	-
7770 Share of loss of associates accounted for using equity method (note (6)(f))	(3,638)	-	(2,566)	-
	12,765	1	32,213	1
7900 Loss from continuing operations before tax	(305,564)	(26)	(67,766)	(3)
7950 Less: Income tax expense (benefit) (note (6)(m))	20,545	2	(4,620)	-
Loss	(326,109)	(28)	(63,146)	(3)
Other comprehensive income :				
Components of other comprehensive income that will be reclassified to profit or loss				
8360 Exchange differences on translation of foreign financial statements	487	-	495	-
8361 Less: income tax related to items that will be reclassified to profit or loss (note (6)(m))	97	-	99	-
8399 Components of other comprehensive income that will be reclassified to profit or loss	390	-	396	-
Other comprehensive income	390	-	396	-
Total comprehensive loss	\$ (325,719)	(28)	(62,750)	(3)
Loss per share (note (6)(p))				
9750 Basic loss per share	\$ (4.84)		(0.94)	
9850 Diluted loss per share	\$ (4.84)		(0.94)	

Chairman:
Weng, Tsung-Bing



Managerial Officer:
Wang, Yu-He



Accounting Officer:
Lee, Shucheng




Compal Broadband Networks, Inc. and subsidiaries
Consolidated change in equity statement
December 31, 2023 and 2022

Unit: NT\$ thousand

	Retained earnings					Other equity item				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated losses)	Total	Exchange differences on translation of foreign financial statements	Unearned employee benefit	Total	Total equity
					Total					
Balance at January 1, 2022	\$ 684,704	389,633	143,735	-	452,848	596,583	(984)	(45,219)	(46,203)	1,624,717
Loss for the year ended December 31, 2022	-	-	-	-	(63,146)	(63,146)	-	-	-	(63,146)
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	396	-	396	396
Total comprehensive loss for the year ended December 31, 2022	-	-	-	-	(63,146)	(63,146)	396	-	396	(62,750)
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	3,275	-	(3,275)	-	-	-	-	-
Special reserve appropriated	-	-	-	984	(984)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(68,419)	(68,419)	-	-	-	(68,419)
Share-based payment transactions	(4,683)	(9,694)	-	-	-	-	-	34,006	34,006	19,629
Balance at December 31, 2022	680,021	379,939	147,010	984	317,024	465,018	(588)	(11,213)	(11,801)	1,513,177
Loss for the year ended December 31, 2023	-	-	-	-	(326,109)	(326,109)	-	-	-	(326,109)
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	390	-	390	390
Total comprehensive loss for the year ended December 31, 2023	-	-	-	-	(326,109)	(326,109)	390	-	390	(325,719)
Appropriation and distribution of retained earnings:										
Special reserve reversed	-	-	-	(396)	396	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(33,827)	(33,827)	-	-	-	(33,827)
Share-based payment transactions	(3,640)	(7,535)	-	-	-	-	-	8,203	8,203	(2,972)
Balance at December 31, 2023	\$ 676,381	372,404	147,010	588	(42,516)	105,082	(198)	(3,010)	(3,208)	1,150,659

Chairman: Weng, Tsung-Bing



Managerial Officer: Wang, Yu-He



Accounting Officer: Lee, Shucheng




Compal Broadband Networks, Inc. and subsidiaries
Consolidated cash flow statement
December 31, 2023 and 2022

	Unit: NT\$ thousand	
	2023	2022
Cash flows used in operating activities:		
Loss before tax	\$ (305,564)	(67,766)
Adjustments:		
Adjustments to reconcile profit :		
Depreciation and amortization expense	63,368	64,058
Expected credit loss	23,532	836
Interest expense	675	994
Interest income	(10,452)	(10,686)
Compensation cost of employee share-based payment	(2,972)	19,629
Share of loss of associates accounted for using equity method	3,638	2,566
Gain on disposal of property, plant and equipment	-	(13)
Gain on lease modification	(3)	-
Total adjustments to reconcile profit	<u>77,786</u>	<u>77,384</u>
Changes in operating assets and liabilities:		
Change in financial assets mandatorily measured at fair value through profit or loss	(4,373)	8,476
Decrease in accounts receivable	64,181	405,181
Decrease (increase) in other receivables	379,495	(105,277)
Decrease (increase) in inventories	126,603	(126,057)
(Increase) decrease in prepayments	(2,937)	10,358
Decrease (increase) in other current assets	2,912	(3,298)
(Decrease) increase in financial liabilities held for trading	(8,006)	8,006
(Decrease) increase in contract liabilities	(80)	827
Decrease in accounts payable	(619,887)	(400,019)
Increase (decrease) in other payables	65,527	(12,365)
Decrease in provisions	(36,806)	(62,173)
Increase in other current liabilities	2,500	96
Total changes in operating assets and liabilities	<u>(30,871)</u>	<u>(276,245)</u>
Total adjustments	<u>46,915</u>	<u>(198,861)</u>
Cash outflow generated from operations	(258,649)	(266,627)
Interest received	10,344	10,569
Interest paid	(675)	(994)
Income taxes (paid) refund	(539)	20,424
Net cash flows used in operating activities	<u>(249,519)</u>	<u>(236,628)</u>
Cash flows used in investing activities:		
Acquisition of property, plant and equipment	(45,096)	(62,097)
Proceeds from disposal of property, plant and equipment	-	888
Increase in refundable deposits	(28)	(9)
Acquisition of intangible assets	(1,296)	(4,294)
Net cash flows used in investing activities	<u>(46,420)</u>	<u>(65,512)</u>
Cash flows used in financing activities:		
Payment of lease liabilities	(14,745)	(15,486)
Cash dividends paid	(33,827)	(68,419)
Net cash flows used in financing activities	<u>(48,572)</u>	<u>(83,905)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>487</u>	<u>495</u>
Net decrease in cash and cash equivalents	<u>(344,024)</u>	<u>(385,550)</u>
Cash and cash equivalents at beginning of period	<u>660,964</u>	<u>1,046,514</u>
Cash and cash equivalents at end of period	<u>\$ 316,940</u>	<u>660,964</u>

Chairman:
Weng, Tsung-Bing



Managerial Officer:
Wang, Yu-He



Accounting Officer:
Lee, Shucheng



Compal Broadband Networks, Inc.

Balance sheet

December 31, 2023 and 2022

Unit: NT\$ thousand

	December 31, 2023		December 31, 2022			December 31, 2023		December 31, 2022			
	Amount	%	Amount	%		Amount	%	Amount	%		
Assets											
Current assets:											
1100	Cash and cash equivalents (note (6)(a))	\$ 305,429	18	649,430	25	2120	Current financial liabilities at fair value through profit or loss (note (6)(b)) \$	-	-	8,006	-
1110	Current financial assets at fair value through profit or loss (note (6)(b))	4,373	-	-	-	2130	Current contract liabilities (note (6)(q))	1,846	-	1,926	-
1170	Accounts receivable, net (notes (6)(c) and (6)(q))	400,967	24	488,778	18	2170	Accounts payable	59,773	4	550,823	21
1200	Other receivables, net (notes (6)(d) and (7))	2,529	-	381,820	14	2180	Accounts payable to related parties (note (7))	130,494	8	259,331	10
1310	Inventories (note (6)(e))	612,302	37	738,905	28	2200	Other payables (note (7))	186,946	11	121,419	5
1410	Prepayments	48,368	3	45,431	2	2250	Current provisions (note (6)(j))	80,598	5	117,404	4
1470	Other current assets	5,481	-	7,853	-	2280	Current lease liabilities (note (6)(k))	14,620	1	14,702	1
		1,379,449	82	2,312,217	87	2300	Other current liabilities	4,120	-	1,620	-
								478,397	29	1,075,231	41
Non-current assets:											
1550	Investments accounted for using equity method (note (6)(f))	15,035	1	18,694	1		Non-current liabilities:				
1600	Property, plant and equipment (note (6)(g))	159,578	10	158,344	6	2570	Deferred tax liabilities (note (6)(m))	874	-	-	-
1755	Right-of-use assets (note (6)(h))	55,155	3	67,945	3	2580	Non-current lease liabilities (note (6)(k))	41,192	2	53,777	2
1780	Intangible assets (note (6)(i))	658	-	3,997	-			42,066	2	53,777	2
1840	Deferred tax assets (note (6)(m))	57,018	4	76,787	3		Total liabilities	520,463	31	1,129,008	43
1900	Other non-current assets (note (8))	4,229	-	4,201	-		Equity (notes (6)(n) and (6)(o)):				
		291,673	18	329,968	13	3100	Ordinary shares	676,381	41	680,021	26
						3200	Capital surplus	372,404	22	379,939	14
						3300	Retained earnings	105,082	6	465,018	17
						3410	Exchange differences on translation of foreign financial statements	(198)	-	(588)	-
						3491	Unearned employee benefit	(3,010)	-	(11,213)	-
							Total equity	1,150,659	69	1,513,177	57
Total assets		\$ 1,671,122	100	2,642,185	100		Total liabilities and equity	\$ 1,671,122	100	2,642,185	100

Chairman: Weng, Tsung-Bing



Managerial Officer: Wang, Yu-He



Accounting Officer: Lee, Shucheng




 Compal Broadband Networks, Inc.
 Comprehensive income statement
 December 31, 2023 and 2022

		Unit: NTS thousand			
		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (note (6)(q))	\$ 1,164,054	100	2,514,695	100
5000	Operating costs (notes (6)(e), (7) and (12))	1,081,197	93	2,145,106	85
	Gross profit from operations	82,857	7	369,589	15
	Operating expenses: (notes (6)(i), (6)(k), (6)(l), (7) and (12))				
6100	Selling expenses	68,030	6	122,624	5
6200	Administrative expenses	74,086	6	103,311	4
6300	Research and development expenses	235,030	20	242,424	10
6450	Expected credit loss (notes (6)(c) and (6)(d))	23,532	2	836	-
	Total operating expenses	400,678	34	469,195	19
	Net operating loss	(317,821)	(27)	(99,606)	(4)
	Non-operating income and expenses:				
7010	Other income (note (7))	4,552	-	6,262	-
7020	Other gains and losses (note (6)(s))	2,074	-	18,825	1
7100	Interest income	10,452	1	10,686	-
7510	Interest expense (note (6)(k))	(675)	-	(994)	-
7775	Share of loss of associates accounted for using equity method (note (6)(f))	(4,146)	-	(2,939)	-
		12,257	1	31,840	1
7900	Loss from continuing operations before tax	(305,564)	(26)	(67,766)	(3)
7950	Less: Income tax expenses (benefit) (note (6)(m))	20,545	2	(4,620)	-
	Loss	(326,109)	(28)	(63,146)	(3)
8300	Other comprehensive income:				
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	487	-	495	-
8399	Less: income tax related to items that will be reclassified to profit or loss (note (6)(m))	97	-	99	-
	Components of other comprehensive income that will be reclassified to profit or loss	390	-	396	-
8300	Other comprehensive income	390	-	396	-
	Total comprehensive loss	<u>\$ (325,719)</u>	<u>(28)</u>	<u>(62,750)</u>	<u>(3)</u>
	Loss per share (note (6)(p))				
9750	Basic loss per share	<u>\$ (4.84)</u>		<u>(0.94)</u>	
9850	Diluted loss per share	<u>\$ (4.84)</u>		<u>(0.94)</u>	

Chairman:
Weng, Tsung-Bing



Managerial Officer:
Wang, Yu-He



Accounting Officer:
Lee, Shucheng



Compal Broadband Networks, Inc.

Change in equity statement

December 31, 2023 and 2022



Unit: NT\$ thousand

	Retained earnings					Other equity		Total	Total equity	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated	Exchange differences on translation of foreign financial statements	Unearned employee benefit			
					retained earnings (accumulated losses)					Total
Balance at January 1, 2022	\$ 684,704	389,633	143,735	-	452,848	596,583	(984)	(45,219)	(46,203)	1,624,717
Loss for the year ended December 31, 2022	-	-	-	-	(63,146)	(63,146)	-	-	-	(63,146)
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	396	-	396	396
Total comprehensive loss for the year ended December 31, 2022	-	-	-	-	(63,146)	(63,146)	396	-	396	(62,750)
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	3,275	-	(3,275)	-	-	-	-	-
Special reserve appropriated	-	-	-	984	(984)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(68,419)	(68,419)	-	-	-	(68,419)
Share-based payment transactions	(4,683)	(9,694)	-	-	-	-	-	34,006	34,006	19,629
Balance at December 31, 2022	680,021	379,939	147,010	984	317,024	465,018	(588)	(11,213)	(11,801)	1,513,177
Loss for the year ended December 31, 2023	-	-	-	-	(326,109)	(326,109)	-	-	-	(326,109)
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	390	-	390	390
Total comprehensive loss for the year ended December 31, 2023	-	-	-	-	(326,109)	(326,109)	390	-	390	(325,719)
Appropriation and distribution of retained earnings:										
Special reserve reversed	-	-	-	(396)	396	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(33,827)	(33,827)	-	-	-	(33,827)
Share-based payment transactions	(3,640)	(7,535)	-	-	-	-	-	8,203	8,203	(2,972)
Balance at December 31, 2023	\$ 676,381	372,404	147,010	588	(42,516)	105,082	(198)	(3,010)	(3,208)	1,150,659

Chairman: Weng, Tsung-Bing



Managerial Officer: Wang, Yu-He



Accounting Officer: Lee, Shucheng



Compal Broadband Networks, Inc.

Cash flow statement

December 31, 2023 and 2022



	Unit: 2023	NT\$ thousand 2022
Cash flows used in operating activities:		
Loss before tax	\$ (305,564)	(67,766)
Adjustments:		
Adjustments to reconcile profit:		
Depreciation and amortization expense	63,368	64,058
Expected credit loss	23,532	836
Interest expense	675	994
Interest income	(10,452)	(10,686)
Compensation cost of employee share-based payment	(2,972)	19,629
Share of loss of associates accounted for using equity method	4,146	2,939
Gain on disposal of property, plant and equipment	-	(13)
Gain on lease modification	(3)	-
Total adjustments to reconcile profit	<u>78,294</u>	<u>77,757</u>
Changes in operating assets and liabilities:		
Change in financial assets mandatorily measured at fair value through profit or loss	(4,373)	8,476
Decrease in accounts receivable	64,181	405,181
Decrease (increase) in other receivables	379,497	(105,276)
Decrease (increase) in inventories	126,603	(126,057)
(Increase) decrease in prepayments	(2,937)	10,358
Decrease (increase) in other current assets	2,912	(3,298)
(Decrease) increase in financial liabilities held for trading	(8,006)	8,006
(Decrease) increase in contract liabilities	(80)	827
Decrease in accounts payable	(619,887)	(400,019)
Increase (decrease) in other payable	65,527	(12,365)
Decrease in provisions	(36,806)	(62,173)
Increase in other current liabilities	2,500	96
Total changes in operating assets and liabilities	<u>(30,869)</u>	<u>(276,244)</u>
Total adjustments	<u>47,425</u>	<u>(198,487)</u>
Cash outflow generated from operations	(258,139)	(266,253)
Interest received	10,344	10,569
Interest paid	(675)	(994)
Income taxes (paid) refund	(539)	20,424
Net cash flows used in operating activities	<u>(249,009)</u>	<u>(236,254)</u>
Cash flows used in investing activities:		
Acquisition of property, plant and equipment	(45,096)	(62,097)
Proceeds from disposal of property, plant and equipment	-	888
Increase in refundable deposits	(28)	(9)
Acquisition of intangible assets	(1,296)	(4,294)
Net cash flows used in investing activities	<u>(46,420)</u>	<u>(65,512)</u>
Cash flows used in financing activities:		
Payment of lease liabilities	(14,745)	(15,486)
Cash dividends paid	(33,827)	(68,419)
Net cash flows used in financing activities	<u>(48,572)</u>	<u>(83,905)</u>
Net decrease in cash and cash equivalents	<u>(344,001)</u>	<u>(385,671)</u>
Cash and cash equivalents at beginning of period	<u>649,430</u>	<u>1,035,101</u>
Cash and cash equivalents at end of period	<u>\$ 305,429</u>	<u>649,430</u>

Chairman:
Weng, Tsung-Bing



Managerial Officer:
Wang, Yu-He



Accounting Officer:
Lee, Shucheng



Compal Broadband Networks, Inc.

Deficit Compensation Table



	Unit: NTS
	Amount
Beginning undistributed earnings	283,592,483
Net loss after tax in 2023	(326,108,780)
Accumulated losses pending compensation	(42,516,297)
Legal reserve set aside to offset losses	42,516,297
Ending accumulated undistributed earnings	0

Chairman:
Wong, Chung-Pin



Managerial Officer:
Wang, Yu-Ho



Accounting Officer:
Lee, Shu-Cheng



Attachment 6

Compal Broadband Networks, Inc.
Director and Independent Director Candidate List

Candidate Type	Designation or name of candidate	Educational background	Professional background	Represented juristic person Number of shares held (shares)	Number of shares (shares) held by the representative
Director	Compal Electronics, Inc. Representative: Chen, Jui-Tsung	Department of Electrical Engineering, National Cheng Kung University	Vice-Chairman and CSO, Compal Electronics, Inc.	29,060,176	0
Director	Compal Electronics, Inc. Representative: Wong, Chung-Pin	Institute of Management Science, National Chiao Tung University	Director and President, Compal Electronics, Inc.	29,060,176	0
Director	Compal Electronics, Inc. Representative: Wang, Yu-Ho	Department of Computer Engineering, Massachusetts State University	Director and President, Compal Broadband Networks, Inc.	29,060,176	1,160,010
Director	Rui Xin Investment Co., Ltd. Representative: Tsai, Rong-Jin	Master, Department of Electrical Engineering, National Taiwan University	VP of Marketing, Realtek Semiconductor Corp.	3,575,000	0
Independent director	Weng, Chien-Ren	Emory University, Atlanta, GA, USA / MBA	Global President, Acer Corp.	0	0
Independent director	Mao, Ying-Wen	Master, Department of Electrical Engineering, National Cheng Kung University	Chairman, Sitronix Technology Corp.	0	0
Independent director	Chen, Miao-Ling	PhD in Business Administration, Keio University, Japan	Professor, Department of Financial Management, National Sun Yat-sen University	0	0

Compal Broadband Networks, Inc.
Newly Elected Director and Independent Director List

Shareholder's No.	Title	Name	Votes Received
1	Director	Compal Electronics, Inc. Representative: Chen, Jui-Tsung	59,747,978
1	Director	Compal Electronics, Inc. Representative: Wong, Chung-Pin	62,530,171
1	Director	Compal Electronics, Inc. Representative: Wang, Yu-Ho	58,001,162
65	Director	Rui Xin Investment Co., Ltd. Representative: Tsai, Rong-Jin	57,205,576
CXXXXXXXX88	Independent Director	Weng, Chien-Ren	56,045,566
LXXXXXXXX51	Independent Director	Mao, Ying-Wen	55,512,349
EXXXXXXXX65	Independent Director	Chen, Miao-Ling	54,361,346

Compal Broadband Networks, Inc.

Positions held concurrently in the company and/or in any other company

Title	Name	Positions held concurrently in the company and/or in any other company
Chairman	Wong, Chung-Pin	<p>Chairman: Compal Broadband Networks; HippoScreen Neurotech Corp.; Shennona Co., Ltd.; Rayonnant Technology Co., Ltd.; Henghao Technology Co., Ltd.; UNICOM GLOBAL, INC.; Starmems Semiconductor Corp.; POINDUS SYSTEMS CORP.; Compal USA (Indiana), Inc.; Wah Yuen Technology Holding Ltd. Compal Healthcare and Technology Ltd.</p> <p>Executive Director: Compower Global Service Co., Ltd.</p> <p>Director: Compal Electronics, Inc.; Arcadyan Technology Corporation; RIPAL OPTOTRONICS CO., LTD.; UNICORE BIOMEDICAL CO., LTD.; Aco Healthcare Co., Ltd.; KINPO GROUP MANAGEMENT SERVICE COMPANY; Kinpo&Compal Group Assets Development Corporation; GENERAL LIFE BIOTECHNOLOGY CO., LTD.; INFSITRONIX TECHNOLOGY CORP.; Raypal Biomedical Co.,Ltd.; MACTECH CORPORATION; Gempal Technology Corp.; Panpal Technology Corp.; Hong Jin Investment Co., Ltd.; Hong Ji Capital Co., Ltd.; Compal Management (Chengdu) Co., Ltd.; Compal Investment (Sichuan) Co., Ltd.; Compal System Trading (Kunshan) Ltd.; Compal Information Technology (Kunshan) Ltd.; Compal Information (Kunshan) Co., Ltd.; Compal Electronic Technology (Kunshan) Ltd.; Compal Electronics (Chengdu) Co., Ltd.; Compal Electronics (Chongqing) Co., Ltd.; Compal Digital Technologies (Kunshan) Ltd.; Compal SMART Device (Chongqing) Co., Ltd.; ARCE THERAPEUTICS, INC.; Compal Ruifang Health Asset Development Co., Ltd.; Auscom Engineering Inc.; Bizcom Electronics, Inc.; Compal Connector Manufacture Ltd.; Shennona Corporation; Allied Power Holding Corp.; Primetek Enterprises Limited; HengHao Holdings A Co., Ltd.; HengHao Holdings B Co., Ltd.; Sirqul Inc. TAIWAN SANGA CO., LTD.</p> <p>Supervisor: Hong Ya Technology Corporation</p> <p>President: Compal Electronics, Inc.; Gempal Technology Corp.; Panpal Technology Corp.; Hong Jin Investment Co., Ltd.; Hong Ji Capital Co., Ltd.</p>
Director	Chen, Jui-Tsung	<p>Chairman: Arcadyan Technology Corporation; RIPAL OPTOTRONICS CO., LTD.; UNICORE BIOMEDICAL CO., LTD.; ARCE THERAPEUTICS, INC.; Palcom International Corporation; GENERAL LIFE BIOTECHNOLOGY CO., LTD.; RAY-KWONG MEDICAL MANAGEMENT CONSULTING CO., LTD.; Kinpo&Compal Group Assets Development Corporation; Raypal Biomedical Co.,Ltd.; Aco Healthcare Co., Ltd.; Compal System Trading (Kunshan) Co., Ltd.; Compal Ruifang Health Asset Development Co., Ltd.; River Regeneration and Rejuvenation Biotechnology Co. Ltd.; Compal Smart Device (Chongqing) Co., Ltd.; COMPAL SMART DEVICE INDIA PRIVATE LIMITED</p> <p>Vice Chairman: Compal Electronics, Inc.</p> <p>Director: Compal Broadband Networks; Kinpo Group Management Consultant Company, Mactech Co., Ltd. UNICOM GLOBAL, INC., Phoenix Innovation Venture Capital Co., Ltd., Compal Management (Chengdu) Co., Ltd., Compal Optoelectronics (Kunshan) Co., Ltd., Compal Investment (Sichuan) Co., Ltd., Compal Investment (Jiangsu) Co., Ltd.,Compal Information Technology (Kunshan) Co., Ltd.,Compal Display Electronics (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 Electronics, (China) Co., Ltd.,Compal Digital Technology (Kunshan) Co., Ltd.,Kunshan Botai Electronics Co., Ltd.,Ascendant Private Equity Investment Ltd.,Big Chance International Co., Ltd.,Billion Sea Holdings Ltd.,Bizcom Electronics, Inc.,Center Mind International Co., Ltd.,Compal Americas (US) Inc.,Compal Display Holding (HK) Limited,Compal Electronics (Holding) Ltd.,Compal Electronics (Vietnam) Co., Ltd.,Compal Electronics International Ltd.,Compal Electronics N.A. Inc.,Compal International Holding Co., Ltd.,Compal International Holding (HK) Limited,Compal International Ltd.Compal Rayonnant Holdings Ltd.,Compal USA (Indiana), Inc.,Compal Wise Electronic (Vietnam) Co., Ltd,Compal Electronics Europe,Core Profit Holdings Limited,Etrade Management Co.,Ltd.,Flight Global Holding Inc.,Forever Young Technology Inc.,Fortune Way Technology Corp.,Giant Rank Trading LimitedGoal Reach Enterprises Ltd.,igh Shine Industrial Corp.,Intelligent Universal Enterprise Ltd.,Jenpal international Ltd.,Just International Ltd.,Prisco International Co., Ltd.,Prospect Fortune Group Ltd.,Smart International Trading Ltd.,Webtek Technology Co.,Ltd,Compal (Vietnam) Co., Ltd.,Compal Development & Management (Vietnam) Co., Ltd.,Compal Networking (Kunshan) Co., Ltd.,Arcadyan Holding (BVI) Corp.,Arch Holding (BVI) Corp.,Sinoprime Global Inc., HengHao Technology Co. Ltd.,Wah Yuen Technology Holding Ltd.,NCKUEE ALUMNI ASSOCIATION</p> <p>CSO: Compal Electronics, Inc.</p> <p>Independent Director: Powertech Technology Inc.</p>

Title	Name	Positions held concurrently in the company and/or in any other company
Director	Wang, Yu-Ho	Director: Compal Broadband Networks; Compal Broadband Networks Belgium BVBA; Compal Broadband Networks Netherlands B.V. Vice Chairman: Starmems Semiconductor Corp. President: Compal Broadband Networks
Director	Tsai, Rong-Jin	Chairman: RayMX Microelectronics Corp.; Cheng-Chi Technology Ltd. Director: Compal Broadband Networks VP of Marketing: Realtek Semiconductor Corp.
Independent Director	Weng, Chien-Ren	Director: FLH Co., Ltd. Independent Director: Compal Broadband Networks
Independent Director	Mao, Ying-Wen	Chairman: Sitronix Technology Corp.; Sitronix Investment Corp.; Forcelead Technology Corp.; and Sitronix Holding International Limited. Director: Sensortek Technology Corp.; MCORE TECHNOLOGY CORP.; SYNC-TECH SYSTEM CORP.; INFSITRONIX TECHNOLOGY CORP.; Silicon Power Computer & Communications Inc.; EZGLOBAL NETWORK SERVICE INC.; Director, Fong Huang Innovation Investment Co., Ltd., Director, Fong Huang II Innovation Investment Co., Ltd, Director, Fong Huang III Innovation Investment Co., Ltd., Director, Fong Huang IV Innovation Investment Co., Ltd. CEO: Sitronix Technology Corp. and Forcelead Technology Corp. Independent Director: Compal Broadband Networks
Independent Director	Chen, Miao-Ling	Independent Director: Compal Broadband Networks and Taiwan Financial Holding Co., Ltd.