MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

September 30, 2023 AND 2022

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

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Merry Electronics Co., Ltd. and subsidiaries (the “Group”) as on September 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months and nine months ended, as well as the related consolidated statements of changes in equity and of cash flows for the nine 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 (7), 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$5,273,881 thousand and NT$4,705,017 thousand, constituting 16% and 13% of the consolidated total assets, and total liabilities of NT$1,984,270 thousand and NT$1,968,690 thousand, constituting 10% and 8% of the consolidated total liabilities as at September 30, 2023 and 2022, respectively, and reflect total revenue of NT$252,842 thousand, NT$215,473 thousand, NT$877,225 thousand and NT$739,661 thousand, constituting 3%, 2%, 4% and 3% of the consolidated revenues for the three months and nine months then ended, respectively, and total comprehensive income of NT$179,334 thousand, NT$233,309 thousand, NT$176,182 thousand and NT$508,542 thousand, constituting 25%, 30%, 17% and 35% of the consolidated total comprehensive income for the three months and nine months then ended, respectively.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and certain investments accounted for using the equity method been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as on September 30, 2023 and 2022, and of its consolidated financial performance for the three months and nine months then ended, and its consolidated cash flows for the nine 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
October 26, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors’ review report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2023, DECEMBER 31, 2022 AND SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of September 30, 2023 and 2022 were reviewed, not audited)

	Assets	Notes	September 30, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%	September 30, 2022 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6 (1)	$ 6,248,684	19	$ 6,923,268	21	$ 6,183,851	17
1110	Financial assets at fair value through profit or loss - current	6 (2)	420,669	1	389,181	1	591,764	2
1120	Current financial assets at fair value through other comprehensive income	6 (3)	264,682	1	251,448	1	104,090	-
1136	Current financial assets at amortized cost		538,864	2	185,601	1	1,127,127	3
1170	Accounts receivable, net	6 (4) (5)	8,003,564	24	8,709,698	26	9,437,539	26
1180	Accounts receivable due from related parties, net	7 (2)	126,466	-	61,771	-	92,463	-
1200	Other receivables		38,387	-	87,327	-	83,073	-
1210	Other receivables – related parties	7 (2)	286,400	1	118,270	-	474,664	2
130X	Inventories	6 (6)	5,351,886	16	4,910,577	15	5,561,869	16
1470	Other current assets		343,538	1	286,170	1	351,250	1
11XX	**Current Assets**		21,623,140	65	21,923,311	66	24,007,690	67
	Non-current assets							
1510	Financial assets at fair value through profits or loss – non-current	6 (2)	26,010	-	27,284	-	29,021	-
1517	Non-current financial assets at fair value through other comprehensive income	6 (3)	494,715	1	526,509	2	675,610	2
1535	Financial assets at amortized cost – non-current		526,577	2	110,200	-	317,583	1
1550	Investments accounted for under equity method	6 (7)	5,065,756	15	5,028,458	15	4,931,538	14
1600	Property, plant and equipment	6 (8)	3,994,399	12	4,147,903	12	4,167,320	11
1755	Right-of-use assets	6 (9)	273,784	1	293,554	1	312,862	1
1780	Intangible assets	6 (10)	1,001,614	3	1,102,943	3	1,123,266	3
1840	Deferred income tax assets		188,570	-	160,015	1	247,791	1
1900	Other non-current assets		241,636	1	108,454	-	191,814	-
15XX	**Non-current assets**		11,813,061	35	11,505,320	34	11,996,805	33
1XXX	**Total assets**		$ 33,436,201	100	$ 33,428,631	100	$ 36,004,495	100

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MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2023, DECEMBER 31, 2022 AND SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of September 30, 2023 and 2022were reviewed, not audited)

	Liabilities and Equity	Notes	September 30, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%	September 30, 2022 AMOUNT	%
	Current liabilities							
2100	Short-term borrowing	6 (12)	$ 676,843	2	$ 2,146,851	6	$ 3,465,899	9
2120	Financial liabilities at fair value through profit or loss – current	6 (2)	-	-	10,137	-	3,407	-
2130	Contract liabilities – current	6 (22)	308,078	1	370,035	1	349,835	1
2150	Notes payable		7	-	-	-	-	-
2170	Accounts payable		6,236,902	19	5,015,885	15	6,754,622	19
2180	Accounts payable – related parties	7 (2)	4,167,431	13	4,198,902	13	3,611,779	10
2200	Other payables	6 (13)	1,057,929	3	1,194,443	4	1,378,134	4
2220	Other payables – related parties	7 (2)	70,930	-	82,414	-	71,985	-
2230	Current income tax liabilities		249,345	1	313,322	1	332,569	1
2320	Current portion of long-term liabilities	6 (14)(15)	3,417,890	10	451,919	1	372,266	1
2399	Other current liabilities		487,876	1	340,051	1	379,873	1
21XX	**Current Liabilities**		16,673,231	50	14,123,959	42	16,720,369	46
	Non-current liabilities							
2527	Contract liabilities – non-current	6 (22)	595,572	2	650,862	2	718,601	2
2530	Bonds payable	6 (14)	-	-	2,953,838	9	2,946,692	8
2540	Long-term borrowings	6 (15)	1,137,117	4	904,528	3	1,039,281	3
2570	Deferred income tax liabilities		1,661,597	5	1,534,222	5	1,514,343	4
2580	Lease liabilities – non-current		110,028	-	140,904	-	151,317	1
2640	Net defined benefit liability – non-current		29,622	-	37,619	-	50,343	-
2670	Other non-current liabilities		27,105	-	26,413	-	27,091	-
25XX	**Non-current liabilities**		3,561,041	11	6,248,386	19	6,447,668	18
2XXX	**Total liabilities**		20,234,272	61	20,372,345	61	23,168,037	64
	Equity attributable to owners of parent							
	Share capital	6 (18)						
3110	Common stock		2,193,434	7	2,177,827	7	2,180,521	6
	Capital surplus	6 (19)						
3200	Capital surplus		4,866,929	14	4,720,866	14	4,755,021	14
	Retained earnings	6 (20)						
3310	Legal reserve		2,412,390	7	2,265,932	7	2,265,932	6
3320	Special reserve		768,186	2	748,930	2	748,930	2
3350	Unappropriated retained earnings		3,048,664	9	3,355,328	10	2,979,986	8
	Other equity interest	6 (21)						
3400	Other equity interest		(952,073)	(2)	(996,446)	(3)	(897,809)	(2)
31XX	**Equity attributable to owners of the parent**		12,337,530	37	12,272,437	37	12,032,581	34
36XX	**Non-controlling interest**	4 (3)	864,399	2	783,849	2	803,877	2
3XXX	**Total equity**		13,201,929	39	13,056,286	39	12,836,458	36
	Significant contingent liabilities and unrecognized contract commitments	9						
	Significant events after the balance sheetdate	11						
3X2X	**Total liabilities and equity**		$ 33,436,201	100	$ 33,428,631	100	$ 36,004,495	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 AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)
(Reviewed, Unaudited)

			Three months ended September 30				Nine months ended September 30			
			2023		2022		2023		2022	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6 (22) and 7 (2)	$ 9,454,858	100	$ 11,050,485	100	$ 24,942,050	100	$ 25,073,296	100
5000	Operating costs	6 (6) and 7 (2)	(8,131,710)	(86)	(9,670,296)	(87)	(21,726,814)	(87)	(21,813,531)	(87)
5900	Net operating margin		1,323,148	14	1,380,189	13	3,215,236	13	3,259,765	13
	Operating expenses	6 (25)(26)								
6100	Selling expenses		(112,762)	(1)	(118,014)	(1)	(326,700)	(1)	(348,093)	(1)
6200	General and administrative expenses		(314,321)	(4)	(357,241)	(3)	(837,027)	(3)	(915,867)	(4)
6300	Research and development expenses		(494,862)	(5)	(497,756)	(5)	(1,388,728)	(6)	(1,354,505)	(6)
6450	Expected credit impairment gain (loss)	12 (2)	636	-	1,006	-	(7,293)	-	14,889	-
6000	Total operating expenses		(921,309)	(10)	(974,017)	(9)	(2,559,748)	(10)	(2,603,576)	(11)
6900	Operating profit		401,839	4	406,172	4	655,488	3	656,189	2
	Non-operating income and expenses									
7100	Interest income		24,057	-	16,626	-	70,645	-	38,948	-
7010	Other income	6 (23) and 7 (2)	51,256	1	172,222	2	242,124	1	404,736	2
7020	Other gains and losses	6 (24)	57,600	1	143,436	1	189,986	1	473,886	2
7050	Finance costs		(21,018)	-	(31,970)	-	(74,480)	-	(73,563)	-
7060	Share of profit of associates and joint ventures accounted for under the equity method	6 (7)	103,274	1	144,883	1	100,826	-	62,494	-
7000	Total non-operating income and expenses		215,169	3	445,197	4	529,101	2	906,501	4
7900	**Profit before income tax**		617,008	7	851,369	8	1,184,589	5	1,562,690	6
7950	Income tax expense	6 (27)	(144,835)	(2)	(211,071)	(2)	(278,454)	(1)	(304,448)	1
8200	**Profit for the period**		$ 472,173	5	$ 640,298	6	$ 906,135	4	$ 1,258,242	5

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)
(Reviewed, Unaudited)

			Three months ended September 30				Nine months ended September 30			
			2023		2022		2023		2023	
	Items	Notes	AMOUNT	%	AMOUNT	%	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 (3) (21)	($ 53,763)	-	($ 97,919)	(1)	($ 30,926)	-	($ 368,133)	(1)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6 (27)	(1,014)	-	(575)	-	(2,054)	-	(2,891)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(54,777)	-	(98,494)	(1)	(32,980)	-	(371,024)	(1)
	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Financial statements translation differences of foreign operations	6 (21)	224,946	2	244,833	2	166,291	-	518,775	2
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income, net	6 (3) (21)	492	-	(1,025)	-	1,006	-	(4,956)	-
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 (7) (21)	146,880	(2)	40,117	-	6,813	-	155,724	1
8399	Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6 (27)	(74,745)	1	(51,089)	-	(32,575)	-	(121,433)	(1)
8360	Components of other comprehensive income that will be reclassified to profit or loss		297,573	3	232,836	2	141,535	-	548,110	2
8300	**Total other comprehensive income (loss) for the period**		$ 242,796	3	$ 134,342	(1)	$ 108,555	-	$ 177,086	1
8500	**Total comprehensive(loss) for the period**		$ 714,969	8	$ 774,640	7	$ 1,014,690	4	$ 1,435,328	6
	Profit (loss), attributable to:									
8610	Owners of parent		$ 421,725	4	$ 586,298	6	$ 840,285	4	$ 1,089,234	4
8620	Non-controlling interest		50,448	1	54,000	-	65,850	-	169,008	1
	Total profit (loss) for the period		$ 472,173	5	$ 640,298	6	$ 906,135	4	$ 1,258,242	5
	Comprehensive income attributable to:									
8710	Owners of parent		$ 662,533	7	$ 691,695	6	$ 934,140	4	$ 1,201,343	5
8720	Non-controlling interest		52,436	1	82,945	1	80,550	-	233,985	1
	Total comprehensive income (loss)		$ 714,969	8	$ 774,640	7	$ 1,014,690	4	$ 1,435,328	6
	Basic earnings per share	6 (28)								
9750	Total basic earnings per share		$ 1.97		$ 2.74		$ 3.92		$ 5.10	
	Diluted earnings per share	6 (28)								
9850	Total diluted earnings per share		$ 1.76		$ 2.44		$ 3.52		$ 4.55	

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(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
Nine months ended September 2022										
Balance at January 1,2022		$ 2,165,100	$ 4,646,623	$ 2,152,834	$ 269,144	$ 3,349,676	($ 969,246)	$ 11,614,131	$ 540,492	$ 12,154,623
Profit (loss) for the period		-	-	-	-	1,089,234	-	1,089,234	169,008	1,258,242
Other comprehensive income for the period		-	-	-	-	-	112,109	112,109	64,977	177,086
Total comprehensive income (loss) for the period		-	-	-	-	1,089,234	112,109	1,201,343	233,985	1,435,328
Appropriation and distribution of 2021 retained earnings	6 (20)									
Legal reserve		-	-	113,098	-	(113,098)	-	-	-	-
Special reserve		-	-	-	479,786	(479,786)	-	-	-	-
Cash dividends		-	-	-	-	(866,040)	-	(866,040)	-	(866,040)
Share-based payment	6 (17)	15,421	94,920	-	-	-	(40,672)	69,669	-	69,669
Recognition of change in equity of associates in proportion to the Group's ownership	6 (7)	-	13,478	-	-	-	-	13,478	-	13,478
Acquired non-controlling interests in subsidiaries		-	-	-	-	-	-	-	29,400	29,400
Balance at September 30, 2022		$ 2,180,521	$ 4,755,021	$ 2,265,932	$ 748,930	$ 2,979,986	($ 897,809)	$ 12,032,581	$ 803,877	$ 12,836,458
Nine months ended September 2023										
Balance at January 1,2023		$ 2,177,827	$ 4,720,866	$ 2,265,932	$ 748,930	$ 3,355,328	($ 996,446)	$ 12,272,437	$ 783,849	$ 13,056,286
Profit (loss) for the period		-	-	-	-	840,285	-	840,285	65,850	906,135
Other comprehensive income for the period		-	-	-	-	-	93,855	(93,855)	14,700	108,555
Total comprehensive income (loss) for the period		-	-	-	-	840,285	93,855	934,140	80,550	1,014,690
Appropriation and distribution of 2022 retained earnings	6 (20)									
Legal reserve		-	-	146,458	-	(146,458)	-	-	-	-
Special reserve		-	-	-	19,256	(19,256)	-	-	-	-
Cash dividends		-	-	-	-	(981,235)	-	(981,235)	-	(981,235)
Share-based payments	6 (17)	15,607	127,329	-	-	-	(49,482)	93,454	-	93,454
Recognition of change in equity of associates in proportion to the Group's ownership	6 (7)	-	18,734	-	-	-	-	18,734	-	18,734
Balance at September 30, 2023		$ 2,193,434	$ 4,866,929	$ 2,412,390	$ 768,186	$ 3,048,664	($ 952,073)	$ 12,337,530	$ 864,399	$ 13,201,929

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)
(Reviewed, Unaudited)

	Notes	Nine months ended September 30 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 1,184,589	$ 1,562,690
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense-property, plants and equipment	6 (8)(25)	413,396	372,682
Depreciation expense - right-of-use assets	6 (9)(25)	89,002	80,856
Amortization	6 (10)(25)	113,919	111,295
Expected credit impairment loss (gain)	12 (2)	7,293	(14,889)
Impairment loss – non-financial assets	6(11)	-	161,766
Finance costs		69,000	70,210
Interest expense-lease liability	6 (9)	5,480	3,353
Loss (gain) on financial assets or liabilities at fair value through profit or loss		(38,296)	(202,922)
Share of profit of associates and joint ventures accounted for using equity method	6 (7)	(100,826)	(62,494)
Compensation cost of employee restricted shares	6 (17)	93,454	69,669
Loss (gain) on disposal of property, plant and Equipment	6 (24)	(19,440)	12,150
Interest income		(70,645)	(38,948)
Dividend income	6 (23)	(7,775)	(11,391)
Deferred income of government grants		(554)	(660)
Unrealized foreign exchange gains		11,890	(192,787)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets/liabilities mandatorily measured at fair value through profit or loss	6 (29)	(2,261)	(12,607)
Accounts receivable (including related parties)		1,009,246	567,638
Other receivables (including related parties)		(112,481)	428,852
Inventories		(437,679)	(284,930)
Other current assets		(54,690)	28,276
Changes in operating liabilities			
Accounts payable		1,048,744	630,355
Accounts payable – related parties		(203,645)	(235,566)
Other payables		(56,523)	218,762
Other payables – related parties		(11,485)	5,156
Contract liabilities		(117,093)	193,744
Other current liabilities		130,273	31,881
Net defined benefit liability – non-current		(7,997)	(32,181)
Cash inflow generated from operations		2,934,896	3,459,960
Interest received		69,275	28,209
Dividend received		7,775	11,391
Interest paid		(74,799)	(68,835)
Income taxes paid		(281,125)	(189,742)
Net cash inflows generated from operating activities		2,656,022	3,240,983

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MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)
(Reviewed, Unaudited)

	Notes	Nine months ended September 30 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in financial assets mandatorily measured at fair value through profit or loss		$ 1,006	($ 51,487)
Acquisition of financial assets at fair value through other comprehensive income		-	(444)
Increase in financial assets at amortized cost- current		(332,342)	-
Decrease in financial assets at amortized cost- current		-	40,044
Increase in financial assets at amortized cost – non-current		(413,393)	(318,694)
Decrease in financial assets at amortized cost – non-current		-	7,882
Acquisition of investments accounted for using equity method	6 (7)	(123,908)	-
Earnings distribution accounted for under equity method	6 (7)	213,003	-
Acquisition of property, plant and equipment	6 (29)	(461,249)	(432,232)
Proceeds from disposal of property, plant and equipment		28,224	5,585
Acquisition of intangible assets		(7,989)	(12,694)
Decrease (increase) in other non - current assets		5,419	(728)
Decrease (increase) in guarantee deposits paid		1,385	(8,011)
Net cash flows used in investing activities		(1,089,844)	(770,779)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term borrowings	6 (30)	(1,467,031)	(306,618)
Repayment of principal portion of lease liabilities	6 (30)	(91,577)	(81,073)
Increase in long-term borrowings	6 (30)	531,081	71,965
Decrease in long-term borrowings	6 (30)	(313,021)	(324,530)
Decrease (increase) in other non-current liabilities	6 (30)	1,082	(3,155)
Cash dividends	6 (30)	(981,235)	(866,040)
Change in non-controlling interests	4(3)	-	29,400
Net cash flows used in financing activities		(2,320,701)	(1,480,051)
Effect of change in foreign currency exchange		79,939	351,729
Net increase (decrease) in cash and cash equivalents		(674,584)	1,341,882
Cash and cash equivalents at beginning of period		6,923,268	4,841,969
Cash and cash equivalents at end of period		$ 6,248,684	$ 6,183,851

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(REVIEWED, UNAUDITED)

1. HISTORY AND ORGANISATION

Merry Electronics Co., Ltd. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on December 24, 1975. The Company 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 October 26, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1 "The disclosure of accounting policies"	January 1, 2023
Amendments to IAS 8 "The definition of accounting estimates"	January 1, 2023
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023
Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"	May 23, 2023

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

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

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:.

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16 "Leases" - Lease Liability in a Sale and Leaseback	January 1, 2024
Amendments to IAS 1 "Classification of liabilities as current or non-current"	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, "Sale or contribution of assets between an investor and its associate or joint venture"	To be determined by International Accounting Standards Board
IFRS 17 "Insurance contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance contracts"	January 1, 2023
Amendments to IFRS 17 "Initial application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

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

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

(2) Basis of preparation

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

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

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

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

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

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

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business Activities	Ownership (%) September 30, 2023	December 31, 2022	September 30, 2022	Description
MEHO	Merry Electronics (HK) Co., Ltd. (MEST)	Sales of the same products as the Company.	100.00%	100.00%	100.00%	
MEHO	Merry Electronics (Thailand) Co., Ltd. (METC)	The same main business as the Company.	99.99%	99.99%	99.99%	NOTE 1
MEHO	Merry Electronics (U.S.A.) Co., Ltd. ("MECA")	Agency selling microphone and security system manufactured by affiliates.	99.90%	99.90%	99.90%	NOTE 1
MEHO	Danny Dynamics Limited ("DDBV")	Equity investments.	100.00%	100.00%	100.00%	

Name of investor	Name of subsidiary	Main business Activities	Ownership (%) September 30, 2023	December 31, 2022	September 30, 2022	Description
MEHO	Merry Electronics (Singapore) Pte. Ltd. ("MESG")	Manufacturing of other electronic components and circuit board.	100.00%	100.00%	100.00%	
MEHO	Merry Healthcare Co., LTD. (“MHKY”)	Sales of medical device.	100.00%	100.00%	100.00%	NOTE 2
MEHO	Asian Elite International Ltd. (“MSCS”)	Manufacturing and sales of speaker and amplifier.	100.00%	100.00%	100.00%	NOTE 1
MEHO	Indigo Enterprise Inc. ("INSA")	Equity investments.	100.00%	100.00%	100.00%	
MEHO	MERRY & LUXSHARE (VIETNAM) CO., LTD. ("MEVN")	Manufacturing of speaker system and microphone for consumer electronics used.	51.00%	51.00%	51.00%	NOTE 1
MEHO	MUtek Electronics Co., Ltd. (MUTT)	Manufacturing and application service of electrical appliances and audiovisual electronic products	51.00%	51.00%	51.00%	NOTE 1、3
MEHO	Merry Capital Inc.("MCTT")	Equity investments	100.00%	100.00%	100.00%	NOTE 1、4
MEST	Merry Electronics (Shenzhen) Co., Ltd. ("MECL")	The same main business as the Company.	100.00%	100.00%	100.00%	
DDBV	Universal Capital Investment ("UCMU")	Equity investments.	-	100.00%	100.00%	NOTE 1、7
DDBV	Merrytech (HK) Co., Limited ("MTHK")	Equity investments.	100.00%	100.00%	100.00%	
INSA	Merry Electronics North America Inc. ("MENA")	Develop-to-order and appearance design of speaker and amplifier.	100.00%	100.00%	100.00%	NOTE 6
MENA	Seas Fabrikker ("SENM")	Manufacturing and sales of speaker monomer.	100.00%	100.00%	100.00%	NOTE 1
MHKY	Fulicare Co., Ltd. ("FUSA")	Sales of medical device.	96.01%	96.01%	96.01%	NOTE 2
FUSA	Fulicare Medical Instruments (Suzhou) Co. ,Ltd. ("FUSZ")	Sales of medical device.	100.00%	100.00%	100.00%	NOTE 1

Name of investor	Name of subsidiary	Main business Activities	Ownership (%) September 30, 2023	December 31, 2022	September 30, 2022	Description
FUSA	Fulicare Medical Instruments (Xiamen) Co., Ltd. **("FUXM")**	Manufacturing of medical device.	100.00%	100.00%	100.00%	NOTE 1
FUSA	Xiamen Etimbre Hearing Technology Co., Ltd. ("ETCX")	Research and development, manufacturing as well as sales of hearing aid, hearing device and acoustics equipment.	100.00%	100.00%	100.00%	NOTE 1
FUSZ and FUSA	Austar Hearing Science And Technology (Xiamen) Co., Ltd. ("ASCX")	Research and development, manufacturing as well as sales of hearing aid, hearing device and acoustics equipment.	99.50%	99.50%	99.50%	NOTE 2
ASCX	Xiamen Laiyate Medical Devices Co., Ltd. ("LACX")	Research and development as well as technical sales of software functions for hearing aid.	100.00%	100.00%	100.00%	NOTE 1
MESG	Merry Electronics Sdn Bhd. ("MEMP")	Research and development of microphone, receiver and speaker.	100.00%	100.00%	-	NOTE 2、5

Note 1: The financial statements of the entity as of and for the nine months ended September 30, 2023 and 2022 were not reviewed by the independent auditors as the entity is not a significant subsidiary.

Note 2: The financial statements of the entity as of and for the nine months ended September 30, 2023 were not reviewed by the independent auditors as the entity is not a significant subsidiary.

Note 3: The Company and Universal Global Scientific Industrial Co., Ltd. invested NTD 30,600 thousand and NTD 29,400 thousand in exchange for 51% and 49% ownership, respectively. It is resolved that the record date of the establishment is dated May 12, 2022. The registration was completed.

Note 4: On July 28, 2022, the establishment of Merry Capital Inc. was resolved by the Board of Directors. The investment is amounting to NTD 8,000 thousand, with 100% ownership. The registration was completed.

Note 5: On October 27, 2022, the investment of Merry Electronics Sdn Bhd was resolved. The investment is amounting to MYR 2,400 thousand, with 100% ownership. The registration was completed.

Note 6: On May 25, 2022, the subsidiaries between Sonavox Canada Inc. and Sonavox Canada Holding had a merger, which was resolved by the respective Board of Directors, and Sonavox Canada Inc. was the surviving company, with the record date of merger on May 26, 2022. On December 12, 2022, the Group changed the name of the subsidiary, Sonavox Canada Inc. ('SOCV'), to Merry Electronics North America Inc.('MENA'), and the registration for the change had been completed.

Note 7: On September 20, 2023, the Group resolved to dispose the subsidiary - Universal Capital Investment Limited (UCMU), and the disposal was complete with disposal date registered on September 30, 2023.

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 September 30, 2023, December 31, 2022 and September 30, 2022, the Group's non-controlling interests amounted to $864,399 thousand, $783,849 thousand and $803,877 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	September 30, 2023		December 31, 2022		September 30, 2022	
Name of subsidiary	place of business	Amount	Shareholding ratio	Amount	Shareholding ratio	Amount	Shareholding ratio
MEVN	Vietnam	$ 805,759	49%	$ 726,429	49%	$ 741,238	49%

The summarized financial information of the subsidiary is as follows:

Balance sheet

	MEVN		
	September 30, 2023	December 31, 2022	September 30, 2022
Current assets	$ 1,803,693	$ 1,139,436	$ 1,570,892
Non-current assets	1,057,915	1,135,700	1,195,042
Current liabilities	(1,068,462)	(596,979)	(1,033,575)
Non-current liabilities	(128,636)	(190,065)	(215,555)
Total net assets	$ 1,664,510	$ 1,488,092	$ 1,516,804

Statement of comprehensive income

	MEVN	
	Three months ended September 30	
	2023	2022
Revenue	$ 918,038	$ 1,075,437
Profit before income tax	109,317	112,969
Profit for the period from continuing operations	109,317	112,969
Profit for the period	109,317	112,969
Total comprehensive income for the	$ 109,317	$ 112,969

period		
Comprehensive income attributable to non-controlling interests	$ 53,566	$ 55,355

	MEVN	
	Nine months ended September 30	
	2023	2022
Revenue	$ 1,983,852	$ 3,299,202
Profit before income tax	152,981	355,139
Profit for the period from continuing operations	152,981	355,139
Profit for the period	152,981	355,139
Total comprehensive income for the period	$ 152,981	$ 355,139
Comprehensive income attributable to non-controlling interests	$ 74,961	$ 174,018

Statement of cash flows

	MEVN	
	Nine months ended September 30	
	2023	2022
Net cash inflows generated from operating activities	$ 166,843	$ 84,931
Net cash outflows used in investing activities	(20,737)	(279,403)
Net cash inflows generated from (outflows used in) financing activities	(76,117)	68,238
Effect of change in foreign currency exchange	1,605	10,115
Net increase (decrease) in cash and cash equivalents	71,594	(116,119)
Cash and cash equivalents at beginning of period	77,160	141,199
Cash and cash equivalents at end of period	$ 148,754	$ 25,080

(4) Employee benefits

Pensions

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

(5) Income tax

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

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

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand and revolving funds	$ 16,791	$ 2,006	$ 2,177
Checking accounts and demand deposits	5,849,117	6,794,522	6,111,493
Time deposits	343,775	126,739	70,181
Short-term securities	39,001	1	-
	$ 6,248,684	$ 6,923,268	$ 6,183,851

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 September 30, 2023, December 31, 2022 and September 30, 2022, 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	September 30, 2023	December 31, 2022	September 30, 2022
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
-Funds	$ 100,000	$ 100,000	$ 100,000
- forward exchange contract	28,034	7,076	108,596
-Call options of convertible bonds	-	-	300
-Bonds	280,000	280,000	280,000
Valuation adjustment	12,635	2,105	2,868
Total	$ 420,669	$ 389,181	$ 591,764
Non-current items:			
Funds	$ 28,344	$ 29,350	$ 29,350
Valuation adjustment	(2,344)	(2,066)	(329)
	$ 26,010	$ 27,284	$ 29,021

Items	September 30, 2023	December 31, 2022	September 30, 2022
Current items:			
Financial liabilities held for trading-forward exchange contract	$ -	$ 10,137	$ 3,407

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 September 30	
	2023	2022
Net gains on financial assets (liabilities) at fair value through profit or loss	$ 5,626	$ 98,428

	Nine months ended September 30	
	2023	2022
Net gains on financial assets (liabilities) at fair value through profit or loss	$ 40,760	$ 186,166

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:

	September 30, 2023		
Derivative instruments	Contract amount (Notional principal)	Contract period	Contract price
Forward foreign exchange contract to buy	USD 14,000 thousand	2022/12/28~ 2024/05/10	NTD 29.036~31.813

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

	September 30, 2022		
Derivative instruments	Contract amount (Notional principal)	Contract period	Contract price
Forward foreign exchange contract to sell	USD 1,000 thousand	2022/03/29~ 2022/10/17	NTD 28.430
Forward foreign exchange contract to buy	USD 60,000 thousand	2021/11/02~ 2022/12/28	NTD 27.557~30.810

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

C. As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group had outstanding payments for settled transactions amounting to $800 thousand, $0 thousand and $1,830 thousand (shown as other payables), respectively.

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

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

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

Items	September 30, 2023	December 31, 2022	September 30, 2022
Current items:			
Debt instruments			
Bonds	$ 144,625	$ 144,625	$ -
Valuation adjustment			
-through profit or loss	16,725	8,925	-
-through other comprehensive income	(1,681)	(2,687)	-
Sub-total	159,669	150,863	-
Equity instruments			
Stocks	$ 106,080	$ 106,080	$ 106,080
Valuation adjustment			
-through other comprehensive income	(1,067)	(5,495)	(1,990)
Sub-total	105,013	100,585	104,090
Total	$ 264,682	$ 251,448	$ 104,090

Items	September 30, 2023	December 31, 2022	September 30, 2022
Non-current items:			
Debt instruments			
Bonds	$ -	$ -	$ 144,625
Valuation adjustment			
-through profit or loss	-	-	14,125
-through other comprehensive income	-	-	(2,015)
Sub-total	-	-	156,735
Equity instruments			
Listed stocks	$ 99,990	$ 99,990	$ 936,494
Unlisted stocks	917,565	916,784	80,800
Sub-total	1,017,555	1,016,774	1,017,294
Valuation adjustment			
-through other comprehensive income	(522,840)	(490,265)	(498,419)
Sub-total	494,715	526,509	518,875
Total	$ 494,715	$ 526,509	$ 675,610

A. The Group has elected to classify equity and debt investments that are considered to be strategic investments or steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $759,397 thousand, $777,957 thousand and $779,770 thousand as on September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

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

	Three months ended September 30	
	2023	2022
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	($ 53,763)	($ 97,919)
Debt instruments at fair value through other comprehensive income		
Fair value change recognized through profit or loss	$ 5,650	$ 10,150
Fair value change recognized in other comprehensive income	$ 492	($ 1,025)
Cumulative other comprehensive (loss) income reclassified to profit or loss		
Interest income recognized in profit or loss	$ 1,562	$ 1,570

	Nine months ended September 30	
	2023	2022
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	($ 30,926)	($ 368,133)
Debt instruments at fair value through other comprehensive income		
Fair value change recognized through profit or loss	$ 7,800	$ 20,350
Fair value change recognized in other comprehensive income	$ 1,006	($ 4,956)
Cumulative other comprehensive (loss) income reclassified to profit or loss		
Interest income recognized in profit or loss	$ 4,411	$ 4,353

C. As on September 30, 2023, December 31, 2022 and September 30, 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was $759,397 thousand, $777,957 thousand and $779,770 thousand, respectively.

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

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

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

(4) Accounts receivable

	September 30, 2023	December 31, 2022	September 30, 2022
Accounts receivable	$ 8,032,246	$ 8,731,145	$ 9,457,522
Less: Allowance for doubtful accounts	(28,682)	(21,447)	(19,983)
	$ 8,003,564	$ 8,709,698	$ 9,437,539

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

	September 30, 2023	December 31, 2022	September 30, 2022
Not past due	$ 7,965,951	$ 8,524,130	$ 9,379,727
Up to 30 days	38,552	177,174	50,993
31 to 90 days	4,674	15,153	14,113
91 to 180 days	7,400	4,853	1,449
Over 180 days	15,669	9,835	11,240
	$ 8,032,246	$ 8,731,145	$ 9,457,522

The above aging analysis was based on past due date.

B. As of September 30, 2023, December 31, 2022, September 30, 2022, and January 1, 2022, the balances of receivables from contracts with customers amounted to $8,003,564 thousand, $8,709,698 thousand, $9,437,539 thousand and $9,365,119 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 September 30, 2023, December 31, 2022 and September 30, 2022, the balance of insured accounts receivable amounted to $5,148,542 thousand, $8,322,395 thousand and $7,040,289 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 and Bank of America on July 19, 2021. As of September 30, 2023, December 31, 2022 and September 30, 2022, 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 (5) for information on transfer of financial assets.

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

(5) Transfer of financial assets

A. Transferred financial assets that are derecognized in their entirety

None for September 30, 2023, December 31, 2022 and September 30, 2022.

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

i. On July 19, 2021, the Group entered into a factoring agreement with ING BANK N.V., TAIPEI BRANCH to sell its accounts receivable. In accordance with the agreement, the Group transferred first 90% of accounts receivable and has obligated to provide partial guarantees for the default risk of the transferred accounts receivable. Therefore, the Group has not derecognized the accounts receivable sold in their entirety and may not pledge these accounts receivable to a third party.

ii. As of September 30, 2023, December 31, 2022 and September 30, 2022, the related information of the transferred accounts receivable sold that the Group continuously recognized to the extent of continuing involvement were as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Total carrying amount of the original assets before transferring	$ 518,134	$ 1,206,473	$ 413,338
Carrying amount of the assets continuously recognized	51,813	120,647	41,334

(6) Inventories

	September 30, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 1,978,374	($ 130,058)	$ 1,848,316
Work in progress	987,811	(11,883)	975,928
Finished goods	2,631,708	(104,066)	2,527,642
	$ 5,597,893	($ 246,007)	$ 5,351,886

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

	September 30, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 1,924,992	($ 112,915)	$ 1,812,077
Work in progress	1,077,602	(11,027)	1,066,575
Finished goods	2,769,510	(86,293)	2,683,217
	$ 5,772,104	($ 210,235)	$ 5,561,869

The cost of inventories recognized as expense for the period:

	Three months ended September 30	
	2023	2022
Cost of goods sold	$ 8,155,619	$ 9,630,707
Loss on scrapping inventory	5,788	25,173
Gain on reversal of slow-moving inventories and decline in market value	(29,739)	14,416
Gain on physical inventory	42	-
	$ 8,131,710	$ 9,670,296

	Nine months ended September 30	
	2023	2022
Cost of goods sold	$ 21,781,231	$ 21,690,779
Loss on scrapping inventory	23,422	137,631
Gain on reversal of slow-moving inventories and decline in market value	(77,876)	(14,831)
Gain on physical inventory	37	(48)
	$ 21,726,814	$ 21,813,531

The Group reversed a previous inventory write-down because of the sale of certain written-down inventories by the Group for the three months and nine months ended September 30, 2023 and September 30, 2022.

(7) Investments accounted for using the equity method

	Nine months ended September 30	
	2023	2022
At January 1	$ 5,028,458	$ 4,699,769
Increase in investments accounted for using equity method	123,908	-
Share of profit or loss of investments accounted for using the equity method	100,826	62,494
Earnings distribution	(213,003)	-
Changes in capital surplus additional paid-in capital	18,734	13,478
Changes in other equity items	6,813	155,724
Credit balance of investments accounted for using the equity method transferred to non-current liabilities	20	73
At September 30	$ 5,065,756	$ 4,931,538

A. The Company and the Group's subsidiary Merry Capital Inc. co-invested in CDIB-Mac Limited Partnership under the Board resolution on July 28, 2022.The capital increase is arranged on May 25, 2023 and September 7, 2023, and the accumulated investment amounted to $104,533 thousand and $2,450 thousand, respectively.

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

C. Details are as follows：

	September 30, 2023	December 31, 2022	September 30, 2022
Associates with significant influence			
Merry Electronics (Suzhou) Co., Ltd. (MECE)	$ 3,183,1119	$ 3,251,933	$ 3,203,956
Associates with insignificant influence			
Merry Electronics (Huizhou) Co., Ltd. (MECH)	1,279,912	1,311,066	1,290,046

	September 30, 2023	December 31, 2022	September 30, 2022
Guangdong Luxshare & Merry Electronics Co., Ltd. (MEDG)	429,228	407,293	96,646
Leohab Enterprise Co., Ltd. (LEOHAB)	33,459	39,582	40,890
CDIB-Mac Limited Partnership. (MAC FUND)	123,461	18,584	-
Dong Guan Get Pink Electronics Co., Ltd.	16,577	-	-
Merry Electronics (Shanghai)Co., Ltd. (MECS)	(1,129)	(1,109)	(1,132)
Subtotal	5,064,627	5,027,349	4,930,406
Add: Credit balance of investments accounted for using the equity method transferred to non-current liabilities	1,129	1,109	1,132
	$ 5,065,756	$ 5,028,458	$ 4,931,538

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

	Three months ended September 30	
Investee	2023	2022
MECE	$ 7,193	$ 57,939
MECH	76,506	83,536
MEDG	17,641	4,300
LEOHAB	960	(893)
MAC FUND	354	-
Dong Guan Get Pink Electronics Co., Ltd.	620	-
MECS	-	1
	$ 103,274	$ 144,883

	Nine months ended September 30	
Investee	2023	2022
MECE	($ 94,637)	($ 87,684)
MECH	178,949	146,039
MEDG	21,144	8,326
LEOHAB	(2,073)	(4,189)
MAC FUND	(2,105)	-
Dong Guan Get Pink Electronics Co., Ltd.	(453)	-
MECS	1	2
	$ 100,826)	$ 62,494

C. Associates

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

Company name	Principal place of business	Shareholding ratio September 30, 2023	December 31, 2022	September 30, 2022	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. September 30, 2023	December 31, 2022	September 30, 2022
Current assets	$ 6,983,827	$ 4,984,442	$ 5,174,784
Non-current assets	4,554,191	5,534,283	6,045,062
Current liabilities	(4,675,748)	(3,594,226)	(4,455,494)
Non-current liabilities	(61,783)	(57,220)	(61,260)
Total net assets	$ 6,800,487	$ 6,867,279	$ 6,703,092
Share in associate's net assets	$ 3,332,238	$ 3,364,967	$ 3,284,515
Realized (unrealized) gain or loss from upstream and side stream transactions	(149,119)	(113,034)	(80,559)
Carrying amount of the associate	$ 3,183,119	$ 3,251,933	$ 3,203,956

Statement of comprehensive income

	MERRY ELECTRONICS (SUZHOU) CO., LTD. Three months ended September 30	
	2023	2022
Revenue	$ 2,967,656	$ 2,564,646
Profit (loss) for the period from continuing operations	$ 144,405	$ 192,402
Total comprehensive income (loss)	$ 144,405	$ 192,402

	MERRY ELECTRONICS (SUZHOU) CO., LTD. Nine months ended September 30	
	2023	2022
Revenue	$ 6,634,679	$ 5,528,281
Profit (loss) for the period from continuing operations	($ 119,494)	($ 131,979)
Total comprehensive income (loss)	($ 119,494)	($ 131,979)

(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 September 30	
	2023	2022
Share of profit of associates and joint ventures accounted for using the equity method	$ 96,081	$ 86,944
Other comprehensive income (loss), net of tax	38,196	11,919
Total comprehensive income	$ 134,277	$ 98,863

	Nine months ended September 30	
	2023	2022
Share of profit of associates and joint ventures accounted for using the equity method	$ 195,463	$ 150,178
Other comprehensive income (loss), net of tax	(2,825)	40,569
Total comprehensive income	$ 192,638	$ 190,747

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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(8) Property, plant and equipment

Nine months ended September 30, 2023						
Cost	Opening balance	Additions	Reductions	Transfers	Effect of foreign currency exchange difference	Ending balance
Land	$ 792,675	$ -	$ -	$ -	($ 440)	$ 792,235
Land improvements	599	-	-	-	(8)	591
Buildings and structures	1,774,209	10,389	(1,556)	47,575	1,328	1,831,945
Machinery	3,166,963	103,028	(51,102)	15,377	10,568	3,244,834
Transportation equipment	22,133	72	(4,952)	-	(18)	17,235
Office equipment	302,683	21,110	(7,376)	14,459	1,176	332,052
Others	286,053	35,144	(4,978)	36,727	2,224	355,170
Unfinished construction	124,368	71,733	(950)	(94,936)	(168)	100,047
Total	6,469,683	241,476	(70,914)	19,202	14,662	6,674,109
Accumulated depreciation						
Land improvements	($ 581)	($ 3)	$ -	$ -	$ 8	($ 576)
Buildings and structures	(584,319)	(52,088)	1,556	1,977	(234)	(633,108)
Machinery	(1,377,578)	(294,219)	44,351	-	(4,678)	(1,632,124)
Transportation equipment	(16,450)	(1,454)	4,550	-	16	(13,338)
Office equipment	(202,973)	(26,604)	6,879	-	(1,015)	(223,713)
Others	(139,879)	(39,028)	4,794	(1,977)	(761)	(176,851)
Total	(2,321,780)	(413,396)	62,130	-	(6,664)	(2,679,710)
	$ 4,147,903					$ 3,994,399

Nine months ended September 30, 2022						
Cost	Opening balance	Additions	Reductions	Transfers	Effect of foreign currency exchange difference	Ending balance
Land	$ 790,477	$ -	$ -	$ -	$ 389	$ 790,886
Land improvements	543	-	-	-	6	549
Buildings and structures	1,484,904	2,275	(10,856)	78,142	68,003	1,622,468
Machinery	2,785,124	234,095	(54,629)	17,162	134,004	3,115,756
Transportation equipment	21,063	767	-	-	507	22,337
Office equipment	276,950	11,694	(14,290)	8,234	8,179	290,767
Others	241,388	53,379	(13,163)	-	11,163	292,767
Unfinished construction	208,125	109,755	(1,002)	(66,567)	423	250,734
Total	5,808,574	411,965	(93,940)	36,971	222,674	6,386,244
Accumulated depreciation						
Land improvements	($ 543)	$ -	$ -	$ -	($ 6)	($ 549)
Buildings and structures	(508,737)	(55,228)	10,856	-	(15,490)	(568,599)
Machinery	(1,031,903)	(266,125)	45,164	-	(39,750)	(1,292,614)
Transportation equipment	(14,329)	(1,427)	-	-	(347)	(16,103)
Office equipment	(189,640)	(24,396)	13,925	-	(5,686)	(205,795)
Others	(112,419)	(25,508)	6,260	-	(3,597)	(135,264)
Total	(1,857,571)	(372,682)	76,205	-	(64,876)	(2,218,924)
	$ 3,951,003					$ 4,167,320

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

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

(9) Leasing arrangements - lessee

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

B. The short-term leased premises of the Group are the office and dormitory.

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

	September 30, 2023	December 31, 2022	September 30, 2022
	Carrying amount	Carrying amount	Carrying amount
Land	$ 83,801	$ 86,854	$ 89,883
Buildings and structures	188,184	202,878	218,857
Machinery and equipment	1,197	2,392	2,554
Transportation equipment	599	1,287	1,506
Office equipment	3	109	13
Other equipment	-	34	49
	$ 273,784	$ 293,554	$ 312,862

	Three months ended September 30	
	2023	2022
	Depreciation charge	Depreciation charge
Land	$ 1,234	$ 1,240
Buildings and structures	31,420	25,440
Machinery and equipment	370	367
Transportation equipment	226	245
Office equipment	37	33
Other equipment	4	11
	$ 33,291	$ 27,336

	Nine months ended September 30	
	2023	2022
	Depreciation charge	Depreciation charge
Land	$ 3,685	$ 3,676
Buildings and structures	83,411	74,944
Machinery and equipment	1,078	1,078
Transportation equipment	682	1,033
Office equipment	112	114
Other equipment	34	11
	$ 89,002	$ 80,856

D. For the three months and nine months ended September 30, 2023 and 2022, the additions to right-of-use assets were $20,738 thousand, $157,723 thousand, $79,752 thousand and $188,844 thousand, respectively.

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

Items affecting profit or loss	Three months ended September 30 2023		Three months ended September 30 2022	
Interest expense on lease liabilities	$	1,771	$	1,740
Expense on short-term lease contract		4,186		8,185
Expense on leased asset with low value		56		111
	$	6,013	$	10,036

Items affecting profit or loss	Nine months ended September 30 2023		Nine months ended September 30 2022	
Interest expense on lease liabilities	$	5,480	$	3,353
Expense on short-term lease contract		29,245		25,992
Expense on leased asset with low value		191		226
	$	34,916	$	29,571

For the three and nine months ended September 30, 2023 and 2022, the Group's total cash outflow for leases were $38,805 thousand, $27,442 thousand, $126,439 thousand and $110,644 thousand, respectively..

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(10) Intangible assets

	Nine months ended September 30, 2023				
Cost	Opening balance	Additions	Reductions	Effect of foreign currency exchange difference	Ending balance
Goodwill	$ 931,678	$ -	$ -	$ -	$ 931,678
Computer software	622,674	9,320	(2,857)	(113)	629,024
Customer relationship	326,550	-	-	-	326,550
Trademarks	61,481	-	-	-	115,748
Know-how	115,748	-	-	-	61,481
Others	44,263	3,167	-	108	47,538
Total	2,102,394	$ 12,487	($ 2,857)	($ 5)	2,112,019
Accumulated amortization					
Computer software	($ 478,230)	($ 62,352)	($ 2,857)	$ 127	($ 537,598)
Customer relationship	(197,567)	(31,606)	-	-	(229,173)
Trademarks	(24,403)	(11,574)	-	-	(115,748)
Know-how	(104,174)	(4,139)	-	-	(28,542)
Others	(33,311)	(4,248)	-	(19)	(37,578)
Total	($ 837,685)	($ 113,919)	($ 2,857)	$ 108	(948,639)
Accumulated Impairment loss					
Goodwill	($ 161,766)	$ -	$ -	$ -	($ 161,766)
	$ 1,102,943				$ 1,001,614

	Nine months ended September 30, 2022			
Cost	Opening balance	Additions	Effect of foreign currency exchange difference	Ending balance
Goodwill	$ 931,678	$ -	$ -	$ 931,678
Computer software	590,844	17,291	1,355	609,490
Customer relationship	326,550	-	-	326,550
Trademarks	61,481	-	-	61,481
Know-how	115,748	-	-	115,748
Others	38,093	1,960	199	40,252
Total	2,064,394	$ 19,251	$ 1,554	2,085,199
Accumulated amortization				
Computer software	($ 406,530)	($ 53,100)	($ 602)	($ 460,232)
Customer relationship	(153,503)	(33,049)	-	(186,552)
Trademarks	(18,885)	(4,139)	-	(23,024)
Know-how	(81,024)	(17,362)	-	(98,386)
Others	(28,273)	(3,645)	(55)	(31,973)
Total	($ 688,215)	($ 111,295)	($ 657)	(800,167)
Accumulated Impairment loss				
Goodwill	$ -	($ 161,766)	$ -	($ 161,766)
	$ 1,376,179			$ 1,123,266

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

	Three months ended September 30	
	2023	2022
Operating costs	$ 7,480	$ 2,458
Selling expenses	2,604	2,712
Administrative expenses	17,511	19,951
Research and development expenses	11,000	11,908
	$ 38,595	$ 37,029

	Nine months ended September 30	
	2023	2022
Operating costs	$ 12,993	$ 7,412
Selling expenses	9,670	9,108
Administrative expenses	56,875	60,999
Research and development expenses	34,381	33,776
	$ 113,919	$ 111,295

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

	September 30, 2023		
Goodwill:	Cost	Accumulated Impairment Loss	Ending balance
Huges Hi-Tech Inc.	$ 139,735	$ -	$ 139,735
MSCS and Indigo	581,644	(161,766)	419,878
ASCX	210,299	-	210,299
	$ 931,678	($ 161,766)	$ 769,912

	December 31, 2022		
Goodwill:	Cost	Accumulated Impairment Loss	Ending balance
Huges Hi-Tech Inc.	$ 139,735	$ -	$ 139,735
MSCS and Indigo	581,644	(161,766)	419,878
ASCX	210,299	-	210,299
	$ 931,678	($ 161,766)	$ 769,912

	September 30, 2022		
Goodwill:	Cost	Accumulated Impairment Loss	Ending balance
Huges Hi-Tech Inc.	$ 139,735	$ -	$ 139,735
MSCS and Indigo	581,644	(161,766)	419,878
ASCX	210,299	-	210,299
	$ 931,678	($ 161,766)	$ 769,912

As of December 31, 2022, the recoverable amount of all cash-generating units calculated using the value-in-use did not exceed their carrying amount, so an impairment loss to goodwill was recognized amounting to $161,766 thousand. The goodwill after the recognition of impairment loss amounted to $769,912 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, 2022	Huges Hi-Tech Inc.	MSCS and Indigo	ASCX
Discount rate	1.49%	17.43%	14.98%
Growth rate	10%	7.71%~62%	3%~20%

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

(11) Impairment of non-financial assets

A. Three months and nine months ended September 30,2023 ：None.

B. For the three months ended September 30, 2022 and nine months ended September 30, 2022, the Group recognized the impairment loss amounted to $161,766 thousand. The details is as follows:

	Nine months ended September 30
	Profit or loss recognized for the period
Accumulated amortization- Goodwill	161,766

C. Impairment information about the intangible assets is provided in Note 6(10).

(12) Short-term borrowings

Type of borrowings	September 30, 2023	Interest rate range	Collateral
Bank borrowings			
Credit loan	$ 632,693	2.40%~3.80%	None
Secured borrowings	44,150	3.70%	Patents (Note)
	$ 676,843		

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

Type of borrowings	September 30, 2022	Interest rate range	Collateral
Bank borrowings			
Credit loan	$ 3,465,899	0.00%~5.10%	None

A. Interest expense recognized in profit or loss amounted to $3,874 thousand, $15,195 thousand, $17,164 thousand and $33,512 thousand for the three months and nine months ended September 30, 2023 and 2022, respectively.

B. The Group provided endorsements and guarantees for the credit loans as of September 30, 2023, December 31, 2022 and September 30, 2022.

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

(13) Other payables

	September 30, 2023	December 31, 2022	September 30, 2022
Payroll and bonus payable	$ 401,841	$ 399,878	$ 431,166
Employee compensation payable	182,958	163,655	154,978
Payables on equipment (Including intangible assets)	49,977	106,217	194,647
Directors' remuneration payable	34,966	40,299	31,153
Others	388,187	484,394	566,190
	$ 1,057,929	$ 1,194,443	$ 1,378,134

(14) Bonds payable

	September 30, 2023	December 31, 2022	September 30, 2022
Bonds payable	$ 3,000,000	$ 3,000,000	$ 3,000,000
Less: Discount on bonds payable	(24,855)	(46,162)	(53,308)
	2,975,145	2,953,838	2,946,692
Less: Expiring within one year or one operating cycle	(2,975,145)	-	-
	$ -	$ 2,953,838	$ 2,946,692

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

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

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

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

iii. The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. As of September 30, 2023, 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) As of September 30, 2023, here were no bonds (face value) converted into common stock.

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

(15) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	September 30, 2023
Long-term bank borrowings				
Credit loan	Borrowing period is from 2020/2/20 to 2025/2/20; interest is repayable monthly; principal is repayable starting from 2022 (Note 1, 2)	0.80%~1.16%	None	$ 174,722
Credit loan	Borrowing period is from 2020/2/20 to 2027/2/19; interest is repayable monthly; principal is repayable starting from 2022	1.10%~5.50%	None	1,260,946
Credit loan	Borrowing period is from 2022/9/27 to 2026/9/27; payment in installments; principal is repayable starting from 2023	2.00%~3.75%	None	57,263
	Borrowing period is from 2022/9/27 to 2031/9/27; payment in installments; principal is repayable starting from 2023	3.65%	Plant	86,931
				1,579,862
Less: Expiring within one year or one operating cycle				(442,745)
				$ 1,137,117

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Long-term bank borrowings				
Credit loan	Borrowing period is from 2020/2/20 to 2025/2/20; interest is repayable monthly; principal is repayable starting from 2022 (Note 1, 2)	0.68%~1.03%	None	$ 258,889
Credit loan	Borrowing period is 36 months starting from 2020/7/15 and extended every month ; principal is repayable starting from 2023	5.89%	None	76,100
Credit loan	Borrowing period is from 2020/2/20 to 2027/2/19; interest is repayable monthly; principal is repayable starting from 2022	0.98%~2.40%	None	1,021,458
				1,356,447
Less: Expiring within one year or one operating cycle				(451,919)
				$ 904,528

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	September 30, 2022
Long-term bank borrowings				
Credit loan	Borrowing period is from 2020/2/20 to 2025/2/20; interest is repayable monthly; principal is repayable starting from 2022 (Note 1, 2)	0.55%~0.90%	None	$ 277,222
Credit loan	Borrowing period is 36 months starting from 2020/7/15 and extended every month ; principal is repayable starting from 2023	4.58%	None	78,013

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Credit loan	Borrowing period is from 2020/2/20 to 2027/2/19; interest is repayable monthly; principal is repayable starting from 2022	0.85%~2.40%	None	1,056,312
				1,411,547
Less: Expiring within one year or one operating cycle				(372,266)
				$ 1,039,281

The interest expense recognized in profit or loss for the three months and nine months ended September 30, 2023 and 2022 amounted to $6,849 thousand, $3,317 thousand, $21,068 thousand and $9,107 thousand, respectively.

Note 1: In November 2019, the Company entered into a long-term loan contract with Taipei Fubon Bank for the total amount of $103,889 thousand. As of September 30, 2023, the drawn amount was $103,889 thousand.

Aforementioned contract conditions:

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

(a) Current ratio shall not be lower than 100%;
(b) Debt ratio shall not be higher than 200%;
(c) Interest coverage ratio shall not be lower than 10;
(d) Tangible assets shall not be lower than $8 billion.

Note 2: In February 2020, the Company entered into a long-term loan contract with JIHSUN BANK for the total amount of $70,833 thousand. As of September 30, 2023, the drawn amount was $70,833 thousand.

Aforementioned contract conditions:

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

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

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

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

(16) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 5.1% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. The Company also contributes monthly an amount equal to 8% of managers' monthly salaries to the retirement fund. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The above pension costs of the Group for the three months and nine months ended September 30, 2023 and 2022 were $177 thousand, $245 thousand, $529 thousand and $735 thousand, respectively.

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

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

(b) The first-tier and second-tier subsidiaries, in Mainland China, Thailand subsidiary METC, US subsidiary MECA, Canadian subsidiary MENA, Vietnamese subsidiary MEVN, Hong Kong subsidiary MEST, Singaporean subsidiary MESG, Malaysian subsidiary MEMP have set up a defined contribution plan. Please refer to Note 6 (18) in the consolidated financial statements for the year ended December 31, 2022.

(c) The above pension costs of the Group for the three months and nine months ended September 30, 2023 and 2022 were $37,877 thousand, $41,487 thousand, $113,773 thousand and $116,545 thousand, respectively.

(17) Share-based payment

A. For the nine months ended September 30, 2023 and 2022, 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 1st restricted stocks to employees in 2019	2019/11/02	813 units	3 years	150.0	0	150.0	Note
The 2nd restricted stocks to employees in 2019	2020/08/05	387 units	3 years	169.0	0	169.0	Note
The 1st restricted stocks to employees in 2020	2021/05/31	416 units	3 years	107.5	0	107.5	Note
The 2nd restricted stocks to employees in 2020	2021/07/30	1,504 units	3 years	111.0	0	111.0	Note
The 1st restricted stocks to employees in 2021	2022/07/29	1,800 units	3 years	80.7	0	80.7	Note
The 1st restricted stocks to employees in 2023	2023/07/28	1,645 units	3 years	91.9	0	91.9	Note

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

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

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

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

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

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

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

	Nine months ended September 30, 2023		Nine months ended September 30, 2022	
	No. of share (in thousands)	Weighted-average exercise price (in dollars)	No. of share (in thousands)	Weighted-average exercise price (in dollars)
At January 1	3,348	$ -	2,417	$ -
Restricted Stocks granted	1,645		1,800	
Restricted Stocks vested	(807)		(342)	
Restricted stocks retired	(85)	-	(258)	-
At September 30	4,101	-	3,617	-

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

	Three months ended September 30	
	2023	2022
Equity-settled	$ 34,872	$ 22,453

	Nine months ended September 30	
	2023	2022
Equity-settled	$ 93,454	$ 69,669

(18) Share capital

As of September 30, 2022, 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 $2,193,872 thousand with a par value of $10 (in dollars) per share.

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

	2023	2022
At January 1	217,783	216,510
Employee restricted shares retired	(85)	(258)
Employee restricted shares granted	1,645	(111)
At September 30	219,343	218,052

(a) The Company retired 44 thousand, 8 thousand and 33 thousand employee restricted shares as resolved at the meeting of the Board of Directors on October 26, 2023, July 27, 2023 and April 27, 2023 with the capital reduction effective date set on November

6, 2023, July 27, 2023 and May 3, 2023. The registration except the capital reduction through retirement of employee restricted shares dated on October 26, 2023 was completed.

(b) On April 28, 2022, the Board of Directors of the Company resolved to issue employee restricted shares. The issuance was approved by the Competent Authority on September 21, 2022. The Company issued 1,645 thousand common shares with the effective date set on July 28, 2023. The subscription price is $0 per share. The registration is complete. The employee restricted shares issued are subject to certain transfer restrictions before their vesting conditions are qualified. Other than these restrictions, the rights and obligations of these shares issued are the same as other issued ordinary shares.

(c) The Company retired 147 thousand, 71 thousand and 40 thousand employee restricted shares as resolved at the meeting of the Board of Directors on October 27, 2022, July 28, 2022 and April 28, 2022 with the capital reduction effective date set on October 27, 2022, July 28, 2022 and May 6, 2022. The capital reduction through retirement of employee restricted shares was completed.

(d) On April 29, 2021, the Board of Directors of the Company resolved to issue employee restricted shares. The issuance was approved by the Competent Authority on October 22, 2021. The Company issued 1,800 thousand common shares with the effective date set on July 29, 2022. The subscription price is $0 per share. The registration is complete. The employee restricted shares issued are subject to certain transfer restrictions before their vesting conditions are qualified. Other than these restrictions, the rights and obligations of these shares issued are the same as other issued ordinary shares.

(19) Capital surplus

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

	2023				
	Share premium	Share option	Employee restricted stocks	Others	Total
At January 1	$ 4,070,017	$ 96,857	$ 290,864	$263,128	$4,720,866
Restricted stocks issued	-	-	134,726	-	134,726
Restricted stocks vested	77,123	-	(77,123)	-	-
Restricted stocks retired	-	-	(7,397)	-	(7,397)
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	-	18,734	18,734
At September 30	$ 4,147,140	$ 96,857	$ 341,070	$ 281,862	$4,866,929

	2022				
	Share premium	Share option	Employee restricted stocks	Others	Total
At January 1	$ 4,035,505	$ 96,857	$ 267,825	$246,436	$4,646,623
Restricted stocks issued	-	-	127,260	-	127,260
Restricted stocks vested	34,512	-	(34,512)	-	-
Restricted stocks retired	-	-	(32,304)	-	(32,340)
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	-	13,478	13,478
At September 30	$ 4,070,017	$ 96,857	$ 328,233	$ 259,914	$4,755,021

(20) Retained earnings

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

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

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

D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings. In Accordance with Ruling No.1010051600 issued by Securities and Futures Bureau of the FSC on November 21, 2012, "unearned employee compensation" under employee restricted stock is not an unrealized item, and therefore is not required to set aside the special reserve. As of September 30, 2023, the special reserve set aside based on the above regulation amounted to $499,042 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 September 30, 2023, the balance of special reserve as aforementioned was $269,144 thousand.

(c) As of September 30, 2023, December 31, 2022 and September 30, 2022, the balance of special reserve was $768,186 thousand, $748,930 thousand and $748,929 thousand.

E. The Company distributed earnings for the years ended December 31, 2022 and December 31, 2021 as resolved at the shareholders' meeting on June 14, 2023, June 15, 2022 is as follows:

	2022		2021	
	Amounts	Cash dividends per share (NT$) $	Amounts	Cash dividends per share (NT$) $
Legal reserve	$ 146,458		$ 113,098	
Special reserve	19,256		479,786	
Cash dividends	981,235	$ 4.5	866,040	$ 4.0
	1,146,949		1,458,924	

The abovementioned distribution of earnings for the years ended December 31, 2022 and 2021 was in agreement with those amounts proposed by the Board of Directors on February 23 2023 and February 24, 2022.

(21) Other equity items

2023	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) from investments in debt instruments measured at fair value through other comprehensive income	Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income	Cost of unearned employee compensation	Total
At January 1	($ 258,567)	($ 2,687)	($ 506,932)	($ 228,260)	($ 996,446)
Restricted stocks issued	-	-	-	(151,176)	(151,176)
Amortization of employee restricted stocks	-	-	-	93,454	93,454
Restricted stocks retired	-	-	-	8,240	8,240
Revaluation – gross	-	1,006	(30,926)	-	(29,920)
Revaluation – tax	-	-	(2,054)	-	(2,054)
Currency translation differences:					
-Group	151,591	-	-	-	151,591
-Tax on Group	(30,319)	-	-	-	(30,319)
-Associates	6,813	-	-	-	6,813
-Tax on associates	(2,256)	-	-	-	(2,256)
At September 30	($ 132,738)	($ 1,681)	($ 539,912)	($ 277,742)	($ 952,073)

2022	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) from investments in debt instruments measured at fair value through other comprehensive income	Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income	Cost of unearned employee compensation	Total
At January 1	($ 605,572)	$ 2,941	($ 146,299)	($ 220,316)	($ 969,246)
Restricted stocks issued	-	-	-	(145,259)	(145,259)
Amortization of employee restricted stocks	-	-	-	69,669	69,669
Restricted stocks retired	-	-	-	34,918	34,918
Revaluation – gross	-	(4,956)	(368,133)	-	(373,089)
Revaluation – tax	-	-	(2,891)	-	(2,891)
Currency translation differences:					
-Group	453,798	-	-	-	453,798
-Tax on Group	(90,759)	-	-	-	(90,759)
-Associates	155,724	-	-	-	155,724
-Tax on associates	(30,674)	-	-	-	(30,674)
At September 30	($ 117,483)	($ 2,015)	($ 517,323)	($ 260,988)	($ 897,809)

(22) Operating revenue

	Three months ended September 30	
	2023	2022
Revenue from contracts with customers	$ 9,454,858	$ 11,050,485

	Nine months ended September 30	
	2023	2022
Revenue from contracts with customers	$ 24,942,050	$ 25,073,296

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 September 30, 2023					
	Electronic devices					
	Taiwan	Shenzhen	Singapore	Vietnam	Others	Total
Total segment revenue	$ 6,263,486	$ 2,220,148	$ 2,724,557	$ 918,038	$ 1,707,969	$ 13,834,198
Revenue from internal segment transactions	(6,245)	(2,108,518)	-	(793,120)	(1,471,457)	(4,379,340)
Revenue from external customer contracts	6,257,241	111,630	2,724,557	124,918	236,512	9,454,858
Main Region						
Europe	2,854,674	25,786	1,977,475	-	42,034	4,899,969
US	3,146,223	-	743,149	-	84,607	3,973,979
Mainland China	39,913	85,844	-	-	99,790	225,547
Taiwan	172,612	-	-	-	-	172,612
Others	43,819	-	3,933	124,918	10,081	182,751
	$ 6,257,241	$ 111,630	$ 2,724,557	$ 124,918	$ 236,512	$ 9,454,858

	Nine months ended September 30, 2023					
	Electronic devices					
	Taiwan	Shenzhen	Singapore	Vietnam	Others	Total
Total segment revenue	$17,407,265	$ 6,208,242	$ 6,333,228	$ 1,983,852	$ 4,427,128	$ 36,359,715
Revenue from internal segment transactions	(18,600)	(5,963,727)	-	(1,786,037)	(3,649,301)	(11,417,665)
Revenue from external customer contracts	17,388,665	244,515	6,333,228	197,815	777,827	24,942,050
Main Region						
Europe	7,628,390	66,218	4,506,962	-	151,623	12,353,193
US	9,028,065	-	1,821,160	-	272,441	11,121,666
Mainland China	102,473	178,297	-	-	325,795	606,565
Taiwan	440,002	-	-	-	-	440,002
Others	189,735	-	5,106	197,815	27,968	420,624
	$17,388,665	$ 244,515	$ 6,333,228	$ 197,815	$ 777,827	$ 24,942,050

	Three months ended September 30, 2022					
	Electronic devices					
	Taiwan	Shenzhen	Singapore	Vietnam	Others	Total
Total segment revenue	$ 8,170,703	$ 4,225,841	$ 2,464,045	$ 1,075,437	$ 1,495,845	$ 17,431,871
Revenue from internal segment transactions	(1,246)	(4,150,486)	-	(1,032,183)	(1,197,471)	(6,381,386)
Revenue from external customer contracts	8,169,457	75,355	2,464,045	43,254	298,374	11,050,485
Main Region						
Europe	3,929,065	24,688	1,731,297	-	116,742	5,801,772
US	3,493,304	-	732,673	-	147,811	4,373,788
Mainland China	216,404	50,687	-	-	24,770	291,861
Taiwan	472,408	-	-	-	1	472,409
Others	58,276	-	75	43,254	9,050	110,655
	$ 8,169,457	$ 75,355	$ 2,464,045	$ 43,254	$ 298,374	$11,050,485

	Nine months ended September 30, 2022					
	Electronic devices					
	Taiwan	Shenzhen	Singapore	Vietnam	Others	Total
Total segment revenue	$18,018,806	$ 7,595,498	$ 5,664,053	$ 3,299,202	$ 3,619,826	$ 38,197,385
Revenue from internal segment transactions	(8,861)	(7,329,097)	-	(3,067,867)	(2,718,264)	(13,124,089)
Revenue from external customer contracts	18,009,945	266,401	5,664,053	231,335	901,562	25,073,296
Main Region						
Europe	8,423,498	83,253	4,155,313	-	235,636	12,897,700
US	7,770,924	-	1,508,614	-	426,259	9,705,797
Mainland China	427,587	183,146	-	-	214,270	825,003
Taiwan	1,230,235	2	-	-	302	1,230,539
Others	157,701	-	126	231,335	25,095	414,257
	$18,009,945	$ 266,401	$ 5,664,053	$ 231,335	$ 901,562	$ 25,073,296

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):

	September 30, 2023	December 31, 2022	September 30, 2022	January 1, 2022
Contract liabilities	$ 903,650	$ 1,020,897	$ 1,068,436	$ 874,000

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

	Three months ended September 30	
	2023	2022
Revenue recognized that was included in the contract liability balance at the beginning of the period	$ 86,181	$ 40,869

	Nine months ended September 30	
	2023	2022
Revenue recognized that was included in the contract liability balance at the beginning of the period	$ 295,514	$ 181,923

(23) Other income

	Three months ended September 30	
	2023	2022
Compensation income (note)	$ -	$ 111,525
Government grants	21,021	28,622
Sample income	7,373	13,456
Dividend income	7,179	9,309
Rent income	7,411	3,122
Other income	8,272	6,188
	$ 51,256	$ 172,222

	Nine months ended September 30	
	2023	2022
Compensation income (note)	$ -	$ 226,939
Government grants	67,442	108,798
Sample income	75,497	34,504
Dividend income	7,775	11,391
Rent income	20,261	3,753
Other income	71,149	19,351
	$ 242,124	$ 404,736

Note: The Group had compensation agreement with Luxshare Limited.

(24) Other gains and losses

	Three months ended September 30	
	2023	2022
Foreign exchange gain	$ 52,542	$ 219,188
Gain on financial assets / liabilities at fair value through profit or loss	5,626	98,428
Impairment loss on goodwill	-	(161,766)
Gains (Loss) on disposals of property, plant and equipment	236	(11,287)
Other losses	(804)	(1,127)
	$ 57,600	$ 143,436

	Nine months ended September 30	
	2023	2022
Foreign exchange gain	$ 133,252	$ 468,948
Gains on financial assets / liabilities at fair value through profit or loss	40,760	186,166
Impairment loss on goodwill	-	(161,766)
Gains (Loss) on disposals of property, plant and equipment	19,440	(12,150)
Other losses	(3,466)	(7,312)
	$ 189,986	$ 473,886

(25) Expenses by nature

	Three months ended September 30	
	2023	2022
Employee benefit expense	$ 946,774	$ 1,022,297
Depreciation charge - property, plant and equipment	142,271	128,776
Depreciation charge - right-of-use assets	33,291	27,336
Amortization charge	38,595	37,029
	$ 1,160,931	$ 1,215,438

	Nine months ended September 30	
	2023	2022
Employee benefit expense	$ 2,470,274	$ 2,524,040
Depreciation charge - property, plant and equipment	413,396	372,682
Depreciation charge - right-of-use assets	89,002	80,856
Amortization charge	113,919	111,295
	$ 3,086,591	$ 3,088,873

(26) Employee benefit expense

	Three months ended September 30	
	2023	2022
Wages and salaries	$ 809,618	$ 899,603
Share-based payments	34,872	19,994
Labor and health insurance fees	18,718	17,117
Pension costs	38,054	41,732
Other personnel expenses	45,512	43,851
	$ 946,774	$ 1,022,297

	Nine months ended September 30	
	2023	2022
Wages and salaries	$ 2,077,741	$ 2,165,709
Share-based payments	93,454	69,669
Labor and health insurance fees	55,701	51,963
Pension costs	114,302	117,280
Other personnel expenses	129,076	119,419
	$ 2,470,274	$ 2,524,040

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 September 30	
	2023	2022
Employees' compensation	$ 71,306	$ 83,579
Directors' and supervisors' remuneration	23,768	17,475
	$ 95,074	$ 101,054

	Nine months ended September 30	
	2023	2022
Employees' compensation	$ 104,897	$ 124,613
Directors' and supervisors' remuneration	34,965	31,153
	$ 139,862	$ 155,766

The abovementioned amounts were recognized in wages and salaries based on profit status of the current year. Employees' compensation was estimated at 10% and 8% of the profit for the nine months ended September 30, 2023 and 2022, respectively. Directors' remuneration was estimated at 2% and 2% of the profit for the nine months ended September 30, 2023 and 2022, respectively.

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

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

(27) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended September 30	
	2023	2022
Current tax:		
Current tax on profits for the period	$ 65,075	$ 146,460
Surtax on undistributed earnings	-	-
Prior year income tax overestimation	(167)	(3)
Total current tax	64,908	146,457
Deferred tax:		
Origination and reversal of temporary differences	79,927	64,614
Income tax expense	$ 144,835	$ 211,071

	Nine months ended September 30	
	2023	2022
Current tax:		
Current tax on profits for the period	$ 195,265	$ 294,676
Surtax on undistributed earnings	15,881	-
Prior year income tax overestimation	(6,288)	(2,434)
Total current tax	204,858	292,242
Deferred tax:		
Origination and reversal of temporary differences	73,596	12,206
Income tax expense	$ 278,454	$ 304,448

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

	Three months ended September 30	
	2023	2022
Exchange differences changes on translation of foreign financial statements - the Group	($ 44,593)	($ 43,178)
Exchange differences changes on translation of foreign financial statements - associates	(30,152)	(7,911)
Changes in fair value of financial assets at fair value through other comprehensive income	(1,014)	(575)
	$ 75,759	$ 51,664

	Nine months ended September 30	
	2023	2022
Exchange differences changes on translation of foreign financial statements - the Group	($ 30,319)	($ 90,759)
Exchange differences changes on translation of foreign financial statements - associates	(2,256)	(30,674)
Changes in fair value of financial assets at fair value through other comprehensive income	(2,054)	(2,891)
	$ 34,629	($ 124,324)

B. The investment in Merry Electronics (HK) Co., Ltd. and Merry Electronics (U.S.A.) Co., Ltd., of which the undistributed earnings of the investee company were used as permanent investment and were not distributed, and the losses were not compensated before 2000. Therefore, no deferred income tax arising from the difference between the carrying amount of the long-term equity investments and its tax bases had been recognized. However, for the profit from the above-mentioned reinvested companies, based on the overall operation planning, the earnings arising from these companies after 2001 are intended to be distributed and repatriated. Accordingly, deferred income tax liabilities and assets arising from this portion of earnings or losses are recognized since 2001.

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

D. Merry Healthcare Co., Ltd. Taiwan Branch (CAYMAN) income tax returns through 2022 have been assessed and approved by the Tax Authority.

E. Fulicare Co., Ltd. Taiwan Branch (SAMOA) income tax returns through 2022 have been assessed and approved by the Tax Authority.

(28) Earnings per share

	Three months ended September 30, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 421,725	214,167	$ 1.97
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	421,725	214,167	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	846	
Convertible bonds	5,758	27,125	
Employee restricted shares	-	935	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 427,483	243,073	$ 1.76

	Three months ended September 30, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 586,298	213,917	$ 2.74
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	586,298	213,917	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	981	
Convertible bonds	5,463	27,125	
Employee restricted shares	-	420	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 591,761	242,443	$ 2.44

	Nine months ended September 30, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 840,285	214,167	$ 3.92
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	840,285	214,167	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,617	
Convertible bonds	17,046	27,125	
Employee restricted shares	-	922	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 857,331	243,831	$ 3.52

	Nine months ended September 30, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in housands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,089,234	213,767	$ 5.10
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	1,089,234	213,767	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,684	
Employee restricted shares	17,122	27,125	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	-	354	
	$ 1,106,356	242,930	$ 4.55

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

(29) Supplemental cash flow information

A. Investing activities with partial cash payments

	Nine months ended September 30	
	2023	2022
Acquisition of property, plant and equipment	$ 260,678	$ 448,936
Add: Beginning balance of payable on equipment	105,829	199,508
Ending balance of prepayments for equipment	159,610	72,659
Less: Beginning balance of prepayments for equipment	(14,975)	(104,024)
Ending balance of payable on equipment	(49,893)	(184,847)
Cash paid during the period	$ 461,249	$ 432,232

	Nine months ended September 30	
	2023	2022
Disposal of property, plant and equipment	$ -	($ 5,585)
Add: Uncollected proceeds from disposal during the period	-	-
Cash received during the period	$ -	($ 5,585)

B. Financial assets measured at fair value through profit or loss:

	Nine months ended September 30	
	2023	2022
Net changes of financial assets measured at fair value through profit or loss	$ 2,055	($ 5,585)
Less: Ending balance of payable	(800)	(1,830)
Cash paid during the period	$ 1,255	($ 64,094)

(30) Changes in liabilities from financing activities

	Short-term Borrowings	Lease Liabilities	Convertible bonds	Long-term Borrowings (including those matured within one year	Dividends payables	Other non-current liabilities	Liabilities from financing activities-gross
At January 1, 2023	$ 2,146,851	$ 208,436	$2,953,838	$ 1,356,447	$ -	$ 26,413	$ 6,691,985
Changes in cash flow from financing	(1,467,031)	(91,577)	-	218,060	(981,235)	1,082	(2,320,701)
Additions	-	79,752	-	-	981,235	-	1,060,987
Impact of changes in foreign exchange rate	(2,977)	(975)	-	5,355	-	144	1,547
Amortization of discounts on corporate bonds	-	-	21,307	-	-	-	21,307
Changes in other non-cash items	-	(133)	-	-	-	(534)	(667)
At September 30, 2023	$ 676,843	$ 195,503	$2,975,145	$1,579,862	$ -	$ 27,105	$ 5,454,458

	Short-term Borrowings	Lease Liabilities	Convertible bonds	Long-term Borrowings (including those matured within one year	Dividends payables	Other non-current liabilities	Liabilities from financing activities-gross
At January 1, 2022	$ 3,738,289	$ 112,601	$2,925,589	$ 1,558,655	$ -	$ 29,309	$ 8,364,443
Changes in cash flow from financing	(306,618)	(81,073)	-	(252,565)	(866,040)	(3,155)	(1,509,451)
Additions	-	188,844	-	-	866,040	-	1,054,884
Impact of changes in foreign exchange rate	112,241	(719)	-	27,444	-	1,523	140,489
Amortization of discounts on corporate bonds	-	-	21,103	-	-	-	21,103
Changes in other non-cash items	(78,013)	2,363	-	78,013	-	(586)	1,777
At September 30, 2022	$ 3,465,899	$ 222,016	$ 2,946,692	$1,411,547	$ -	$ 27,091	$ 8,073,245

(31) Government grants

	Nine months ended September 30	
	2023	2022
MECL	$ 46,137	$ 78,808
MEHO	8,135	6,610
ASCX	8,805	10,807
FUCX	3,935	282
OTHER	430	12,291
	$ 67,442	$ 108,798

The above are mainly the subsidies granted from local government, such as Shenzhen Science and Technology Innovation Commission, Development and Reform Bureau in Longhua District, Shenzhen Municipality, Industry and Information Technology Bureau of Shenzhen Municipality. The rest subsidies are not disclosed due to their amounts less than 5% of the total government grants.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

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

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

(2) Significant related party transactions

A. Operating revenue

	Three months ended September 30	
	2023	2022
Sales of goods		
Luxshare Precision Limited	$ 124,918	$ 43,253
Affiliated company	5,658	291
Other related party	14	9,295
	$ 130,590	$ 52,839

	Nine months ended September 30	
	2023	2022
Sales of goods		
Luxshare Precision Limited	$ 197,815	$ 231,306
Affiliated company	7,724	22,679
Other related party	246	9,597
	$ 205,785	$ 263,582

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 September 30	
	2023	2022
Purchases of goods		
MECE	$ 2,901,203	$ 2,489,049
MECH	1,550,090	1,725,678
Other related party	42,314	5,678
	$ 4,493,607	$ 4,220,405

	Nine months ended September 30	
	2023	2022
Purchases of goods		
MECE	$ 6,477,866	$ 5,120,480
MECH	3,645,446	4,060,148
Other related party	67,788	51,718
	$ 10,191,100	$ 9,232,346

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

C. Receivables from related parties

	September 30, 2023	December 31, 2022	September 30, 2022
Accounts receivable:			
Other related party	$ 121,601	$ 61,692	$ 82,783
Affiliated company	4,865	79	9,680
Total	$ 126,466	$ 61,771	$ 92,463
Other receivable:			
MECH	$ 286,400	$ 118,270	$ 474,483
Other	-	-	181
Total	$ 286,400	$ 118,270	$ 474,664

Other receivables mainly were the purchases of raw materials on behalf of MECH and MECE.

D. Payables to related parties

	September 30, 2023	December 31, 2022	September 30, 2022
Accounts payable:			
MECE	$ 2,743,442	$ 3,182,757	$ 2,112,448
MECH	1,372,692	1,003,565	1,490,123
Other related party	51,297	12,580	9,208
Total	$ 4,167,431	$ 4,198,902	$ 3,611,779
Other payable:			
Affiliated company	$ 70,930	$ 82,414	$ 71,985

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

E. Equipment Payables

	September 30, 2023	December 31, 2022	September 30, 2022
MECH	$ 1,329	$ -	$ 10,814
Other related party	102	834	-
Total	$ 1,431	$ 834	$ 10,814

F. Property transactions

(a) Acquisition of property, plant and equipment:

	Three months ended September 30	
	2023	2022
MECH	$ -	$ 6,133
MECE	-	64,458
Other related party	102	-
	$ 102	$ 66,591

	Nine months ended September 30	
	2023	2022
MECH	$ 7,582	$ 11,739
MECE	-	60,458
Other related party	441	-
	$ 8,023	$ 72,197

(b) Disposal of property, plant and equipment:

Three months and nine months ended September 30,2023：None.

	Three months ended September 30,2022		Nine months ended September 30,2022	
	Disposal proceeds	Gain (loss) on disposal	Disposal Proceeds	Gain (loss) on disposal
MECH	$ 275	($ 72)	$ 1,681	($ 235)

G. Other revenue

Three months and nine months ended September 30,2023 ：None.

	Three months ended September 30,2022	Nine months ended September 30,2022
Luxshare Co., Ltd.	$ 111,525	$ 226,939

Other revenue is the billing to Luxshare Co., Ltd. for the compensation, it is fully collected as of September 30, 2023

(3) Key management compensation

	Three months ended September 30			
	2023		2022	
Short-term employee benefits	$	36,809	$	35,604
Post-employment benefits		49		50
Share-based payments		8,693		7,831
	$	45,551	$	43,485

	Nine months ended September 30			
	2023		2022	
Short-term employee benefits	$	67,447	$	69,025
Post-employment benefits		147		292
Share-based payments		22,381		22,040
	$	89,975	$	91,357

8. PLEDGED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

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

	September 30, 2023		December 31, 2022		September 30, 2022	
Property, plant and equipment	$	21,420	$	39,774	$	92,447
Intangible assets		3,500		-		5,400
	$	24,920	$	39,774	$	97,846

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

To lower the production costs and enhance the competitiveness of selling prices, the Board resolved to raise the common shares invested in the private placement of Donpon Precision Inc. amounted to 14,000 thousand shares.

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, 2022.

(2) Financial instruments

A. Financial instruments by category

	September 30, 2023	December 31, 2022	September 30, 2022
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	$ 466,679	$ 416,465	$ 620,785
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	$ 599,728	$ 627,094	$ 622,965
Qualifying debt instrument	159,669	150,863	156,735
	$ 759,397	$ 777,957	$ 779,700
Financial assets at amortized cost/ Loans and receivables			
Cash and cash equivalents	$ 6,248,684	$ 6,923,268	$ 6,183,851
Financial assets at amortized at cost	1,065,441	295,801	1,444,710
Accounts receivable (including due from related parties)	8,130,030	8,771,469	9,530,002
Other receivables (including due from related parties)	324,787	205,597	557,737
Guarantee deposits paid	58,322	59,608	70,417
	$ 15,827,264	$ 16,255,743	$ 17,786,717

	September 30, 2023	December 31, 2022	September 30, 2022
Financial liabilities			
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	$ -	$ 10,137	$ 3,407
Short-term borrowings	676,843	2,146,851	3,465,899
Notes payable	7	-	-
Accounts payable (including payable to related parties)	10,404,333	9,214,787	10,366,401
Other payable (including payable to related parties)	1,128,859	1,276,857	1,450,119
Lease liability	195,503	208,436	222,016
Corporate bonds payable (including maturing within one year or one operating cycle)	2,975,145	2,953,838	2,946,692

	September 30, 2023	December 31, 2022	September 30, 2022
Long-term borrowings (including maturing within one year or one operating cycle)	1,579,862	1,356,447	1,411,547
Guarantee deposits received	9,232	4,725	4,856
	$ 16,969,784	$ 17,172,078	$ 19,870,937

B. Financial risk management policies

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

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

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

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

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(Foreign currency: functional currency)	September 30, 2023 Book value Foreign currency amount (In thousands)	Exchange rate	(NTD)	December 31, 2022 Book value Foreign currency amount (In thousands)	Exchange rate	(NTD)	September 30, 2022 Book value Foreign currency amount (In thousands)	Exchange rate	(NTD)
Financial assets									
Monetary items									
Cash in banks									
USD : NTD	$ 58,581	32.27	$ 1,890,409	$ 107,122	30.71	$ 3,289,717	$ 54,405	31.75	$ 1,727,359
RMB : NTD	52,256	4.42	230,710	54,641	4.41	240,858	156,287	4.47	699,072
USD : HKD	-	-	-	8,229	7.80	252,713	8,476	7.85	269,113
USD : RMB	28,405	7.31	916,629	6,924	6.97	212,636	4,308	7.10	136,779
USD : THB	38,123	36.58	1,230,229	32,957	34.35	1,012,109	22,935	37.57	728,186
Financial assets at fair value through profit or loss - current									
USD : NTD	$ 953	29.42	$ 28,035	$ 230	30.71	$ 7,076	$ 7,514	27.56~30.81	$ 208,596
Receivables									
USD : NTD	$ 200,143	32.27	$ 6,458,626	$ 241,758	30.71	$ 7,424,389	253,484	31.75	8,048,129
USD : RMB	52,448	7.31	1,692,497	111,650	6.97	3,428,772	77,684	7.10	2,466,467
USD : THB	30,912	36.58	997,530	21,302	34.35	654,184	26,481	37.57	840,772
Non-monetary items									
Current financial assets at fair value through other comprehensive income									
USD : NTD	$ 5,000	32.27	$ 161,350	$ 5,000	30.71	$ 153,550	$ 5,000	31.75	$ 158,750
Investments accounted for under equity method									
USD : NTD	$ 98,640	32.27	$ 3,183,119	$ 105,892	30.71	$ 3, 251,933	$ 100,912	31.75	$ 3,203,956
HKD : NTD	310,158	4.12	1,278,783	332,646	3. 94	1, 309,957	318,723	4.04	1,288,914
RMB : NTD	100,975	4.42	445,805	92,399	4. 41	407,293	88,676	4.47	396,646

(Foreign currency: functional currency)	September 30, 2023			December 31, 2022			September 30, 2022		
	Book value			Book value			Book value		
	Foreign currency amount (In thousands)	Exchange rate	(NTD)	Foreign currency amount (In thousands)	Exchange rate	(NTD)	Foreign currency amount (In thousands)	Exchange rate	(NTD)
Financial liabilities									
Monetary items									
Financial liabilities held for trading - current									
USD : NTD	$ -	-	-	$ -	-	$ -	$ 120	28.43	$ 3,407
Bank loan									
USD : NTD	$ -	-	$ -	$ 16,000	30.71	$ 491,360	$ -	-	$ -
USD : RMB	-	-	-	10,000	6.97	307,100	26,739	7.10	848,963
USD : CAD	-	-	-	2,600	0.74	79,846	2,600	0.73	82,550
RMB : NTD	62,660	4.42	276,644	42,950	4. 41	189,324	42,100	4.47	188,313
Payables									
RMB : NTD	$ 181,075	4.42	$ 799,446	$ 235,688	4.41	$ 1,038,913	$ 428,855	4.47	$ 1,918,268
USD : NTD	226,545	32.27	7,310,607	272,072	30.71	8,355,331	222,394	31.75	7,061,010
USD : RMB	48,112	7.31	1,552,574	49,601	6.97	1,523,247	49,482	7.10	1,571,054

(Foreign currency: functional currency)	September 30, 2023 Sensitivity analysis			December 31, 2022 Sensitivity analysis			September 30, 2022 Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets									
Monetary items									
Cash in banks									
USD : NTD	3%	$ 56,712	$ -	3%	$ 98,691	$ -	3%	$ 51,821	$ -
RMB : NTD	3%	6,921	-	3%	7,226	-	3%	20,972	-
USD : HKD	3%	-	-	3%	7,581	-	3%	8,073	-
USD : RMB	3%	27,499	-	3%	6,379	-	3%	4,103	-
USD : THB	3%	36,907	-	3%	30,363	-	3%	21,846	-
Financial assets at fair value through profit or loss - current									
USD : NTD	3%	$ 841	$ -	3%	$ -	$ 212	3%	$ 6,258	$ -
Receivables									
USD : NTD	3%	$ 193,759	$ -	3%	222,732	$ -	3%	$ 241,444	$ -
USD : RMB	3%	50,775	-	3%	102,863	-	3%	73,994	-
USD : THB	3%	29,926	-	3%	19,626	-	3%	25,223	-
Non-monetary items									
Current financial assets at fair value through other comprehensive income									
USD : NTD	3%	$ -	$ 4,841	3%	$ -	$ 4,607	3%	-	$ 4,763
Investments accounted for under equity method									
USD : NTD	3%	$ -	$ 95,494	3%	$ -	$ 97,558	3%	-	$ 96,119
HKD : NTD	3%	-	38,363	3%	-	39,299	3%	-	38,667
RMB : NTD	3%	-	13,374	3%	-	12,219	3%	-	11,899

(Foreign currency: functional currency)	September 30, 2023 Sensitivity analysis Degree of variation	Effect on profit or loss	Effect on other comprehensive income	December 31, 2022 Sensitivity analysis Degree of variation	Effect on profit or loss	Effect on other comprehensive income	September 30, 2022 Sensitivity analysis Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial liabilities									
Monetary items									
Financial liabilities held for trading - current									
USD : NTD	3%	$ -	$ -	3%	$ -	$ -	3%	$ 102	$ -
Bank loan									
USD : NTD	3%	$ -	$ -	3%	$ 14,741	$ -	0%	$ -	$ -
USD : RMB	3%	-	-	3%	9,213	-	3%	25,469	-
USD : CAD	3%	-	-	3%	2, 395	-	3%	2,477	-
RMB : NTD	3%	8,299	-	3%	5,680	-	3%	5,649	-
Payables									
RMB : NTD	3%	$ 23,983	$ -	3%	$ 31,167	$ -	3%	$ 57,548	$ -
USD : NTD	3%	219,318	-	3%	250,660	-	3%	211,830	-
USD : RMB	3%	46,577	-	3%	45,697	-	3%	47,132	-

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 nine months ended September 30, 2023 and 2022 amounted to a gain of $52,542 thousand, a gain of $219,218 thousand, a gain of $133,252 thousand, and a gain of $468,948 thousand, respectively.

Price risk

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

ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 3% with all other variables held constant, post-tax profit for the nine months ended September 30, 2023 and 2022 would have increased/decreased by $780 thousand and $871 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 $17,992 thousand and $18,689 thousand, respectively, as a result of other comprehensive income classified as available-for-sale equity investment and equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

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

ii. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit (loss), net of tax for the nine months ended September 30, 2023 and 2022 would have increased/decreased by $3,385 thousand and $7,316 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 nine months ended September 30, 2023 and 2022 would have decreased/increased by $828 thousand and $809 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 September 30, 2023, December 31, 2022 and September 30, 2022, the provision matrix is as follows:

September 30, 2023	Expected loss rate	Total book value	Loss allowance
Not past due	0.04%	$ 7,956,951	$ 3,118
Up to 30 days	4.08%	38,552	1,572
31~90 days	19.75%	4,674	923
91~180 days	100.00%	7,400	7,400
Over 180 days	100.00%	15.669	15,699
		$ 8,032,246	$ 28,682

December 31, 2022	Expected loss rate	Total book value	Loss allowance
Not past due	0.03%	$ 8,524,130	$ 2,851
Up to 30 days	0.29%	177,174	522
31~90 days	22.35%	15,153	3,386
91~180 days	100.00%	4,853	4,853
Over 180 days	100.00%	9,835	9,835
		$ 8,731,145	$ 21,447

September 30, 2022	Expected loss rate	Total book value	Loss allowance
Not past due	0.04%	$ 9,379,727	$ 3,324
Up to 30 days	2.39%	50,993	1,218
31~90 days	19.50%	141,113	2,752
91~180 days	100.00%	1,449	1,449
Over 180 days	100.00%	11,240	11,240
		$ 9,457,522	$ 19,983

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

	2023	2022
	Accounts receivable	Accounts receivable
At January 1	$ 21,447	$ 35,425
Allowance (reversal) of impairment loss	7,293	(14,889)
Effect of foreign exchange	(58)	(553)
At September 30	$ 26,682	$ 19,983

xi. For the nine months ended September 30, 2023 and 2022, there was no loss allowance for investments in debt instruments at fair value through other comprehensive income.

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

	September 30, 2023	December 31, 2022	September 30, 2022
	Lifetime	Lifetime	Lifetime
	12 months	12 months	12 months
Financial assets at amortized cost			
Group 1	$ 1,065,441	$ 295,801	$ 1,444,710
Financial assets at fair value through other comprehensive income			
Group 2	$ 159,669	$ 150,863	$ 156,735

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 $17,103,537 thousand, $15,421,095 thousand and $15,565,151 thousand in undrawn borrowing facilities as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

Non-derivative financial liabilities

September 30, 2023	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Short-term borrowings	$ 431,446	$ 254,000	$ -	$ -	$ -	$ 685,446
Accounts payable	4,334,919	1,901,983	-	-	-	6,236,902
Accounts payable - related parties	3,670,308	497,123	-	-	-	4,167,431
Other payables (including related parties)	1,012,804	116,055	-	-	-	1,128,859
Lease liabilities	22,389	63,338	66,784	35,122	17,129	204,762
Bonds payable	-	3,000,000	-	-	-	3,000,000
Long-term borrowings	138,898	335,411	362,934	731,113	103,228	1,671,584

Non-derivative financial liabilities

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

Non-derivative financial liabilities

September 30, 2022	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Short-term borrowings	$ 2,211,429	$1,279,384	$ -	$ -	$ -	$ 3,490,813
Accounts payable	5,001,283	1,753,339	-	-	-	6,754,622
Accounts payable - related parties	3,123,855	487,924	-	-	-	3,611,779
Other payables (including related parties)	1,326,330	123,789	-	-	-	1,450,119
Lease liabilities	22,750	58,949	70,569	66,159	22,661	241,088
Bonds payable	-	-	3,000,000	-	-	3,000,000
Long-term borrowings	52,260	335,552	455,431	601,502	-	1,444,745

Derivative financial liabilities

Forward exchange contracts	3,407	-	-	-	-	3,407

(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 Financial instruments not measured at fair value include the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term and long-term borrowings, notes payable, accounts payable and other payables.

	September 30, 2023			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities				
Bonds payable	$ 2,975,145	$ -	$2,975,372	$ -

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

	September 30, 2022			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities				
Bonds payable	$ 2,946,692	$ -	$2,845,178	$ -

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:

September 30, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
-Equity securities	$ -	$ -	$ 26,010	$ 26,010
-Bonds investments	-	-	280,000	280,000
-Forward exchange contracts	-	28,034	-	28,034
-Fund	112,635	-	-	112,635
Financial liabilities at fair value through other comprehensive income				
- Equity securities	251,808	-	347,920	599,728
- Debt securities	-	159,669	-	159,669
	$ 364,443	$ 187,703	$ 653,930	$ 1,206,076

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

September 30, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
-Equity securities	$ -	$ -	$ 29,021	$ 29,021
-Bonds investments	-	-	280,000	280,000
-Forward exchange contracts	-	208,596	-	208,596
-Fund	102,868	-	-	102,868
-Call options of convertible bonds	-	-	300	300
Financial liabilities at fair value through other comprehensive income				
- Equity securities	217,119	-	405,846	622,965
- Debt securities	-	156,735	-	156,735
	$ 319,987	$ 365,331	$ 715,167	$ 1,400,485
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
-Forward exchange contracts	$ -	$ 3,407	$ -	$ 3,407

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 nine months ended September 30, 2023 and 2022, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the nine months ended September 30, 2023 and 2022:

	Nine months ended September 30	
	2023	2022
At January 1	$ 704,167	$ 1,026,433
Current increase	-	1,487
(Losses) gains recognized in loss	(1,274)	1,839
Losses recognized in other comprehensive income	(48,963)	(314,592)
At September 30	$ 653,930	$ 715,167

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 September 30, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity investment:					
Equity securities	$ 145,273	Market comparable companies	Price to book ratio multiple	1	The higher the multiplier, the higher the fair value
Private equity funds in venture capital	26,010	Net asset value	N/A	N/A	N/A
Private placement shares (listed companies)	202,647	Market price method	Discount for lack of marketability	17.6%-18.3%	The higher the discount for marketability, the lower the fair value
Non-derivative debt investment:					
Convertible bonds	$ 280,000	Discounted cash flow method	Discount rate	-	The higher the discount rate, the lower the fair value

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

	Fair value at September 30, 2022		Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity investment:						
Equity securities	$	156,772	Market comparable companies	Price to book ratio multiple	1	The higher the multiplier, the higher the fair value
Private equity funds in venture capital		29,021	Net asset value	N/A	N/A	N/A
Private placement shares (listed companies)		249,074	Market price method	Discount for lack of marketability	17.6%-18.3%	The higher the discount for marketability, the lower the fair value
Call options of convertible bonds		300	Binary tree convertible bond valuation model	Risk-free interest rate	1.1635%	The higher the risk-free interest rate, the lower the fair value
				Stock price	85.2	The higher the stock price, the higher the fair value
				Volatility	31.47%	The higher the stock price volatility, the higher the fair value
Non-derivative debt investment:						
Convertible bonds	$	280,000	Discounted cash flow method	Discount rate	-	The higher the risk-free interest rate, the lower the fair value

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

			September 30, 2023			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity securities	Price to book ratio multiple	±10%	$ -	$ -	$ 14,527	($ 14,527)

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

			September 30, 2022			
			Recognized in profit or loss		Recognized in other comprehensive income	
Financial assets						
Call options of convertible bonds	Stock price	±10%		($ 300)		
	Volatility	±5%		(300)		
Equity securities	Price to book ratio multiple	±10%	-	-	15,677	(15,677)
			$ -	($ 600)	$ 15,677	($ 15,677)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

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

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

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

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

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

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

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

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

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

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

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

(4) Major shareholders information

Major shareholders information: None.

14. SEGMENT INFORMATION

(1) General information

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

(2) Measurement of segment information

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

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

A. The segment information provided to the chief operating decision-maker for the reportable segments for the three months ended September 30, 2023 and 2022 is as follows:

	2023					
	Taiwan	Shenzhen	Singapore	Vietnam	Others	Total
Revenue						
Revenue from external customers	$ 6,257,241	$ 111,630	$ 2,724,557	$ 124,918	$ 236,512	$ 9,454,858
Inter-segment revenue	6,245	2,108,518	-	793,120	1,471,457	4,379,340
Total revenue	$ 6,263,486	$ 2,220,148	$ 2,724,557	$ 918,038	$ 1,707,969	$ 13,834,198
Segment pre-tax profit (loss)	$ 510,592	$ 1,195	$ 303,248	$ 109,317	$ 156,475	$ 1,080,827

	2022					
	Taiwan	Shenzhen	Singapore	Vietnam	Others	Total
Revenue						
Revenue from external customers	$ 8,169,457	$ 75,355	$ 2,464,045	$ 43,254	$ 298,374	$ 11,050,485
Inter-segment revenue	1,246	4,150,486	-	1,032,183	1,197,471	6,381,386
Total revenue	$ 8,170,703	$ 4,225,841	$ 2,464,045	$ 1,075,437	$ 1,495,845	$ 17,431,871
Segment pre-tax profit (loss)	$ 934,474	($ 45,209)	$ 240,619	$ 112,969	$ 65,752	$ 1,308,605

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 nine months ended September 30, 2023 and 2022 is as follows:

	2023					
	Taiwan	Shenzhen	Singapore	Vietnam	Others	Total
Revenue						
Revenue from external customers	$ 17,388,655	$ 244,515	$ 6,333,228	$ 197,815	$ 777,827	$ 24,942,050
Inter-segment revenue	18,600	5,963,727	-	1,786,037	3,649,301	11,417,665
Total revenue	$ 17,407,265	$ 6,208,242	$ 6,333,228	$ 1,983,852	$ 4,427,128	$ 36,359,715
Segment pre-tax profit (loss)	$ 1,025,655	($ 189,746)	$ 709,073	$ 152,981	$ 296,644	$ 1,994,607

	2022					
	Taiwan	Shenzhen	Singapore	Vietnam	Others	Total
Revenue						
Revenue from external customers	$ 18,009,945	$ 266,401	$ 5,664,053	$ 231,335	$ 901,562	$ 25,073,296
Inter-segment revenue	8,861	7,329,097	-	3,067,867	2,718,264	13,124,089
Total revenue	$ 18,018,806	$ 7,595,498	$ 5,664,053	$ 3,299,202	$ 3,619,826	$ 38,197,385
Segment pre-tax profit (loss)	$ 1,563,658	($ 539,492)	$ 535,928	$ 355,139	$ 324,909	$ 2,240,142

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 September 30	
	2023	2022
Adjusted revenue from reportable segments	$ 13,834,198	$ 17,431,871
Elimination of inter-segment revenue	(4,379,340)	(6,381,386)
Total consolidated operating revenue	$ 9,454,858	$ 11,050,485

	Nine months ended September 30	
	2023	2022
Adjusted revenue from reportable segments	$ 36,359,715	$ 38,197,385
Elimination of inter-segment revenue	(11,417,665)	(13,124,089)
Total consolidated operating revenue	$ 24,942,050	$ 25,073,296

ii. A reconciliation of adjusted current income before tax and the income before tax from continuing operations is provided as follows:

	Three months ended September 30	
	2023	2022
Adjusted income from reportable segments before income tax	$ 1,080,827	$ 1,308,605
Elimination of inter-segment income	(463,819)	(457,236)
Income from continuing operations before income tax	$ 617,008	$ 851,369

	Nine months ended September 30	
	2023	2022
Adjusted income from reportable segments before income tax	$ 1,994,607	$ 2,240,142
Elimination of inter-segment income	(810,018)	(677,452)
Income from continuing operations before income tax	$ 1,184,589	$ 1,562,690

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Loans to others

Nine months ended September 30, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance for the three months ended September 30, 2023	Balance at September 30, 2023	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
0	MEHO	FUXM	Other receivables	Y	$ 60,000	$ 60,000	$ 57,395	1.83	2	$ -	Acquisition for plant	$ -	-	$ -	$4,935,012	$12,337,530	
1	MESG	MENA	Other receivables	Y	129,080	129,080	74,221	1.13	2	-	Business operation	-	-	-	2,960,045	2,960,045	
1	MESG	SENM	Other receivables	Y	48,405	48,405	16,135	3.52	2	-	Business operation	-	-	-	2,960,045	2,960,045	
2	MECL	ASCX	Other receivables	Y	35,320	35,320	28,695	3.45	2		Business operation				1,236,711	3,091,777	

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

(5) The limit on the Company’s loans granted for Fulicare Medical Instruments (Xiamen) Co., Ltd. ("FUXM") is within 40% of the Company’s net assets, for short-term financing purpose.

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

(2) For short-term financing.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

Nine months ended September 30, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

		Party being Endorsed/guaranteed												
Number (Note 1)	Endorser/ guarantor	Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of September 30, 2023	Outstanding endorsement/ guarantee amount as of September 30, 2023	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 4)	Provision of endorsements / guarantees by parent company to subsidiary	Provision of endorsements / guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	MEHO	MENA	2	$ 9,870,024	$ 196,847	$ 83,902	$ -	$ -	0.68%	$ 12,337,530	Y	N	N	

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

(1) The Company is ‘0’.

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

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

(1) Having business relationship.

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

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

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

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

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
September 30, 2023

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer	General ledger account	As of September 30, 2023 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	5,015	$ 50,000	-	$ 57,573	
The Company	Fund - UPAMC Wealthy Fund	-	Financial assets mandatorily measured at fair value through profit or loss - current	5,000	50,000	-	55,062	
The Company	Bond - The Company Bond - SYNergy Private Placement (YDB8AA)	-	Financial assets mandatorily measured at fair value through profit or loss - current	-	280,000	-	280,000	
					380,000		$ 392,635	
			Valuation adjustment		12,635			
					$ 392,635			
The Company	Fund - JAFCO	-	Financial assets mandatorily measured at fair value through profit or loss - non-current	942	$ 28,344	0.71%	$ 26,010	
			Valuation adjustment		(2,334)			
					$ 26,010			
The Company	Stock - 2881B.TW	-	Equity instruments measured at fair value through OCI - current	683	$ 40,980	-	$ 40,843	
The Company	Stock - 2882B.TW	-	Equity instruments measured at fair value through OCI - current	585	35,100	-	35,100	
The Company	Stock - 5871A	-	Equity instruments measured at fair value through OCI - current	300	30,000	-	29,070	
The Company	Bond-XS218687550		Equity instruments measured at fair value through OCI - current	-	144,625		159,669	
					250,705		$ 264,682	
					13,977			
					$ 264,682			
The Company	Stock - 4943.TW	-	Measured at fair value through other comprehensive income - non-current	7,712	$ 648,164	8.89%	$ 66,777	
The Company	Stock - 3290.TW	-	Measured at fair value through other comprehensive income - non-current	5,723	99,990	5.43%	146,795	
The Company	Stock - FUJITER Semiconductor CO.,LTD.	-	Measured at fair value through other comprehensive income - non-current	2,126	27,811	9.79%	19,663	
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%	2,413	
The Company	Stock - -SUNSINO SME Development Co., Ltd.	-	Measured at fair value through other comprehensive income - non-current	169	2,123	0.36%	2,265	
The Company	Stock - -LINSATION Intelligent Technology Limited	-	Measured at fair value through other comprehensive income - non-current	75	8,772	6.19%	2,966	
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%	11,181	
The Company	Stock - 6558.TW	-	Measured at fair value through other comprehensive income - non-current	7,300	188,340	7.79%	135,870	
					995,038		$ 387,930	
			Valuation adjustment		(607,108)			
					$ 387,930			
MEST	Stock - Perfect Fortune Inc	-	Measured at fair value through other comprehensive income - non-current	2,126	$ 8,767	18.33%	$ 77,710	
MEST	Stock - LOYAL WIRE& CABLE COMPANY LTD	-	Measured at fair value through other comprehensive income - non-current	1,159	8,451	18.33%	23,776	
ASCX	Stock - DeTing (Xiamen) Health Technology Co., Ltd.	-	Measured at fair value through other comprehensive income - non-current	-	442	10.00%	442	
ASCX	Stock - Beijing Wanling Hearing Aids	-	Measured at fair value through other comprehensive income - non-current	-	4,857	19.64%	4,857	
					22,517		$ 106,785	
			Valuation adjustment		84,268			
					$ 106,785			

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
Nine months ended September 30, 2023

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		
Purchase/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance (Note 2)	Percentage of total notes/ accounts receivable payable	Note
The Company	MECL	A subsidiary of the Company	Purchases	$ 5,424,334	22%	60 - 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	($ 1,897,004)	18%	(Note 3)
The Company	MEVN	A subsidiary of the Company	Purchases	1,787,259	7%	60 - 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(1,086,128)	10%	(Note 3)
The Company	MECH	Investment accounted for using the equity method	Purchases	1,930,948	8%	60 - 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(578,566)	6%	
The Company	MECE	Investment accounted for using the equity method	Purchases	6,447,866	26%	60 - 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(2,743,442)	26%	
METC	The Company	Parent company	Purchases	2,371,983	10%	60 - 120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(1,445,915)	14%	(Note 3)
MESG	MECL	A subsidiary of the Company	Purchases	540,2864	2%	60 - 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(240,341)	2%	(Note 3)
MESG	METC	A subsidiary of the Company	Purchases	3,362,961	13%	60 - 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(992,710)	10%	(Note 3)
MESG	MECH	Investment accounted for using the equity method	Purchases	1,710,515	7%	60 - 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(790,362)	8%	

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
September 30, 2023

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance of accounts receivable due from related party: General ledger account	Balance of accounts receivable due from related party: Amount	Turnover rate	Overdue receivables: Amount	Overdue receivables: Action taken	Amount collected subsequent to the balance sheet date (Note2)	Allowance for doubtful accounts	Note
The Company	METC	A subsidiary of the Company	Accounts receivable	$ 1,445,915	2.44	$ -	-	$ 344,417	$ -	(Note 1)
MECL	The Company	Parent Company	Accounts receivable	1,897,004	2.74	-	-	196,132	-	(Note 1)
MECL	MESG	A subsidiary of the Company	Accounts receivable	240,341	2.71	-	-	51,892	-	(Note 1)
METC	MESG	A subsidiary of the Company	Accounts receivable	992,710	5.45	-	-	237,881	-	(Note 1)
MEVN	The Company	Parent Company	Accounts receivable	1,086,128	2.63	-	-	172,965	-	(Note 1)
MECE	The Company	Parent Company	Accounts receivable	2,743,442	2.92	-	-	196,813	-	
MECH	The Company	Parent Company	Accounts receivable	578,566	4.65	-	-	25,050	-	
MECH	MESG	A subsidiary of the Company	Accounts receivable	790,362	3.61	-	-	247,287	-	

Note 1: Inter-company transactions between companies within the Group are eliminated.
Note 2: The balance was as at October 26, 2023.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
Nine months ended September 30, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	MEHO	MECL	1	Purchases	$ 5,424,334	The price is based on the profitability of the product	22%
0	MEHO	MECL	1	Accounts payable	1,897,004	The balance shown was net of receivables as agreed by both parties	6%
0	MEHO	MEVN	1	Purchases	1,787,259	The price is based on the profitability of the product	7%
0	MEHO	MEVN	1	Accounts payable	1,086,128	The balance shown was net of receivables as agreed by both parties	3%
1	METC	MEHO	2	Purchases	2,371,983	The price is based on the profitability of the product	10%
1	METC	MEHO	2	Accounts payable	1,445,915	The balance shown was net of receivables as agreed by both parties	4%
2	MESG	MECL	3	Purchases	540,284	The price is based on the profitability of the product	2%
2	MESG	MECL	3	Accounts payable	240,341	The balance shown was net of receivables as agreed by both parties	1%
2	MESG	METC	3	Purchases	3,362,961	The price is based on the profitability of the product	13%
2	MESG	METC	3	Accounts payable	992,710	The balance shown was net of receivables as agreed by both parties	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
Nine months ended September 30, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as on September 30, 2023	Initial investment amount: Balance as on December 31, 2022	Shares held as on September 30, 2023: Number of shares (in thousand shares)	Shares held as on September 30, 2023: Ownership (%)	Shares held as on September 30, 2023: Book value	Net profit (loss) of the investee for the year ended September 30, 2023	Investment income (loss) recognized by the Company for the year ended September 30, 2023	Note
The Company	MEST	HONG KONG	Sales of microphone, receiver and speaker	$ 733,733	$ 981,113	19,658	100.00	$ 4,510,725	$ 36,731	$ 72,237	(Note 1)
The Company	DDBV	British Virgin IS.	General investment business	1,479,925	1,479,925	48,005	100.00	3,183,322	(58,552)	(94,638)	(Note 1)
The Company	LEOHAB ENTERPRISE CO.,LTD.	Taichung City	Plastic injection molding and metal stamping	96,666	96,666	4,986	21.00	33,459	(9,869)	(2,073)	
The Company	MECA	U.S.A.	Technique, marketing and after service	28,887	28,887	999	99.90	37,241	365	365	
The Company	MESG	SINGAPORE	Sales of microphone, receiver and speaker	92,132	92,132	800	100.00	2,960,045	587,679	587,679	
The Company	METC	THAILAND	Microphone, components and product and sale of other electric products	484,358	484,358	5,060	99.99	764,838	91,208	92,016	(Note 1)
The Company	MHKY	CAYMAN	Sales of medical device	857,946	857,946	27,992	100.00	323,332	(62,585)	(62,585)	
The Company	INSA	SAMOA	General investment business	1,293,008	1,199,977	302	100.00	631,451	(10,915)	(10,915)	
The Company	MEVN	VIETNAM	Manufacture of microphone and speaker	366,710	366,710	-	51.00	838,647	152,981	70,615	(Note 1)
The Company	MUTT	New Taipei City	Manufacturing and application service of electrical appliances and audiovisual electronic products	30,600	30,600	3,060	51.00	20,500	(14,071)	(7,176)	
The Company	MCTT	Taichung City	General investment business	8,000	8,000	800	100.00	9,572	1,333	1,333	
The Company	MAC FUND	Taipei City	General investment business	123,733	19,200	-	42.67	120,634	(4,821)	(2,057)	
MESG	MEMP	Malaysia	Research and development of microphone, receiver and speaker	15,969	15,969	2,400	100.00	10,888	(5,319)	-	(Note 2)
MCTT	MAC FUND	Taipei City	General investment business	2,900	450	-	1.00	2,827	(4,821)	(48)	
DDBV	UCMU	MAURITIUS	General investment business	-	151	-	-	-	-	-	(Note 2)
DDBV	MTHK	HONG KONG	General investment business	1,392,956	1,392,956	48,000	100.00	3,183,119	(58,552)	-	(Note 2)
MHKY	FUSA	SAMOA	General investment business	795,943	795,943	27,160	96.01	324,308	(62,521)	-	(Note 2)
INSA	MENA	CANADA	Sale and development of speaker and power amplifier	92,445	30	56,954	100.00	78,531	(36,528)	-	(Note 2)
MENA	SENM	NORWAY	Manufacture and sales of speaker monomer	23	23	-	100.00	62,114	4,577		(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).

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

					Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for nine months ended September 30, 2023								
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, 2023	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2023	Net income of investee for nine months ended September 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for nine months ended September 30, 2023	Book value of investments in Mainland China as of September 30, 2023 (Note 4)	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2023	Note
MEDG	Research and development of sound equipment, earphones, mobile power supply, charging box, cable, connector, electronic components, plastic hardware, mold and antenna	$ 883,000	(Note 1)	$ 452,564	$ -	$ -	$ 452,564	$ 43,151	49.00%	$ 21,144	$ 429,228	$ -	
MSCS	Manufacture of speaker and amplifier	152,638	(Note 1)	110,497	-	-	110,497	(10,918)	100.00%	(10,918)	129,086	-	
MECL	Microphone, receiver, speaker, security system, induction cooker and other electronic component	420,944	(Note 2)	453,191	-	-	453,191	(161,320)	100.00%	(161,320)	3,091,777	2,282,120	Note 3
MECE	Manufacture and sales of microphone, receiver and speaker	2,762,638	(Note 2)	1,369,285	-	-	1,369,285	(119,494)	49.00%	(94,637)	3,183,119	295,185	Note 3
MECS	International trade, transit trade and trading consulting; trading amongst companies in bonded area and trading agency in the area	7,327	(Note 2)	6,055	-	-	6,055	2	49.00%	1	(1,129)	40,321	
MECH	Manufacture and sales of microphone, receiver, speaker and mobile phone	441,500	(Note 2)	420,687	-	-	420,687	367,868	49.00%	178,949	1,279,912	213,003	Note 3
FUSZ	Manufacture of medical device	283,369	(Note 2)	310,763	-	-	310,763	(1,950)	96.01%	(1,872)	242,047	-	
ETCX	Retail sales of hearing products	19,868	(Note 2)	19,009			19,009	(5,496)	96.01%	(5,276)	(29,470)		
ASCX	Manufacture and sales of hearing aid, hearing device and acoustics equipment	58,547	(Note 2)	293,281			293,281	10,583	95.53%	10,110	19,394		
LACX	Research and development and technical sales of software for hearing aid use	22,075	(Note 2)	22,180	-	-	22,180	(791)	95.53%	(756)	42,006	-	
FUXM	Sales of medical device	307,430	(Note 2)	302,995	-	-	302,995	(44,987)	96.01%	(43,192)	36,314	-	
DONG GUAN GET PINK	Manufacture and sales of earphones and speaker	69,536	(Note 2)	-	-	-	-	(1,371)	33.00%	(453)	16,577	-	

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Information on investees in Mainland China
Nine months ended September 30, 2023

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

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

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission (MOEA) (Note 1)
Merry Electronics Co., Ltd.	$ 3,868,131	$ 4,178,588	$ 7,402,518

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas
Nine months ended September 30, 2023

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

		Sales (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/ guarantee or collaterals		Financing				
Investee in Mainland China	Counterparty	Amount	%	Amount	%	Balance on September 30, 2023	%	Balance on September 30, 2023	Purpose	Maximum balance during the three months ended September 30, 2023	Balance on September 30, 2023	Interest rate	Interest during the three months ended September 30, 2023	Others
MECL	MEHO	($ 5,424,334)	22%	-	-	($ 1,897,004)	18%	-	-	-	-	-	-	-
MECL	MESG	(540,284)	2%	-	-	(240,341)	2%	-	-	-	-	-	-	-
MECE	MEHO	(6,477,866)	26%	-	-	(2,743,442)	26%	-	-	-	-	-	-	-
MECH	MEHO	(1,930,948)	8%	-	-	(578,566)	6%	-	-	-	-	-	-	-
MECH	MESG	(1,710,515)	7%	-	-	(790,362)	8%	-	-	-	-	-	-	-