MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

MARCH 31, 2025 AND 2024

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, 2025 and 2024, 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. 2410 "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 (6), 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$7,614,037 thousand and NT$5,370,503 thousand, constituting 19% and 16% of the consolidated total assets, and total liabilities of NT$3,075,925 thousand and NT$2,043,008 thousand, constituting 14% and 10% of the consolidated total liabilities as at March 31, 2025 and 2024, respectively, and reflect total revenue of NT$523,048 thousand and NT$316,519 thousand, constituting 6% and 4% of the consolidated revenues for the three months then ended, respectively, and total comprehensive income of NT$254,612 thousand and NT$ 173,972 thousand, constituting 41% and 27% of the consolidated total comprehensive income for the three months then ended.

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, 2025 and 2024, 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-Ye

For and on behalf of PricewaterhouseCoopers, Taiwan
April 24, 2025

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, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2025 and 2024 were reviewed, not audited)

	Assets	Notes	March 31, 2025 AMOUNT	%	December 31, 2024 AMOUNT	%	March 31 , 2024 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6 (1)	$ 10,916,520	28	$ 8,586,894	22	$ 9,012,703	26
1110	Financial assets at fair value through profit or loss - current	6 (2)	594,496	1	656,476	2	277,221	1
1120	Current financial assets at fair value through other comprehensive income		108,479	-	105,910	-	104,856	-
1136	Current financial assets at amortized cost		326,561	1	169,820	1	212,926	1
1170	Accounts receivable, net	6 (3) (4)	7,851,709	20	11,234,447	29	6,927,213	20
1180	Accounts receivable due from related parties, net	7 (2)	322,825	1	475,022	1	160,083	1
1200	Other receivables		209,348	1	75,718	-	612,225	2
1210	Other receivables – related parties	7 (2)	151,220	-	307,185	1	204,889	1
130X	Inventories	6 (5)	5,731,998	15	4,858,985	12	4,491,405	13
1470	Other current assets		417,108	1	435,201	1	489,470	1
11XX	**Current Assets**		26,630,264	68	26,905,658	69	22,492,991	66
	Non-current assets							
1510	Financial assets at fair value through profits or loss – non-current	6 (2)	47,879	-	43,075	-	48,129	-
1517	Non-current financial assets at fair value through other comprehensive income		224,773	1	232,210	1	386,858	1
1535	Financial assets at amortized cost – non-current		652,264	2	469,589	1	474,742	1
1550	Investments accounted for under equity method	6 (6)	6,219,055	16	5,914,755	15	5,392,434	16
1600	Property, plant and equipment	6 (7)	4,428,244	11	4,365,774	11	3,931,112	12
1755	Right-of-use assets		175,695	-	189,394	1	227,853	1
1780	Intangible assets	6 (8)	761,558	2	778,132	2	887,637	3
1840	Deferred income tax assets		166,837	-	154,583	-	152,698	-
1900	Other non-current assets		99,397	-	66,751	-	108,688	-
15XX	**Non-current assets**		12,775,702	32	12,214,263	31	11,610,151	34
1XXX	**Total assets**		$ 39,405,966	100	$ 39,119,921	100	34,103,142	100

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MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2025 and 2024 were reviewed, not audited)

			March 31, 2025		December 31, 2024		March 31, 2024	
	Liabilities and Equity	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowing	6 (9)	$ 356,054	1	$ 366,659	1	$ 1,233,031	4
2130	Contract liabilities – current	6 (18)	324,248	1	318,054	1	340,436	1
2170	Accounts payable		6,502,111	16	7,087,414	18	5,298,406	15
2180	Accounts payable – related parties	7 (2)	3,795,937	10	3,335,965	8	4,148,960	12
2200	Other payables	6 (10)	3,240,552	8	1,606,089	4	2,026,176	6
2220	Other payables – related parties	7 (2)	190,209	-	112,380	-	205,802	-
2230	Current income tax liabilities		339,407	1	323,977	1	369,285	1
2320	Current portion of long-term liabilities	6 (11)(12)	152,691	-	282,505	1	3,310,857	10
2399	Other current liabilities		654,401	2	667,888	2	560,759	2
21XX	**Current Liabilities**		15,555,610	39	14,100,931	36	17,493,712	51
	Non-current liabilities							
2527	Contract liabilities – non-current	6 (18)	430,105	1	462,049	1	535,175	2
2530	Bonds payable	6 (11)	2,869,983	7	2,856,278	7	-	-
2540	Long-term borrowings	6 (12)	200,778	1	242,897	1	927,903	3
2570	Deferred income tax liabilities		2,244,066	6	2,153,548	6	1,771,676	5
2640	Net defined benefit liability – non-current		21,069	-	23,888	-	30,275	-
2670	Other non-current liabilities		81,591	-	86,963	-	93,457	-
25XX	**Non-current liabilities**		5,847,592	15	5,825,623	15	3,358,486	10
2XXX	**Total liabilities**		21,403,202	54	19,926,554	51	20,852,198	61
	Equity attributable to owners of parent							
	Share capital	6 (14)						
3110	Common stock		2,534,894	6	2,534,914	6	2,203,783	7
	Capital surplus	6 (15)						
3200	Capital surplus		8,422,402	21	8,422,431	21	4,974,529	14
	Retained earnings	6 (16)						
3310	Legal reserve		2,549,941	7	2,549,941	7	2,412,390	7
3320	Special reserve		973,012	3	973,012	3	768,186	2
3350	Unappropriated retained earnings		2,809,791	7	4,306,799	11	2,918,083	9
	Other equity interest	6 (17)						
3400	Other equity interest		(512,142)	(1)	(768,252)	(2)	(948,149)	(3)
31XX	**Equity attributable to owners of the parent**		16,777,898	43	18,018,845	46	12,328,822	36
36XX	**Non-controlling interest**	4 (3)	1,224,866	3	1,174,522	3	922,122	3
3XXX	**Total equity**		18,002,764	46	19,193,367	49	13,250,944	39
	Significant contingent liabilities and unrecognized contract commitments	9						
3X2X	**Total liabilities and equity**		$ 39,405,966	100	$ 39,119,921	100	$ 34,103,142	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, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)
(Reviewed, Unaudited)

	Items	Notes	Three months ended March 31 2025 AMOUNT	2025 %	2024 AMOUNT	2024 %
4000	Operating revenue	6 (18) and 7 (2)	$ 8,858,184	100	$ 8,353,472	100
5000	Operating costs	6 (5) and 7 (2)	(7,763,525)	(88)	(7,303,775)	(88)
5900	Net operating margin		1,094,659	12	1,049,697	12
	Operating expenses	6 (21) (22)				
6100	Selling expenses		(117,449)	(1)	(106,689)	(1)
6200	General and administrative expenses		(290,597)	(3)	(285,319)	(3)
6300	Research and development expenses		(579,443)	(7)	(475,390)	(6)
6450	Expected credit impairment gain (loss)	12 (2)	(2,840)	-	(1,997)	-
6000	Total operating expenses		(990,329)	(11)	(869,395)	(10)
6900	Operating profit		104,330	1	180,302	2
	Non-operating income and expenses					
7100	Interest income		73,458	1	52,303	1
7010	Other income	6 (19)	29,001	-	71,778	1
7020	Other gains and losses	6 (20)	121,367	1	133,319	1
7050	Finance costs		(21,932)	-	(24,295)	-
7060	Share of profit of associates and joint ventures accounted for under the equity method	6 (6)	184,240	2	117,510	1
7000	Total non-operating income and expenses		386,134	4	350,615	4
7900	**Profit before income tax**		490,464	5	530,917	6
7950	Income tax expense	6 (23)	(92,445)	(1)	(119,563)	(1)
8200	**Profit for the period**		$ 398,019	4	$ 411,354	5

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)
(Reviewed, Unaudited)

			Three months ended March 31			
			2025		2024	
	Items	Notes	AMOUNT	%	AMOUNT	%
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income, net	6 (17)	($ 6,029)	-	$ 13,682	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6 (23)	(225)	-	(1,219)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(6,254)	-	12,463	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6 (17)	170,361	2	168,936	2
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 (6) (17)	119,948	1	104,507	1
8399	Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6 (23)	(55,067)	-	(50,675)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		235,242	3	222,768	3
8300	**Total other comprehensive income (loss) for the period**		$ 228,988	3	$ 235,231	3
8500	**Total comprehensive(loss) for the period**		$ 627,007	7	$ 646,585	8
	Profit (loss), attributable to:					
8610	Owners of parent		$ 353,497	4	$ 365,112	4
8620	Non-controlling interest		44,522	-	46,242	1
	Total profit (loss) for the period		$ 398,019	4	$ 411,354	5
	Comprehensive income attributable to:					
8710	Owners of parent		$ 576,663	6	$ 585,539	7
8720	Non-controlling interest		50,344	1	61,046	1
	Total comprehensive income (loss)		$ 627,007	7	$ 646,585	8
	Basic earnings per share	6 (24)				
9750	Total basic earnings per share		$	1.42	$	1.70
	Diluted earnings per share	6 (24)				
9850	Total diluted earnings per share		$	1.33	$	1.50

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)
(Reviewed, Unaudited)

		Equity attributable to owners of the parent								
	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 31,2024										
Balance at January 1,2024		$ 2,193,163	$ 4,872,974	$ 2,412,390	$ 768,186	$ 3,583,885	($ 1,209,351)	$ 12,621,247	$ 861,076	$ 13,482,323
Profit (loss) for the period		-	-	-	-	365,112	-	365,112	46,242	411,354
Other comprehensive income for the period		-	-	-	-	-	220,427	220,427	14,804	235,231
Total comprehensive income (loss) for the period		-	-	-	-	365,112	220,427	585,539	61,046	646,585
Appropriation and distribution of 2023 retained earnings	6 (16)									
Cash dividends		-	-	-	-	(1,030,914)	-	(1,030,914)	-	(1,030,914)
Convertible bonds converted into common shares	6 (11)(14)	10,886	102,915	-	-	-	-	113,801	-	113,801
Share-based payments	6 (13)(14)	(266)	(2,353)	-	-	-	40,775	38,156	-	38,156
Recognition of change in equity of associates in proportion to the Group's ownership	6 (6)	-	993	-	-	-	-	993	-	993
Balance at March 31, 2024		$ 2,203,783	$ 4,974,529	$ 2,412,390	$ 768,186	$ 2,918,083	($ 948,149)	$ 12,328,822	$ 922,122	$ 13,250,944
Three months ended March 31,2025										
Balance at January 1,2025		$ 2,534,914	$ 8,422,431	$ 2,549,941	$ 973,012	$ 4,306,799	($ 768,252)	$ 18,018,845	$1,174,522	$ 19,193,367
Profit (loss) for the period		-	-	-	-	353,497	-	353,497	44,522	398,019
Other comprehensive income for the period		-	-	-	-	-	223,166	223,166	5,822	228,988
Total comprehensive income (loss) for the period		-	-	-	-	353,497	223,166	576,663	50,344	627,007
Appropriation and distribution of 2024 retained earnings	6 (16)									
Cash dividends		-	-	-	-	(1,850,505)	-	(1,850,505)	-	(1,850,505)
Share-based payments	6 (13)(14)	(20)	(141)	-	-	-	32,944	32,783	-	32,783
Recognition of change in equity of associates in proportion to the Group's ownership	6 (6)	-	112	-	-	-	-	112	-	112
Balance at March 31, 2025		$ 2,534,894	$ 8,422,402	$ 2,549,941	$ 973,012	$ 2,809,791	($ 512,142)	$ 16,777,898	$1,224,866	$ 18,002,764

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, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)
(Reviewed, Unaudited)

	Notes	Three months ended March 31 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 490,464	$ 530,917
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense-property, plants and equipment	6 (7)(21)	152,513	144,408
Depreciation expense - right-of-use assets	6 (21)	31,406	30,338
Amortization	6 (8)(21)	19,014	25,189
Expected credit impairment loss	12 (2)	2,840	1,997
Finance costs		20,750	22,584
Interest expense-lease liability		1,182	1,712
Loss (gain) on financial assets or liabilities at fair value through profit or loss		(4,432)	(6,571)
Share of profit of associates and joint ventures accounted for using equity method	6 (6)	(184,240)	(117,510)
Compensation cost of employee restricted shares	6 (13)	32,783	38,156
Loss (gain) on disposal of property, plant and Equipment	6 (20)	(452)	5,732
Gain on disposal of investments	6 (20)	(3,375)	-
Interest income		(73,458)	(52,303)
Deferred income of government grants		-	(152)
Unrealized foreign exchange gains		(6,837)	(189,992)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets/liabilities mandatorily measured at fair value through profit or loss		1,995	(1,286)
Accounts receivable (including related parties)		3,500,886	2,795,124
Other receivables (including related parties)		24,369	(30,353)
Inventories		(807,132)	(654,204)
Other current assets		32,129	(14,369)
Changes in operating liabilities			
Accounts payable		(635,100)	(401,129)
Accounts payable – related parties		450,636	948,360
Other payables		(211,992)	(343,229)
Other payables – related parties		77,816	139,898
Contract liabilities		(26,266)	(16,846)
Other current liabilities		(470)	30,872
Net defined benefit liability – non-current		(2,817)	(5,780)
Cash inflow generated from operations		2,882,212	2,881,563
Interest received		64,465	49,028
Interest paid		(21,061)	(21,199)
Income taxes paid		(44,402)	(3,746)
Net cash inflows generated from operating activities		2,881,214	2,905,646

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MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)
(Reviewed, Unaudited)

	Notes	Three months ended March 31 2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in financial assets mandatorily measured at fair value through profit or loss		$ 562,988	$ 283,629
Increase in financial assets mandatorily measured at fair value through profit or loss		(500,000)	-
Increase in financial assets at amortized cost- current		(154,224)	-
Decrease in financial assets at amortized cost- current		-	316,803
Increase in financial assets at amortized cost － non-current		(173,774)	(43,800)
Acquisition of property, plant and equipment	6 (25)	(198,558)	(97,186)
Proceeds from disposal of property, plant and equipment		22,884	3,143
Acquisition of intangible assets		(2,357)	(3,523)
Decrease (increase) in other non - current assets		(7,327)	11,998
Decrease in guarantee deposits paid		1,627	2,213
Net cash flows used in investing activities		(448,741)	473,277
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6 (26)	182,920	94,567
Decrease in short-term borrowings	6 (26)	(201,132)	-
Repayment of principal portion of lease liabilities	6 (26)	(32,717)	(27,230)
Decrease in long-term borrowings	6 (26)	(173,526)	(92,102)
Increase (decrease) in other non-current liabilities	6 (26)	(5,724)	1,604
Net cash flows used in financing activities		(230,179)	(23,161)
Effect of change in foreign currency exchange		127,332	130,219
Net increase in cash and cash equivalents		2,329,626	3,485,981
Cash and cash equivalents at beginning of period		8,586,894	5,526,722
Cash and cash equivalents at end of period		$ 10,916,520	$ 9,012,703

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, 2025 AND 2024
(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 and its subsidiaries (collectively referred here in as the “Group”) are primarily engaged in manufacturing, processing, repairing, sales of electric appliance and audiovisual electric products, telecommunication equipment and apparatus electronic parts and components, computers and computing peripheral equipment, restrained telecom radio frequency equipment and medical appliances; planning, design, input as well as output of service items’ equipment; production as well as marketing management consultant of service items’ relevant business; and all business items that are not prohibited or restricted by law, except those that are subject to special approval. The Company’s shares were listed on the Taipei Exchange since August 1998 and transferred to the Taiwan Stock Exchange starting September 2000 with approval from the competent authority. 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 24, 2025.

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 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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

New standards, interpretations and amendments endorsed by FSC and will become effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'- the amendments to the partial content	January 1, 2026

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

(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 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'- the amendments to the partial content	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
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
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17,'Insurance contracts'	January 1, 2023
Amendment to IFRS 17,'Initial application of IFRS 17 and IFRS 9 –comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes. The quantitative impact will be disclosed when the assessment is complete.

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, 2024, 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, 2024.

(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 2024 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, 2025	December 31, 2024	March 31, 2024	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
MEHO	Merry Electronics (U.S.A.) Co., Ltd. ("MECA")	Providing technology and marketing after-sales services.	99.90%	99.90%	99.90%	NOTE

Name of investor	Name of subsidiary	Main business Activities	Ownership (%) March 31, 2025	December 31, 2024	March 31, 2024	Description
MEHO	Danny Dynamics Limited ("DDBV")	Equity investments.	100.00%	100.00%	100.00%	
MEHO	Merry Electronics (Singapore) Pte. Ltd. ("MESG")	The same main business as the Company.	100.00%	100.00%	100.00%	
MEHO	Merry Healthcare Co., LTD. (“MHKY”)	Equity investments.	100.00%	100.00%	100.00%	NOTE
MEHO	Asian Elite International Ltd. (“MSCS”)	Manufacturing and sales of speaker and amplifier.	100.00%	100.00%	100.00%	NOTE
MEHO	Indigo Enterprise Inc. ("INSA")	Equity investments.	100.00%	100.00%	100.00%	
MEHO	MERRY & LUXSHARE (VIETNAM) CO., LTD. ("MEVN")	Manufacturing of sales of speaker, microphone and headphone products.	51.00%	51.00%	51.00%	NOTE
MEHO	MUtek Electronics Co., Ltd. (MUTT)	Manufacturing and application service of electrical appliances and audiovisual electronic products	51.00%	51.00%	51.00%	NOTE
MEHO	Merry Capital Inc.("MCTT")	Equity investments	100.00%	100.00%	100.00%	NOTE
MEST	Merry Electronics (Shenzhen) Co., Ltd. ("MECL")	The same main business as the Company.	100.00%	100.00%	100.00%	
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%	
MENA	Seas Fabrikker ("SENM")	Manufacturing and sales of speaker monomer.	100.00%	100.00%	100.00%	NOTE
MHKY	Fulicare Co., Ltd. ("FUSA")	Equity investments.	96.01%	96.01%	96.01%	NOTE
FUSA	Fulicare Medical Instruments (Suzhou) Co. ,Ltd. ("FUSZ")	Sales of medical device.	100.00%	100.00%	100.00%	NOTE
FUSA	Fulicare Medical Instruments (Xiamen) Co., Ltd. **("FUXM")**	Manufacturing of medical device.	100.00%	100.00%	100.00%	NOTE

Name of investor	Name of subsidiary	Main business Activities	Ownership (%) March 31, 2025	December 31, 2024	March 31, 2024	Description
FUSA	Xiamen Etimbre Hearing Technology Co., Ltd. ("ETCX")	Exclusive stores for selling hearing related products	100.00%	100.00%	100.00%	NOTE
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
MESG	Merry Electronics Sdn Bhd. ("MEMP")	Research and development of microphone, receiver and speaker.	100.00%	100.00%	100.00%	NOTE

Note: The financial statements of the entity as of and for the three months ended March 31, 2025 and 2024 were not reviewed by the independent auditors as the entity is not a significant subsidiary.

The Group aims to enhance its market penetration in Northeast Asia, strengthen vertically integrated manufacturing capabilities, expand operational scale, and improve business performance. On March 17, 2025, as resolved by the Board of Directors, the Group plans to acquire 100% ownership in MWT HOLDINGS CO., LTD. (MWT Holdings) from non-related parties, including J-STAR Co., Ltd., with a total transaction amount not exceeding JPY 10,278 million (approximately NTD 2,260 million). As of April 24, 2025, the transaction is still in progress.

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, 2025, December 31, 2024 and March 31, 2024, the Group’s non-controlling interests amounted to $1,224,866 thousand, $1,174,522 thousand and $922,122 thousand, respectively. The following is the information for non-controlling interests that are material to the Group and that belong to the Group’s subsidiaries:

		Non-controlling interests					
	Principal	March 31, 2025		December 31, 2024		March 31, 2024	
Name of subsidiary	place of business	Amount	Shareholding ratio	Amount	Shareholding ratio	Amount	Shareholding ratio
MEVN	Vietnam	$ 1,166,099	49%	$ 1,109,526	49%	$ 864,760	49%

The summarized financial information of the subsidiary is as follows:

Balance sheet

	MEVN		
	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	$ 3,738,323	$ 3,910,754	$ 2,006,746
Non-current assets	1,006,318	1,013,238	969,399
Current liabilities	(2,329,061)	(2,587,704)	(1,087,290)
Non-current liabilities	(832)	(23,148)	(90,409)
Total net assets	$ 2,414,748	$ 2,313,140	$ 1,798,446

Statement of comprehensive income

	MEVN	
	Three months ended March 31	
	2025	2024
Revenue	$ 1,568,915	$ 825,814
Profit before income tax	94,962	98,769
Income tax expense	(7,890)	-
Profit for the period from continuing operations	87,072	98,769
Profit for the period	87,072	98,769
Total comprehensive income for the period	$ 87,072	$ 98,769
Comprehensive income attributable to non-controlling interests	$ 42,665	$ 48,397

Statement of cash flows

	MEVN	
	Three months ended March 31	
	2025	2024
Net cash inflows generated from operating activities	$ 273,560	($ 2,583)
Net cash outflows used in investing activities	(45,242)	(5,405)
Net cash inflows generated from (outflows used in) financing activities	(118,380)	(25,188)
Effect of change in foreign currency exchange	2,463	4,073
Net increase (decrease) in cash and cash equivalents	112,401	(29,103)
Cash and cash equivalents at beginning of period	66,811	142,185
Cash and cash equivalents at end of period	$ 179,212	$ 113,082

(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, 2024.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and revolving funds	$ 1,097	$ 1,221	$ 1,818
Checking accounts and demand deposits	9,015,243	6,986,072	8,543,156
Time deposits	1,900,180	1,599,601	467,729
	$ 10,916,520	$ 8,586,894	$ 9,012,703

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. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group’s time deposits with maturity over 3 months had been classified as financial assets measured at amortized cost.

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

Items	March 31, 2025	December 31, 2024	March 31, 2024
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
-Funds	$ 561,749	$ 611,639	$ 228,371
- forward exchange contract	5,608	7,603	13,445
- Call options of convertible bonds	1,200	600	-
-Stocks	20,480	20,965	20,480
Valuation adjustment	5,459	15,669	14,925
Total	$ 594,496	$ 656,476	$ 277,221

Items	March 31, 2025	December 31, 2024	March 31, 2024
Non-current items:			
Funds	$ 46,220	$ 46,220	$ 47,652
Valuation adjustment	1,659	(3,145)	477
	$ 47,879	$ 43,075	$ 48,129

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	
	2025	2024
Net gains on financial assets at fair value through profit	$ 5,835	$ 10,613

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, 2025		
Derivative instruments	Contract amount (Notional principal)	Contract period	Contract price
Forward foreign exchange contract to buy	USD 4,000 thousand	2024/04/19~ 2025/12/30	NTD 31.115~31.712

	December 31, 2024		
Derivative instruments	Contract amount (Notional principal)	Contract period	Contract price
Forward foreign exchange contract to buy	USD 6,000 thousand	2024/03/14~ 2025/12/30	NTD 30.253~31.712

	March 31, 2024		
Derivative instruments	Contract amount (Notional principal)	Contract period	Contract price
Forward foreign exchange contract to buy	USD 10,000 thousand	2023/04/18~ 2025/03/18	NTD 29.392~30.492

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

(3) Accounts receivable

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable	$ 7,900,014	$ 11,279,105	$ 6,946,440
Less: Allowance for doubtful accounts	(48,305)	(44,658)	(19,227)
	$ 7,851,709	$ 11,234,447	$ 6,927,213

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

	March 31, 2025	December 31, 2024	March 31, 2024
Not past due	$ 7,675,442	$ 11,190,671	$ 6,510,240
Up to 30 days	175,451	45,293	402,878
31 to 90 days	7,011	3,134	22,082
91 to 180 days	244	3,263	237
Over 180 days	41,866	36,744	11,003
	$ 7,900,014	$ 11,279,105	$ 6,946,440

The above aging analysis was based on past due date.

B. As of March 31, 2025, December 31, 2024, March 31, 2024, and January 1, 2024, the balances of receivables from contracts with customers amounted to $7,851,709 thousand, $11,234,447 thousand, $6,927,213 thousand and $9,224,475 thousand, respectively.

C. The Group insured against its accounts receivable, 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, 2025, December 31, 2024 and March 31, 2024, the balance of insured accounts receivable amounted to $4,640,593 thousand, $7,107,257 thousand and $5,391,414 thousand, respectively.

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 on August 19, 2024 and July 19, 2022. As of March 31, 2025, December 31, 2024 and March 31, 2024, 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(4) for information on transfer of financial assets.

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

(4) Transfer of financial assets

A. Transferred financial assets that are derecognized in their entirety

None for March 31, 2025, December 31, 2024 and March 31, 2024.

B. Transferred financial assets that are not entirely derecognized

i. On August 19, 2024 and July 19, 2022, 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 in their entirety and may not pledge these accounts receivable to a third party

ii. As of March 31, 2025, December 31, 2024 and March 31, 2024, 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, 2025	December 31, 2024	March 31, 2024
Total carrying amount of the original assets before transferring	$ -	$ 657,263	$ -
Carrying amount of the assets continuously recognized	-	65,726	-

(5) Inventories

	March 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 2,410,837	($ 115,562)	$ 2,295,275
Work in progress	1,161,424	(21,538)	1,139,886
Finished goods	2,364,097	(67,260)	2,296,837
	$ 5,936,358	($ 204,360)	$ 5,731,998

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 2,018,432	($ 117,885)	$ 1,900,547
Work in progress	753,299	(10,151)	743,148
Finished goods	2,300,818	(85,528)	2,215,290
	$ 5,072,549	($ 213,564)	$ 4,858,985

	March 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 1,685,129	($ 118,382)	$ 1,566,747
Work in progress	876,384	(10,850)	865,534
Finished goods	2,162,691	(103,567)	2,059,124
	$ 4,724,204	($ 232,799)	$ 4,491,405

The cost of inventories recognized as expense for the period:

	Three months ended March 31	
	2025	2024
Cost of goods sold	$ 7,767,745	$ 7,306,101
Loss on scrapping inventory	4,984	8,837
Gain on reversal of slow-moving inventories and decline in market value	(9,204)	(11,163)
	$ 7,763,525	$ 7,303,775

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, 2025 and March 31, 2024.

(6) Investments accounted for using the equity method

	Three months ended March 31	
	2025	2024
At January 1	$ 5,914,755	$ 5,602,510
Transfer to other receivables	-	(433,116)
Share of profit or loss of investments accounted for using the equity method	184,240	117,510
Changes in capital surplus additional paid-in capital	112	993
Changes in other equity items	119,948	104,507
Credit balance of investments accounted for using the equity method transferred to non-current liabilities	-	30
At March 31	$ 6,219,055	$ 5,392,434

A. The Group's investee company, Guangdong Luxshare & Merry Electronics Co., Ltd., established the liquidation committee on April 20, 2022. The liquidation period was from May 1, 2022 to May 29, 2024. The date of dissolution was the end of the liquidation period. The liquidation was completed.

B. Details are as follows：

	March 31, 2025	December 31, 2024	March 31, 2024
Associates with significant influence			
Merry Electronics (Suzhou) Co., Ltd. (MECE)	$ 3,877,417	$ 3,665,410	$ 3,374,097
Associates with insignificant influence			
Merry Electronics (Huizhou) Co., Ltd. (MECH)	1,449,270	1,377,693	1,380,690
DONPON PRECISION INC	492,386	482,410	455,314
CDIB-Mac Limited Partnership. (MAC FUND)	160,289	159,861	118,482
Leohab Enterprise Co., Ltd. (LEOHAB)	87,457	76,954	47,959
Dong Guan Get Pink Electronics Co., Ltd.	15,044	16,278	15,892
SYNergy ScienTech Corp.	137,192	136,149	-
Merry Electronics (Shanghai)Co., Ltd. (MECS)	-	-	(1,125)
Subtotal	6,219,055	5,914,755	5,391,309
Add: Credit balance of investments accounted for using the equity method transferred to non-current liabilities		-	1,125
	$ 6,219,055	$ 5,914,755	$ 5,392,434

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

Investee	Three months ended March 31 2025		Three months ended March 31 2024	
MECE	$	132,685	$	29,413
MECH		41,753		69,240
MEDG		-		2,592
DONPON		2,912		7,138
MAC FUND		428		1,645
LEOHAB		8,433		7,875
Dong Guan Get Pink Electronics Co., Ltd.	(	1,565)	(	394)
SYNergy ScienTech Corp.	(	406)		1
	$	184,240	$	117,510

D. 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 March 31, 2025	Shareholding ratio December 31, 2024	Shareholding ratio March 30, 2024	Nature of relationship	Method of measurement
MECE	Mainland of China	49.00%	49.00%	49.00%	Holding more than 20% of voting right	Equity method

(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, 2025		December 31, 2024		March 31, 2024	
Current assets	$	9,097,758	$	7,811,276	$	7,294,116
Non-current assets		3,022,423		3,151,317		3,904,003
Current liabilities	(	4,014,858)	(	3,356,318)	(	4,035,466)
Non-current liabilities	(	67,028)	(	61,559)	(	60,777)
Total net assets	$	8,038,295	$	7,544,716	$	7,101,876
Share in associate's net assets	$	3,938,765	$	3,696,911	$	3,479,919
Realized (unrealized) gain or loss from upstream and side stream transactions	(	61,348)	(	31,501)	(	105,822)
Carrying amount of the associate	$	3,877,417	$	3,665,410	$	3,374,097

Statement of comprehensive income

	MERRY ELECTRONICS (SUZHOU) CO., LTD.	
	Three months ended March 31	
	2025	2024
Revenue	$ 2,599,192	$ 2,439,830
Profit (loss) for the period from continuing operations	$ 331,698	$ 157,375
Total comprehensive income (loss)	$ 331,698	$ 157,375

(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	
	2025	2024
Share of profit of associates and joint ventures accounted for using the equity method	$ 51,555	$ 88,097
Other comprehensive income (loss), net of tax	34,596	32,923
Total comprehensive income	$ 86,151	$ 121,020

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.

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(7) Property, plant and equipment

	Three months ended March 31, 2025					
Cost	Opening balance	Additions	Reductions	Transfers	Effect of foreign currency exchange difference	Ending balance
Land	$ 1,011,609	$ -	$ -	$ -	$ 5,736	$ 1,017,345
Land improvements	645	-	-	-	15	660
Buildings and structures	2,095,199	-	-	(12,574)	26,455	2,109,080
Machinery	3,604,018	89,048	(74,247)	2,111	59,541	3,680,471
Transportation equipment	19,169	1,338	(1,204)	1,807	322	21,432
Office equipment	358,171	9,917	(561)	-	5,800	373,327
Others	408,678	4,914	(3,963)	(37,805)	6,308	378,132
Unfinished construction	245,210	94,276	-	(2,045)	6,212	343,653
Total	7,742,699	$ 199,493	($ 79,975)	($ 48,506)	$ 110,389	7,924,100
Accumulated depreciation						
Land improvements	($ 634)	($ 1)	$ -	$ -	($ 14)	($ 649)
Buildings and structures	(752,570)	(21,510)	-	12,574	(13,598)	(775,104)
Machinery	(2,105,362)	(108,537)	53,400	-	(36,786)	(2,197,285)
Transportation equipment	(15,607)	(333)	1,165	-	(239)	(15,014)
Office equipment	(258,704)	(8,606)	552	-	(4,244)	(271,002)
Others	(244,048)	(13,526)	2,426	22,736	(4,390)	(236,802)
Total	(3,376,925)	($ 152,513)	$ 57,543	$ 35,310	($ 59,271)	(3,495,856)
	$ 4,365,774					$ 4,428,244

Three months ended March 31, 2024						
Cost	Opening balance	Additions	Reductions	Transfers	Effect of foreign currency exchange difference	Ending balance
Land	$ 792,956	$ -	$ -	$ -	($ 655)	$ 792,301
Land improvements	604	-	-	-	(11)	593
Buildings and structures	2,027,767	-	(1,315)	(12,156)	17,435	2,031,731
Machinery	3,240,291	39,367	(38,725)	787	43,659	3,285,379
Transportation equipment	16,896	709	-	-	206	17,811
Office equipment	335,656	2,905	(2,303)	38	2,836	339,132
Others	358,070	3,637	(44)	(36,621)	5,300	330,342
Unfinished construction	3,246	6,229	-	(12)	3	9,466
Total	6,775,486	$ 52,847	($ 42,387)	$ 47,964	$ 68,773	6,806,755
Accumulated depreciation						
Land improvements	($ 590)	($ 1)	$ -	$ -	$ 12	($ 579)
Buildings and structures	(644,251)	(20,686)	1,057	12,156	(6,721)	(658,445)
Machinery	(1,684,403)	(103,787)	30,700	-	(23,435)	(1,780,925)
Transportation equipment	(13,501)	(343)	-	-	(159)	(14,003)
Office equipment	(224,257)	(8,448)	1,739	-	(2,555)	(233,521)
Others	(186,567)	(11,143)	16	12,226	(2,702)	(188,170)
Total	(2,753,569)	($ 144,408)	$ 33,512	$ 24,382	($ 35,560)	(2,875,643)
	$ 4,021,917					$ 3,931,112

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

B. The Group has property, plant and equipment pledged to others as collateral. Please refer to Note 8 for details.

(8) Intangible assets

Cost	Three months ended March 31, 2025 Opening balance	Additions	Reductions	Effect of foreign currency exchange difference	Ending balance
Goodwill	$ 931,678	$ -	$ -	$ -	$ 931,678
Computer software	647,473	1,126	(1)	780	649,378
Customer relationship	326,550	-	-	-	326,550
Know-how	115,748	-	-	-	115,748
Trademarks	61,481	-	-	-	61,481
Others	54,504	1,059	-	28	55,591
Total	2,137,434	$ 2,185	($ 1)	$ 808	2,140,426
Accumulated amortization					
Computer software	($ 597,420)	($ 7,352)	$ 1	($ 542)	($ 605,313)
Customer relationship	(273,435)	(8,852)	-	-	(282,287)
Know-how	(115,748)	-	-	-	(115,748)
Trademarks	(35,439)	(1,380)	-	-	(36,819)
Others	(45,011)	(1,430)	-	(11)	(46,452)
Total	(1,067,053)	($ 19,014)	$ 1	($ 553)	(1,086,619)
Accumulated Impairment loss					
Goodwill	($ 292,249)	$ -	$ -	$ -	($ 292,249)
	$ 778,132				$ 761,558

Cost	Three months ended March 31, 2024 Opening balance	Additions	Reductions	Transfers	Effect of foreign currency exchange difference	Ending balance
Goodwill	$ 931,678	$ -	$ -	$ -	$ -	$ 931,678
Computer software	629,757	-	(1)	426	737	630,919
Customer relationship	326,550	-	-	-	-	326,550
Know-how	115,748	-	-	-	-	115,748
Trademarks	61,481	-	-	-	-	61,481
Others	49,203	874	-		41	50,118
Total	2,114,417	$ 874	($ 1)	$ 426	$ 778	2,116,494
Accumulated amortization						
Computer software	($ 553,211)	($ 13,493)	$ 1	$ -	($ 460)	($ 567,163)
Customer relationship	(238,025)	(8,853)	-	-	-	(246,878)
Know-how	(115,748)	-	-	-	-	(115,748)
Trademarks	(29,921)	(1,380)	-	-	-	(31,301)
Others	(39,015)	(1,463)	-		(13)	(40,491)
Total	(975,920)	($ 25,189)	$ 1	$ -	($ 473)	(1,001,581)
Accumulated Impairment loss						
Goodwill	($ 227,276)	$ -	$ -	$ -	$ -	($ 227,276)
	$ 911,221					$ 887,637

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

	Three months ended March 31	
	2025	2024
Operating costs	$ 912	$ 1,537
Selling expenses	1,908	1,875
Administrative expenses	8,163	13,597
Research and development expenses	8,031	8,180
	$ 19,014	$ 25,189

B. Goodwill allocated to the Group's cash generated unit

	March 31, 2025		
Goodwill:	Cost	Accumulated Impairment Loss	Ending balance
MSCS and Indigo	$ 581,644	($ 292,249)	$ 289,395
ASCX	210,299	-	210,299
Huges Hi-Tech Inc.	139,735	-	139,735
	$ 931,678	($ 292,249)	$ 639,429

	December 31, 2024		
Goodwill:	Cost	Accumulated Impairment Loss	Ending balance
MSCS and Indigo	$ 581,644	($ 292,249)	$ 289,395
ASCX	210,299	-	210,299
Huges Hi-Tech Inc.	139,735	-	139,735
	$ 931,678	($ 292,249)	$ 639,429

	March 31, 2024		
Goodwill:	Cost	Accumulated Impairment Loss	Ending balance
MSCS and Indigo	$ 581,644	($ 227,276)	$ 354,368
ASCX	210,299	-	210,299
Huges Hi-Tech Inc.	139,735	-	139,735
	$ 931,678	($ 227,276)	$ 704,402

As of December 31, 2024, 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 $64,973 thousand. The goodwill balance after the recognition of impairment loss amounted as of March 31, 2025 is $639,429 thousand. The cash flow projections are based on financial budgets approved by the management covering a five-year period, the key assumptions used for value-in-use calculations are as follows:

December 31, 2024	Huges Hi-Tech Inc.	MSCS and Indigo	ASCX
Discount rate	9.44%	14.17%	13.47%
Growth rate	10%	4%~24.97%	3%~18.35%

C. The Group has no intangible assets pledged to others as collateral.

(9) Short-term borrowings

Type of borrowings	March 31, 2025	Interest rate range	Collateral
Bank borrowings			
Credit loan	$ 297,154	2.00%~2.95%	None
Secured borrowings	58,900	2.75%~3.40%	Patents (Note)
	$ 356,054		

Type of borrowings	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Credit loan	$ 277,099	2.00%~3.65%	None
Secured borrowings	89,560	2.70%~3.40%	Patents (Note)
	$ 366,659		

Type of borrowings	March 31, 2024	Interest rate range	Collateral
Bank borrowings			
Credit loan	$ 1,188,951	1.65%~3.80%	None
Secured borrowings	44,080	3.70%	Patents (Note)
	$ 1,233,031		

A. Interest expense recognized in profit or loss amounted to $2,209 thousand and $6,029 thousand for the three months ended March 31, 2025 and 2024, respectively.

B. The Group provided endorsements and guarantees for the credit loans as of March 31, 2025, December 31, 2024 and March 31, 2024.

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

(10) Other payables

	March 31, 2025	December 31, 2024	March 31, 2024
Dividend payable	$ 1,850,505	$ -	$ 1,030,914
Payroll and bonus payable	348,127	575,601	340,694
Employee compensation payable	346,277	306,792	235,287
Payables on equipment	150,710	127,331	34,507
Directors' remuneration payable	69,324	59,771	47,189
Others	475,609	536,594	337,585
	$ 3,240,552	$ 1,606,089	$ 2,026,176

(11) Bonds payable

	March 31, 2025	December 31, 2024	March 31, 2024
Bonds payable	$ 3,000,000	$ 3,000,000	$ 2,885,700
Less: Discount on bonds payable	(130,017)	(143,722)	(10,087)
	2,869,983	2,856,278	2,875,613
Less: Expiring within one year or one operating cycle	-	-	(2,875,613)
	$ 2,869,983	$ 2,856,278	$ -

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. The conversion price was $104.9 (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) The bonds totaling $2,996,000 thousand (face value) had been converted into 28,559 shares of common stock. The face value of the remaining unconverted bonds had been due for settlement on August 11, 2024. The forfeited 'capital surplus - share options' of $129 thousand was all transferred to 'capital surplus-others'.

B. The details of the fourth domestic unsecured convertible bonds issued by the Company on July 10, 2024 are as follows:

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

i. The Company issued $2,500,000 thousand, 0% fourth domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature three years from the issue date July 10, 2024 to July 10, 2027 and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on July 10, 2024.

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 between the start date of stopping conversion due to implementing changes of face value of stocks and the prior day before the trading date that new shares start to be exchanged to stocks, can not ask conversions. Other than the aforementioned period, the bonds can be converted into common shares at any time after applying request to Taiwan Depository & Clearing Corporation through securities firms. 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, 2025, the conversion price was $137.5 (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, 2025, the bonds had not yet been converted into common stock.

C. The details of the fifth domestic unsecured convertible bonds issued by the Company on July 22, 2024 are as follows:

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

i. The Company issued $500,000 thousand, 0% fifth domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature three years from the issue date July 22, 2024 to July 22, 2027 and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on July 22, 2024.

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 between the start date of stopping conversion due to implementing changes of face value of stocks and the prior day before the trading date that new shares start to be exchanged to stocks, can not ask conversions. Other than the aforementioned period, the bonds can be converted into common shares at any time after applying request to Taiwan Depository & Clearing Corporation through securities firms. 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, 2025, the conversion price was $133.5 (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, 2025, the bonds had not yet been converted into common stock.

D. Regarding the issuance of convertible bonds, the equity conversion options amounting to $280,733 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.

(12) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	March 31, 2025
Long-term bank borrowings				
Credit loan	Borrowing period is from 2020/2/20 to 2027/2/19; interest is repayable monthly; principal is repayable starting from 2022.	1.28%~1.79%	None	$ 299,133
Secured borrowings	Borrowing period is from 2023/9/27 to 2033/9/27; interest is repayable monthly, principal is repayable starting from 2023.	3.30%	Plant	54,336
				353,469
Less: Expiring within one year or one operating cycle				(152,691)
				$ 200,778

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2024
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. (Notes 1 and 2)	0.93%~1.29%	None	$ 20,556
Credit loan	Borrowing period is from 2020/2/20 to 2027/2/19; interest is repayable monthly, principal is repayable starting from 2022.	1.23%~5.30%	None	450,288
Secured borrowings	Borrowing period is from 2023/9/27 to 2033/9/27; interest is repayable monthly, principal is repayable starting from 2023.	3.30%	Plant	54,558
				525,402
Less: Expiring within one year or one operating cycle				(282,505)
				$ 242,897

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	March 31, 2024
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)	0.93%~1.29%	None	$ 113,055
Credit loan	Borrowing period is from 2020/2/20 to 2027/2/19; interest is repayable monthly; principal is repayable starting from 2022.	1.23%~5.60%	None	1,111,652
Credit loan	Borrowing period is from 2022/9/27 to 2026/9/27; payment in installments; principal is repayable starting from 2023.	2.00%~3.55%	None	55,276
Secured borrowings	Borrowing period is from 2023/9/27 to 2033/9/27; payment in installments; principal is repayable starting from 2023.	3.65%	Plant	83,164
				1,363,147
Less: Expiring within one year or one operating cycle				(435,244)
				$ 927,903

Note 1: In November 2019, the Company entered into a long-term loan contract with Taipei Fubon Bank. As of March 31, 2025, all available borrowing facilities was used.

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 shall not be lower than $8 billion.

Note 2: In February 2020, the Company entered into a long-term loan contract with JIHSUN BANK. As of March 31, 2025, all available borrowing facilities was used.

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.

The interest expense recognized in profit or loss for the three ended March 31, 2025 and 2024 amounted to $2,967 thousand, $8,353 thousand, respectively.

(13) Share-based payment

A. For the three months ended March 31, 2025 and 2024, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grand date	Quantity granted	Contract period	Share price	Exercise price	Fair Value per unit	Vesting condition
The first restricted stocks to employees in 2020	2021.05.31	416 units	3 years	107.5	0	107.5	Note 1
The second restricted stocks to employees in 2020	2021.07.30	1,504 units	3 years	111.0	0	111.0	Note 1
The first restricted stocks to employees in 2021	2022.07.29	1,800 units	3 years	80.7	0	80.7	Note 1
The first restricted stocks to employees in 2022	2023.07.28	1,645 units	3 years	91.9	0	91.9	Note 1
The second restricted stocks to employees in 2022	2024.07.26	355 units	3 years	124.0	0	124.0	Note 1
The first restricted stocks to employees in 2023	2024.07.26	1,594 units	5 years	124.0	0	124.0	Note 2
Cash capital increase reserved for employee preemption in 2024	2024.08.28	750 units	Vested immediately	134.0	95.0	39.0	-

Note 1: 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.

Note 2: The expired date of the vesting period is 5 years after the grant date. The Group will calculate the number of vesting stocks by reviewing the personal and company's performance and the vesting stocks for the employees will be vested cumulatively at once.

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:

	Three months ended March 31, 2025		Three months ended March 31, 2024	
	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	4,127	$ -	4,071	$ -
Restricted Stocks vested	-		(146)	
Restricted stocks retired	(2)	-	(27)	-
At March 31	4,125	-	3,898	-

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

	Three months ended March 31	
	2025	2024
Equity-settled	$ 32,783	$ 38,156

(14) Share capital

As of March 31, 2025, 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 $2,534,914 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):

	2025	2024
At January 1	253,491	219,316
Employee restricted shares retired	(2)	(27)
Employee restricted shares granted	-	1,089
At March 31	253,489	220,378

(a) The retirement of the employees' restricted stocks which had been resolved by the Company's Board of Directors was as follows:

Date of the Board of Directors' Resolution	Number of restricted stocks to employees retired (in thousands)	Date of Capital Reduction
April 24, 2025	2	April 28, 2025
April 25, 2024	27	April 25, 2024

The registration for the abovementioned retirement of the employees' restricted stocks was completed, excluding the capital reduction which was resolved on April 24, 2025.

(b) The Company issued the third unsecured convertible bonds on August 11, 2021. As of August 11, 2024, the face value of the convertible bonds of $2,996,000 thousand had been converted into common shares amounting to 28,559 thousand shares. The remaining unconverted face value of the corporate bonds was matured and settled on August 11, 2024. Among them, 1,089 thousand shares of which had been set effective on April 26, 2024 as resolved by the Board of Directors during their meeting on April 25, 2024, respectively. The registration for the abovementioned issuance of the new shares was completed.

(15) 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.

	2025				
	Share premium	Share option	Employee restricted stocks	Others	Total
At January 1	$ 7,449,826	$280,733	$ 390,287	$ 301,585	$8,422,431
Restricted stocks retired	-	-	(141)	-	(141)
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	-	112	112
At March 31	$ 7,449,826	$280,733	$ 390,146	$ 301,697	$8,422,402

	2024				
	Share premium	Share option	Employee restricted stocks	Others	Total
At January 1	$ 4,147,542	$ 96,854	$ 338,495	$ 290,083	$4,872,974
Convertible bonds converted into common shares	106,602	(3,687)	-	-	102,915
Restricted stocks vested	12,581	-	(12,581)	-	-
Restricted stocks retired	-	-	(2,353)	-	(2,353)
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	-	993	993
At March 31	$ 4,266,725	$ 93,167	$ 323,561	$ 291,076	$4,974,529

(16) 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.

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, 2025, the special reserve set aside based on the above regulation amounted to $703,868 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, 2025, the balance of special reserve as aforementioned was $269,144 thousand.

(c) As of March 31, 2025, December 31, 2024 and March 31, 2024, the balance of special reserve was $973,012 thousand, $973,012 thousand and $768,186 thousand.

E. The Company distributed earnings for the year ended December 31, 2024 as resolved at the Board of Directors on February 26, 2025 and the Company distributed earnings for the years ended December 31, 2023 as resolved at the shareholders' meeting on May 29, 2024 is as follows:

	2024		2023	
	Amounts	Cash dividends per share (NT$) $	Amounts	Cash dividends per share (NT$) $
Legal reserve	$ 209,620		$ 137,551	
Special reserve	(510,076)		204,826	
Cash dividends	1,850,505	$ 7.3	1,030,914	$ 4.7
	$ 1,550,049		$ 1,373,291	

The abovementioned distribution of earnings for the years ended December 31, 2024 not yet been approved by the shareholders at their meeting. The distribution of earnings for the years ended December 31, 2023 was in agreement with those amounts proposed by the Board of Directors on February 22, 2024.

(17) Other equity items

2025	Exchange differences on translation of foreign financial statements	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	$ 57,735	($ 520,671)	($ 305,316)	($ 768,252)
Amortization of employee restricted stocks	-	-	32,783	32,783
Restricted stocks retired	-	-	161	161
Revaluation – gross	-	(6,029)	-	(6,029)
Revaluation – tax	-	(225)	-	(225)
Currency translation differences:				
-Group	164,539	-	-	164,539
-Tax on Group	(32,908)	-	-	(32,908)
-Associates	119,948	-	-	119,948
-Tax on associates	(22,159)	-	-	(22,159)
At March 31	$ 287,155	($ 526,925)	($ 272,372)	($ 512,142)

2024	Exchange differences on translation of foreign financial statements	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	($ 413,159)	($ 559,853)	($ 236,339)	($ 1,209,351)
Amortization of employee restricted stocks	-	-	38,156	38,156
Restricted stocks retired	-	-	2,619	2,619
Revaluation – gross	-	13,682	-	13,682
Revaluation – tax	-	(1,219)	-	(1,219)
Currency translation differences:				
-Group	154,132	-	-	154,132
-Tax on Group	(30,826)	-	-	(30,826)
-Associates	104,507	-	-	104,507
-Tax on associates	(19,849)	-	-	(19,849)
At March 31	($ 205,195)	($ 547,390)	($ 195,564)	($ 948,149)

(18) Operating revenue

	Three months ended March 31	
	2025	2024
Revenue from contracts with customers	$ 8,858,184	$ 8,353,472

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, 2025					
	Electronic devices					
	Taiwan	Shenzhen	Singapore	Vietnam	Others	Total
Total segment revenue	$ 6,803,335	$ 2,126,200	$ 1,431,238	$ 1,568,915	$ 1,752,183	$ 13,681,871
Revenue from internal segment transactions	(444)	(2,054,293)	-	(1,353,491)	(1,415,459)	(4,823,687)
Revenue from external customer contracts	6,802,891	71,907	1,431,238	215,424	336,724	8,858,184
Main Region						
Europe	2,581,386	19,794	794,784	-	40,351	3,436,315
US	3,739,028	-	629,252	-	154,790	4,523,070
Mainland China	55,981	51,752	6,829	-	128,946	243,508
Taiwan	228,094	361	-	-	(60)	228,395
Others	198,402	-	373	215,424	12,697	426,896
	$ 6,802,891	$ 71,907	$ 1,431,238	$ 215,424	$ 336,724	$ 8,858,184

	Three months ended March 31, 2024					
	Electronic devices					
	Taiwan	Shenzhen	Singapore	Vietnam	Others	Total
Total segment revenue	$ 6,005,729	$ 2,318,744	$ 1,935,245	$ 825,814	$ 1,538,052	$ 12,623,584
Revenue from internal segment transactions	(6,665)	(2,232,204)	-	(692,047)	(1,339,196)	(4,270,112)
Revenue from external customer contracts	5,999,064	86,540	1,935,245	133,767	198,856	8,353,472
Main Region						
Europe	3,095,560	28,423	1,300,874	-	39,405	4,464,262
US	2,802,575	-	631,836	-	42,582	3,476,993
Mainland China	32,752	58,117	-	-	108,251	199,120
Taiwan	34,438	-	-	-	571	35,009
Others	33,739	-	2,535	133,767	8,047	178,088
	$ 5,999,064	$ 86,540	$ 1,935,245	$ 133,767	$ 198,856	$ 8,353,472

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, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Contract liabilities	$ 754,353	$ 780,103	$ 875,611	$ 892,122

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

	Three months ended March 31	
	2025	2024
Revenue recognized that was included in the contract liability balance at the beginning of the period	$ 65,638	$ 64,920

(19) Other income

	Three months ended March 31	
	2025	2024
Government grants	$ 10,782	$ 40,044
Sample income	3,141	15,721
Rent income	7,787	7,493
Other income	7,291	8,520
	$ 29,001	$ 71,778

(20) Other gains and losses

	Three months ended March 31	
	2025	2024
Foreign exchange gain	$ 113,083	$ 130,199
Gain on financial assets / liabilities at fair value through profit or loss	5,835	10,613
(Losses) gains on disposals of property, plant and equipment	452	(5,732)
Gains on disposals of investments	3,375	-
Other losses	(1,378)	(1,761)
	$ 121,367	$ 133,319

(21) Expenses by nature

	Three months ended March 31	
	2025	2024
Employee benefit expense	$ 1,072,138	$ 882,904
Depreciation charge - property, plant and equipment	152,513	144,408
Depreciation charge - right-of-use assets	31,406	30,338
Amortization charge	19,014	25,189
	$ 1,275,071	$ 1,082,839

(22) Employee benefit expense

	Three months ended March 31	
	2025	2024
Wages and salaries	$ 888,105	$ 725,709
Share-based payments	32,783	38,156
Labor and health insurance fees	22,264	17,927
Pension costs	60,346	42,107
Directors’ remuneration	9,943	10,401
Other personnel expenses	58,697	48,604
	$ 1,072,138	$ 882,904

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	
	2025	2024
Employees’ compensation	$ 47,765	$ 51,032
Directors’ and supervisors’ remuneration	9,553	10,206
	$ 57,318	$ 61,238

The abovementioned amounts were recognized in wages and salaries based on profit status of the current year. Employees’ compensation was estimated at 10% and 10% of the profit for the three months ended March 31, 2025 and 2024, respectively. Directors’ remuneration was estimated at 2% and 2% of the profit for the three months ended March 31, 2025 and 2024, respectively.

Employees’ compensation and directors’ remuneration of 2024 as resolved at the Board of Directors’ meeting were in agreement with those amounts recognized in the profit or loss of 2024.

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.

(23) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended March 31	
	2025	2024
Current tax:		
Current tax on profits for the period	$ 64,479	$ 41,925
Prior year income tax underestimation	41	34
Total current tax	64,520	41,959
Deferred tax:		
Origination and reversal of temporary differences	27,925	77,604
Income tax expense	$ 92,445	$ 119,563

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

	Three months ended March 31	
	2025	2024
Exchange differences changes on translation of foreign financial statements - the Group	$ 32,908	$ 30,826
Exchange differences changes on translation of foreign financial statements - associates	22,159	19,849
Changes in fair value of financial assets at fair value through other comprehensive income	225	1,219
	$ 55,292	$ 51,894

B. The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

C. The recognition of the current income tax expense of the Group related to Pillar Two income tax issue is $2,538 thousand for the three months ended March 31, 2025.

D. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

E. MUtek Electronics Co., Ltd's income tax returns through 2023 have been assessed and approved by the Tax Authority

(24) Earnings per share

	Three months ended March 31, 2025		
	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	$ 353,497	248,963	$ 1.42
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	353,497	248,963	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,049	
Convertible bonds	10,484	21,927	
Employee restricted shares	-	1,698	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 363,981	274,637	$ 1.33

	Three months ended March 31, 2024		
	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	$ 365,112	215,032	$ 1.70
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	365,112	215,032	
Assumed conversion of all dilutive potential ordinary shares			
Employees’ compensation	-	1,408	
Convertible bonds	5,722	28,548	
Employee restricted shares	-	2,116	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 370,834	247,104	$ 1.50

(25) Supplemental cash flow information

A. Investing activities with partial cash payments

	Three months ended March 31	
	2025	2024
Acquisition of property, plant and equipment	$ 201,366	$ 53,660
Add: Beginning balance of payable on equipment	127,331	71,416
Ending balance of prepayments for equipment	21,398	9,188
Less: Beginning balance of prepayments for equipment	(827)	(2,571)
Ending balance of payable on equipment	(150,710)	(34,507)
Cash paid during the period	$ 198,558	$ 97,186

B. Financing activities with no cash flow effects:

	Three months ended March 31	
	2025	2024
Dividend payable	$ 1,850,505	$ 1,030,914

(26) 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, 2025	$ 366,659	$ 116,138	$ 2,856,278	$ 525,402	$ -	$ 29,151	$ 3,893,628
Changes in cash flow from financing	(18,212)	(32,717)	-	(173,526)	-	(5,724)	(230,179)
Additions	-	13,593	-	-	1,850,505	-	1,864,098
Impact of changes in foreign exchange rate	7,607	4,984	-	1,593	-	237	14,421
Amortization of discounts on corporate bonds	-	-	13,705	-	-	-	13,705
Changes in other non-cash items	-	1,182	-	-	-	-	1,182
At March 31, 2025	$ 356,054	$ 103,180	$ 2,869,983	$ 353,469	$1,850,505	$ 23,664	$ 5,556,855

	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, 2024	$ 1,133,099	$ 173,020	$ 2,982,261	$ 1,449,356	$ -	$ 11,963	$ 5,749,699
Changes in cash flow from financing	94,567	(27,230)	-	(92,102)	-	1,604	(23,161)
Additions	-	8,295	-	-	1,030,914	-	1,039,209
Impact of changes in foreign exchange rate	5,365	(1,276)	-	5,893	-	198	10,180
Amortization of discounts on corporate bonds	-	-	7,552	-	-	-	7,552
Changes in other non-cash items	-	(1,712)	(114,200)	-	-	(123)	(112,611)
At March 31, 2024	$ 1,233,031	$ 154,521	$ 2,875,613	$1,363,147	$1,030,914	$ 13,642	$ 6,670,868

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
DONPON PRECISION INC.	Affiliated company
Donyun plastic Manufactory Co., Ltd.	Affiliated company
SYNergy ScienTech Corp.	Affiliated company (Note 1)
Merry Fuling Co., Ltd. Taiwan Branch (MHNCTW)	Other related party
Luxshare Precision Limited	Other related party (Note 2)
Luxshare Precision Industry Co., Ltd	Other related party (Note 2)
Luxshare Electronic Technology (Kunshan) Co., Ltd.	Other related party (Note 2)
Dongguan Luxshare Precision Industry Co., Ltd.	Other related party (Note 2)
LUXSHARE PRECISION SINGAPORE PTE. LT	Other related party (Note 2)
Luxshare Precision (Ngee Ann) Company Limited.	Other related party (Note 2)
GUANGZHOU LUXVISIONS INNOVATION TECHNOLOGY LIMITED.	Other related party (Note 2)
Taiwan Reading Culture Foundation	Other related party (Note 3)

Note 1 : The Company acquired a directorship seat of SYNergy ScienTech Corp on May 30, 2024.

Note 2 : A corporate director of the Group's subsidiary, MEVN, and the entity both belong to Luxshare Group.

Note3: The chairman of the Company and of the foundation is the same person.

(2) Significant related party transactions

A. Operating revenue

	Three months ended March 31	
	2025	2024
Sales of goods		
LUXSHARE PRECISION SINGAPORE PTE.LT	$ 181,022	$ 68,959
Luxshare Precision Limited	34,402	64,808
Other related party	2,509	6,009
Affiliated company	3,516	2,762
	$ 221,449	$ 142,538

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.

B. Purchases

	Three months ended March 31	
	2025	2024
Purchases of goods		
MECE	$ 2,359,862	$ 2,283,214
MECH	627,372	1,256,250
Affiliated company	342,315	249,470
Other related party	54,844	48,266
	$ 3,384,393	$ 3,837,200

Associates and other related parties are the Group's manufacturers of producing products, and the price is made individually based on the profitability of different products. The price will be adjusted once a year. Because the Group do not purchase similar products from non-related parties, no similar transaction can be comparable. The credit terms to associates and other related parties is 60 days to 120 days after monthly billings; and the credit terms to non-related parties is 30 days to 120 days after monthly billings.

C. Receivables from related parties

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable:			
LUXSHARE PRECISION SINGAPORE PTE.LT	$ 286,312	$ 440,299	$ 91,846
Other related party	34,024	32,101	60,789
Affiliated company	2,489	2,622	7,448
Total	$ 322,825	$ 475,022	$ 160,083
Other receivable:			
MECH	$ 149,866	$ 305,794	$ 204,695
Affiliated company	1,354	1,391	194
Total	$ 151,220	$ 307,185	$ 204,889

Other receivables mainly were the purchases of raw materials on behalf of affiliated companies.

D. Payables to related parties

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts payable:			
MECE	$ 2,583,248	$ 1,951,430	$ 2,495,990
MECH	634,591	616,296	1,281,097
Affiliated company	485,808	557,845	315,788
Other related party	92,290	210,394	56,085
Total	$ 3,795,937	$ 3,335,965	$ 4,148,960
Other payable:			
Affiliated company	$ 164,817	$ 98,054	$ 205,802
Other related party	25,392	14,326	-
Total	$ 190,209	$ 112,380	$ 205,802

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

E. Equipment payables

	March 31, 2025	December 31, 2024	March 31, 2024
MECH	$ 3,823	$ 3,172	$ -
Other related party	172	-	-
Total	$ 3,995	$ 3,172	$ -

F. Property transactions

(a) Acquisition of property, plant and equipment:

	Three months ended March 31	
	2025	2024
MECH	$ 894	$ -

(3) Key management compensation

	Three months ended March 31	
	2025	2024
Short-term employee benefits	$ 22,878	$ 25,890
Post-employment benefits	52	50
Share-based payments	9,380	8,222
	$ 32,310	$ 34,162

8. PLEDGED ASSETS

	Book value			
	March 31, 2025	December 31, 2024	March 31, 2024	Purpose
Property, plant and equipment	$ 140,074	$ 138,972	$ 142,137	Long-term borrowings

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, 2025	December 31, 2024	March 31, 2024
Property, plant and equipment	$ 320,967	$ 456,503	$ 27,406
Intangible assets	1,227	1,370	1,578
	$ 322,194	$ 457,873	$ 28,984

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

No significant change for the period. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2024

(2) Financial instruments

A. Financial instruments by category

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	$ 642,375	$ 699,551	$ 325,350
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	$ 333,252	$ 338,120	$ 491,714
Financial assets at amortized cost/ Loans and receivables			
Cash and cash equivalents	$ 10,916,520	$ 8,586,894	$ 9,012,703
Financial assets at amortized at cost	978,825	639,409	687,668
Accounts receivable (including due from related parties)	8,174,534	11,709,469	7,087,296
Other receivables (including due from related parties)	360,568	382,903	817,114
Guarantee deposits paid	52,143	52,989	52,971
	$ 20,482,590	$ 21,371,664	$ 17,657,752
Financial liabilities			
Financial liabilities at fair value through profit or loss			
Short-term borrowings	$ 356,054	$ 366,659	$ 1,233,031
Accounts payable (including payable to related parties)	10,298,048	10,423,379	9,447,366
Other payable (including payable to related parties)	3,430,761	1,718,469	2,231,978
Lease liability	103,180	116,138	154,521
Corporate bonds payable (including maturing within one year or one operating cycle)	2,869,983	2,856,278	2,875,613
Long-term borrowings (including maturing within one year or one operating cycle)	353,469	525,402	1,363,147

	March 31, 2025	December 31, 2024	March 31, 2024
Guarantee deposits received	8,977	10,214	6,878
	$ 17,420,472	$ 16,016,539	$ 17,312,534

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. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD expenditures. Forward foreign exchange contracts are adopted to minimize the volatility of the exchange rate affecting cost of forecast inventory purchases.

iii. The Group hedges foreign exchange rate by using forward exchange contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).

iv. 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:

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(Foreign currency: functional currency)	March 31, 2025 Book value Foreign currency amount (In thousands)	Exchange rate	(NTD)	December 31, 2024 Book value Foreign currency amount (In thousands)	Exchange rate	(NTD)	March 31, 2024 Book value Foreign currency amount (In thousands)	Exchange rate	(NTD)
Financial assets									
Monetary items									
Cash in banks									
USD : NTD	$ 128,571	33.21	$ 4,269,200	$ 83,092	32.79	$ 2,724,171	$ 92,186	32.00	$ 2,949,952
RMB : NTD	54,915	4.57	251,126	120,375	4.48	539,039	14,249	4.41	62,810
USD : HKD	1,483	7.78	49,243	2,212	7.77	72,520	1,770	7.83	56,640
USD : RMB	30,589	7.26	1,015,708	25,231	7.32	827,198	25,747	7.26	823,904
USD : THB	3,325	33.74	110,407	2,099	34.07	68,816	5,964	36.20	190,848
Receivables									
USD : NTD	$ 243,845	33.21	$ 8,096,880	$ 300,448	32.79	$ 9,850,187	$ 224,807	32.00	$ 7,193,827
USD : RMB	68,720	7.26	2,281,848	98,332	7.32	3,223,815	65,335	7.26	2,090,720
USD : THB	41,044	33.74	1,362,866	45,321	34.07	1,485,849	28,837	36.20	922,784
RMB : NTD	-	-	-	44,100	4.48	197,480	98,257	4.41	433,116
Non-monetary items									
Investments accounted for under equity method									
USD : NTD	$ 116,772	33.21	$ 3,877,417	$ 111,801	32.79	$ 3,665,410	$ 105,441	32.00	$ 3,374,097
HKD : NTD	339,567	4.27	1,449,270	326,313	4.22	1,377,693	337,385	4.09	1,379,566

(Foreign currency: functional currency)	March 31, 2025 Book value Foreign currency amount (In thousands)	Exchange rate	(NTD)	December 31, 2024 Book value Foreign currency amount (In thousands)	Exchange rate	(NTD)	March 31, 2024 Book value Foreign currency amount (In thousands)	Exchange rate	(NTD)
Financial liabilities									
Monetary items									
Bank loan									
RMB : NTD	$ 49,742	4.57	$ 227,470	$ 54,064	4.48	$ 242,097	$ 61,207	4.41	$ 269,798
Payables									
RMB : NTD	$ 116,925	4.57	$ 534,698	$ 237,938	4.48	$ 1,065,486	$ 159,715	4.41	$ 704,024
USD : NTD	264,923	33.21	8,796,768	287,092	32.79	9,412,311	241,197	32.00	7,718,304
USD : RMB	33,488	7.26	1,111,969	46,072	7.32	1,510,471	37,411	7.26	1,197,152

(Foreign currency: functional currency)	March 31, 2025 Sensitivity analysis Degree of variation	Effect on profit or loss	Effect on other comprehensive income	December 31, 2024 Sensitivity analysis Degree of variation	Effect on profit or loss	Effect on other comprehensive income	March 31, 2024 Sensitivity analysis Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets									
Monetary items									
Cash in banks									
USD : NTD	3%	$ 128,076	$ -	3%	$ 81,725	$ -	3%	$ 88,499	$ -
RMB : NTD	3%	7,534	-	3%	16,171	-	3%	1,884	-
USD : HKD	3%	1,477	-	3%	2,176	-	3%	1,699	-
USD : RMB	3%	30,471	-	3%	24,816	-	3%	24,717	-
USD : THB	3%	3,312	-	3%	2,064	-	3%	5,725	-
Receivables									
USD : NTD	3%	$ 242,906	-	3%	$ 295,506	-	3%	215,815	-
USD : RMB	3%	68,455	-	3%	96,714	-	3%	62,722	-
USD : THB	3%	40,886	-	3%	44,575	-	3%	27,684	-
RMB : NTD	3%	-	-	3%	5,924	-	3%	12,993	-

(Foreign currency: functional currency)	March 31, 2025 Sensitivity analysis Degree of variation	Effect on profit or loss	Effect on other comprehensive income	December 31, 2024 Sensitivity analysis Degree of variation	Effect on profit or loss	Effect on other comprehensive income	March 31, 2024 Sensitivity analysis Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Non-monetary items									
Investments accounted for under equity method									
USD : NTD	3%	$ -	$ 116,323	3%	$ -	$ 109,962	3%	$ -	$ 101,223
HKD : NTD	3%	-	43,478	3%	-	41,331	3%	-	31,387
Financial liabilities									
Monetary items									
Bank loan									
RMB : NTD	3%	6,824	-	3%	7,263	-	3%	$ 8,094	-
Payables									
RMB : NTD	3%	$ 16,041	$ -	3%	$ 31,965	$ -	3%	$ 21,121	$ -
USD : NTD	3%	263,903	-	3%	282,369	-	3%	231,549	-
USD : RMB	3%	33,359	-	3%	45,314	-	3%	35,915	-

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 and three months ended March 31, 2025 and 2024 amounted to a gain of $113,083 thousand, and a gain of $130,199 thousand, respectively.

<u>Price risk</u>

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, 2025 and 2024 would have increased/decreased by $1,436 thousand and $1,444 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 $9,998 thousand and $14,751 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.

<u>Cash flow and fair value interest rate risk</u>

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, 2025 and 2024 would have increased/decreased by $355 thousand and $1,298 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, 2025 and 2024 would have decreased/increased by $294 thousand and $132 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. In accordance with the internal and explicit credit policy, each operating entities within the Group shall conduct management and credit risk analysis for each new customer before setting the terms and conditions for payment and delivery. The internal risk control system assesses the credit quality of the customer by taking into account its financial position, past experience and other factors. The limits of individual risks are set by the Board of Directors according to internal or external ratings, and the use of credit limits is regularly monitored. The main credit risk comes from cash and cash equivalents and deposits with banks and financial institutions. It also comes from customers' credit risks and includes outstanding receivables. For banks and financial institutions, only good credit rating agencies will be accepted as trading counterparts.

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, 2025, December 31, 2024 and March 31, 2024, the provision matrix is as follows:

March 31, 2025	Expected loss rate	Total book value	Loss allowance
Not past due	0.03%	$ 7,675,442	$ 2,276
Up to 30 days	1.11%	175,451	1,949
31~90 days	28.10%	7,011	1,970
91~180 days	100.00%	244	244
Over 180 days	100.00%	41,866	41,866
		$ 7,900,014	$ 48,305

December 31, 2024	Expected loss rate	Total book value	Loss allowance
Not past due	0.02%	$ 11,190,671	$ 2,647
Up to 30 days	2.01%	45,293	909
31~90 days	34.94%	3,134	1,095
91~180 days	100.00%	3,263	3,263
Over 180 days	100.00%	36,744	36,744
		$ 11,279,105	$ 44,658

March 31, 2024	Expected loss rate	Total book value	Loss allowance
Not past due	0.03%	$ 6,510,240	$ 1,803
Up to 30 days	1.25%	402,878	5,038
31~90 days	5.19%	22,082	1,146
91~180 days	100.00%	237	237
Over 180 days	100.00%	11,003	11,003
		$ 6,946,440	$ 19,227

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

	2025	2024
	Accounts receivable	Accounts receivable
At January 1	$ 44,658	$ 16,839
Allowance of impairment loss	2,840	1,997
Effect of foreign exchange	807	391
At March 31	$ 48,305	$ 19,227

xi. For the three months ended March 31, 2025 and 2024, 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, 2025	December 31, 2024	March 31, 2024
	Lifetime	Lifetime	Lifetime
	12 months	12 months	12 months
Financial assets at amortized cost			
Group 1	$ 928,825	$ 589,409	$ 687,668
Group 2	50,000	50,000	-
	$ 978,825	$ 639,409	$ 687,668

Group 1: Time deposits 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 $16,909,121 thousand, $16,200,084 thousand and $15,660,637 thousand in undrawn borrowing facilities as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

Non-derivative financial liabilities

March 31, 2025	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	$ 1,227	$ 357,417	$ -	$ -	$ -	$ 358,644
Accounts payable	4,599,255	1,902,856	-	-	-	6,502,111
Accounts payable - related parties	3,000,948	794,989	-	-	-	3,795,937
Other payables (including related parties)	3,191,507	239,254	-	-	-	3,430,761
Lease liabilities	23,030	19,069	28,838	36,647	5,818	113,402
Bonds payable	-	-	-	3,000,000	-	3,000,000
Long-term borrowings	59,216	98,912	149,549	5,950	61,504	375,131

Non-derivative financial liabilities

December 31, 2024	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	$ 19,154	$ 351,284	$ -	$ -	$ -	$ 370,438
Accounts payable	5,761,635	1,325,779	-	-	-	7,087,414
Accounts payable - related parties	3,203,511	132,454	-	-	-	3,335,965
Other payables (including related parties)	1,400,893	317,576	-	-	-	1,718,469
Lease liabilities	23,407	33,654	26,956	37,236	7,071	128,324
Bonds payable	-	-	-	3,000,000	-	3,000,000
Long-term borrowings	91,283	203,558	177,578	18,494	62,253	553,166

Non-derivative financial liabilities

March 31, 2024	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	$ 1,078,005	$ 163,643	$ -	$ -	$ -	$ 1,241,648
Accounts payable	4,007,366	1,291,040	-	-	-	5,298,406
Accounts payable - related parties	3,781,398	367,562	-	-	-	4,148,960
Other payables (including related parties)	2,104,074	127,905	-	-	-	2,231,979
Lease liabilities	25,042	56,093	37,783	43,261	11,448	173,667
Bonds payable	-	2,885,700	-	-	-	2,885,700
Long-term borrowings	153,062	317,839	466,747	402,335	97,211	1,437,194

(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. Financial instruments not measured at fair value

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

	March 31, 2025			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities				
Bonds payable	$ 2,869,983	$ -	$ 2,796,887	$ -

	December 31, 2024			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities				
Bonds payable	$ 2,856,278	$ -	$ 2,760,265	$ -

	March 31, 2024			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities				
Bonds payable	$ 2,875,613	$ -	$ 2,877,355	$ -

(2) Bonds payable: They are measured at present value, which is calculated based on the cash flow expected to be paid and discounted using a market rate prevailing at balance sheet date.

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, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
-Equity securities	$ -	$ -	$ 47,879	$ 47,879
-Forward exchange contracts	-	5,608	-	5,608
-Fund	570,608	-	-	570,608
-Call options of convertible bonds	-	-	1,200	1,200
-Stock	17,080	-	-	17,080
Financial liabilities at fair value through other comprehensive income				
- Equity securities	108,479	-	224,773	333,252
	$ 696,167	$ 5,608	$ 273,852	$ 975,627

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
-Equity securities	$ -	$ -	$ 43,075	$ 43,075
-Forward exchange contracts	-	7,603	-	7,603
-Fund	631,374	-	-	631,374
-Call options of convertible bonds	-	-	600	600
-Stock	16,899	-	-	16,899
Financial liabilities at fair value through other comprehensive income				
- Equity securities	105,910	-	232,210	338,120
	$ 754,183	$ 7,603	$ 275,885	$ 1,037,671

March 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
-Equity securities	$ -	$ -	$ 48,129	$ 48,129
-Forward exchange contracts	-	13,445	-	13,445
-Fund	246,056	-	-	246,056
-Stock	17,720	-	-	17,720
Financial liabilities at fair value through other comprehensive income				
- Equity securities	104,856	-	386,858	491,714
	$ 368,632	$ 13,445	$ 434,987	$ 817,064

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, 2025 and 2024, 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, 2025 and 2024:

	Three months ended March 31	
	2025	2024
At January 1	$ 275,885	$ 695,351
Sold in the period	-	(280,000)
Gains recognized in profit or loss	5,404	2,301
Gains (losses) recognized in other comprehensive income	(7,437)	17,335
At March 31	$ 273,852	$ 434,987

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, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity investment:					
Equity securities	$ 158,924	Market comparable companies	Price to book ratio multiple	1	The higher the multiplier, the higher the fair value
Private equity funds in venture capital	47,879	Net asset value	N/A	N/A	N/A
Private placement shares (listed companies)	65,849	Market price method	Discount for lack of marketability	34.06%	The higher the discount for marketability, the lower the fair value
Call options of convertible bonds	1,200	Binary tree convertible bond valuation model	Risk-free interest rate	1.3368%~ 1.3391%	The higher the risk-free interest rate, the lower the fair value
			Stock price	120.5	The higher the stock price, the higher the fair value
			Volatility	34.50%	The higher the stock price volatility, the higher the fair value

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity investment:					
Equity securities	$ 158,009	Market comparable companies	Price to book ratio multiple	1	The higher the multiplier, the higher the fair value
Private equity funds in venture capital	43,075	Net asset value	N/A	N/A	N/A
Private placement shares (listed companies)	74,201	Market price method	Discount for lack of marketability	34.10%	The higher the discount for marketability, the lower the fair value
Call options of convertible bonds	600	Binary tree convertible bond valuation model	Risk-free interest rate	1.4456%~ 1.4472%	The higher the risk-free interest rate, the lower the fair value
			Stock price	108.0	The higher the stock price, the higher the fair value
			Volatility	32.85%	The higher the stock price volatility, the higher the fair value

	Fair value at March 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity investment:					
Equity securities	$ 143,553	Market comparable companies	Price to book ratio multiple	1	The higher the multiplier, the higher the fair value
Private equity funds in venture capital	48,129	Net asset value	N/A	N/A	N/A
Private placement shares (listed companies)	243,305	Market price method	Discount for lack of marketability	24.31%-36.79%	The higher the discount for marketability, 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, 2025			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity securities	Price to book ratio multiple	±10%	$ -	$ -	$ 15,892	($ 15,892)

			December 31, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity securities	Price to book ratio multiple	±10%	$ -	$ -	$ 15,801	($ 15,801)

			March 31, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
Financial assets						
Equity securities						
	Price to book ratio multiple	±10%	$ -	$ -	$ 14,355	($ 14,355)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.

D. 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 3.

E. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 4.

F. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6 (2) and Note 12 (2).

G. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in Mainland China: Please refer to table 1, table 3, table 4 and table 5.

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, 2025 is as follows:

	2025				
	Taiwan	Shenzhen	Singapore	Vietnam	Total
Revenue					
Revenue from external customers	$ 6,802,891	$ 71,907	$ 1,431,238	$ 215,424	$ 8,521,460
Inter-segment revenue	444	2,054,293	-	1,353,491	3,408,228
Total revenue	$ 6,803,335	$ 2,126,200	$ 1,431,238	$ 1,568,915	$ 11,929,688
Segment pre-tax profit (loss)	$ 420,334	($ 129,584)	$ 111,707	$ 94,962	$ 497,419

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, 2024 is as follows:

	2024				
	Taiwan	Shenzhen	Singapore	Vietnam	Total
Revenue					
Revenue from external customers	$ 5,999,064	$ 86,540	$ 1,935,245	$ 133,767	$ 8,154,616
Inter-segment revenue	6,665	2,232,204	-	692,047	2,930,916
Total revenue	$ 6,005,729	$ 2,318,744	$ 1,935,245	$ 825,814	$ 11,085,532
Segment pre-tax profit (loss)	$ 449,084	$ 7,125	$ 200,614	$ 98,769	$ 755,592

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.

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

	Three months ended March 31	
	2025	2024
Adjusted revenue from reportable segments	$ 11,929,688	$ 11,085,532
Adjusted revenue from other operating segments	1,752,183	1,538,052
Total operating segments	13,681,871	12,623,584
Elimination of inter-segment revenue	(4,823,687)	(4,270,112)
Total consolidated operating revenue	$ 8,858,184	$ 8,353,472

ii. 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	
	2025	2024
Adjusted income from reportable segments before income tax	$ 497,419	$ 755,592
Adjusted income (loss) from other operating segments before income tax	402,636	149,219
Total operating segments	900,055	904,811
Elimination of inter-segment income	(409,591)	(373,894)
Income from continuing operations before income tax	$ 490,464	$ 530,917

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Loans to others

Three months ended March 31, 2025

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, 2025	Balance at March 31, 2025	Actual amount drawn down	Interest rate	Nature of loan (Note 2)	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 1)	Ceiling on total loans granted (Note 1)	Footnote
1	MESG	MENA	Other receivables	Y	$ 66,410	$ 66,410	$ 66,410	4.31	2	$ -	Business operation	$ -	-	$ -	$ 2,780,010	$ 2,780,010	
1	MESG	MENA	Other receivables	Y	132,820	132,820	78,032	4.35~4.83	2	-	Business operation	-	-	-	2,780,010	2,780,010	
1	MESG	SENM	Other receivables	Y	49,808	49,808	16,603	3.52	2	-	Business operation	-	-	-	2,780,010	2,780,010	
1	MESG	SENM	Other receivables	Y	33,205	33,205	16,603	4.64	2	-	Business operation	-	-	-	2,780,010	2,780,010	
2	MECL	FUXM	Other receivables	Y	59,449	-	-	-	2	-	Business operation	-	-	-	1,545,200	3,862,999	
2	MECL	ASCX	Other receivables	Y	36,584	36,584	11,433	2.80	2	-	Business operation	-	-	-	1,545,200	3,862,999	
2	MECL	FUXM	Other receivables	Y	59,449	59,449	59,449	2.80	2	-	Business operation	-	-	-	1,545,200	3,862,999	

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 ceiling on MECL total loans to others is MECL’s net assets; for short-term financing, the limit to a single party is 40% of MECL’s net assets.

(3)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.

(4) For MESG’s and MECL’s business transactions, limit on loans granted for a single party is the amount of the transactions.

Note 2:(1) For MESG’s and MECL’s business transactions.

(2) For short-term financing.

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, 2025

Table 2

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, 2025 Number of shares	Book value (in thousands)	Ownership (%)	Fair value (in thousands)	Note
The Company	Fund - 76324296A KGI Taiwan Multi-Asset Income Fund A TWD	-	Financial assets mandatorily measured at fair value through profit or loss - current	1,957	$ 20,000	-	$ 24,462	
The Company	Fund - UPAMC Wealthy Fund	-	Financial assets mandatorily measured at fair value through profit or loss - current	3,000	30,000	-	33,984	
The Company	Stock-Foxtron Vehicle Technologies	-	Financial assets mandatorily measured at fair value through profit or loss - current	400	20,480	-	17,080	
The Company	Fund -Taishin Ta-Chong Money Market Fund	-	Financial assets mandatorily measured at fair value through profit or loss - current	16,139	240,000	-	240,102	
The Company	Fund - CTBC Hua Win Money Market Fund	-	Financial assets mandatorily measured at fair value through profit or loss - current	22,577	260,000	-	260,065	
MUTT	Fund - Taishin 1699 Money Market Fund	-	Financial assets mandatorily measured at fair value through profit or loss - current	845	11,749	-	11,995	
					582,229		$ 587,688	
			Valuation adjustment		5,459			
					$ 587,688			
The Company	Fund - JAFCO	-	Financial assets mandatorily measured at fair value through profit or loss - non-current	870	$ 26,220	0.71%	$ 28,083	
The Company	Fund-WK Technology	-	Financial assets mandatorily measured at fair value through profit or loss - non-current	2,000	20,000	1.78%	19,796	
					46,220		$ 47,879	
			Valuation adjustment		1,659			
					$ 47,879			
The Company	Stock - 2881B.TW	-	Equity instruments measured at fair value through OCI - current	683	$ 40,980	-	$ 42,414	
The Company	Stock - 2882B.TW	-	Equity instruments measured at fair value through OCI - current	585	35,100	-	36,095	
The Company	Stock - 5871A	-	Equity instruments measured at fair value through OCI - current	300	30,000	-	29,970	
					106,080		$ 108,479	
					2,399			
					$ 108,479			
The Company	Stock - 4943.TW	-	Measured at fair value through other comprehensive income - non-current	7,712	$ 648,164	6.34%	$ 65,849	
The Company	Stock - FUJITER Semiconductor CO.,LTD.	-	Measured at fair value through other comprehensive income - non-current	2,126	27,811	9.79%	16,347	
The Company	Stock - NETVOX TECHNOLOGY CO., LTD	-	Measured at fair value through other comprehensive income - non-current	324	2,976	1.32%	-	
The Company	Stock - -EVER THAI AGRI-PRODUCT CO.,LTD.	-	Measured at fair value through other comprehensive income - non-current	683	6,425	4.64%	2,402	
The Company	Stock - -SUNSINO SME Development Co., Ltd.	-	Measured at fair value through other comprehensive income - non-current	169	2,123	0.36%	2,601	
The Company	Stock - -LINSATION Intelligent Technology Limited	-	Measured at fair value through other comprehensive income - non-current	75	8,772	6.19%	3,070	
The Company	Stock - MERRY FULING CO., LTD., TAIWAN BRANCH (SAMOA)	-	Measured at fair value through other comprehensive income - non-current	356	10,437	19.00%	11,430	
					706,708		$ 101,699	
			Valuation adjustment		(605,009)			
					$ 101,699			

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, 2025

Table 2

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, 2025: Number of shares	Book value (in thousands)	Ownership (%)	Fair value (in thousands)	Note
MEST	Stock - Perfect Fortune Inc	-	Measured at fair value through other comprehensive income - non-current	2,126	$ 8,978	18.33%	$ 94,873	
MEST	Stock - LOYAL WIRE& CABLE COMPANY LTD	-	Measured at fair value through other comprehensive income - non-current	1,159	8,654	18.33%	23,171	
ASCX	Stock - Beijing Wanling Hearing Aids	-	Measured at fair value through other comprehensive income - non-current	-	4,926	19.64%	5,030	
					22,558		$ 123,074	
			Valuation adjustment		100,516			
					$ 123,074			
The Company	Bond - P13 Fubon Life Insurance 1A	-	Financial assets at amortized cost – non-current	-	$ 50,000	-	$ 50,000	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9.

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, 2025

Table 3

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	$ 1,930,631	22%	60 - 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	($ 2,332,333)	23%	(Note 3)
The Company	MEVN	A subsidiary of the Company	Purchases	1,351,651	15%	60 - 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(1,487,267)	14%	(Note 3)
The Company	MECH	Investment accounted for using the equity method	Purchases	613,143	7%	60 - 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(619,755)	6%	
The Company	MECE	Investment accounted for using the equity method	Purchases	2,359,862	27%	60 - 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(2,583,248)	25%	
METC	The Company	Parent company	Purchases	1,083,860	12%	60 - 120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(1,955,023)	19%	(Note 3)
MESG	MECL	Parent Company	Purchases	120,052	1%	60 - 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(122,382)	1%	(Note 3)
MESG	METC	Parent Company	Purchases	1,252,829	14%	60 - 120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(1,260,926)	12%	(Note 3)
METC	DONPON PRECISION INC.	Associates	Purchases	195,964	2%	120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(220,897)	2%	
MEVN	LUXSHARE PRECISION SINGAPORE PTE.LT	Associates	(Sales)	181,022	2%	60 - 120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	286,312	3%	
MEVN	The Company	Parent Company	Purchases	146,430	2%	60 - 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(149,453)	1%	(Note 3)

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, 2025

Table 4

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	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	Other Receivable	$ 1,955,023	-	$ -	-	$ -	$ -	(Note 1、3)
The Company	MEVN	A subsidiary of the Company	Other Receivable	149,453	-	-	-	24,966	$ -	(Note 1、3)
MECL	The Company	Parent Company	Accounts receivable	2,332,333	2.56	-	-	493,039	-	(Note 1)
MECL	MESG	A subsidiary of the Company	Accounts receivable	122,382	3.20	-	-	31,947	-	(Note 1)
METC	MESG	A subsidiary of the Company	Accounts receivable	1,260,926	3.77	-	-	362,896	-	(Note 1)
MEVN	The Company	Parent Company	Accounts receivable	1,487,267	3.15	-	-	595,650	-	(Note 1)
MEVN	LUXSHARE PRECISION SINGAPORE PTE.LT	A other related party of the Group	Accounts receivable	286,312	0.50	-	-	105,953	-	
MESG	MENA	A subsidiary of the Company	Other Receivable	144,442	-	-	-	-	-	(Note 1、3)

Note 1: Inter-company transactions between companies within the Group are eliminated.
Note 2: The balance was as at April 24, 2025.
Note 3: The amount comprises other receivables and thus, the turnover rate is not calculated.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
Three months ended March 31, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
0	MEHO	MECL	1	Purchases	$ 1,930,631	The price is based on the profitability of the product	22%
0	MEHO	MECL	1	Accounts payable	2,332,333	60~65 days end of month after offsetting with accounts receivable	6%
0	MEHO	MEVN	1	Purchases	1,351,651	The price is based on the profitability of the product	15%
0	MEHO	MEVN	1	Accounts payable	1,487,267	60~65 days end of month after offsetting with accounts receivable	4%
0	MEHO	MSCS	1	Purchases	5,717	The price is based on the profitability of the product	0%
0	MEHO	MSCS	1	Accounts payable	128,189	60~65 days end of month after offsetting with accounts receivable	0%
1	METC	MEHO	2	Purchases	1,083,860	The price is based on the profitability of the product	12%
1	METC	MEHO	2	Accounts payable	1,955,023	60~120 days end of month after offsetting with accounts receivable	5%
2	MEVN	MEHO	2	Purchases	146,430	The price is based on the profitability of the product	2%
2	MEVN	MEHO	2	Accounts payable	149,453	60~65 days end of month after offsetting with accounts receivable	0%
3	MESG	MECL	3	Purchases	120,052	The price is based on the profitability of the product	1%
3	MESG	MECL	3	Accounts payable	122,382	60~65 days end of month after offsetting with accounts receivable	0%
3	MESG	METC	3	Purchases	1,252,829	The price is based on the profitability of the product	14%
3	MESG	METC	3	Accounts payable	1,260,926	60~65 days end of month after offsetting with accounts receivable	3%

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, 2025

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

				Initial investment amount		Shares held as on March 31, 2025					
Investor	Investee	Location	Main business activities	Balance as on March 31, 2025	Balance as on December 31, 2024	Number of shares (in thousand shares)	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended March 31, 2025	Investment income (loss) recognized by the Company for the year ended March 31, 2025	Note
The Company	MEST	HONG KONG	Sales of microphone, receiver and speaker	$ 733,733	$ 733,733	19,658	100.00	$ 5,464,305	($ 76,380)	($ 76,064)	(Note 1)
The Company	DDBV	British Virgin IS.	General investment business	1,479,925	1,479,925	48,005	100.00	3,877,629	162,532	132,685	(Note 1)
The Company	LEOHAB ENTERPRISE CO.,LTD.	Taichung City	Plastic injection molding and metal stamping	79,689	79,689	4,036	13.81	87,457	61,060	8,433	
The Company	DONPON PRECISION INC.	Taoyuan City	Various plastic products, mold manufacturing and processing and trading business	386,010	386,010	19,723	15.31	492,386	40,483	2,912	(Note 1)
The Company	SYNergy ScienTech Corp.	Hsinchu City	Research, development, manufacture and sale of secondary lithium batteries	135,869	135,869	7,300	7.79	137,192	(6,578)	(406)	(Note 1)
The Company	MECA	U.S.A.	Technique, marketing and after service	28,887	28,887	999	99.90	38,882	663	662	
The Company	MESG	SINGAPORE	Sales of microphone, receiver and speaker	92,132	92,132	800	100.00	2,780,010	93,225	93,225	
The Company	METC	THAILAND	Microphone, components and product and sale of other electric products	484,358	484,358	5,060	99.99	1,274,238	69,641	63,130	(Note 1)
The Company	MHKY	CAYMAN	General investment business	857,946	857,946	27,992	100.00	343,682	38,210	38,210	
The Company	INSA	SAMOA	General investment business	1,293,008	1,293,008	302	100.00	276,345	(33,990)	(33,990)	
The Company	MEVN	VIETNAM	Manufacture of microphone and speaker	366,710	366,710	-	51.00	1,213,695	87,072	51,469	(Note 1)
The Company	MUTT	New Taipei City	Electrical appliances and audiovisual electronic products	30,600	30,600	3,060	51.00	12,845	(30)	(15)	
The Company	MCTT	Taichung City	General investment business	8,000	8,000	800	100.00	9,145	494	494	
The Company	MAC FUND	Taipei City	General investment business	149,333	149,333	-	42.67	156,618	981	418	
MESG	MEMP	Malaysia	Research and development of microphone, receiver and speaker	15,969	15,969	2,400	100.00	10,048	318	-	(Note 2)
MCTT	MAC FUND	Taipei City	General investment business	3,500	3,500	-	1.00	3,671	981	10	
DDBV	MTHK	HONG KONG	General investment business	1,392,956	1,392,956	48,000	100.00	3,877,416	162,532	-	(Note 2)
MHKY	FUSA	SAMOA	General investment business	795,943	795,943	27,160	96.01	347,085	38,355	-	(Note 2)
INSA	MENA	CANADA	Sale and development of speaker and power amplifier	92,445	92,445	56,954	100.00	(105,178)	(27,426)	-	(Note 2)
MENA	SENM	NORWAY	Manufacture and sales of speaker monomer	23	23	-	100.00	48,702	(3,259)	-	(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, 2025

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for three months ended March 31, 2025: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for three months ended March 31, 2025: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	Net income of investee for three months ended March 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for three months ended March 31, 2025	Book value of investments in Mainland China as of March 31, 2025 (Note 4)	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2025	Note
MSCS	Manufacture of speaker and amplifier	$ 158,100	(Note 1)	$ 110,497	-	-	$ 110,497	($ 1,243)	100.00%	($ 1,243)	$ 152,795	$ -	
MECL	Microphone, receiver, speaker, security system, induction cooker and other electronic component	436,008	(Note 2)	453,191	-	-	453,191	(110,468)	100.00%	(110,468)	3,862,999	2,282,120	Note 3
MECE	Manufacture and sales of microphone, receiver and speaker	2,861,504	(Note 2)	1,369,285	-	-	1,369,285	331,698	49.00%	132,685	3,877,417	295,185	Note 3
MECH	Manufacture and sales of microphone, receiver, speaker and mobile phone	464,889	(Note 2)	426,742	-	-	426,742	74,631	49.00%	41,753	1,449,270	431,543	Note 3
FUSZ	Manufacture of medical device	287,413	(Note 2)	310,763	-	-	310,763	(402)	96.01%	(386)	247,550	-	
ETCX	Retail sales of hearing products	20,151	(Note 2)	19,009			19,009	(481)	96.01%	(462)	(39,716)		
ASCX	Manufacture and sales of hearing aid, hearing device and acoustics equipment	117,490	(Note 2)	315,461			315,461	43,026	95.53%	41,102	100,597		
FUXM	Sales of medical device	318,432	(Note 2)	302,995	-	-	302,995	(921)	96.01%	(885)	27,021	-	
DONG GUAN GET PINK	Manufacture and sales of earphones and speaker	72,025	(Note 2)	-	-	-	-	(2,706)	33.00%	(1,565)	15,044	-	

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.
Note 5: Please refer to Note 6 (6).

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Information on investees in Mainland China
Three months ended March 31, 2025

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	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.	$ 3,307,943	$ 3,728,240	$ 10,066,739

Note 6: (2001) Tai-Cai-Zheng (1) Letter No. 006130 of Securities and Futures Commission, Ministry of Finance, R.O.C