MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT

MARCH 31, 2023 AND 2022

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Merry Electronics Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Merry Electronics Co., Ltd. and subsidiaries (the "Group") as on March 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Notes 4 (3) and 6 (9), the financial statements of certain insignificant consolidated subsidiaries and certain investments accounted for using the equity method were not reviewed by independent auditors. Those statements reflect total assets of NT$4,604,708 thousand and NT$4,184,147 thousand, constituting 16% and 13% of the consolidated total assets, and total liabilities

of NT$1,326,001 thousand and NT$2,168,001 thousand, constituting 8% and 11% of the consolidated total liabilities as at March 31, 2023 and 2022, respectively, and total comprehensive income (loss) of NT$(45,239) thousand and NT$158,714 thousand, constituting (35%) and 42% of the consolidated total comprehensive income for the three months then ended, respectively.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and certain investments accounted for using the equity method been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as on March 31, 2023 and 2022, and of its consolidated financial performance and consolidated cash flows for the three months then ended in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission.

Liu, Mei-Lan
Hsu,Chien-Yeh

For and on behalf of PricewaterhouseCoopers, Taiwan
April 27, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' review report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2023, DECEMBER 31, 2022 AND MARCH 31, 2022
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2023 and 2022 were reviewed, not audited)

	Assets	Notes	March31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%	March 31, 2022 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6 (1)	$ 6,206,514	21	$ 6,923,268	21	$ 5,521,732	18
1110	Financial assets at fair value through profit or loss - current	6 (2)	393,647	1	389,181	1	384,180	1
1120	Current financial assets at fair value through other comprehensive income	6 (3)	254,931	1	251,448	1	110,080	1
1136	Current financial assets at amortized cost	6 (4)	184,046	1	185,601	1	1,454,594	5
1170	Accounts receivable, net	6 (5)(6)	5,490,014	19	8,709,698	26	5,651,264	18
1180	Accounts receivable due from related parties, net	7 (2)	80,163	-	61,771	-	93,816	-
1200	Other receivables		33,894	-	87,327	-	227,381	1
1210	Other receivables - related parties	7 (2)	144,361	-	118,270	-	388,602	1
130X	Inventories	6 (7)	4,572,305	16	4,910,577	15	5,401,805	17
1470	Other current assets	6 (8)	351,193	1	286,170	1	247,040	1
11XX	**Current Assets**		17,711,068	60	21,923,311	66	19,480,494	63
	Non-current assets							
1510	Financial assets at fair value through profit or loss - non-current	6 (2)	26,344	-	27,284	-	25,472	-
1517	Non-current financial assets at fair value through other comprehensive income	6 (3)	584,211	2	526,509	2	891,307	3
1535	Non-current financial assets at amortized cost	6(4)(8)	288,015	1	110,200	-	3,853	-
1550	Investments accounted for under equity method	6 (9)	5,050,661	17	5,028,458	15	4,833,944	15
1600	Property, plant and equipment	6 (10)	4,081,015	14	4,147,903	12	3,994,790	13
1755	Right-of-use assets	6 (11)	278,553	1	293,554	1	183,877	1
1780	Intangible assets	6 (12)	1,066,740	4	1,102,943	3	1,344,055	4
1840	Deferred income tax assets		179,407	1	160,015	1	176,210	-
1900	Other non-current assets		102,697	-	108,454	-	221,015	1
15XX	**Non-current assets**		11,657,643	40	11,505,320	34	11,674,523	37
1XXX	**Total assets**		$ 29,368,711	100	$ 33,428,631	100	$ 31,155,017	100

(Continued)

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2023, DECEMBER 31, 2022 AND MARCH 31, 2022
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2023 and 2022 were reviewed, not audited)

	Liabilities and Equity	Notes	March 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%	March 31, 2022 AMOUNT	%
	Current liabilities							
2100	Short-term borrowing	6 (13)	$ 783,498	3	$ 2,146,851	6	$ 3,883,941	12
2120	Financial liabilities at fair value through profit or loss - current	6 (2)	2,128	-	10,137	-	4,239	-
2130	Current contract liabilities	6 (23)	435,192	1	370,035	1	964,076	3
2170	Accounts payable		3,776,690	13	5,015,885	15	4,109,219	13
2180	Accounts payable - related parties	7 (2)	2,922,829	10	4,198,902	13	2,274,092	7
2200	Other payables	6 (14)	1,906,433	6	1,194,443	4	1,737,397	5
2220	Other payables - related parties	7 (2)	17,924	-	82,414	-	182,406	1
2230	Current income tax liabilities		353,591	1	313,322	1	204,127	1
2320	Current portion of long-term borrowings	6 (17)	479,286	2	451,919	1	202,066	1
2399	Other current liabilities, others		354,425	1	340,051	1	260,860	1
21XX	**Current Liabilities**		11,031,996	37	14,123,959	42	13,822,423	44
	Non-current liabilities							
2527	Non-current Contract liabilities	6 (23)	624,319	2	650,862	2	-	-
2530	Bonds payable	6 (15)	2,960,846	10	2,953,838	9	2,932,530	10
2540	Long-term borrowings	6 (16)	812,215	3	904,528	3	1,208,023	4
2570	Deferred income tax liabilities		1,527,729	5	1,534,222	5	1,347,372	4
2580	Non-current lease liabilities		125,152	1	140,904	-	62,629	-
2640	Net defined benefit liability - non-current		29,445	-	37,619	-	68,903	-
2670	Other non-current liabilities		24,641	-	26,413	-	21,729	-
25XX	**Non-current liabilities**		6,104,347	21	6,248,386	19	5,641,186	18
2XXX	**Total liabilities**		17,136,343	58	20,372,345	61	19,463,609	62
	Equity attributable to owners of parent							
	Share capital	6 (19)						
3110	Common stock		2,177,502	8	2,177,827	7	2,164,702	7
	Capital surplus	6 (20)						
3200	Capital surplus		4,718,052	15	4,720,866	14	4,641,173	15
	Retained earnings	6 (21)						
3310	Legal reserve		2,265,932	8	2,265,932	7	2,152,834	7
3320	Special reserve		748,930	3	748,930	2	269,144	1
3350	Unappropriated retained earnings		2,430,099	8	3,355,328	10	2,593,925	8
	Other equity interest	6 (22)						
3400	Other equity interest		(888,707)	(3)	(996,446)	(3)	(735,782)	(2)
31XX	**Equity attributable to owners of the parent**		11,451,808	39	12,272,437	37	11,085,996	36
36XX	**Non-controlling interest**	4 (3)	780,560	3	783,849	2	605,412	2
3XXX	**Total equity**		12,232,368	42	13,056,286	39	11,691,408	38
	Significant contingent liabilities and unrecognized contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	**Total liabilities and equity**		$ 29,368,711	100	$ 33,428,631	100	$ 31,155,017	100

The accompanying notes are an integral part of these consolidated financial statements.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share)
(Reviewed, Unaudited)

	Items	Notes	Three months ended March 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6 (23) and 7 (2)	$ 7,130,905	100	$ 6,018,343	100
5000	Operating costs	6 (7) and 7 (2)	(6,274,142)	(88)	(5,140,207)	(86)
5900	Net operating margin		856,763	12	878,136	14
	Operating expenses	6 (27)(28)				
6100	Selling expenses		(111,880)	(2)	(111,003)	(2)
6200	General and administrative expenses		(252,583)	(3)	(269,736)	(4)
6300	Research and development expenses		(415,000)	(6)	(414,842)	(7)
6450	Expected credit impairment loss	12 (2)	(10,575)	-	(109,096)	(2)
6000	Total operating expenses		(790,038)	(11)	(904,677)	(15)
6900	Operating profit (loss)		66,725	1	(26,541)	(1)
	Non-operating income and expenses					
7100	Interest income	6 (24)	17,303	-	10,343	-
7010	Other income	6 (25) and 7 (2)	66,325	1	52,190	1
7020	Other gains and losses	6 (26)	(32,132)	(1)	176,818	3
7050	Finance costs		(31,241)	-	(20,886)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	6 (9)	(20,239)	-	(40,183)	(1)
7000	Total non-operating income and expenses		16	-	178,282	3
7900	**Profit before income tax**		66,741	1	151,741	2
7950	Income tax expense	6 (29)	(13,938)	-	(949)	-
8200	**Profit for the year**		$ 52,803	1	$ 150,792	2

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MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share)
(Reviewed, Unaudited)

	Items	Notes	Three months ended March 31 2023 AMOUNT	%	2022 AMOUNT	%
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealized gains(losses) from investments in equity instruments measured at fair value through other comprehensive income, net	6 (3) (22)	$ 64,409	1	($ 125,579)	(2)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6 (29)	(202)	-	(1,359)	-
8310	Components of other comprehensive (loss) income that will not be reclassified to profit or loss		64,207	1	(126,938)	(2)
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6 (22)	(10,115)	-	264,701	4
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income, net	6 (22)	(816)	-	(1,271)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using the equity method, components of other comprehensive income that will be reclassified to profit or loss	6 (9)(22)	25,521	-	174,321	3
8399	Income tax relating to the components of other comprehensive income	6 (29)	(3,136)	-	(82,920)	(1)
8360	Components of other comprehensive income that will be reclassified to profit or loss		11,454	-	354,831	6
8300	**Total other comprehensive income for the period**		$ 75,661	1	$ 227,893	4
8500	**Total comprehensive income for the period**		$ 128,464	2	$ 378,685	6
	Profit (Loss), attributable to:					
8610	Owners of parent		$ 56,006	1	$ 110,289	1
8620	Non-controlling interest		(3,203)	-	40,503	1
	Total Profit		$ 52,803	1	$ 150,792	2
	Comprehensive income (loss) attributable to:					
8710	Owners of parent		$ 131,753	2	$ 313,765	5
8720	Non-controlling interest		(3,289)	-	64,920	1
	Total Comprehensive Income		$ 128,464	2	$ 378,685	6
	Basic earnings per share	6 (30)				
9750	Total basic earnings per share		$	0.26	$	0.52
	Diluted earnings per share	6 (30)				
9850	Total diluted earnings per share		$	0.25	$	0.48

The accompanying notes are an integral part of these consolidated financial statements.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES INEQUITY
THREE MONTHS ENDED MARCH 31, 2023 AND2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(Reviewed, Unaudited)

		Equity attributable to owners of the parent								
				Retained earnings						
	Notes	Share capital-common stock	Capital surplus additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Other equity interest	Total	Non-controlling interest	Total equity
Three months ended March 31, 2022										
Balance at January 1, 2022		$ 2,165,100	$ 4,646,623	$ 2,152,834	$ 269,144	$ 3,349,676	($ 969,246)	$ 11,614,131	$ 540,492	$ 12,154,623
Profit (loss) for the period		-	-	-	-	110,289	-	110,289	40,503	150,792
Other comprehensive income for the period		-	-	-	-	-	203,476	203,476	24,417	227,893
Total comprehensive income (loss) for the period		-	-	-	-	110,289	203,476	313,765	64,920	378,685
Appropriations and distribution of 2021 retained earnings:	6 (21)									
Cash dividends		-	-	-	-	(866,040)	-	(866,040)	-	(866,040)
Share-based payment	6 (18)	(398)	(5,450)	-	-	-	29,988	24,140	-	24,140
Balance at March 31, 2022		$ 2,164,702	$ 4,641,173	$ 2,152,834	$ 269,144	$ 2,593,925	($ 735,782)	$ 11,085,996	$ 605,412	$ 11,691,408
Three months ended March 31, 2023										
Balance at January 1, 2023		$ 2,177,827	$ 4,720,866	$ 2,265,932	$ 748,930	$ 3,355,328	($ 996,446)	$ 12,272,437	$ 783,849	$ 13,056,286
Profit (loss) for the period		-	-	-	-	56,006	-	56,006	(3,203)	52,803
Other comprehensive income for the period		-	-	-	-	-	75,747	75,747	(86)	75,661
Total comprehensive income (loss) for the period		-	-	-	-	56,006	75,747	131,753	(3,289)	128,464
Appropriations and distribution of 2022 retained earnings:	6 (21)									
Cash dividends		-	-	-	-	(981,235)	-	(981,235)	-	(981,235)
Share-based payment	6 (18)	(325)	(2,814)	-	-	-	31,992	28,853	-	28,853
Balance at March 31, 2023		$ 2,177,502	$ 4,718,052	$ 2,265,932	$ 748,930	$ 2,430,099	($ 888,707)	$ 11,451,80	$ 780,560	$ 12,232,368

The accompanying notes are an integral part of these consolidated financial statements.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)
(Reviewed, Unaudited)

	Notes	Three months ended March 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 66,741	$ 151,741
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense-property, plants and equipment	6(10)(27)	132,852	120,703
Depreciation expense - right-of-use assets	6(11)(27)	24,010	29,177
Amortization	6(12)(27)	37,611	37,221
Expected credit impairment loss	12(2)	10,575	109,096
Finance costs		29,468	19,956
Interest expense-lease liability	6(11)	1,773	930
Gain on financial assets or liabilities at fair value through profit or loss		(8,474)	(42,444)
Share of profit (loss) of associates and joint ventures accounted for using equity method	6(9)	20,239	40,182
Compensation cost of employee restricted shares	6(18)	28,853	24,141
Loss on disposal of property, plant and equipment	6(26)	823	694
Interest income	6(24)	(17,303)	(10,343)
Deferred income of government's compensation		(198)	(231)
Unrealized exchange gain		(2,560)	(91,493)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets/liabilities mandatorily measured at fair value through profit or loss		154	3,107
Accounts receivable (including related parties)		3,264,558	3,735,317
Other receivables (including related parties)		29,690	347,641
Inventories		342,862	(120,729)
Other current assets		(61,968)	128,284
Changes in operating liabilities			
Notes payable		-	
Accounts payable		(1,301,830)	(1,784,492)
Accounts payable - related parties		(1,346,625)	(1,419,694)
Other payables		(210,816)	(227,957)
Other payables - related parties		(64,492)	115,497
Contract liabilities		38,864	88,893
Other current liabilities		9,842	(55,382)
Net defined benefit liability - non-current		(8,173)	(13,637)
Cash inflow generated from operations		1,016,476	1,186,178
Interest received		15,413	6,269
Interest paid		(34,420)	(20,149)
Income taxes paid		(1,722)	(58,064)
Net cash flows from operating activities		995,747	1,114,234

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MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)
(Reviewed, Unaudited)

	Notes	Three months ended March 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in financial assets at amortized cost - non - current		($ 176,840)	($ 438,017)
Decrease in financial assets at amortized cost - non - current		-	46,489
Acquisition of investments accounted for using equity method	6(9)	(16,925)	-
Acquisition of property, plant and equipment	6(31)	(115,939)	(135,231)
Proceeds from disposal of property, plant and equipment		2,857	444
Acquisition of intangible assets	6(31)	(1,703)	(4,017)
Decrease in other non - current assets		5,051	3,395
Decrease(increase) in guarantee deposits paid		3,410	(743)
Net cash flows used in investing activities		(300,089)	(527,680)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease)increase in short-term borrowings	6(32)	(1,354,557)	73,735
Repayment of principal portion of lease liabilities	6(32)	(25,318)	(26,531)
Increase in long-term borrowings	6(32)	-	70,396
Decrease in long-term borrowings	6(32)	(62,827)	(228,970)
Decrease in other non-current liabilities	6(32)	(1,619)	(8,594)
Net cash flows used in financing activities		(1,444,321)	(119,964)
Effect of change in foreign currency exchange		31,909	213,173
Net (decrease)increase in cash and cash equivalents		(716,754)	679,763
Cash and cash equivalents at beginning of period		6,923,268	4,841,969
Cash and cash equivalents at end of period		$ 6,206,514	$ 5,521,732

The accompanying notes are an integral part of these consolidated financial statements.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(REVIEWED, UNAUDITED)

1. HISTORY AND ORGANISATION

Merry Electronics Co., Ltd. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on December 24, 1975. The Company is primarily engaged in manufacturing, processing, repairing, sales of electric appliance and audiovisual electric products, telecommunication equipment and apparatus, computers and computing peripheral equipment, restrained telecom radio frequency equipment, medical appliances, as well as electronic parts and components; planning, design as well as output of service items' equipment; production as well as marketing management consultant of service items' relevant business. The Company' shares were listed on the Taipei Exchange since August 1998 and transferred to the Taiwan Stock Exchange starting September 2000 with approval. The Company merged with its subsidiaries, Huges Hi-Tech Inc. and Biotest Medical Corporation, on September 1, 2005 and October 29, 2021, respectively. The Company was the surviving company while Huges Hi-Tech Inc. and Biotest Medical Corporation were the dissolved companies.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were reported to the Board of Directors on April 27, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Impact on the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by FSC effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1 "The disclosure of accounting policies"	January 1, 2023
Amendments to IAS 8 "The definition of accounting estimates"	January 1, 2023
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Impact on new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

None.

(3) Impact on IFRS issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, "Sale or contribution of assets between an investor and its associate or joint venture"	To be determined by International Accounting Standards Board
Amendments to IFRS 16 "Leases" - Lease Liability in a Sale and Leaseback	January 1, 2024
IFRS 17 "Insurance contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance contracts"	January 1, 2023
Amendments to IFRS 17 "Initial application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of liabilities as current or non-current"	January 1, 2024
Amendments to IAS 1 "Presentation of Financial Statements" - Non-current Liabilities with Covenants	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2022, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, 'Interim financial reporting' as endorsed by the FSC.

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2022.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets and liabilities at fair value through other comprehensive income measured at fair value.

(c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

Basis for preparation for the current period financial statements and the 2022 consolidated financial statements is the same.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business Activities	Ownership (%) March 31, 2023	December 31, 2022	March 31, 2022	Description
MEHO	Merry Electronics (HK) Co., Ltd. (MEST)	Sales of the same products as the Company.	100.00%	100.00%	100.00%	
MEHO	Merry Electronics (Thailand) Co., Ltd. (METC)	The same main business as the Company.	99.99%	99.99%	99.99%	NOTE 1
MEHO	Merry Electronics (U.S.A.) Co.,Ltd. ("MECA")	Agency selling microphone and security system manufactured by affiliates.	99.90%	99.90%	99.90%	NOTE 1
MEHO	Danny Dynamics Limited ("DDBV")	Equity investments.	100.00%	100.00%	100.00%	
MEHO	Merry Electronics (Singapore) Pte.Ltd. ("MESG")	Manufacturing of other electronic components and circuit board.	100.00%	100.00%	100.00%	
MEHO	Merry Healthcare Co., LTD. ("MHKY")	Sales of medical device.	100.00%	100.00%	100.00%	NOTE 1

Name of investor	Name of subsidiary	Main business Activities	Ownership (%) March 31, 2023	December 31, 2022	March 31, 2022	Description
MEHO	Asian Elite International Ltd. (“MSCS”)	Manufacturing and sales of speaker and amplifier.	100.00%	100.00%	100.00%	NOTE1
MEHO	Indigo Enterprise Inc. ("INSA")	Equity investments.	100.00%	100.00%	100.00%	
MEHO	MERRY & LUXSHARE (VIETNAM) CO., LTD. ("MEVN")	Manufacturing of speaker system and microphone for consumer electronics used.	51.00%	51.00%	51.00%	NOTE1
MEHO	MUtek Electronics Co.,Ltd.("MUTT")	Manufacturing and application service of electrical appliances and audiovisual electronic products.	51.00%	51.00%	-	NOTE 2、5
MEHO	Merry Capital Inc.("MCTT")	Equity investments	100.00%	100.00%	-	NOTE 2、6
MEST	Merry Electronics (Shenzhen) Co., Ltd. ("MECL")	The same main business as the Company.	100.00%	100.00%	100.00%	
DDBV	Universal Capital Investment ("UCMU")	Equity investments.	100.00%	100.00%	100.00%	NOTE 1
DDBV	Merrytech (HK) Co. Limited ("MTHK")	Equity investments.	100.00%	100.00%	100.00%	
INSA	Merry Electronics North America Inc. ("MENA")	Develop-to-order and appearance design of speaker and amplifier.	100.00%	100.00%	100.00%	NOTE 4、8
MENA	Sonavox Canada Holding. ("SOCA")	Equity investments.	-	-	100.00%	NOTE 3、4
MENA	Seas Fabrikker ("SENM")	Manufacturing and sales of speaker monomer.	100.00%	100.00%	100.00%	NOTE 1
MHKY	Fulicare Co., Ltd. ("FUSA")	Sales of medical device.	96.01 %	96.01%	96.01%	NOTE 1
FUSA	Fulicare Medical Instruments (Suzhou) Co. ,Ltd. ("FUSZ")	Sales of medical device.	100.00%	100.00%	100.00%	NOTE 1
FUSA	Fulicare Medical Instruments (Xiamen) Co. ,Ltd. **(**"FUXM"**)**	Manufacturing of medical device.	100.00%	100.00%	100.00%	NOTE 1

Name of investor	Name of subsidiary	Main business Activities	Ownership (%) March 31, 2023	December 31, 2022	March 31, 2022	Description
FUSA	Xiamen Etimbre Hearing Technology Co. ,LTD. ("ETCX")	Research and development, manufacturing as well as sales of hearing aid, hearing device and acoustics equipment.	100.00%	100.00%	100.00%	NOTE 1
FUSZ and FUSA	Austar Hearing Science And Technology (Xiamen) Co., Ltd ("ASCX")	Research and development, manufacturing as well as sales of hearing aid, hearing device and acoustics equipment.	99.50%	99.50%	99.50%	NOTE 1
ASCX	Xiamen Laiyate Medical Devices Co., Ltd. ("LACX")	Research and development as well as technical sales of software functions for hearing aid.	100.00%	100.00%	100.00%	NOTE 1
MESG	Merry Electronics Sdn Bhd. ("MEMP")	Research and development of microphone, receiver and speaker.	100.00%	100.00%	-	NOTE 2、7

Note 1: The financial statements of the entity as of and for the three months ended March 31, 2023 and 2022 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 2: The financial statements of the entity as of and for the three months ended March 31, 2023 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 3: The financial statements of the entity as of and for the three months ended March 31, 2022 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 4: On May 25, 2022, the subsidiaries between Sonavox Canada Inc. and Sonavox Canada Holding had a merger, which was resolved by the respective Board of Directors, and Sonavox Canada Inc. was the surviving company, with the record date of merger on May 26, 2022. The registration was completed.

Note 5: On July 30, 2020, it was proposed that a new joint venture named MUtek Electronics Co., Ltd. would be set up by the Company and Universal Global Scientific Industrial Co., Ltd. as resolved by the Board of Directors. The Company will invest for an amount not exceeding NTD 198,900 thousand, and the paid-in capital of the newly established company was NTD 60,000 thousand. The Company and Universal Global Scientific Industrial Co., Ltd. invested NTD 30,600 thousand and NTD 29,400 thousand in

exchange for 51% and 49% ownership, respectively. It is resolved that the record date of the establishment is dated May 12, 2022. The registration was completed.

Note 6: On July 28, 2022, the establishment of Merry Capital Inc. was resolved by the Board of Directors. The investment is amounting to NTD 8,000 thousand, with 100% ownership. The registration was completed.

Note 7: On October 27, 2022, the investment of Merry Electronics Sdn Bhd was resolved. The investment is amounting to MYR 2,400 thousand, with 100% ownership. The registration was completed.

Note 8: On December 12, 2022, the Group changed the name of the subsidiary, Sonavox Canada Inc. ('SOCV'), to Merry Electronics North America Inc.('MENA'), and the registration for the change had been completed.

C. Subsidiaries not included in the consolidated financial statements:
None.

D. Adjustments for subsidiaries with different balance sheet dates:
None.

E. Significant restrictions:
None.

F. Subsidiaries that have non-controlling interests that are material to the Group:
As of March 31, 2023, December 31, 2022 and March 31, 2022, the non-controlling interest amounted to $ 780,560 thousand, $ 783,849 thousand, and $ 605,412 thousand, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest					
		March 31, 2023		December 31, 2022		March 31, 2022	
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)	Amount	Ownership (%)
MEVN	Vietnam	$ 720,986	49%	$ 726,429	49%	$ 570,441	49%

Summarized financial information of the subsidiaries:
Balance sheets

	MEVN		
	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	$ 1,112,195	$ 1,139,436	$ 1,738,888
Non-current assets	1,096,737	1,135,700	1,085,711
Current liabilities	(558,684)	(596,979)	(1,360,354)
Non-current liabilities	(168,248)	(190,065)	(300,079)
Total net assets	$ 1,482,000	$ 1,488,092	$ 1,164,166

Statements of comprehensive income

	MEVN	
	Three months ended March 31	
	2023	2022
Revenue	$ 418,917	$ 924,381
Profit before income tax	750	85,530
Profit for the period from continuing operations	750	85,530
Profit for the period	750	85,530
Total comprehensive income for the period	$ 750	$ 85,530
Comprehensive income attributable to non-controlling interest	$ 2,926	$ 40,269

Statements of cash flows

	MEVN	
	Three months ended March 31	
	2023	2022
Net cash provided by(used in) operating activities	$ 38,751	($ 202,871)
Net cash used in investing activities	(3,656)	(11,701)
Net cash provided by financing activities	(24,872)	148,582
Effect of exchange rates on cash and cash equivalents	776	961
Increase(decrease) in cash and cash equivalents	10,999	(65,029)
Cash and cash equivalents, beginning of period	77,160	141,199
Cash and cash equivalents, end of period	$ 88,159	$ 76,170

(4) Employee benefits

Pensions

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income tax

The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There was no significant change in the reporting period. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2022.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand and revolving funds	$ 2,176	$ 2,006	$ 919
Checking accounts and demand deposits	5,925,561	6,794,522	4,900,146
Time deposits	226,776	126,739	20,956
Short-term securities	52,001	1	599,711
	$ 6,206,514	$ 6,923,268	$ 5,521,732

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has cash and cash equivalents that are in restricted use due to the application of Taiwan Industry Innovation Platform Program (TIIP). Such restricted assets had been classified as financial assets at amortized cost. Please refer to Note 8.

C. The Group's time deposits with maturity over 3 months had been classified as current financial assets at amortized cost on March 31, 2023, December 31, 2022 and March 31, 2022. Please refer to Note 6 (4).

(2) Financial assets at fair value through profit or loss

Items	March 31, 2023	December 31, 2022	March 31, 2022
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
-Funds	$ 100,000	$ 100,000	$ 50,000
- Forward Exchange Agreement	5,977	7,076	47,461
-Call options of convertible bonds	-	-	300
-Bonds	280,000	280,000	280,000
Valuation adjustment	7,670	2,105	6,419
Total	$ 393,647	$ 389,181	$ 384,180
Non-current items:			
Funds	$ 29,350	$ 29,350	$ 27,863
Valuation adjustment	(3,006)	(2,066)	(2,391)
	$ 26,344	$ 27,284	$ 25,472

Items	March 31,2023	December 31, 2022	March 31, 2022
Current items:			
Financial liabilities held for trading	$ 2,128	$ 10,137	$ 4,239

A. Amounts recognized in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Three months ended March 31	
	2023	2022
Net gains on financial assets (liabilities) at fair value through profit or loss	$ 20,008	$ 34,457

B. The Group entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed as follows:

	March 31, 2023		
Derivative instruments	Contract amount (Notional principal)	Contract period	Contract price
Forward foreign exchange contract to sell	USD 24,000 thousand	2023/03/14~ 2024/05/03	NTD 30.243~30.477
Forward foreign exchange contract to buy	USD 34,000 thousand	2022/12/28~ 2024/03/13	NTD 29.036~30.664

	December 31, 2022		
Derivative instruments	Contract amount (Notional principal)	Contract period	Contract price
Forward foreign exchange contract to sell	USD 24,000 thousand	2022/12/05~ 2023/01/30	NTD 30.368~30.625
Forward foreign exchange contract to buy	USD 31,000 thousand	2022/11/07~ 2023/12/29	NTD 29.488~31.901

	March 31, 2022		
Derivative instruments	Contract amount (Notional principal)	Contract period	Contract price
Forward foreign exchange contract to sell	USD 46,000 thousand	2022/03/15~ 2022/10/17	NTD 28.263~28.613
Forward foreign exchange contract to buy	USD 87,000 thousand	2021/11/02~ 2022/12/28	NTD 27.557~28.561

The Group entered into forward foreign exchange contracts to hedge exchange rate risk of import and export proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. As of March 31, 2023, December 31, 2022 and March 31, 2022, the collectible payments for settled transactions amounted to $3,215 thousand, $0 thousand and $0 thousand, respectively. As of March 31, 2023, December 31, 2022 and March 31, 2022, the Group had outstanding payments for settled transactions amounting to $0 thousand, $0 thousand and $4,701 thousand, respectively (shown as other payables).

D. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.

E. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12 (2).

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

Items	March 31, 2023	December 31, 2022	March 31, 2022
Current items:			
Debt instruments			
Bonds	$ 144,625	$ 144,625	$ -
Valuation adjustment			
-through profit or loss	7,625	8,925	-
-through other comprehensive income	(3,503)	(2,687)	-
	148,747	150,863	-
Equity instruments			
Stocks	106,080	106,080	106,080
Valuation adjustment	104	(5,495)	4,000
	106,184	100,585	110,080
	$ 254,931	$ 251,448	$ 110,080

Items	March 31, 2023	December 31, 2022	March 31, 2022
Non-current items:			
Debt instruments			
Bonds	$ -	$ -	$ 144,625
Valuation adjustment			
-through profit or loss	-	-	(1,500)
-through other comprehensive income	-	-	1,670
	-	-	144,795
Equity instruments			
Listed stocks	$ 99,990	$ 99,990	$ 99,990
Unlisted stocks	916,564	916,784	915,273
	1, 016,554	1,016,774	1,015,263
Valuation adjustment	(432,343)	(490,265)	(268,751)
	584,211	526,509	746,512
Total	$ 584,211	$ 526,509	$ 891,307

A. The Group has elected to classify equity and debt investments that are considered to be strategic investments or steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $839,142 thousand, $777,957 thousand and $1,001,387 thousand as on March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

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B. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three months ended March 31	
	2023	2022
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	$ 64,409	($ 125,579)
Debt instruments at fair value through other comprehensive income		
Fair value change recognized through profit or loss	($ 1,300)	$ 4,725
Fair value change recognized in other comprehensive income	($ 816)	($ 1,271)
Interest income recognized in profit or loss	$ 1,402	$ 1,362

C. As on March 31, 2023, December 31, 2022 and March 31, 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was $839,142 thousand, $777,957 thousand and $1,001,387 thousand, respectively.

D. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

E. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12 (2).

F. The counterparties of the Company's investments in debt instruments have good credit quality; those debt securities are all rated as investment grade.

(4) Financial assets measured at amortized cost

Items	March 31, 2023	December 31, 2022	March 31, 2022
Current items:			
Time deposits with the maturity date over 3 months	$ 184,046	$ 185,601	$ 1,454,594
Non-current items:			
Time deposits with the maturity date over 3 months	$ 288,015	$ 110,200	$ -
Pledged time deposits	-	-	3,853
Total	$ 288,015	$ 110,200	$ 3,853

A. Amounts recognized in profit or loss in relation to the financial assets measured at amortized cost are listed below:

	Three months ended March 31	
	2023	2022
Interest income	$ 2,964	$ 2,713

B. As on March 31, 2023, December 31, 2022 and March 31, 2022, without taking into account

any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets measured at amortized cost held by the Group was $472,061 thousand, $295,801 thousand and $1,458,447 thousand, respectively.

C. The credit risk of the Group's investment is stable. Information relating to credit risk of financial assets measured at amortized cost is provided in Note 12 (2). The Group's time deposits were transacted with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

D. Information relating to the Group's financial assets measured at amortized cost as pledged asset is provided in Note 8.

(5) Accounts receivable

	March 31, 2023	December 31, 2022	March 31, 2022
Accounts receivable	$ 5,522,070	$ 8,731,145	$ 5,798,393
Less: Allowance for doubtful accounts	(32,056)	(21,447)	(147,129)
	$ 5,490,014	$ 8,709,698	$ 5,651,264

A. The aging analysis of accounts receivable is as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Not past due	$ 5,436,420	$ 8,524,130	$ 5,543,944
Up to 30 days	40,878	177,174	83,292
31 to 90 days	23,436	15,153	40,974
91 to 180 days	8,358	4,853	57,411
Over 180 days	12,978	9,835	72,772
	$ 5,522,070	$ 8,731,145	$ 5,798,393

The above aging analysis was based on past due date.

B. As of March 31, 2023, December 31, 2022, March 31, 2022, and January 1, 2022, the balances of receivables (including notes receivable) from contracts with customers amounted to $5,490,914 thousand, $8,709,698 thousand, $5,651,264 thousand and $9,365,119 thousand, respectively.

C. The Group insured against its accounts receivable since December, 2020, which the insured amount has been reviewed and granted by the insurance company. If bad debts occur, the insurance company will settle the claim up to 90% of the insured amount. As of March 31, 2023, December 31, 2022 and March 31, 2022, the balance of insured accounts receivable amounted to $4,962,187 thousand, $8,322,395 thousand, and $4,276,611 thousand.

D. The Group does not hold any collateral as security.

E. The Group entered into a factoring agreement which has no right of recourse with ING BANK N.V., TAIPEI BRANCH and Bank of America on July 19, 2021 and October 2, 2019, respectively. As of March 31, 2022, December 31, 2021 and March 31, 2021, there were no accounts receivable that were outstanding and expected to be transferred (reclassified as financial assets at fair value through other comprehensive income). Please refer to Note 6 (6) for information on transfer of financial assets.

F. Information relating to credit risk of accounts receivable is provided in Note 12 (2).

(6) Transfer of financial assets

A. Transferred financial assets that are derecognized in their entirety
None for March 31, 2023, December 31, 2022 and March 31, 2022.

B. Transferred financial assets that are not derecognized in their entirety

a. On July 19, 2021, the Group entered into a factoring agreement with ING BANK N.V., TAIPEI BRANCH to sell its accounts receivable. In accordance with the agreement, the

Group transferred first 90% of accounts receivable and has obligated to provide partial guarantees for the default risk of the transferred accounts receivable. Therefore, the Group has not derecognized the accounts receivable sold in their entirety and may not pledge these accounts receivable to a third party.

b. As of March 31, 2022, December 31, 2021 and March 31, 2021, the related information of the transferred accounts receivable sold that the Group continuously recognized to the extent of continuing involvement were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Total carrying amount of the original assets before transferring	$ 407,701	$ 1,206,473	$ -
Carrying amount of the assets continuously recognized	40,770	120,647	-

(7) Inventories

	March 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 1,415,350	($ 162,711)	$ 1,252,639
Work in progress	659,733	(14,714)	645,019
Finished goods	2,807,309	(132,662)	2,674,647
	$ 4,882,392	($ 310,087)	$ 4,572,305

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 1,689,950	($ 137,852)	$ 1,552,098
Work in progress	432,220	(13,370)	418,850
Finished goods	3,112,290	(172,661)	2,939,629
	$ 5,234,460	($ 323,883)	$ 4,910,577

	March 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 2,494,754	($ 132,557)	$ 2,362,197
Work in progress	855,324	(13,333)	841,991
Finished goods	2,279,823	(82,206)	2,197,617
	$ 5,629,901	($ 228,096)	$ 5,401,805

The cost of inventories recognized as expense for the period:

	Three months ended March 31	
	2023	2022
Cost of goods sold	$ 6,287,126	$ 5,113,904
Loss on scrapping inventory	817	23,273
(Gain on reversal of) loss on slow-moving inventories and decline in market value	(13,796)	3,030
Gain on physical inventory	(5)	-
	$ 6,274,142	$ 5,140,207

The Group reversed a previous inventory write-down because of the sale of certain written-down inventories by the Group for the three months ended March 31, 2023.

(8) Other current assets

	March 31, 2023	December 31, 2022	March 31, 2022
Tax refund receivable (including input tax)	$ 212,211	$ 124,759	$ 133,950
Prepayment for purchases	9,601	12,914	15,981
Others	129,381	148,497	97,109
	$ 351,193	$ 286,170	$ 247,040

(9) Investments accounted for using the equity method

	Three months ended March 31	
	2023	2022
At January 1	$ 5,028,458	$ 4,699,769
Increase in investments accounted for using equity method	16,925	-
Share of profit or loss of investments accounted for using the equity method	(20,239)	(40,183)
Changes in other equity items	25,521	174,321
Credit balance of investments accounted for using the equity method transferred to non-current liabilities	(4)	37
At March 31	$ 5,050,661	$ 4,833,944

The Group's subsidiary Merry Electronics (Shenzhen) Co., Ltd. ("MECL") has resolved during the Board of directors meeting on January 31, 2023 to invest in Dong Guan Get Pink Electronics Co., Ltd. amounting to RMB3,858 thousand (in equivalent to NT$16,925 thousand), in exchange for 33% shareholding. The business registration has been completed.

A. Details are as follows：

	March 31, 2023	December 31, 2022	March 31, 2022
Associates with significant influence			
Merry Electronics (Suzhou) Co., Ltd. (MECE)	$ 3,204,071	$ 3,251,933	$ 3,237,977
Associates with insignificant influence			
Merry Electronics (Huizhou) Co., Ltd. (MECH)	1,363,541	1,311,066	1,163,408
Guangdong Luxshare & Merry Electronics Co., Ltd. (MEDG)	411,086	407,293	392,044
Leohab Enterprise Co., Ltd. (LEOHAB)	38,549	39,582	40,515
CDIB-Mac Limited Partnership. (MAC FUND)	17,305	18,584	-
Dong Guan Get Pink Electronics Co., Ltd.	16,109	-	-

	March 31, 2023	December 31, 2022	March 31, 2022
Merry Electronics (Shanghai) Co., Ltd. (MECS)	(1,105)	(1,109)	(1,096)
Subtotal	5,049,556	5,027,349	4,832,848
Add: Credit balance of investments accounted for using the equity method transferred to non-current liabilities	1,105	1,109	1,096
	$ 5,050,661	$ 5,028,458	$ 4,833,944

B. Share of profit (loss) of associates accounted for using the equity method：

Investee	Three months ended March 31	
	2023	2022
MECE	($ 63,864)	($ 53,246)
MECH	45,742	14,354
MEDG	1,664	923
LEOHAB	(1,520)	(2,215)
MAC FUND	(1,279)	-
Dong Guan Get Pink Electronics Co., Ltd.	(983)	-
MECS	1	1
	($ 20,239)	($ 40,183)

C. Associates

(a) The basic information of the associates that is material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio			Nature of relationship	Method of measurement
		March 31, 2023	December 31, 2022	March 31, 2022		
MECE	Mainland of China	49.00%	49.00%	49.00%	Holding more than 20% of voting right	Equity method

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(b) The summarized financial information of the associates that is material to the Group is as follows:

Balance sheet

	MERRY ELECTRONICS (SUZHOU) CO., LTD.		
	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	$ 4,963,569	$ 4,984,442	$ 3,730,883
Non-current assets	5,262,539	5,534,283	6,361,921
Current liabilities	(3,413,479)	(3,594,226)	(3,392,915)
Non-current liabilities	(73,377)	(57,220)	(59,242)
Total net assets	$ 6,739,252	$ 6,867,279	$ 6,640,647
Share in associate's net assets	$ 3,302,233	$ 3,364,967	$ 3,253,917
Realized (unrealized) gain or loss from upstream and side stream transactions	(98,162)	(113,034)	(15,940)
Carrying amount of the associate	$ 3,204,071	$ 3,251,933	$ 3,237,977

Statement of comprehensive income

	MERRY ELECTRONICS (SUZHOU) CO.,LTD.	
	Three months ended March 31	
	2023	2022
Revenue	$ 1,899,928	$ 1,415,937
Profit for the period from continuing operations	($ 160,685)	($ 193,575)
Total comprehensive income	($ 160,685)	($ 193,575)

(c) The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarized below:

	Three months ended March 31	
	2023	2022
Share of profit of associates and joint ventures accounted for using the equity method	$ 43,625	$ 13,063
Other comprehensive income (loss), net of tax	7,713	44,527
Total comprehensive income	$ 51,338	$ 57,590

The investment income or loss accounted for under equity method of the above equity investments, except for MECE and MECH, is recognized based on the financial statements for the current period that was not reviewed by auditors.

(10) Property, plant and equipment

Three months ended March 31, 2023

Cost	Opening balance	Additions	Reductions	Transfers	Effect of foreign currency exchange difference	Ending balance
Land	$ 792,675	$ -	$ -	$ -	$ 118	$ 792,793
Land improvements	599	-	-	-	2	601
Buildings and structures	1,774,209	7,214	(1,411)	64,757	2,224	1,846,993
Machinery	3,166,963	23,055	(6,633)	8,652	7,408	3,199,445
Transportation equipment	22,133	-	(3,191)	-	74	19,016
Office equipment	302,683	7,465	(551)	14,316	440	324,353
Others	286,053	1,932	(77)	1,407	(27)	289,288
Unfinished construction	124,368	25,473	-	(87,541)	30	62,330
Total	$ 6,469,683	$ 65,139	($ 11,863)	$ 1,591	$ 10,269	$ 6,534,819
Accumulated depreciation						
Land improvements	($ 581)	($ 1)	$ -	$ -	($ 2)	($ 584)
Buildings and structures	(584,319)	(15,056)	1,411	-	(2,256)	(600,220)
Machinery	(1,377,578)	(98,744)	3,333	-	(4,586)	(1,477,575)
Transportation equipment	(16,450)	(479)	2,885	-	(54)	(14,098)
Office equipment	(202,973)	(8,812)	477	-	(430)	(211,738)
Others	(139,879)	(9,760)	77	-	(27)	(149,589)
Total	($ 2,321,780)	($ 132,852)	$ 8,183	$ -	($ 7,355)	($ 2,453,804)
	$ 4,147,903					$ 4,081,015

Three months ended March 31, 2022

Cost	Opening balance	Additions	Reductions	Transfers	Effect of foreign currency exchange difference	Ending balance
Land	$ 790,477	$ -	$ -	$ -	$ 1,125	$ 791,602
Land improvements	543	-	-	-	19	562
Buildings and structures	1,484,904	2,016	-	3,094	50,592	1,540,606
Machinery	2,785,124	22,707	(499)	3,066	105,167	2,915,565
Transportation equipment	21,063	768	-	-	647	22,478
Office equipment	276,950	1,549	(1,626)	-	7,742	284,615
Others	241,388	2,966	(91)	-	8,783	253,046
Unfinished construction	208,125	26,012	(1,128)	(6,160)	489	227,338
Total	$ 5,808,574	$ 56,018	($ 3,344)	$ -	$ 174,564	$ 6,035,812
Accumulated depreciation						
Land improvements	($ 543)	$ -	$ -	$ -	($ 19)	($ 562)
Buildings and structures	(508,737)	(18,824)	-	-	(17,747)	(545,308)
Machinery	(1,031,903)	(86,075)	496	-	(37,432)	(1,154,914)
Transportation equipment	(14,329)	(441)	-	-	(448)	(15,218)
Office equipment	(189,640)	(7,914)	1,619	-	(5,165)	(201,100)
Others	(112,419)	(7,449)	91	-	(4,143)	(123,920)
Total	($ 1,857,571)	($ 120,703)	$ 2,206	$ -	($ 64,954)	($ 2,041,022)
	$ 3,951,003					$ 3,994,790

A. The Group has no property, plant and equipment that apply to capitalization of borrowing costs.

B. The Group has no property, plant and equipment pledged to others as collateral.

(11) Leasing arrangements - lessee

A. The Group leases various assets including land, buildings, machinery and equipment as well as business vehicles. Rental contracts are typically made for periods of 1 to 45 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
	Carrying amount	Carrying amount	Carrying amount
Land	$ 85,261	$ 86,854	$ 87,743
Buildings and structures	190,281	202,878	90,280
Machinery and equipment	1,867	2,392	3,623
Transportation equipment	1,047	1,287	2,151
Office equipment	78	109	80
Other equipment	19	34	-
	$ 278,553	$ 293,554	$ 183,877

	Three months ended March 31	
	2023	2022
	Depreciation charge	Depreciation charge
Land	$ 1,231	$ 1,213
Buildings and structures	22,133	27,150
Machinery and equipment	360	369
Transportation equipment	233	397
Office equipment	38	48
Other equipment	15	-
	$ 24,010	$ 29,177

C. For the three months ended March 31, 2023 and 2022, the additions to right-of-use assets were $21,195 thousand and $4,716 thousand, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	Three months ended March 31	
Items affecting profit or loss	2023	2022
Interest expense on lease liabilities	$ 1,773	$ 930
Expense on short-term lease contract	14,165	8,329
Expense on leased asset with low value	70	83
	$ 16,008	$ 9,342

E. For the three months ended March 31, 2023 and 2022, the Group's total cash outflow for leases were $27,091 thousand and $27,461 thousand, respectively.

(12) Intangible assets

Three months ended March 31, 2023				
Cost	Opening balance	Additions	Effect of foreign currency exchange difference	Ending balance
Goodwill	$ 931,678	$ -	$ -	$ 931,678
Computer software	622,674	329	107	623,110
Customer relationship	326,550	-	-	326,550
Trademarks	61,481	-	-	61,481
Know-how	115,748	-	-	115,748
Others	44,263	986	(39)	45,210
Total	$ 2,102,394	$ 1,315	$ 68	$ 2,103,777
Accumulated amortization				
Computer software	($ 478,230)	($ 18,009)	$	($ 496,239)
Customer relationship	(197,567)	(11,016)	-	(205,583)
Trademarks	(24,403)	(1,380)	-	(25,783)
Know-how	(104,174)	(5,787)	-	(109,961)
Others	(33,311)	(1,419)	25	(34,705)
Total	($ 837,685)	($ 37,611)	$ 25	($ 875,271)
Accumulated Impairment loss				
Goodwill	($ 161,766)	$ -	$ -	($ 161,766)
	$ 1,102,943			$ 1,066,740

	Three months ended March 31, 2022			
Cost	Opening balance	Additions	Effect of foreign currency exchange difference	Ending balance
Goodwill	$ 931,678	$ -	$ -	$ 931,678
Computer software	590,844	3,199	1,482	595,525
Customer relationship	326,550	-	-	326,550
Trademarks	61,481	-	-	61,481
Know-how	115,748	-	-	115,748
Others	38,093	913	172	39,178
Total	$ 2,064,394	$ 4,112	$ 1,654	$ 2,070,160
Accumulated amortization				
Computer software	($ 406,530)	($ 17,798)	($ 611)	($ 424,939)
Customer relationship	(153,503)	(11,016)	-	(164,519)
Trademarks	(18,885)	(1,380)	-	(20,265)
Know-how	(81,024)	(5,787)	-	(86,811)
Others	(28,273)	(1,240)	(58)	(29,571)
Total	($ 688,215)	($ 37,221)	($ 669)	($ 726,105)
	$ 1,376,179			$ 1,344,055

A. Details of amortization on intangible assets are as follows:

	Three months ended March 31	
	2023	2022
Operating costs	$ 2,694	$ 3,111
Selling expenses	3,576	3,278
Administrative expenses	20,245	19,984
Research and development expenses	11,096	10,848
	$ 37,611	$ 37,221

B. As of March 31, 2023, the Group merged with Huges Hi-Tech Inc on September 1, 2005. Thus, the transaction generated goodwill in the amount of $139,735 thousand. The goodwill from business combination shall be tested annually at least for impairment in accordance with IAS 36.

The recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired. As of March 31, 2023, December 31, 2022 and March 31, 2022, the key assumptions used for value-in-use calculations are as follows:

The cash flow projections are based on financial budgets approved by the management covering a five-year period, the Company is committed to developing and taking bluetooth orders and estimates a 10% year-on-year growth in sales as the Company will launch new products and improve its technology.

Management determined budgeted gross margin based on past performance and their expectations of market development. The weighted average growth rates used are consistent with the projection included in industry reports. The discount rate of 5.90%, 1.49% and 1.31% respectively used was pre-tax and reflected specific risks relating to the relevant operating segments.

C. The goodwill arose from acquiring Asian Elite International Ltd. and Indigo Enterprise Inc. amounting to $581,644 thousand due to the benefits from production technology and market channel such as smart speakers of the companies that expected to be merged. The goodwill from business combination shall be tested annually at least for impairment in accordance with IAS 36.

As of December 31, 2022, the recoverable amount of all cash-generating units calculated using the value-in-use did not exceed their carrying amount, so an impairment loss to goodwill was recognized amounting to $161,766 thousand, The goodwill after the recognition of impairment loss amounted to $419,878 thousand. As of March 31, 2023, December 31, 2022 and March 31, 2022, the key assumptions used for value-in-use calculations are as follows:

The cash flow projections are based on financial budgets approved by the management covering a five-year period. As the Company is committed to developing and taking smart speaker orders, it expects 15% to 62%, 7.71% to 62% and 12% to 29% respectively year-on-year growth in sales through the launching of new products and improving its technologies during this period.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rate used is consistent with the projection included in industry reports. The discount rate of 16.00%, 17.43% and 17.26% respectively used was pre-tax.

D. As of March 31, 2023, the goodwill arose from acquiring Austar Hearing Science And Technology (Xiamen) Co., Ltd. amounting to $210,299 thousand due to the benefits from production technology and market channel such as smart speakers of the companies that are expected to be merged. The goodwill from business combination shall be tested annually at least for impairment in accordance with IAS 36.

The recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired. As of March 31, 2023, December 31, 2022 and March 31, 2022, the key assumptions used for value-in-use calculations are as follows:

The cash flow projections are based on financial budgets approved by the management covering a five-year period. As the Company is committed to developing and taking smart speaker orders, it expects 3% to 20%, 3% to 20% and 3% to 17% respectively year-on-year growth in sales through the launching of new products and improving its technologies during this period.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the projection included in industry reports. The discount rate of 14.99%, 14.98% and 15.72% respectively used was pre-tax and reflected specific risks relating to the relevant operating segments.

E. The Group had no intangible assets pledged to others as collaterals.

(13) Short-term borrowings

Type of borrowings	March 31, 2023	Interest rate range	Collateral
Bank borrowings			
Credit loan	$ 739,188	1.20%~5.10%	None
Secured borrowings	44,310	3.95%	Patents (Note)
	$ 783,498		

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Credit loan	$ 2,102,771	1.60%~5.25%	None
Secured borrowings	44,080	3.95%	Patents (Note)
	$ 2,146,851		

Type of borrowings	March 31, 2022	Interest rate range	Collateral
Bank borrowings			
Credit loan	$ 3,883,941	0.00%~4.00%	None

A. Interest expense recognized in profit or loss amounted to $8,553 thousand and $8,335 thousand

for the three months ended March 31, 2023and 2022, respectively.

B. The Group provided endorsements and guarantees for the credit loans as of March 31, 2023, December 31, 2022 and March 31, 2022.

Note: The patents has been fully amortized into profit and loss.

(14) Other payables

	March 31, 2023	December 31, 2022	March 31, 2022
Dividend payable	$ 981,235	$ -	$ 866,040
Payroll and bonus payable	265,828	399,878	264,974
Employee compensation payable	163,372	163,655	90,576
Payables on equipment (Including intangible assets)	58,989	106,217	132,199
Directors' remuneration payable	41,616	40,299	24,187
Other payables - financial liabilities	-	-	4,701
Others	395,393	484,394	354,720
	$ 1,906,433	$ 1,194,443	$ 1,737,397

Please refer to Note 6 (2) for the above-mentioned other payables - financial liabilities.

(15) Bonds payable

	March 31, 2023	December 31, 2022	March 31, 2022
Bonds payable	$ 3,000,000	$ 3,000,000	$ 3,000,000
Less: Discount on bonds payable	(39,154)	(46,162)	(67,470)
	$ 2,960,846	$ 2,953,838	$ 2,932,530

A. The details of the third domestic unsecured convertible bonds issued by the Company on August 11, 2021 are as follows:

(a) The terms of the third domestic unsecured convertible bonds issued by the Company are as follows:

i. The Company issued $3,015,000 thousand, 0% third domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature three years from the issue date August 11, 2021 to August 11, 2024 and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on August 11, 2021.

ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Company at any time during the period from the date after three months of the bonds issued to the maturity date by notifying the Taiwan Depository & Clearing Corporation through the dealer to the Company, except for (i) the stop transfer period as specified in the terms of the bonds or the laws/regulations; (ii) the book closure date of the issuance of bonus shares, and of cash dividends, the period between the date that is 15 business days before the book closure date of a capital increase to the ex-right date; (iii) the period between the record date of a capital reduction and the prior day before the commencement of stock trading after stocks are repurchased; (iv) the period

from the commencement date of the cessation of conversion of the share certificate and the prior day before the commencement date of trading of the new share certificate. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

iii. The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. As of March 31, 2023, the conversion price was $110.6 (in dollars) per share.

iv. The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount, the Company has the right to redeem the convertible bonds in accordance with the Article 18 of the terms of issuance and conversion during the period from the date after three months of the bonds issue to 40 days before the maturity date.

v. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

(b) As of March 31, 2023, here were no bonds (face value) converted into common stock..

B. Regarding the issuance of convertible bonds, the equity conversion options amounting to $96,857 thousand were separated from the liability component and were recognized in 'capital surplus - share options' in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts and were recognized in 'financial assets at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts..

(16) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	March 31, 2023
Long-term bank borrowings				
Credit loan	Borrowing period is from 2020/2/20 to 2025/2/20; interest is repayable monthly; principal is repayable starting from 2022 (Note 1, 2)	0.68%~1.16%	None	$ 236,389
Credit loan	Borrowing period is 36 months starting from 2020/7/15 and extended every	6.33%	None	75,429

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	March 31, 2023
	month ; principal is repayable starting from 2023			
Credit loan	Borrowing period is from 2020/2/20 to 2027/2/19; interest is repayable monthly; principal is repayable starting from 2022	1.10%~4.70%	None	979,683
				1,291,501
Less: Expiring within one year or one operating cycle				(479,286)
				$ 812,215

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Long-term bank borrowings				
Credit loan	Borrowing period is from 2020/2/20 to 2025/2/20; interest is repayable monthly; principal is repayable starting from 2022 (Note 1, 2)	0.68%~1.03%	None	$ 258,889
Credit loan	Borrowing period is 36 months starting from 2020/7/15 and extended every month ; principal is repayable starting from 2023	5.89%	None	76,100
Credit loan	Borrowing period is from 2020/2/20 to 2027/2/19; interest is repayable monthly; principal is repayable starting from 2022	0.98%~2.40%	None	1,021,458
				1,356,447
Less: Expiring within one year or				(451,919)

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Long-term bank borrowings one operating cycle				$ 904,528

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	March 31, 2022
Long-term bank borrowings				
Credit loan	Borrowing period is from 2020/2/20 to 2025/2/20; interest is repayable monthly; principal is repayable starting from 2023 (Note 1, 2)	0.30%~0.63%	None	$ 313,889
Credit loan	Borrowing period is from 2020/2/20 to 2027/2/19; interest is repayable monthly; principal is repayable starting from 2022	0.60%~1.45%	None	1,096,200
				1,410,089
Less: Expiring within one year or one operating cycle				(202,066)
				$ 1,208,023

The interest expense recognized in profit or loss for the three months ended March 31, 2023 and 2022 amounted to $6,928 thousand and $2,781 thousand, respectively.

Note 1: In November 2019, the Company entered into a long-term loan contract with Taipei Fubon Bank for the total amount of $320,556 thousand. As of March 31, 2023, the drawn amount was $140,556 thousand.

Aforementioned contract conditions:

During the credit period, the following financial ratios shall be maintained and the audited / reviewed financial statements by independent auditors shall be checked semi-annually:

(a) Current ratio shall not be lower than 100%;

(b) Debt ratio shall not be higher than 200%;

(c) Interest coverage ratio shall not be lower than 10.

(d) Tangible assets ratio shall not be lower than $8 billion.

Note 2: In February 2020, the Company entered into a long-term loan contract with JIHSUN BANK

for the total amount of $295,833 thousand. As of March 31, 2023, the drawn amount was $95,833 thousand.

Aforementioned contract conditions:

During the credit period, the following financial ratios shall be maintained and the audited / reviewed financial statements by independent auditors shall be checked semi-annually:

(a) Current ratio shall not be lower than 100%;

(b) Debt ratio shall not be higher than 250%;

(c) Tangible assets shall be maintained at least $8 billion.

(17) Pensions

A. (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 5.1% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions for the deficit by next March.

(b) The pension costs under defined contribution pension plans of the Group for the three months ended March 31, 2023 and 2022 were $176 thousand and $245 thousand, respectively.

(c) The Company expects to pay contribution for pension plan amounting to $2,860 thousand in 2024.

B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The Group's first-tier and second-tier subsidiaries in Mainland China have set up a defined contribution plan. Monthly contribution to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(c) The subsidiary, METC, in Thailand is required to pay pension of up to 10 months of employee

salaries to the employees upon their retirement. The pension liability is estimated annually based on the employees' total salaries and expected service years in accordance with the regulations of the Thailand government.

(d) The subsidiary, MECA, in America is subject to related local regulation, which is required to contribute a statutory percentage of the employees' monthly salaries and wages to the employees' pension funds, and to pay it to the competent authority. Other than the monthly contributions, the Group has no further obligations.

(e) The subsidiary, MENA, in Canada is subject to related local regulation, which is required to contribute a statutory percentage of the employees' monthly salaries and wages to the employees' pension funds, and to pay it to the competent authority. Other than the monthly contributions, the Group has no further obligations.

(f) The subsidiary, MEVN, in Vietnam is subject to related local regulation, which is required to contribute a statutory percentage of the employees' monthly salaries and wages to the employees' pension funds, and to pay it to the competent authority. Other than the monthly contributions, the Group has no further obligations.

(g) The subsidiary, MEST, in Hong Kong is subject to related local regulation, which is required to enroll in mandatory provident fund schemes for employees and contribute a statutory percentage of the employees' monthly salaries and wages to the employees' pension funds, and to pay it to the competent authority. Other than the monthly contributions, the Group has no further obligations.

(h) The subsidiary, MESG, in Singapore is subject to related local regulation, which is required to contribute a statutory percentage of the employees' monthly salaries and wages to the employees' pension funds, and to pay it to the competent authority. Other than the monthly contributions, the Group has no further obligations.

(i) The subsidiary, MEMP, in Malaysia is subject to related local regulation, which is required to contribute a statutory percentage of the employees' monthly salaries and wages to the employees' pension funds, and to pay it to the competent authority. Other than the monthly contributions, the Group has no further obligations.

(j) The pension costs under defined contribution pension plans of the Group for the three months ended March 31, 2023 and 2022 were $37,843 thousand and $37,022 thousand, respectively.

(18) Share-based payment

A. For the three months ended March 31, 2023 and 2022, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grand date	Quantity granted	Contract period	Vesting condition
The 1st restricted stocks to employees in 2019	2019/11/02	813 units	3 years	Note
The 2nd restricted stocks to employees in 2019	2020/08/05	387 units	3 years	Note
The 1st restricted stocks to employees in 2020	2021/05/31	416 units	3 years	Note

Type of arrangement	Grand date	Quantity granted	Contract period	Vesting condition
The 2nd restricted stocks to employees in 2020	2021/07/30	1,504 units	3 years	Note
The 1st restricted stocks to employees in 2021	2022/07/29	1,800 units	3 years	Note

Note: Depending on the employee's tenure in the Company (1 to 3 years), the employees can vest stocks at the ratio of 30%, 30% and 40% in three years based on the number of stocks written on the notification. The conditions for vesting restricted stocks are as follows:

(a) For the employees who are currently working in the Company, whose services have reached 1 year and achieved the performance of the most recent year's consolidated financial statements and the target personal performance, the ceiling of vested share ratio is 30%.

(b) For the employees who are currently working in the Company, whose services have reached 2 years and achieved the performance of the most recent year's consolidated financial statements and the target personal performance, the ceiling of accumulated vested share ratio is 60%.

(c) For the employees who are currently working in the Company, whose services have reached 3 years and achieved the performance of the most recent year's consolidated financial statements and the target personal performance, the ceiling of accumulated vested share ratio is 100%.

(d) The Company will repurchase and retire the stocks that do not meet the conditions of vesting for the employees who resign during the vesting period or do not meet the condition of vesting by the issuance price.

The aforementioned restricted stocks issued by the Company cannot be transferred during the vesting period and the commissioned trust custodians execute the shareholders' rights on behalf of the employees.

B. Details of the share-based payment arrangements are as follows:

(a) The first restricted stocks to employees in 2019

	2023		2022	
	No. of share (in thousands)	Weighted-average exercise price (in dollars)	No. of share (in thousands)	Weighted-average exercise price (in dollars)
At January 1	-	$ -	284	$ -
Restricted stocks retired	-	-	(10)	-
At March 31	-	-	274	-

(b) The second restricted stocks to employees in 2019

	2023		2022	
	No. of share (in thousands)	Weighted-average exercise price (in dollars)	No. of share (in thousands)	Weighted-average exercise price (in dollars)
At January 1	126	$ -	244	$ -
Restricted stocks retired	(1)	-	(18)	-
At March 31	125	-	226	-

(c) The first restricted stocks to employees in 2020

	2023		2022	
	No. of share (in thousands)	Weighted-average exercise price (in dollars)	No. of share (in thousands)	Weighted-average exercise price (in dollars)
At March 31	416	$ -	416	$ -

(d) The second restricted stocks to employees in 2020

	2023		2022	
	No. of share (in thousands)	Weighted-average exercise price (in dollars)	No. of share (in thousands)	Weighted-average exercise price (in dollars)
At January 1	1,053	$ -	1,473	$ -
Restricted stocks retired	(15)	-	(12)	-
At March 31	1,038	-	1,461	-

(e) The first restricted stocks to employees in 2021

	2023		2022	
	No. of share (in thousands)	Weighted-average exercise price (in dollars)	No. of share (in thousands)	Weighted-average exercise price (in dollars)
At January 1	1,753	$ -	-	$ -
Restricted stocks retired	(17)	-	-	-
At March 31	1,736	-	-	-

C. The fair value of stock options granted on grant date is measured using the closing price on the grant date. Relevant information is as follows:

Type of arrangement	Grand date	Stock price	Exercise price	Fair value per unit
The 1st restricted stocks to employees in 2019	2019/11/02	150.0	0	150.0
The 2nd restricted stocks to employees in 2019	2020/08/05	169.0	0	169.0
The 1st restricted stocks to employees in 2020	2021/05/31	107.5	0	107.5
The 1st restricted stocks to employees in 2020	2021/07/30	111.0	0	111.0
The 1st restricted stocks to employees in 2021	2022/07/29	80.7	0	80.7

D. Expenses incurred on share-based payment transactions are shown below:

	Three months ended March 31	
	2023	2022
Equity-settled	$ 28,853	$ 24,140

(19) Share capital

A. As of March 31, 2023, the Company's authorized capital was $4,000,000 thousand, consisting of 400,000 thousand shares of ordinary stock (including 5,000 thousand shares reserved for employee stock options), and the paid-in capital was $2,177,827 thousand with a par value of $10 (in dollars) per share.

Movements in the number of the Company's ordinary shares outstanding are as follows (in thousands):

	2023	2022
At January 1	217,783	216,510
Employee restricted shares retired	(33)	(40)
At March 31	217,750	216,470

(a) The Company retired 33 thousand employee restricted shares as resolved at the meeting of the Board of Directors on April 27, 2023 with the capital reduction effective date set on May 3, 2023. The capital reduction through retirement of employee restricted shares was completed.

(b) The Company retired 40 thousand employee restricted shares as resolved at the meeting of the Board of Directors on April 28, 2022 with the capital reduction effective date set on May 6, 2022. As of April 28, 2022, the registration was still in progress.

(20) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital

surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2023				
	Share premium	Share option	Employee restricted stocks	Others	Total
At January 1	$ 4,070,017	$ 96,857	$ 290,864	$ 263,128	$ 4,720,866
Restricted stocks retired	-	-	(2,814)	-	(2,814)
At March 31	$ 4,070,017	$ 96,857	$ 288,050	$ 263,128	$ 4,718,052

	2022				
	Share premium	Share option	Employee restricted stocks	Others	Total
At January 1	$ 4,035,505	$ 96,857	$ 267,825	$ 246,436	$ 4,646,623
Restricted stocks retired	-	-	(5,450)	-	(5,450)
At March 31	$ 4,035,505	$ 96,857	$ 262,375	$ 246,436	$ 4,641,173

(21) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, after deduction of mandatory income tax, shall first be used to offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. After the provision or reversal of special reserve, the appropriation of the remaining earnings along with the unappropriated earnings of prior year shall be proposed by the Board of Directors and approved by the shareholders. The Board of Directors may, based on financial, business and operating perspectives, propose a distribution of earnings within an amount at least 30% of the new distributable earnings and not more than 80% of the accumulated distributable earnings for the current period. The dividends shall be preferably distributed in the form of cash, and can be appropriated in the shares. The ratio of cash dividends shall account for at least 30% of the total dividends distributed. All or partial of dividend and bonus that are distributed in the form of cash will be resolved and reported to the shareholders if more than 2/3 of the directors attend the Board of Directors' meeting and more than 1/2 of the directors present at the meeting have agreed.

B. The Company's dividend policy is summarized below: as the Company operates in a volatile business environment and is in the stable growth stage, the residual dividend policy is adopted taking into consideration the Company's financial structure, operating results and future expansion plans. In order to encourage employees and operation team, if the Company has any profit for the current year, the Company shall set aside 5% to 10% as employees' compensation and no more than 2% as directors' remuneration. The employees' compensation shall be distributed in the form of stock and cash by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the

total number of directors and report it in the shareholders' meeting. Employees entitled to receive stock or cash as compensation include employees of subsidiaries of the company meeting certain specific requirement.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings. In Accordance with Ruling No.1010051600 issued by Securities and Futures Bureau of the FSC on November 21, 2012, "unearned employee compensation" under employee restricted stock is not an unrealized item, and therefore is not required to set aside the special reserve. As of March 31, 2023, the special reserve set aside based on the above regulation amounted to $479,786 thousand.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land. As of March 31, 2023, the balance of capital surplus as aforementioned was $269,144 thousand.

(c) As of March 31, 2023, December 31, 2022 and March 31, 2022, the balance of special reserve was $748,930 thousand, $748,930 thousand and $269,144 thousand, respectively.

E. The Company distributed earnings for the years ended December 31, 2021 as resolved at the shareholders' meeting on June 15, 2022 is as follows:

	Years ended December 31, 2021	
	Amount	Dividends per share
Legal reserve	$ 113,098	
Special reserve	479,786	
Cash dividends	866,040	$ 4.0
	$ 1,458,924	

F. The Company distributed earnings for the year ended December 31, 2022 as resolved at the Board of Directors on February 23, 2023 is as follows:

	Years ended December 31, 2022	
	Amount	Dividends per share
Legal reserve	$ 146,458	
Special reserve	19,256	
Cash dividends	981,235	$ 4.5
	$ 1,146,949	

(22) Other equity items

2023	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) from investments in debt instruments measured at fair value through other comprehensive income	Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income	Cost of unearned employee compensation	Total
At January 1	($ 258,567)	($ 2,687)	($ 506,932)	($ 228,260)	($ 996,446)
Amortization of employee restricted stocks	-	-	-	28,853	28,853
Restricted stocks retired	-	-	-	3,139	3,139
Revaluation – gross	-	(816)	64,409	-	65,593
Revaluation – tax	-	-	(202)	-	(202)
Currency translation differences:					
-Group	(10,029)	-	-	-	(10,029)
-Tax on Group	2,006	-	-	-	2,006
-Associates	25,521	-	-	-	25,521
-Tax on associates	(5,142)	-	-	-	(5,142)
At March 31	($ 246,211)	($ 3,503)	($ 442,725)	($ 196,268)	($ 888,707)

2022	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) from investments in debt instruments measured at fair value through other comprehensive income	Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income	Cost of unearned employee compensation	Total
At January 1	($ 605,572)	$ 2.941	($ 146,299)	($ 220,316)	($ 969,246)
Amortization of employee restricted stocks	-	-	-	24,140	24,140
Restricted stocks retired	-	-	-	5,848	5,848
Revaluation – gross	-	(1.271)	(125,579)	-	(126,850)
Revaluation – tax	-	-	(1,359)	-	(1,359)

2022	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) from investments in debt instruments measured at fair value through other comprehensive income	Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income	Cost of unearned employee compensation	Total
Currency translation differences:					
-Group	240,284	-	-	-	240,284
-Tax on Group	(48,057)	-	-	-	(48,057)
-Associates	174,321	-	-	-	174,321
-Tax on associates	(34,863)	-	-	-	(34,863)
At March 31	($ 273,887)	$ 1,670	($ 273,237)	($ 190,328)	($ 735,782)

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(23) Operating revenue

	Three months ended March 31	
	2023	2022
Revenue from contracts with customers	$ 7,130,905	$ 6,018,343

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

Three months ended March 31, 2023

	Electronic devices					
	Taiwan	Shenzhen	Singapore	Vietnam	Others	Total
Total segment revenue	$ 5,175,553	$ 1,828,752	$ 1,577,883	$ 418,917	$ 1,284,789	$ 10,285,894
Revenue from internal segment transactions	(6,131)	(1,769,002)	-	(383,649)	(996,207)	(3,154,989)
Revenue from external customer contracts	5,169,422	59,750	1,577,883	35,268	288,582	7,130,905
Main Region						
Europe	2,157,229	20,406	1,047,873	-	57,412	3,282,920
US	2,828,539	-	530,005	-	91,876	3,450,420
Mainland China	24,902	39,344	-	-	129,555	193,801
Taiwan	89,845	-	-	-	-	89,845
Others	68,907	-	5	35,268	9,739	113,919
	$ 5,169,422	$ 59,750	$ 1,577,883	$ 35,268	$ 288,582	$ 7,130,905

Three months ended March 31, 2022

	Electronic devices					
	Taiwan	Shenzhen	Singapore	Vietnam	Others	Total
Total segment revenue	$ 4,225,658	$ 1,101,582	$ 1,311,929	$ 924,381	$ 898,432	$ 8,461,982
Revenue from internal segment transactions	(330)	(992,278)	-	(846,354)	(604,677)	(2,443,639)
Revenue from external customer contracts	4,225,328	109,304	1,311,929	78,027	293,755	6,018,343
Main Region						
Europe	1,735,686	26,461	954,879	-	64,032	2,781,058
US	2,050,292	-	357,050	-	125,609	2,532,951
Mainland China	79,047	82,843	-	-	95,894	257,784
Taiwan	327,188	-	-	-	-	327,188
Others	33,115	-	-	78,027	8,220	119,362
	$ 4,225,328	$ 109,304	$ 1,311,929	$ 78,027	$ 293,755	$ 6,018,343

B. Contract assets and liabilities：

(a) The Group has recognized the following revenue-related contract assets (shown in other current assets) and liabilities (shown in other current liabilities):

	March 31, 2023	December 31, 2022	March 31, 2022	January 1, 2022
Contract liabilities	$ 1,059,511	$ 1,020,897	$ 964,076	$ 874,000

(b) Revenue recognized that was included in the contract liability balance at the beginning of the period：

	Three months ended March 31	
	2023	2022
Revenue recognized that was included in the contract liability balance at the beginning of the period	$ 116,367	$ 64,771

(24) Interest income

	Three months ended March 31	
	2023	2022
Interest income from bank deposits	$ 15,901	$ 8,981
Interest income from financial assets at fair value through other comprehensive income	1,402	1,362
	$ 17,303	$ 10,343

(25) Other income

	Three months ended March 31	
	2023	2022
Government grants	$ 28,912	$ 38,917
Sample income	27,409	9,200
Rent income	5,861	302
Other income	4,143	$ 3,771
	$ 66,325	$ 52,190

(26) Other gains and losses

	Three months ended March 31	
	2023	2022
Foreign exchange (loss) gain	($ 48,801)	$ 144,944
Gains on financial assets / liabilities at fair value through profit or loss	20,008	34,457
Losses on disposals of property, plant and equipment	(823)	(694)
Other gains and losses	(2,516)	(1,889)
	$ 32,132	($ 176,818)

(27) Expenses by nature

	Three months ended March 31	
	2023	2022
Employee benefit expense	$ 735,319	$ 715,315
Depreciation charge - property, plant and equipment	132,852	120,703
Depreciation charge - right-of-use assets	24,010	29,177
Amortization charge	37,611	37,221
	$ 929,792	$ 902,416

(28) Employee benefit expense

	Three months ended March 31	
	2023	2022
Wages and salaries	$ 607,843	$ 595,448
Share-based payments	28,853	24,140
Labor and health insurance fees	19,771	18,677
Pension costs	38,019	37,267
Other personnel expenses	40,833	39,783
	$ 735,319	$ 715,315

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 5~10% for employees' compensation and shall not be higher than 2% for directors' remuneration.

B. The details of employees' compensation and directors' and supervisors' remuneration of the Company are as follows:

	Three months ended March 31	
	2023	2022
Employees' compensation	$ 3,951	$ 9,580
Directors' and supervisors' remuneration	1,317	2,211
	$ 5,268	$ 11,791

The abovementioned amounts were recognized in wages and salaries based on profit status of the current year. Employees' compensation was estimated at 6% and 6.5% of the profit for the three months ended March 31, 2023 and 2022, respectively. Directors' remuneration was estimated at 2% and 1.5% of the profit for the three months ended March 31, 2023 and 2022, respectively.

Employees' compensation and directors' remuneration of 2022 as resolved at the Board of Directors' meeting were in agreement with those amounts recognized in the profit or loss of 2022

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(29) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended March 31	
	2023	2022
Current tax:		
Current tax on profits for the period	$ 42,351	$ 47,914
Prior year income tax underestimation	42	-
Total current tax	42,393	47,914
Deferred tax:		
Origination and reversal of temporary differences	(28,455)	(46,965)
Income tax (gain) expense	$ 13,938	$ 949

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Three months ended March 31	
	2023	2022
Exchange differences changes on translation of foreign financial statements - the Group	$ 2,006	($ 48,057)
Exchange differences changes on translation of foreign financial statements - associates	(5,142)	(34,863)
Changes in fair value of financial assets at fair value through other comprehensive income	(202)	(1,359)
	($ 3,338)	($ 84,279)

B. The investment in Merry Electronics (HK) Co., Ltd. and Merry Electronics (U.S.A.) Co., Ltd., of which the undistributed earnings of the investee company were used as permanent investment and were not distributed, and the losses were not compensated before 2020. Therefore, no deferred income tax arising from the difference between the carrying amount of the long-term equity investments and its tax bases had been recognized. However, for the profit from the above-mentioned reinvested companies, based on the overall operation planning, the earnings arising from these companies after 2001 are intended to be distributed and repatriated. Accordingly, deferred income tax liabilities and assets arising from this portion of earnings or losses are recognized since 2001.

C. The Company’s income tax returns through 2020 have been assessed and approved by the Tax Authority.

D. Merry Healthcare Co., Ltd. Taiwan Branch (CAYMAN) income tax returns through 2021 have been assessed and approved by the Tax Authority.

E. Fulicare Co., Ltd. Taiwan Branch (SAMOA) income tax returns through 2020 have been assessed and approved by the Tax Authority.

(30) Earnings per share

	Three months ended March 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 56,006	214,032	$ 0.26
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	56,006	214,032	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,175	
Convertible bonds	5,606	27,125	
Employee restricted shares	-	984	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 61,612	243,316	$ 0.25

	Three months ended March 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 110,289	213,691	$ 0.52
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	110,289	213,691	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	784	
Convertible bonds	5,792	25,795	
Employee restricted shares	-	176	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 116,081	240,446	$ 0.48

The number of weighted-average outstanding shares is included for assumed conversion of all dilutive potential ordinary shares at the calculation of diluted earnings per share, based on the assumption that employees' compensation will be all distributed in the form of shares.

(31) Supplemental cash flow information

A. Investing activities with partial cash payments

	Three months ended March 31	
	2023	2022
Purchase of property, plant and equipment	$ 66,730	$ 56,018
Add: Beginning balance of payable on equipment	105,829	199,508
Ending balance of prepayments for equipment	17,344	114,943
Less: Beginning balance of prepayments for equipment	(14,975)	(104,024)
Ending balance of payable on equipment	(58,989)	(131,214)
Cash paid during the period	$ 115,939	$ 135,231

	Three months ended March 31	
	2023	2022
Purchase of intangible assets	$ 1,315	$ 4,112
Add: Beginning balance of payable	388	1,023
Ending balance of prepayments	5,756	14,291
Less: Beginning balance of prepayments	(5,756)	(14,424)
Ending balance of payable	-	(985)
Cash paid during the period	$ 1,703	$ 4,017

B. Financing activities with no cash flow effects:

	Three months ended March 31	
	2023	2022
Dividend payable	$ 981,235	$ 866,040

(32) Changes in liabilities from financing activities

	Short-term borrowings	Lease liabilities	Convertible bonds	Long-term borrowings (including those matured within one year)	Dividends payables	Other non-current liabilities	Liabilities from financing activities-gross
At January 1, 2023	$2,146,851	$208,436	$2,953,838	$1,356,447	$ -	$ 26,413	$6,691,985
Changes in cash flow from financing	(1,354,557)	(25,318)	-	(62,827)	-	(1,619)	(1,444,321)
Additions	-	21,195	-	-	981,235	-	1,002,430
Impact of changes in foreign exchange rate	(8,796)	(3,441)	-	(2,119)	-	47	(14,309)
Amortization of discounts on corporate bonds	-	-	7,008	-	-	-	7,008
Changes in other non-cash items	-	(3,885)	-	-	-	(200)	(4,085)
At March 31, 2023	$783,498	$196,987	$2,960,846	$1,291,501	$ 981,235	$ 24,641	$6,238,708

	Short-term borrowings	Lease liabilities	Convertible bonds	Long-term borrowings (including those matured within one year)	Dividends payables	Other non-current liabilities	Liabilities from financing activities-gross
At January 1, 2022	$3,738,289	$112,601	$2,925,589	$ 1,558,655	$ -	$ 29,309	$ 8,364,443
Changes in cash flow from financing	73,735	(26,531)	-	(158,574)	-	(8,594)	(119,964)
Additions	-	-	-	-	866,040	-	866,040
Impact of changes in foreign exchange rate	71,917	3,663	-	10,008	-	1,209	86,797
Amortization of discounts on corporate bonds	-	-	6,941	-	-	-	6,941
Changes in other non-cash items	-	5,646	-	-	-	(195)	5,451
At March 31, 2022	$3,883,941	$95,379	$2,932,530	$1,410,089	$866,040	$ 21,729	$9,209,708

(33) Government grants

A. For the three months ended March 31, 2023:
   i. The subsidiary, MECL, received the subsidy for export credit insurance premium for amounting to RMB 2,000 thousand (NTD 8,842 thousand) from Industry and Information Technology Bureau of Shenzhen Municipality in January 2023.
   ii. The subsidiary, MECL, received the subsidy for corporate information construction amounting to RMB 1,100 thousand (NTD 4,863 thousand) from Industry and Information Technology Bureau of Longhua District in March 2023.
   iii. The subsidiary, MECL, received the subsidy for interest expense during loan payment amounting to RMB 457 thousand (NTD 2,020 thousand) from Culture, Radio and Television, Travel and Sports Administration in Shenzhen Municipality in March 2023.
   iv. The subsidiary, MECL, received the subsidy for insurance premium amounting to RMB 1,400 thousand (NTD 6,189 thousand) from Business Bureau of Shenzhen Municipality in March 2023.
   v. The subsidiary, MECL, received the subsidy for technology innovation amounting to RMB 554 thousand (NTD 2,449 thousand) from Technology Innovation Bureau of Longhua District in March 2023.

B. For the three months ended March 31, 2022:
   i. The subsidiary, MECL, received the subsidy for technology improvement amounting to RMB 5,000 thousand (NTD 22,187 thousand) from Industry and Information Technology Bureau of Shenzhen Municipality in January 2022
   ii. The subsidiary, MECL, received the subsidy for high-tech enterprises cultivation amounting to RMB 1,000 thousand (NTD 4,437 thousand) from Shenzhen Science and Technology Innovation Commission in January 2022.
   iii. The subsidiary, MECA, applied for “Paycheck Protection Program” subsidy from local government for the year ended December 31, 2021 amounting to USD 262 thousand (NTD 7,377 thousand) and received the subsidy in January 2022.

C. The rest subsidies are not disclosed due to their amounts less than 5% of the total government grants,

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Name	Relationship
Merry Electronics (Suzhou) Co., Ltd. (MECE)	Affiliated company
Merry Electronics (Huizhou) Co., Ltd. (MECH)	Affiliated company
Leohab Enterprise Co., Ltd. (LEOHAB)	Affiliated company
Merry Fuling Co., Ltd. Taiwan Branch (MHNCTW)	Other related party
Luxshare Precision Limited	Other related party (Note 1)
Luxshare Precision Industry Co., Ltd	Other related party (Note 1)
Luxshare Electronic Technology (Kunshan) Co., Ltd.	Other related party (Note 1)
Dongguan Luxshare Precision Industry Co., Ltd.	Other related party (Note 1)
Luxshare Precision Industry (Chuzhou), Ltd.	Other related party (Note 1)

Note 1: A corporate director of the Group’s subsidiary, MEVN, and the entity both belong to Luxshare Group.

(2) Significant related party transactions

A. Operating revenue

	Three months ended March 31	
	2023	2022
Sales of goods		
Luxshare Precision Limited	$ 35,267	$ 77,999
Affiliated company	1,215	10,053
Other related party	201	213
	$ 36,683	$ 88,265

The prices of goods sold to related parties are based on the different product's profitability and adjusted annually as there is no comparable transaction for the goods sold to the third parties, and the prices of purchases on behalf of related parties are based on the cost plus mark-ups of 2~ 3%. The credit terms to related parties are 60 to 120 days end of month and 30 to 120 days end of month to the third parties.

Purchases

	Three months ended March 31	
	2023	2022
Purchases of goods		
MECE	$ 1,850,534	$ 1,199,770
MECH	986,021	988,549
Other related party	8,361	28,547
Total	$ 2,844,916	$ 2,216,866

The associates are manufacturers for the Group's products and the prices are based on the different product's profitability and adjusted annually as there is no comparable transaction for the goods purchased from the third parties. The payment terms are 60 to 65 days end of month and 30 to 120 days end of month to the third parties.

C. Receivables from related parties

	March 31, 2023	December 31,2022	March 31, 2022
Accounts receivable:			
Other related party	$ 80,163	$ 61,692	$ 86,578
Affiliated company	-	79	7,238
Total	$ 80,163	$ 61,771	$ 93,816
Other receivable:			
MECH	$ 144,180	$ 118,270	$ 388,602
Other related party	181	-	-
Total	$ 144,361	$ 118,270	$ 388,602

Other receivables as of March 31, 2023, December 31, 2022 and March 31, 2022 mainly were the purchases of raw materials on behalf of MECH and MECE.

D. Payables to related parties

	March 31, 2023	December 31, 2022	March 31, 2022
Accounts payable:			
MECE	$ 1,921,209	$ 3,182,757	$ 1,230,677
MECH	987,870	1,003,565	1,010,992
Other related party	13,750	12,580	32,423
Total	$ 2,922,829	$ 4,198,902	$ 2,274,092
Other payable:			
Affiliated company	$ 17,924	$ 82,414	$ 182,406

Other payables mainly were mold developing expense that MECE paid on behalf of the parent company.

E. Equipment Payables

	March 31, 2023	December 31, 2022	March 31, 2022
Other related party	$ -	$ 834	$ -

(3) Key management compensation

	Three months ended March 31	
	2023	2022
Salaries and other short-term employee benefits	$ 9,845	$ 11,728
Post-employment benefits	49	127
Share-based payments	6,844	7,105
	$ 16,738	$ 18,960

8. PLEDGED ASSETS

	Book value			
Pledged asset	March 31, 2023	December 31, 2022	March 31, 2022	Purpose
Time deposits (pledged) (as financial assets at amortized cost – current)	$ -	$ -	$ 3,853	Project guarantee

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

Capital expenditures contracted for at the balance sheet date but not yet incurred is as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Property, plant and equipment	$ 26,438	$ 39,774	$ 175,601

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Due to business need, The Company has resolved to run cash capital increase against the subsidiary Indigo Enterprise Inc. on April 27, 2023. The cash capital increase is operated in batches, with the total amount not exceeding USD7,000 thousand (or other equivalent currency). Indigo Enterprise Inc.

can re-invested in the second tier subsidiary Merry Electronics North America, Inc. in batches, with the amount not exceeding USD6,980 thousand.

12. OTHERS

(1) Capital management

Due to the nature of the Group's operating industry and the Group's future development, and the consideration of the changing outside environment, the Company's capital management is to ensure it has sufficient financial resource and operating plans to meet operational capital for future needs, capital expenditure, research and development expense, obligation repayment and dividend distribution within the next year.

The Company monitors capital by reassessing debt ratios periodically. The debt ratios as on March 31 2023, December 31, 2022 and March 31, 2022 were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Total debts	$ 17,136,343	$ 20,372,345	$ 19,463,609
Total assets	29,368,711	33,428,631	31,155,017
Debt ratio	58%	61%	62%

(2) Financial instruments

A. Financial instruments by category

	March 31, 2023	December 31, 2022	March 31, 2022
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	$ 419,991	$ 416,465	$ 409,652
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	$ 690,395	$ 627,094	$ 856,592
Qualifying equity instrument	148,747	150,863	144,795
	$ 839,142	$ 777,957	$ 1,001,387
Financial assets at amortized cost/ Loans and receivables			
Cash and cash equivalents	$ 6,206,514	$ 6,923,268	$ 5,521,732
Financial assets at amortized at cost	472,061	295,801	1,458,447
Accounts receivable (including due from related parties)	5,570,177	8,771,469	5,745,080
Other receivables (including due from related parties)	178,255	205,597	615,983
Guarantee deposits paid	56,401	59,608	63,345
	$ 12,483,408	$ 16,255,743	$ 13,404,587

	March 31, 2023	December 31, 2022	March 31, 2022
Financial liabilities			
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	$ 2,128	$ 10,137	$ 4,239
Short-term borrowings	783,498	2,146,851	3,883,941
Accounts payable (including payable to related parties)	6,699,519	9,214,787	6,383,311
Other accounts payable (including payable to related parties)	1,924,357	1,276,857	1,919,803
Lease liability	196,987	208,436	95,379
Corporate bonds payable (including maturing within one year or one operating cycle)	2,960,846	2,953,838	2,932,530
Long-term borrowings (including maturing within one year or one operating cycle)	1,291,501	1,356,447	1,410,089
Guarantee deposits received	8,365	4,725	24,860
	$ 13,867,201	$ 17,172,078	$ 16,654,152

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. Such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(c) Information about derivative financial instruments that are used to hedge certain exchange rate risk was provided in Note 6 (2).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currencies, primarily with respect to the USD, RMB and HKD. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

ii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, RMB, HKD, THB, CAD and MYR). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: functional currency)	March 31, 2023					
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis		
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets						
Monetary items						
Cash in banks						
USD : NTD	$ 86,551	30.45	$ 2,635,478	3%	$ 79,064	$ -
RMB : NTD	16,799	4.43	74,436	3%	2,233	-
USD : HKD	9,072	7.85	276,242	3%	8,287	-
USD : RMB	12,058	6.87	367,166	3%	11,015	-
USD : THB	28,893	33.94	879,792	3%	26,394	-
Receivables						
USD : NTD	$ 144,768	30.45	$ 4,408,188	3%	$ 132,246	$ -
USD : RMB	57,352	6.87	1,746,368	3%	52,391	-
USD : THB	22,373	33.94	681,258	3%	20,438	-
Non-monetary items						
Current financial assets at fair value through other comprehensive income						
USD : NTD	$ 5,000	30.45	$ 152,250	3%	$ -	$ 4,568
Investments accounted for under equity method						
USD : NTD	$ 105,224	30.45	$ 3,204,071	3%	$ -	$ 96,122
HKD : NTD	351,234	3.88	1,362,436	3%	-	40,873
RMB : NTD	96,411	4.43	427,195	3%	-	12,816

(Foreign currency: functional currency)	March 31, 2023					
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis		
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial liabilities						
Monetary items						
Bank loan						
USD : CAD	$ 2,600	0.74	$ 79,170	3%	$ 2,375	$ -
RMB : NTD	47,150	4.43	208,922	3%	6,268	-
Payables						
RMB : NTD	192,412	4.43	852,578	3%	25,577	-
USD : NTD	170,176	30.45	5,181,859	3%	155,456	-
USD : RMB	31,748	6.87	966,727	3%	29,002	-

(Foreign currency: functional currency)	December 31, 2022					
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis		
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets						
Monetary items						
Cash in banks						
USD : NTD	$ 107,122	30.71	$ 3,289,717	3%	$ 98,691	$ -
RMB : NTD	54,641	4.41	240,858	3%	7,226	-
USD : HKD	8,229	7.80	252,713	3%	7,581	-
USD : RMB	6,924	6.97	212,636	3%	6,379	-
USD : THB	32,957	34.35	1,012,109	3%	30,363	-
Receivables						
USD : NTD	241,758	30.71	7,424,389	3%	222,732	-
USD : RMB	111,650	6.97	3,428,772	3%	102,863	-
USD : THB	21,302	34.35	654,184	3%	19,626	-
Non-monetary items						
Current financial assets at fair value through other comprehensive income						
USD : NTD	$ 5,000	30.71	$ 153,550	3%	$ -	$ 4,607
Investments accounted for under equity method						
USD : NTD	$ 105,892	30.71	$ 3,251,933	3%	$ -	$ 97,558
HKD : NTD	332,646	3.94	1,309,957	3%	-	39,299
RMB : NTD	92,399	4.41	407,293	3%	-	12,219
Financial liabilities						
Monetary items						
Bank loan						
USD : NTD	$ 16,000	30.71	$ 491,360	3%	$ 14,741	$ -
USD : RMB	10,000	6.97	307,100	3%	9,213	-

(Foreign currency: functional currency)	December 31, 2022					
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis		
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income
USD : CAD	2,600	0.74	79,846	3%	2,395	-
RMB : NTD	42,950	4.41	189,324	3%	5,680	-
Payables						
RMB : NTD	$ 235,688	4.41	$ 1,038,913	3%	$ 31,167	$ -
USD : NTD	272,072	30.71	8,355,331	3%	250,660	-
USD : RMB	49,601	6.97	1,523,247	3%	45,697	-

(Foreign currency: functional currency)	March 31, 2022					
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis		
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets						
Monetary items						
Cash in banks						
USD : NTD	$ 52,245	28.63	$ 1,495,513	3%	$ 44,865	$ -
RMB : NTD	12,109	4.51	54,563	3%	1,637	-
USD : HKD	8,479	7.83	242,711	3%	7,281	-
USD : RMB	10,174	6.35	291,231	3%	8,737	-
USD : THB	10,870	33.09	311,154	3%	9,335	-
Receivables						
USD : NTD	$ 177,758	28.63	$ 5,088,309	3%	$ 152,649	$ -
USD : RMB	28,206	6.35	807,397	3%	24,222	-
USD : THB	14,478	33.09	414,433	3%	12,433	-
Non-monetary items						
Current financial assets at fair value through other comprehensive income						
USD : NTD	$ 5,000	28.63	$ 143,125	3%	-	$ 4,294
Investments accounted for under equity method						
USD : NTD	$ 112,569	28.63	$ 3,222,280	3%	$ -	$ 96,668
HKD : NTD	317,919	3.66	1,162,313	3%	-	34,869
RMB : NTD	87,005	4.51	392,044	3%	-	11,761
Financial liabilities						
Monetary items						
Bank loan						
USD : RMB	$ 32,486	6.35	$ 929,912	3%	$ 27,897	$ -
USD : CAD	2,600	0.80	74,425	3%	2,233	-

(Foreign currency: functional currency)	March 31, 2022					
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis		
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income
RMB : NTD	33,802	4.51	152,310	3%	4,569	-
Payables						
RMB : NTD	$ 172,251	4.51	$ 776,163	3%	$ 23,285	$ -
USD : NTD	138,283	28.63	3,958,351	3%	118,751	-
USD : RMB	25,599	6.35	732,771	3%	21,983	-

Total exchange gain (loss), including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2023 and 2022 amounted to a loss of $48,801 thousand and a gain of $144,944 thousand, respectively.

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and available-for-sale financial assets. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 3% with all other variables held constant, post-tax profit for the three months ended March 31, 2023 and 2022 would have increased/decreased by $790 thousand and $764 thousand, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $20,712 thousand and $25,698 thousand, respectively, as a result of other comprehensive income classified as available-for-sale equity investment and equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's borrowings are measured at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

ii. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit (loss), net of tax for the three months ended March 31, 2023 and 2022 would have decreased/increased by $1,038 thousand and $2,647 thousand, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

iii. If the Current investments in debt instrument interest rate had increased/decreased by 0.25% with all other variables held constant, profit (loss), net of tax for the three months ended March 31, 2023 and 2023 would have decreased / increased by $268 thousand and $241 thousand, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost, at fair value through profit or loss and at fair value through other comprehensive income.

ii.

iii. For banks and financial institutions, the Group transacts with a variety of banks and financial institutions, mainly domestic and overseas well-known financial institutions, to avoid concentration in any single counterparty and to minimize credit risk. The Group can only enter into the financial services and loan agreement provided by banks and financial institutions after being approved by the Board of Directors or authorized management according to the Company's delegation of authorization policy. To prevent legal risks, all the Group signs with banks and financial institutions after all documents are examined by counsel or legal advisor profession. The Group periodically checks the credit rating, conditions and quality of service as well as transactions. According to the Group's operating condition, the credit limits and utilization of credit limits are monitored on a

regular basis and maintained within a reasonable range to ensure it meets the needs of the operation.

iv. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

v. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

(i) If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

(ii) For investments in bonds that are traded over the counter, if any external credit rating agency rates these bonds as investment grade, the credit risk of these financial assets is low.

vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vii. The Group classifies customers' accounts receivable, contract assets in accordance with geographic area. The Group applies the modified approach using provision matrix to estimate expected credit loss under the provision matrix basis.

viii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

ix. The Group used the forecastability of adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and lease payments receivable. As of March 31, 2023, December 31, 2022 and March 31, 2022, the provision matrix is as follows:

March 31, 2023	Expected loss rate	Total book value	Loss allowance
Not past due	0.05%	$ 5,436,420	$ 2,986
Up to 30 days	8.29%	40,878	3,389
31~90 days	18.54%	23,436	4,345
91~180 days	100.00%	8,358	8,358
Over 180 days	100.00%	12,978	12,978
		$ 5,522,070	$ 32,056

December 31, 2022	Expected loss rate	Total book value	Loss allowance
Not past due	0.03%	$ 8,524,130	$ 2,851
Up to 30 days	0.29%	177,174	522
31~90 days	22.35%	15,153	3,386
91~180 days	100.00%	4,853	4,853
Over 180 days	100.00%	9,835	9,835
		$ 8,731,145	$ 21,477

March 31, 2022	Expected loss rate	Total book value	Loss allowance
Not past due	0.09%	$ 5,543,944	$ 5,085
Up to 30 days	4.45%	83,292	3,710
31~90 days	19.89%	40,974	8,151
91~180 days	100.00%	57,411	57,411
Over 180 days	100.00%	72,772	72,772
		$ 5,798,393	$ 147,129

x. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

	2023
	Accounts receivable
At January 1	$ 21,447
Provision for impairment	10,575
Effect of foreign exchange	34
At March 31	$ 32,056

	2022
	Accounts receivable
At January 1	$ 35,425
Provision for impairment	109,096
Effect of foreign exchange	2,608
At March 31	$ 147,129

xi. For the three months ended March 31, 2023 and 2022, there was no loss allowance for investments in debt instruments at fair value through other comprehensive income.

xii. For investments in debt instruments at fair value through other comprehensive income, the credit rating levels are presented below:

	March 31, 2023			
		Lifetime		
	12 months	Significant increase in Credit risk	Impairment of credit	Total
Financial assets at fair value through other comprehensive income Group 1	$ 472,061	$ -	$ -	$ 472,061
Financial assets at fair value through other comprehensive income Group 2	$ 148,747	$ -	$ -	$ 148,747

	December 31, 2022			
		Lifetime		
	12 months	Significant increase in Credit risk	Impairment of credit	Total
Financial assets at fair value through other comprehensive income				
Group 1	$ 295,801	$ -	$ -	$ 295,801
Financial assets at fair value through other comprehensive income				
Group 2	$ 150,863	$ -	$ -	$ 150,863

	March 31, 2022			
		Lifetime		
	12 months	Significant increase in Credit risk	Impairment of credit	Total
Financial assets at fair value through other comprehensive income				
Group 1	$ 1,458,447	$ -	$ -	$ 1,458,447
Financial assets at fair value through other comprehensive income				
Group 2	$ 144,795	$ -	$ -	$ 144,795

Group 1: Time deposit designated as investment grade.

Group 2: Debt instruments designated as investment grade.

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. Group treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

iv. The Group has $15,992,844 thousand, $15,421,095 thousand and $13,119,818 thousand in undrawn borrowing facilities as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

Non-derivative financial liabilities

March 31, 2023	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Short-term borrowings	$ 544,090	$245,842	$ -	$ -	$ -	$ 789,932
Accounts payable	2,525,820	1,250,870	-	-	-	3,776,690
Accounts payable - related parties	2,646,890	275,939	-	-	-	2,922,829
Other payables (including related parties)	1,860,571	63,786	-	-	-	1,924,357
Lease liabilities	21,384	54,113	71,758	35,257	19,387	201,899
Bonds payable	-	-	3,000,000	-	-	3,000,000
Long-term borrowings	97,665	404,173	425,482	407,576	-	1,334,896
Derivative financial liabilities						
Forward exchange contracts	1,900	228	-	-	-	2,128

Non-derivative financial liabilities

December 31, 2022	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Short-term borrowings	$ 1,907,179	$ 260,524	$ -	$ -	$ -	$ 2,167,703
Accounts payable	4,087,608	928,277	-	-	-	5,015,885
Accounts payable - related parties	3,412,184	786,718	-	-	-	4,198,902
Other payables (including related parties)	1,239,866	36,991	-	-	-	1,276,857
Lease liabilities	22,586	141,550	15,699	21,991	22,612	224,438
Bonds payable	-	-	3,000,000	-	-	3,000,000
Long-term borrowings	68,553	405,820	458,559	469,645	-	1,402,577
Derivative financial liabilities						
Forward exchange contracts	10,137	-	-	-	-	10,137

Non-derivative financial liabilities

March 31, 2022	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Short-term borrowings	$ 893,228	$3,004,916	$ -	$ -	$ -	$ 3,898,144
Accounts payable	3,365,851	743,368	-	-	-	4,109,219
Accounts payable - related parties	2,063,912	210,180	-	-	-	2,274,092
Other payables (including related parties)	1,856,246	63,557	-	-	-	1,919,803
Lease liabilities	17,659	14,933	15,451	27,380	27,209	102,632
Bonds payable	-	-	-	3,000,000	-	3,000,000
Long-term borrowings	28,370	99,444	410,090	814,223	-	1,352,127
Derivative financial liabilities						
Forward exchange contracts	4,007	232	-	-	-	4,239

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability takes place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks, and derivative instruments with quoted market prices is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in certain derivative instruments and equity instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in certain derivative instruments, equity investment without active market and is included in Level 3.

B. The financial instruments not measured at fair value

Except for those listed in the table below, financial instruments not measured at fair value include the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, long-term and short-term bank borrowings, notes payable, accounts payable and other payables are approximate to their fair values.

	March 31, 2023			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities				
Bonds payable	$ 2,960,846	$ -	$ 2,919,929	$ -

	December 31, 2022			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities				
Bonds payable	$ 2,953,838	$ -	$ 2,879,204	$ -

	March 31, 2022			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities				
Bonds payable	$ 2,932,530	$ -	$ 2,847,585	$ -

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

March 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
-Equity securities	$ -	$ -	$ 26,344	$ 26,344
-Bonds investments	-	-	280,000	280,000
-Forward exchange contracts	-	5,977	-	5,977
-Fund	107,670	-	-	107,670
Financial liabilities at fair value through other comprehensive income				
- Equity securities	279,590	-	410,805	690,395
- Debt securities	-	148,747	-	148,747
	$ 387,260	$ 154,724	$ 717,149	$ 1,259,133
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
-Forward exchange contracts	$ -	$ 2,128	$ -	$ 2,128

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
-Equity securities	$ -	$ -	$ 27,284	$ 27,284
-Bonds investments	-	-	280,000	280,000
-Forward exchange contracts	-	7,076	-	7,076
-Fund	102,105	-	-	102,105
Financial liabilities at fair value through other comprehensive income				
- Equity securities	230,211	-	396,883	627,094
- Debt securities	-	150,863	-	150,863
	$ 332,316	$ 157,939	$ 704,167	$ 1,194,422
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
-Forward exchange contracts	$ -	$ 10,137	$ -	$ 10,137

March 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
-Equity securities	$ -	$ -	$ 25,472	$ 25,472
-Forward exchange contracts	-	47,461	-	47,461
-Fund	56,419	-	-	56,419
-Call options of convertible bonds	-	-	300	300
-Bonds investments	-	-	280,000	280,000
Financial liabilities at fair value through other comprehensive income				
- Equity securities	273,130	-	619,462	856,592
- Debt securities	-	144,795	-	144,795
	$ 293,549	$ 192,256	$ 925,234	$ 1,411,039
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
-Forward exchange contracts	$ -	$ 4,239	$ -	$ 4,239

D. The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares	Open-end fund
Market quoted price	Closing price at evaluation date	Net asset value at evaluation date

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods.

iii. Forward exchange contracts are usually valued based on the current forward exchange rate.

iv. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

E. For the three months ended March 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the three months ended March 31, 2023 and 2022:

	Three months ended March 31	
	2023	2022
At January 1	$ 704,167	$ 1,026,433
Losses recognized in profit or loss	(940)	(2,692)
Losses recognized in other comprehensive income	(13,922)	(98,507)
At March 31	$ 717,149	$ 925,234

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G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at March 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity investment:					
Equity securities	$ 136,710	Market comparable companies	Price to book ratio multiple	1	The higher the multiplier, the higher the fair value
Private equity funds in venture capital	26,344	Net asset value	N/A	N/A	N/A
Private placement shares (listed companies)	274,095	Market price method	Discount for lack of marketability	20.5%-26.6%	The higher the discount for marketability, the lower the fair value
Non-derivative debt investment:					
Convertible bonds	$ 280,000	Discounted cash flow method	Discount rate	-	The higher the discount rate, the lower the fair value

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity investment:					
Equity securities	$ 127,692	Market comparable companies	Price to book ratio multiple	1	The higher the multiplier, the higher the fair value
Private equity funds in venture capital	27,284	Net asset value	N/A	N/A	N/A
Private placement shares (listed companies)	269,191	Market price method	Discount for lack of marketability	20.5%-26.6%	The higher the discount for marketability, the lower the fair value
Non-derivative debt investment:					
Convertible bonds	$ 280,000	Discounted cash flow method	Discount rate	-	The higher the discount rate, the lower the fair value

	Fair value at March 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity investment:					
Equity securities	$ 147,787	Market comparable companies	Price to book ratio multiple	1	The higher the multiplier, the higher the fair value
Private equity funds in venture capital	25,472	Net asset value	N/A	N/A	N/A
Private placement shares (listed companies)	471,675	Market price method	Discount for lack of marketability	17.6%-18.3%	The higher the discount for marketability, the lower the fair value
Call options of convertible bonds	300	Binary tree convertible bond valuation model	Risk-free interest rate	0.8059%	The higher the discount for marketability, the lower the fair value
			Stock price	85.5	The higher the risk-free interest rate, the lower the fair value
			Volatility	31.04%	The higher the stock price, the higher the fair value
Non-derivative debt instrument:					
Convertible bonds	$ 280,000	Discounted cash flow method	Discount rate	-	The higher the discount rate, the lower the fair value

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

			March 31, 2023			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity securities	Cash flow	±10%	$ -	$ -	$ 13,671	($ 13,671)

			December 31, 2022			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity securities	Cash flow	±10%	$ -	$ -	$ 12,769	($ 12,769)

			March 31, 2022			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Call options of convertible bonds	Stock price	±10%	$ -	($ 300)	$ -	$ -
	Volatility	±5%	300	(300)		
Equity securities	Cash flow	±10%	-	-	14,779	(14,779)
Total			$ 300	($ 600)	$14,779	($ 14,779)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 4.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 5.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6 (2).

J. Significant inter-company transactions during the reporting periods: Purchases or sales of goods from or to related parties reaching $100 million or more: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in Mainland China: Please refer to table 9.

(4) Major shareholders information

Major shareholders information: None.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. Business organization is divided into Taiwan, Shenzhen, Singapore and other segments based on the operating regions. The Company's revenue is mainly from manufacturing and sales of microphones, receivers, speakers and other electronic components.

(2) Measurement of segment information

The Group evaluates the performance of the operating segments based on post-tax profit or loss.

(3) Information about segment profit or loss, assets and liabilities

A. The segment information provided to the chief operating decision-maker for the reportable segments for the three months ended March 31, 2023 is as follows:

	Taiwan	Shenzhen	Singapore	Vietnam	Others	Total
Revenue						
Revenue from external customers	$ 5,169,422	$ 59,750	$ 1,577,883	$ 35,268	$ 288,582	$ 7,130,905
Inter-segment revenue	6,131	1,769,002	-	383,649	996,207	3,154,989
Total revenue	$ 5,175,553	$ 1,828,752	$ 1,577,883	$ 418,917	$ 1,284,789	$ 10,285,894
Segment profit (loss)	$ 60,577	($ 148,423)	$ 178,932	$ 32,730	$ 32,730	$ 124,566
Segment profit (loss) contains:						
Interest revenue	$ 10,393	$ 5,516	$ 652	$ 3	$ 739	$ 17,303
Interest expense	(21,138)	(3,656)	(143)	(3,345)	(2,959)	(31,241)
Depreciation & amortization	(22,233)	(114,527)	(1,862)	(37,581)	(18,270)	(194,473)
Income tax (benefit) expense	(4,572)	22,068	(30,607)	-	(827)	(13,938)
Recognized investment profit which is adopting equity method	(40,996)	(983)	(1,191)	-	22,931	(20,239)

Note: The Group does not use segment information relating to assets and liabilities to evaluate segment performance. As a result, such assets and liabilities to be disclosed amounted to $0.

B. The segment information provided to the chief operating decision-maker for the reportable segments for the three months ended March 31, 2022 is as follows:

	Taiwan	Shenzhen	Singapore	Vietnam	Others	Total
Revenue						
Revenue from external customers	$ 4,225,328	$ 109,304	$ 1,311,929	$ 78,027	$ 293,755	$ 6,018,343
Inter-segment revenue	330	992,278	-	846,354	604,677	2,443,639
Total revenue	$ 4,225,658	$ 1,101,582	$ 1,311,929	$ 924,381	$ 898,432	$ 8,461,982
Segment profit (loss)	$ 135,594	($ 304,846)	$ 141,563	$ 85,530	$ 151,997	$ 209,838
Segment profit (loss) contains:						
Interest revenue	$ 5,779	$ 4,329	$ -	$ 6	$ 229	$ 10,343
Interest expense	(11,086)	(6,988)	(118)	(1,006)	(1,688)	(20,886)
Depreciation & amortization	(19,483)	(83,010)	(1,971)	(31,985)	(50,652)	(187,101)
Income tax (benefit) expense	(25,305)	45,691	(24,064)	-	2,729	(949)
Recognized investment profit which is adopting equity method	(158,568)	-	-	-	118,385	(40,183)

Note: The Group does not use segment information relating to assets and liabilities to evaluate segment performance. As a result, such assets and liabilities to be disclosed amounted to $0.

C. The Group's reportable operating segments are classified based on the operating regions.

D. The accounting policies of the operating segments are in agreement with the significant accounting policies summarized in Note 4. The Group's segment profit (loss) is measured with the current profit (loss), which is used as a basis for the Group in assessing the performance of the operating segments.

(4) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

A. Reconciliation of income after adjustment and total segment income from continuing operations is provided as follows:

	Three months ended March 31	
	2023	2022
Adjusted revenue from reportable segments	$ 10,285,894	$ 8,461,982
Elimination of inter-segment revenue	(3,154,989)	(2,443,639)
Total consolidated revenues	$ 7,130,905	$ 6,018,343

B. A reconciliation of adjusted current income before tax and the income before tax from

continuing operations is provided as follows:

	Three months ended March 31	
	2023	2022
Adjusted income from reportable segments after income tax	$ 124,566	$ 209,838
Elimination of inter-segment income	(57,285)	(58,097)
Income from continuing operations after income tax	$ 66,741	$ 151,741

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Loans to others
Three months ended March 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance for the three months ended March 31, 2023	Balance at March 31, 2023	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transaction with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 1)	Footnote
1	MESG	MENA	Other receivables	Y	$ 121,800	$ 121,800	$ 70,035	1.13	2	$ -	Business operation	$ -	-	$ -	$2,365,935	$ 2,365,935	
2	MESG	SENM	Other receivables	Y	45,675	45,675	15,225	3.52	2	-	Business operation	-	-	-	2,365,935	2,365,935	

Note 1: (1) The ceiling on MESG total loans to others is MESG's net assets; for short-term financing, the limit to a single party is 40% of MESG's net assets.
(2) The restrictions in (1) shall not apply to short-term financing among affiliates in the group. The limit to a single party is MESG's net assets.
Note 2: (1) For MESG's business transactions, limit on loans granted for a single party is the amount of the transactions.
(2) For MESG's short-term financing, limit on loans granted for a single party is 40% of the net assets of MESG.
(3) The restrictions in (1)(2) shall not apply to short-term financing among affiliates in the group. The limit to a single party is MESG's net assets.
Note 3: (1) For MESG's business transactions.
(2) For short-term financing.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others
Three months ended March 31, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being Endorsed/guaranteed: Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount for the three months ended March 31, 2023	Outstanding endorsement/ guarantee amount as of March 31, 2023	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 4)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements / guarantees to the party in Mainland China	Footnote
0	MEHO	MENA	2	$ 9,161,446	$ 106,575	$ 106,575	$ 79,170	$ -	0.93%	$ 11,451,808	Y	N	N	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1) The Company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/ guaranteed is classified into the following six categories; fill in the number of category each case belongs to:

(1) Having business relationship.

(2) The Company holds over 50% of the voting rights directly or indirectly.

(3) This company holds over 50% of the voting rights of the Company directly or indirectly.

(4)The Company holds over 90% of the voting rights directly or indirectly.

Note 3: The guarantees and endorsements for a single party should not exceed 80% of the Company’s net assets.

Note 4: The ceiling on total amount of endorsements/guarantees provided to others by the Company is 100% of the Company's net assets.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

March 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer	General ledger account	As of March 31, 2023				Note
				Number of shares	Book value (in thousands)	Ownership (%)	Fair value (in thousands)	
The Company	Fund - 76324296A KGI Taiwan Multi-Asset Income Fund A TWD	-	Financial assets mandatorily measured at fair value through profit or loss- current	5,015	$ 50,000	-	$ 55,115	
The Company	Fund - UPAMC Wealthy Fund		Financial assets mandatorily measured at fair value through profit or loss- current	5,000	50,000	-	52,555	
The Company	Bond - The Company Bond - SYNergy Private Placement (YDB8AA)	-	Financial assets mandatorily measured at fair value through profit or loss- current	-	280,000	-	280,000	
					380,000		387,670	
			Valuation adjustment		7,670			
					$ 387,670			
The Company	Fund - JAFCO	-	Non-current financial assets mandatorily measured at fair value through profit or loss	975	$ 29,350	0.71%	$ 26,344	
			Valuation adjustment		(3,006)			
					$ 26,344			
The Company	Stock - 2881B.TW	-	Equity instruments measured at fair value through other comprehensive income- current	683	$ 40,980	-	$ 41,321	
The Company	Stock - 2882B.TW	-	Equity instruments measured at fair value through other comprehensive income- current	585	35,100	-	34,983	
The Company	Stock - 5871A	-	Equity instruments measured at fair value through other comprehensive income- current	300	30,000	-	29,880	
The Company	Bond - XS218687550		Debt instrument measured at fair value through other comprehensive income- current	-	144,625		148,747	
					250,705		$ 254,931	
			Valuation adjustment		4,226			
					$ 254,931			
The Company	Stock - 4943.TW	-	Equity instruments measured at fair value through other comprehensive income - non-current	13,905	$ 648,164	8.89%	$ 117,334	
The Company	Stock - 3290.TWO	-	Equity instruments measured at fair value through other comprehensive income - non-current	5,723	99,990	5.75%	173,406	
The Company	Stock - FUJITER Semiconductor CO.,LTD.	-	Equity instruments measured at fair value through other comprehensive income - non-current	2,126	27,811	9.79%	22,002	
The Company	Stock - NETVOX TECHNOLOGY CO., LTD	-	Equity instruments measured at fair value through other comprehensive income - non-current	324	2,976	1.32%	-	
The Company	Stock - -EVER THAI AGRI-PRODUCT CO.,LTD.	-	Equity instruments measured at fair value through other comprehensive income - non-current	683	6,425	4.97%	2,383	
The Company	Stock - -SUNSINO SME Development Co., Ltd.	-	Equity instruments measured at fair value through other comprehensive income - non-current	169	2,123	0.36%	2,232	
The Company	Stock - -LINSATION Intelligent Technology Limited	-	Equity instruments measured at fair value through other comprehensive income - non-current	75	8,772	6.19%	2,791	
The Company	Stock - MERRY FULING CO., LTD., TAIWAN BRANCH (SAMOA)	-	Equity instruments measured at fair value through other comprehensive income - non-current	356	10,437	19.00%	10,792	
The Company	Stock - 6558.TW		Equity instruments measured at fair value through other comprehensive income - non-current	7,300	188,340	7.79%	156,761	
					995,038		$ 487,701	
			Valuation adjustment		(507,337)			
					$ 487,701			
MEST	Stock - Perfect Fortune Inc	-	Measured at fair value through other comprehensive income - non-current	2,126	$ 8,248	18.33%	$ 70,312	
MEST	Stock - LOYAL WIRE& CABLE COMPANY LTD	-	Measured at fair value through other comprehensive income - non-current	1,159	7,951	18.33%	20,881	
ASCX	Stock - DeTing (Xiamen) Health Technology Co., Ltd		Measured at fair value through other comprehensive income - non-current	-	443	10.00%	443	
ASCX	Stock - Beijing Wanling Hearing Aids		Measured at fair value through other comprehensive income - non-current	-	4,874	19.64%	4,874	
					21,516		$ 96,510	
			Valuation adjustment		74,994			
					$ 96,510			

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFR

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more
Three months ended March 31, 2023

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		
Purchase/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance (Note 2)	Percentage of total notes/ accounts receivable payable	Note
The Company	MECL	A subsidiary of the Company	Purchases	$ 1,593,548	22%	60 to 65days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	($ 1,595,191)	24%	(Note 3)
The Company	MEVN	A subsidiary of the Company	Purchases	383,306	5%	60 to 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(663,499)	10%	(Note 3)
The Company	MECH	Investment accounted for using the equity method	Purchases	601,708	8%	60 to 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(600,716)	9%	
The Company	MECE	Investment accounted for using the equity method	Purchases	1,850,534	26%	60 to 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(1,919,963)	29%	
METC	The Company	Parent company	Purchases	639,480	9%	60 to 125 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(944,760)	14%	(Note 3)
MESG	MECL	A subsidiary of the Company	Purchases	145,877	2%	60 to 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(223,799)	3%	(Note 3)
MESG	METC	A subsidiary of the Company	Purchases	951,325	13%	60 to 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(680,384)	10%	(Note 3)
MESG	MECH	Investment accounted for using the equity method	Purchases	383,936	5%	60 to 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(385,561)	6%	

Note 1: For purchase transactions with related parties, the price is based on the profitability of the product and will be adjusted annually.
Note 2: The balance is the net amount after offsetting accounts receivable and payable due from/ to related parties.
Note 3: Inter-company transactions between companies within the Group are eliminated.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Receivables from related parties reaching $100 million or 20% of paid-in capital or more
March 31, 2023

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance of accounts receivable due from related party: General ledger account	Balance of accounts receivable due from related party: Amount	Balance of accounts receivable due from related party: Turnover rate	Overdue receivables: Amount	Overdue receivables: Action taken	Amount collected subsequent to the balance sheet date (Note2)	Allowance for doubtful accounts	Note
The Company	METC	A subsidiary of the Company	Accounts receivable	$ 944,760	2.44	$ -	-	$ 215,948	$ -	(Note 1)
MECL	The Company	Parent Company	Accounts receivable	1,595,191	2.57	-	-	235,674	-	(Note 1)
MECL	MESG	A subsidiary of the Company	Accounts receivable	223,799	2.26	-	-	21,057	-	(Note 1)
METC	MESG	A subsidiary of the Company	Accounts receivable	680,384	5.70	-	-	328,896	-	(Note 1)
MEVN	The Company	Parent Company	Accounts receivable	663,499	2.21	-	-	157,387	-	(Note 1)
MECE	The Company	Parent Company	Accounts receivable	1,919,963	2.91	-	-	453,250	-	
MECH	The Company	Parent Company	Accounts receivable	600,716	4.26	-	-	180,085	-	
MECH	MESG	A subsidiary of the Company	Accounts receivable	385,561	3.57	-	-	100,284	-	
The Company	MECH	Investment accounted for using the equity method	Other receivables	127,436	Note 3	-	-	71,129	-	

Note 1: Inter-company transactions between companies within the Group are eliminated.
Note 2: The balance was as at April 27, 2023.
Note 3: The balance was composed of other receivables, and not to be calculated turnover rate.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
Three months ended March 31, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction				Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount		Transaction terms	
0	MEHO	MECL	1	Purchases	$	1,593,548	The price is based on the profitability of the product	22%
0	MEHO	MECL	1	Accounts payable		1,595,191	The balance shown was net of receivables as agreed by both parties	5%
0	MEHO	MEVN	1	Purchases		383,306	The price is based on the profitability of the product	5%
0	MEHO	MEVN	1	Accounts payable		663,499	The balance shown was net of receivables as agreed by both parties	2%
1	METC	MEHO	2	Purchases		639,480	The price is based on the profitability of the product	9%
1	METC	MEHO	2	Accounts payable		944,760	The balance shown was net of receivables as agreed by both parties	3%
2	MESG	MECL	3	Purchases		145,877	The price is based on the profitability of the product	2%
2	MESG	MECL	3	Accounts payable		223,799	The balance shown was net of receivables as agreed by both parties	1%
2	MESG	METC	3	Purchases		951,325	The price is based on the profitability of the product	13%
2	MESG	METC	3	Accounts payable		680,384	The balance shown was net of receivables as agreed by both parties	2%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
1. Parent company is '0'.
2. The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counter party is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):
1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Information on investees
Three months ended March 31, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as on March 31, 2023	Initial investment amount: Balance as on December 31, 2022	Shares held as on March 31, 2023: Number of shares (in thousand shares)	Shares held as on March 31, 2023: Ownership (%)	Book value	Net profit (loss) of the investee for the three months ended March 31, 2023	Investment income (loss) recognized by the Company for the three months ended March 31, 2023	Note
The Company	MEST	HONG KONG	Sales of microphone, receiver and speaker	$ 981,113	$ 981,113	25,658	100.00	$ 4,833,419	($ 75,641)	($ 51,513)	(Note 1)
The Company	DDBV	British Virgin IS.	General investment business	1,479,925	1,479,925	48,005	100.00	3,204,261	(78,736)	(63,865)	(Note 1)
The Company	LEOHAB ENTERPRISE CO.,LTD	Taichung City	Plastic injection molding and metal stamping	96,666	96,666	4,986	21.00	38,549	(7,240)	(1,520)	
The Company	MECA	U.S.A.	Technique, marketing and after service	28,887	28,887	999	99.90	35,158	374	374	
The Company	MESG	SINGAPORE	Sales of microphone, receiver and speaker	92,132	92,132	800	100.00	2,365,935	148,326	148,326	
The Company	METC	THAILAND	Microphone, components and product and sale of other electric products	484,358	484,358	5,060	99.99	702,282	16,402	16,673	(Note 1)
The Company	MHKY	CAYMAN	Sales of medical device	857,946	857,946	27,992	100.00	350,214	(36,274)	(36,274)	
The Company	INSA	SAMOA	General investment business	1,199,977	1,199,977	-	100.00	532,935	(22,451)	(22,451)	
The Company	MEVN	VIETNAM	Manufacture of microphone and speaker	366,710	366,710	-	51.00	750,414	750	(2,176)	(Note 1)
The Company	MUTT	New Taipei City	Electrical appliances and audiovisual electronic	30,600	30,600	3,060	51.00	25,240	(4,777)	(2,436)	
The Company	MCTT	Taichung City	General investment business	8,000	8,000	800	100.00	8,664	425	425	
The Company	MAC FUND	Taipei City	General investment business	19,200	19,200	-	42.67	16,908	(2,928)	(1,249)	
MESG	MEMP	Malaysia	Research and development of microphone, receiver and speaker	15,969	15,969	-	100.00	15,132	(1,191)	(1,191)	
MCTT	MAC FUND	Taipei City	General investment business	450	450	-	1.00	397	(2,928)	(30)	
DDBV	UCMU	MAURITIUS	General investment business	151	151	5	100.00	-	-	-	(Note 2)
DDBV	MTHK	HONG KONG	General investment business	1,392,956	1,392,956	48,000	100.00	3,204,071	(78,736)	-	(Note 2)
MHKY	FUSA	SAMOA	General investment business	795,943	795,943	27,160	96.01	351,561	(35,838)	-	(Note 2)
INSA	MENA	CANADA	Sale and development of speaker and power amplifier	30	30	-	100.00	(41,106)	(11,672)	-	(Note 2)
MENA	SENM	NORWAY	Manufacture and sales of speaker monomer	23	23	-	100.00	55,828	326	-	(Note 2)

Note 1: The investment income included unrealized gains or losses and realized gains arising from upstream transactions.
Note 2: The investee is second subsidiary and investment income (loss) is not shown.
Note 3: Please refer to Note 4 (3).

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Information on investees in Mainland China
Three months ended March 31, 2023

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for three months ended March 31, 2023: Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2023	Net income of investee for three months ended March 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for three months ended March 31, 2023	Book value of investments in Mainland China as of March 31, 2023 (Note 4)	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2023	Note
MEDG	Research and development of sound equipment, earphones, mobile power supply, charging box, cable, connector, electronic components, plastic hardware, mold and antenna	$ 886,200	(Note 1)	$ 452,564	$ -	$ -	$ 452,564	$ 3,396	49.00%	$ 1,664	$ 411,086	$ -	
MSCS	Manufacture of speaker and amplifier	153,191	(Note 1)	110,497	-	-	110,497	(23,053)	100.00%	(23,053)	117,916	-	
MECL	Microphone, receiver, speaker, security system, induction cooker and other electronic component	422,469	(Note 2)	453,191	-	-	453,191	(126,355)	100.00%	(126,355)	3,139,346	2,282,120	Note 3
MECE	Manufacture and sales of microphone, receiver and speaker	2,772,649	(Note 2)	1,369,285	-	-	1,369,285	(160,685)	49.00%	(63,864)	3,204,071	295,185	Note 3
MECS	International trade, transit trade and trading consulting; trading amongst companies in bonded area and trading agency in the area	7,354	(Note 2)	6,055	-	-	6,055	1	49.00%	1	(1,105)	40,321	
MECH	Manufacture and sales of microphone, receiver, speaker and mobile phone	443,100	(Note 2)	420,687	-	-	420,687	98,869	49.00%	45,742	1,363,541	-	Note 3
FUSZ	Manufacture of	284,396	(Note 2)	310,763	-	-	310,763	(529)	96.01%	(508)	244,307	-	

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Information on investees in Mainland China
Three months ended March 31, 2023

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for three months ended March 31, 2023: Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2023	Net income of investee for three months ended March 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for three months ended March 31, 2023	Book value of investments in Mainland China as of March 31, 2023 (Note 4)	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2023	Note
ETCX	medical device Retail sales of hearing products	19,940	(Note 2)	19,009	-	-	19,009	(732)	96.01%	(703)	(24,757)	-	
ASCX	Manufacture and sales of hearing aid, hearing device and acoustics equipment	58,760	(Note 2)	293,281	-	-	293,281	25,855	95.53%	24,699	34,004	-	
LACX	Research and development and technical sales of software for hearing aid use	22,155	(Note 2)	22,180	-	-	22,180	(204)	95.53%	(195)	42,727	-	
FUXM	Sales of medical device	308,544	(Note 2)	302,995	-	-	302,995	(53,143)	96.01%	(51,023)	28,951	-	
DONG GUAN GET PINK	Manufacture and sales of earphones and speaker	69,788	(Note 2)	-	-	-	-	(2,979)	33.00%	(983)	16,109	-	

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Information on investees in Mainland China
Three months ended March 31, 2023

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Note 1: Reinvesting in the investee in Mainland China through the parent company.
Note 2: Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
Note 3: The financial statements that are audited and attested by R.O.C. parent company's CPA.
Note 4: The amount in the table is translated into New Taiwan dollars at the closing exchange rates prevailing at the balance sheet date.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission (MOEA) (Note 1)
Merry Electronics Co., Ltd.	$ 3,868,131	$ 4,178,588	$ 6,871,085

Note 1: (2001) Tai-Cai-Zheng (1) Letter No. 006130 of Securities and Futures Commission, Ministry of Finance, R.O.C

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

Three Months ended March 31, 2023

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Counterparty	Sales (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/ guarantee or collaterals		Financing				
		Amount	%	Amount	%	Balance on March 31, 2023	%	Balance on March 31, 2023	Purpose	Maximum balance during the three months ended March 31, 2023	Balance on March 31, 2023	Interest rate	Interest during the three months ended March 31, 2023	Others
MECL	MEHO	($ 1,593,548)	22%	-	-	($ 1,595,191)	24%	-	-	-	-	-	-	-
MECL	MESG	(145,877)	2%	-	-	(223,799)	3%	-	-	-	-	-	-	-
MECE	MEHO	(1,850,534)	26%	-	-	(1,919,963)	29%	-	-	-	-	-	-	-
MECH	MEHO	(601,708)	8%	-	-	(600,716)	9%	-	-	-	-	-	-	-
MECH	MESG	(383,936)	5%	-	-	(385,561)	6%	-	-	-	-	-	-	-