

**MERRY ELECTRONICS CO., LTD. AND
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT**

June 30, 2026 AND 2025

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 June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months and six months ended, as well as the related consolidated statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 2410 “Review of Financial Information Performed by the Independent Auditor of the Entity” in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Notes 4 (3) and 6 (6), the financial statements of certain insignificant consolidated subsidiaries and certain investments accounted for using the equity method were not reviewed by independent auditors. Those statements reflect total assets of NT\$13,471,067 thousand and NT\$8,869,386 thousand, constituting 33% and 23% of the consolidated total assets, and total liabilities

of NT\$5,651,572 thousand and NT\$3,497,648 thousand, constituting 25% and 15% of the consolidated total liabilities as at June 30, 2026 and 2025, respectively, and reflect total revenue of NT\$2,985,292 thousand, NT\$871,864 thousand, NT\$3,535,531 thousand and NT\$1,394,912 thousand, constituting 29%, 8%, 17% and 7% of the consolidated revenues for the three months and six months then ended, respectively, and total comprehensive income of NT\$595,029 thousand, NT\$55,760 thousand, NT\$649,250 thousand and NT\$310,372 thousand, constituting 197%, (4)%, 72% and (38)% of the consolidated total comprehensive income for the three months and six 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 June 30, 2026 and 2025, and of its consolidated financial performance for the three months and six months then ended, and its consolidated cash flows for the six 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.

Wang, Yu-Chuan
Liu, Mei-Lan

For and on behalf of PricewaterhouseCoopers, Taiwan
July 30, 2026

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
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of June 30, 2026 and 2025 were reviewed, not audited)

Assets		Notes	June 30, 2026		December 31, 2025		June 30, 2025	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6 (1)	\$ 7,333,386	18	\$ 9,797,932	22	\$ 10,001,604	26
1110	Financial assets at fair value through profit or loss - current	6 (2)	26,459	-	819,779	2	893,221	2
1120	Current financial assets at fair value through other comprehensive income		108,284	-	107,541	-	108,456	-
1136	Current financial assets at amortized cost		427,811	1	161,348	-	341,348	1
1170	Accounts receivable, net	6 (3)	9,264,028	23	11,421,033	26	8,532,985	22
1180	Accounts receivable due from related parties, net	7 (2)	1,597,157	4	1,968,952	4	594,749	2
1200	Other receivables		239,455	-	63,306	-	275,138	1
1210	Other receivables – related parties	7 (2)	280,625	1	68,104	-	137,291	-
130X	Inventories	6 (5)	7,794,875	19	6,705,759	15	6,013,971	15
1470	Other current assets		481,286	1	434,398	1	446,610	1
11XX	Current Assets		27,553,366	67	31,548,152	70	27,345,373	70
Non-current assets								
1510	Financial assets at fair value through profits or loss – non-current	6 (2)	45,347	-	46,282	-	42,983	-
1517	Non-current financial assets at fair value through other comprehensive income		211,797	1	223,254	1	192,230	1
1535	Financial assets at amortized cost – non-current		110,000	-	576,235	1	433,327	1
1550	Investments accounted for under equity method	6 (6)	6,627,381	16	6,272,742	14	5,555,981	14
1600	Property, plant and equipment	6 (7)	5,060,718	12	5,037,783	11	4,307,576	11
1780	Intangible assets	6 (8)	767,824	2	733,882	2	743,354	2
1840	Deferred income tax assets		202,267	1	128,407	-	350,136	1
1900	Other non-current assets		247,122	1	227,832	1	233,716	1
15XX	Non-current assets		13,272,456	33	13,246,417	30	11,859,303	30
1XXX	Total assets		\$ 40,825,822	100	\$ 44,794,569	100	\$ 39,204,676	100

(Continued)

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025

(Expressed in thousands of New Taiwan dollars)

(The balance sheets as of June 30, 2026 and 2025 were reviewed, not audited)

Liabilities and Equity		Notes	June 30, 2026		December 31, 2025		June 30, 2025	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Short-term borrowing	6 (9)	\$ 1,952,949	5	\$ 4,295,965	9	\$ 2,121,047	5
2120	Financial liabilities at fair value through profit or loss – current	6 (2)	53,711	-	38,725	-	51,726	-
2130	Contract liabilities – current	6 (19)	228,646	-	413,316	1	274,596	1
2170	Accounts payable		7,395,766	18	9,137,857	20	7,672,389	20
2180	Accounts payable – related parties	7 (2)	3,532,817	9	3,424,949	8	2,288,033	6
2200	Other payables	6 (10)	2,273,937	6	1,659,781	4	3,420,240	9
2220	Other payables – related parties	7 (2)	196,932	-	111,139	-	106,236	-
2230	Current income tax liabilities		327,615	1	339,489	1	275,997	1
2320	Current portion of long-term liabilities	6 (12)	88,846	-	152,691	-	152,691	-
2399	Other current liabilities		777,252	2	757,409	2	700,126	2
21XX	Current Liabilities		16,828,471	41	20,331,321	45	17,063,081	44
Non-current liabilities								
2527	Contract liabilities – non-current	6 (19)	281,775	1	334,381	1	437,480	1
2530	Bonds payable	6 (11)	2,940,441	7	2,912,269	6	2,883,908	8
2540	Long-term borrowings	6 (12)	-	-	12,500	-	136,211	-
2570	Deferred income tax liabilities		2,026,780	5	2,056,586	5	2,028,385	5
2640	Net defined benefit liability – non-current		81,049	-	20,729	-	21,120	-
2670	Other non-current liabilities		66,794	-	38,958	-	68,089	-
25XX	Non-current liabilities		5,396,839	13	5,375,423	12	5,575,193	14
2XXX	Total liabilities		22,225,310	54	25,706,744	57	22,638,274	58
Equity attributable to owners of parent								
Share capital		6 (15)						
3110	Common stock		2,536,413	6	2,538,269	6	2,534,894	7
Capital surplus		6 (16)						
3200	Capital surplus		8,470,329	20	8,480,217	19	8,426,722	21
Retained earnings		6 (17)						
3310	Legal reserve		2,892,720	7	2,759,561	6	2,759,561	7
3320	Special reserve		550,401	1	462,936	1	462,936	1
3350	Unappropriated retained earnings		3,234,216	8	4,088,344	9	3,107,397	8
Other equity interest		6 (18)						
3400	Other equity interest		(464,402)	-	(780,006)	(2)	(1,855,154)	(5)
3500	Treasury shares	6 (15)	(432,739)	(1)	-	-	-	-
31XX	Equity attributable to owners of the parent		16,786,938	41	17,549,321	39	15,436,356	39
36XX	Non-controlling interest	4 (3)	1,813,574	5	1,538,504	4	1,130,046	3
3XXX	Total equity		18,600,512	46	19,087,825	43	16,566,402	42
Significant contingent liabilities and unrecognized contract commitments		9						
Significant events after the balance sheetdate		11						
3X2X	Total liabilities and equity		\$ 40,825,822	100	\$ 44,794,569	100	\$ 39,204,676	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 SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)
(Reviewed, Unaudited)

Items			Three months ended June 30				Six months ended June 30			
			2026		2025		2026		2025	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6 (19) and 7 (2)	\$ 10,437,777	100	\$ 10,326,562	100	\$ 21,408,429	100	\$ 19,184,746	100
5000	Operating costs	6 (5) and 7 (2)	(9,395,788)	(90)	(9,117,420)	(88)	(19,068,968)	(89)	(16,880,945)	(88)
5900	Net operating margin		1,041,989	10	1,209,142	12	2,339,461	11	2,303,801	12
	Operating expenses	6 (22)(23)								
6100	Selling expenses		(133,767)	(1)	(115,343)	(1)	(260,749)	(1)	(232,792)	(1)
6200	General and administrative expenses		(320,396)	(3)	(286,784)	(3)	(676,401)	(3)	(577,381)	(3)
6300	Research and development expenses		(586,401)	(6)	(562,467)	(6)	(1,191,419)	(6)	(1,141,910)	(6)
6450	Expected credit impairment loss	12 (2)	2,142	-	508	-	(821)	-	(3,348)	-
6000	Total operating expenses		(1,038,422)	(10)	(965,102)	(10)	(2,129,390)	(10)	(1,955,431)	(10)
6900	Operating profit		3,567	-	244,040	2	210,071	1	348,370	2
	Non-operating income and expenses									
7100	Interest income		39,091	-	70,078	1	78,564	-	143,536	1
7010	Other income	6 (20)	77,249	-	63,560	1	123,635	1	92,561	-
7020	Other gains and losses	6 (21)	(12,149)	-	(464,422)	(5)	30,178	-	(343,055)	(2)
7050	Finance costs		(25,332)	-	(22,864)	-	(71,877)	-	(44,796)	-
7060	Share of profit of associates and joint ventures accounted for under the equity method	6 (6)	79,632	1	156,574	1	219,249	1	340,814	2
7000	Total non-operating income and expenses		158,491	1	(197,074)	(2)	379,749	2	189,060	1
7900	Profit before income tax		162,058	1	46,966	-	589,820	3	537,430	3
7950	Income tax expense	6 (24)	90,606	1	58,825	1	47,826	-	(33,620)	-
8200	Profit for the period		\$ 252,664	2	\$ 105,791	1	\$ 637,646	3	\$ 503,810	3

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)
(Reviewed, Unaudited)

Items	Notes	Three months ended June 30				Six months ended June 30				
		2026		2025		2026		2025		
		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 (18)	(\$ 8,869)	-	(\$ 19,730)	-	(\$ 10,550)	-	(\$ 25,759)	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6 (6) (18)	(1,571)	-	-	-	(661)	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6 (28)(24)	(288)	-	2,017	-	(1,185)	-	1,792	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(10,728)	-	(17,713)	-	(12,396)	-	(23,967)	-
Components of other comprehensive income that will be reclassified to profit or loss										
8361	Financial statements translation differences of foreign operations	6 (18)	(3,217)	-	(1,041,252)	(10)	88,524	-	(870,891)	(4)
8370	Share of other comprehensive income of associates and joint ventures accounted for using the equity method – components of other comprehensive income that will be reclassified to profit or loss	6 (6) (18)	78,569	1	(824,352)	(8)	250,335	1	(704,404)	(4)
8399	Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6 (24)	(15,699)	-	327,131	3	(60,581)	-	272,064	1
8360	Components of other comprehensive income that will be reclassified to profit or loss		59,653	1	(1,538,473)	(15)	278,278	1	(1,303,231)	(7)
8300	Total other comprehensive income (loss) for the period		<u>\$ 48,925</u>	<u>1</u>	<u>(\$ 1,556,186)</u>	<u>(15)</u>	<u>\$ 265,882</u>	<u>1</u>	<u>(\$ 1,327,198)</u>	<u>(7)</u>
8500	Total comprehensive(loss) for the period		<u>\$ 301,589</u>	<u>3</u>	<u>(\$ 1,450,395)</u>	<u>(14)</u>	<u>\$ 903,528</u>	<u>4</u>	<u>(\$ 823,388)</u>	<u>(4)</u>
Profit (loss), attributable to:										
8610	Owners of parent		\$ 124,098	1	\$ 2,622	-	\$ 381,852	2	\$ 356,119	2
8620	Non-controlling interest		128,566	1	103,169	1	255,794	1	147,691	1
	Total profit (loss) for the period		<u>\$ 252,664</u>	<u>2</u>	<u>\$ 105,791</u>	<u>1</u>	<u>\$ 637,646</u>	<u>3</u>	<u>\$ 503,810</u>	<u>3</u>
Comprehensive income attributable to:										
8710	Owners of parent		\$ 181,445	2	(\$ 1,373,303)	(13)	\$ 628,458	3	(\$ 796,640)	(4)
8720	Non-controlling interest		120,144	1	(77,092)	(1)	275,070	1	(26,748)	-
	Total comprehensive income (loss)		<u>\$ 301,589</u>	<u>3</u>	<u>(\$ 1,450,395)</u>	<u>(14)</u>	<u>\$ 903,528</u>	<u>4</u>	<u>(\$ 823,388)</u>	<u>(4)</u>
Basic earnings per share										
9750	Total basic earnings per share	6 (25)	<u>\$ 0.50</u>		<u>\$ 0.01</u>		<u>\$ 1.54</u>		<u>\$ 1.43</u>	
Diluted earnings per share										
9850	Total diluted earnings per share	6 (25)	<u>\$ 0.50</u>		<u>\$ 0.01</u>		<u>\$ 1.48</u>		<u>\$ 1.38</u>	

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)
(Reviewed, Unaudited)

		Equity attributable to owners of the parent									
		Retained earnings								Non-	
	Notes	Share capital - common stock	Capital surplus- additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Other equity interest	Treasury shares	Total	Controlling interest	Total equity
<u>Six months ended June 2025</u>											
Balance at January 1,2025		\$ 2,534,914	\$ 8,422,431	\$ 2,549,941	\$ 973,012	\$ 4,306,799	(\$ 768,252)	\$ -	\$ 18,018,845	\$ 1,174,522	\$ 19,193,367
Profit (loss) for the period		-	-	-	-	356,119	-	-	356,119	147,691	503,810
Other comprehensive income for the period		-	-	-	-	-	(1,152,759)	-	(1,152,759)	(174,439)	(1,327,198)
Total comprehensive income (loss) for the period		-	-	-	-	356,119	(1,152,759)	-	(796,640)	(26,748)	(823,388)
Appropriation and distribution of 2024 retained earnings	6 (17)										
Legal reserve		-	-	209,620	-	(209,620)	-	-	-	-	-
Special reserve		-	-	-	(510,076)	510,076	-	-	-	-	-
Cash dividends		-	-	-	-	(1,850,505)	-	-	(1,850,505)	-	(1,850,505)
Share-based payments	6 (14)(15)										
	(16)(18)	(20)	(141)	-	-	-	65,857	-	65,696	-	65,696
Recognition of change in equity of associates in proportion to the Group’s ownership	6 (6)(16)	-	4,824	-	-	-	-	-	4,824	-	4,824
Changes in non-controlling interests		-	(392)	-	-	(5,472)	-	-	(5,864)	(17,728)	(23,592)
Balance at June 30, 2025		<u>\$ 2,534,894</u>	<u>\$ 8,426,722</u>	<u>\$ 2,759,561</u>	<u>\$ 462,936</u>	<u>\$ 3,107,397</u>	<u>(\$ 1,855,154)</u>	<u>\$ -</u>	<u>\$ 15,436,356</u>	<u>\$ 1,130,046</u>	<u>\$ 16,566,402</u>
<u>Six months ended June 30,2026</u>											
Balance at January 1,2026		\$ 2,538,269	\$ 8,480,217	\$ 2,759,561	\$ 462,936	\$ 4,088,344	(\$ 780,006)	\$ -	\$ 17,549,321	\$1,538,504	\$ 19,087,825
Profit (loss) for the period		-	-	-	-	381,852	-	-	381,852	255,794	637,646
Other comprehensive income for the period		-	-	-	-	2	246,604	-	246,606	19,276	265,882
Total comprehensive income (loss) for the period		-	-	-	-	381,854	246,604	-	628,458	275,070	903,528
Appropriation and distribution of 2025 retained earnings	6 (17)										
Legal reserve		-	-	133,159	-	(133,159)	-	-	-	-	-
Special reserve		-	-	-	87,465	(87,465)	-	-	-	-	-
Cash dividends		-	-	-	-	(1,015,358)	-	-	(1,015,358)	-	(1,015,358)
Share-based payments	6 (14)(15)										
	(16)(18)	(1,856)	(20,402)	-	-	-	65,960	-	43,702	-	43,702
Treasury shares repurchased	6 (15)	-	-	-	-	-	- (432,739)	-	(432,739)	-	(432,739)
Recognition of change in equity of associates in proportion to the Group’s ownership	6 (6)(16)	-	5,055	-	-	-	-	-	5,055	-	5,055
Disposal of investments accounted for using equity method	6 (6)(16)	-	5,459	-	-	-	3,040	-	8,499	-	8,499
Balance at June 30, 2026		<u>\$ 2,536,413</u>	<u>\$ 8,470,329</u>	<u>\$ 2,892,720</u>	<u>\$ 550,401</u>	<u>\$ 3,234,216</u>	<u>(\$ 464,402)</u>	<u>(\$ 432,739)</u>	<u>\$ 16,786,938</u>	<u>\$ 1,813,574</u>	<u>\$ 18,600,512</u>

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)
(Reviewed, Unaudited)

		Six months ended June 30	
	Notes	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 589,820	\$ 537,430
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense-property, plants and equipment	6 (7)(22)	371,152	294,207
Depreciation expense - right-of-use assets	6 (22)	32,814	60,648
Amortization	6 (8)(22)	38,526	37,189
Expected credit impairment loss	12 (2)	821	3,348
Finance costs		69,889	42,431
Interest expense-lease liability		1,988	2,365
Loss (gain) on financial assets at fair value through profit or loss	6 (2)(21)	4,568	(23,866)
Share of profit of associates and joint ventures accounted for using equity method	6 (6)	(219,249)	(340,814)
Compensation cost of employee restricted shares	6 (14)	43,702	65,696
Loss (gain) on disposal of investments	6 (21)	(12,085)	-
Loss (gain) on disposal of property, plant and equipment	6 (21) and 7 (2)	868	(7,612)
Interest income	(	78,564)	(143,536)
Dividend income	6(20)	(5,793)	-
Gain on bargain purchase	6(20)(27)	(4,777)	-
Unrealized foreign exchange (gain) loss	(	15,537)	396,088
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets/liabilities mandatorily measured at fair value through profit or loss		14,255	43,163
Accounts receivable (including related parties)		2,710,513	1,527,572
Other receivables (including related parties)	(	238,897)	74,020
Inventories	(	704,679)	(1,615,033)
Other current assets	(	27,003)	(35,345)
Changes in operating liabilities			
Accounts payable	(	1,996,849)	1,412,743
Accounts payable - related parties		116,224	(896,199)
Other payables	(	285,737)	(355,005)
Other payables - related parties		84,724	(6,078)
Contract liabilities	(	236,791)	(67,087)
Other current liabilities		5,805	56,811
Net defined benefit liability - non-current	(	2,027)	(2,767)
Cash inflow generated from operations		257,681	1,060,369
Interest received		103,942	137,082
Dividend received		5,793	-
Interest paid	(	80,391)	(39,046)
Income taxes paid	(	135,614)	(112,628)
Net cash inflows generated from operating activities		151,411	1,045,777

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MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)
(Reviewed, Unaudited)

		Six months ended June 30	
	Notes	2026	2025
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets mandatorily measured at fair value through profit or loss		\$ -	(\$ 780,000)
Decrease in financial assets mandatorily measured at fair value through profit or loss		790,418	576,583
Increase in financial assets at amortized cost- current		(486,551)	(208,208)
Decrease in financial assets at amortized cost- current		658,323	-
Increase in financial assets at amortized cost – non-current		-	(173,774)
Decrease in financial assets at amortized cost – non-current		45,753	173,774
Acquisition of investments accounted for using equity method	6 (6)	(65,500)	-
Acquisition of subsidiaries, net of cash acquired	6 (28)	(660,565)	-
Proceeds from disposal of investments accounted for using equity method	6 (6)	140,558	-
Earnings distribution accounted for under equity method	6 (6)	29,937	-
Proceeds from capital reduction of investments accounted for using equity method	6 (6)	34,928	-
Acquisition of property, plant and equipment	6 (28)	(435,042)	(502,365)
Proceeds from disposal of property, plant and equipment	7(2)	10,709	74,118
Acquisition of intangible assets		(19,601)	(5,893)
Decrease in other non - current assets		10,221	6,254
(Increase) decrease in guarantee deposits paid		(8,690)	4,125
Net cash flows used in investing activities		44,898	(835,386)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6 (29)	825,206	1,795,926
Decrease in short-term borrowings	6 (29)	(3,178,920)	(9,983)
Repayment of principal portion of lease liabilities	6 (29)	(46,603)	(66,161)
Decrease in long-term borrowings	6 (29)	(76,345)	(226,666)
Increase (decrease) in other non-current liabilities		20,269	(13,796)
Treasury shares repurchased	6 (25)	(432,739)	-
Changes in non-controlling interests	4 (3) and 6 (26)	-	(23,592)
Net cash flows used in financing activities		(2,889,132)	1,455,728
Effect of change in foreign currency exchange		228,277	(251,409)
Net (decrease) increase in cash and cash equivalents		(2,464,546)	1,414,710
Cash and cash equivalents at beginning of period		9,797,932	8,586,894
Cash and cash equivalents at end of period		\$ 7,333,386	\$ 10,001,604

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(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 July 30, 2026.

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 2026 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature dependent electricity’	January 1, 2026
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 –comparative information’	January 1, 2026
Annual Improvements to IFRS Accounting Standards—Volume 11	

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 effective from 2027 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027(Note 1)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027
Amendments to IAS 28, 'Amendments to the Fair Value Option for Investments in Associates and Joint Ventures'	January 1, 2027(Note 2)

Note 1: The Company shall apply IFRS 18, 'Presentation and disclosure in financial statements' (hereinafter referred to as "IFRS 18") for annual reporting periods beginning on or after 1 January 2028, with earlier application permitted.

Note 2: The Company should apply it alongside IFRS 18.

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

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

(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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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 20, 'Regulatory Assets and Regulatory Liabilities'	January 1, 2029

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, 2025, 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, 2025.

(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 2025 consolidated financial statements is the same.
- B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business Activities	Ownership (%)			Description
			June 30, 2026	December 31, 2025	June 30, 2025	
MEHO	Merry Electronics (HK) Co., Ltd. (MEST)	Trade service for headphone, microphone, receiver, and speaker.	100.00%	100.00%	100.00%	
MEHO	Merry Electronics (Thailand) Co., Ltd. (METC)	Manufacturing of electronic product such as headphone, audio equipment, amplifier, and microphone.	99.99%	99.99%	99.99%	NOTE 1
MEHO	Merry Electronics (U.S.A.) Co., Ltd. ("MECA")	Providing technology and marketing after-sales services.	100.00%	100.00%	99.90%	NOTE 1、6
MEHO	Danny Dynamics Limited ("DDBV")	Equity investments.	100.00%	100.00%	100.00%	

Name of investor	Name of subsidiary	Main business Activities	Ownership (%)			Description
			June 30, 2026	December 31, 2025	June 30, 2025	
MEHO	Merry Electronics (Singapore) Pte. Ltd. ("MESG")	Sales and research and development of headphone, microphone, audio equipment, receiver, and speaker.	100.00%	100.00%	100.00%	
MEHO	Merry Healthcare Co., LTD. ("MHKY")	Equity investments.	100.00%	100.00%	100.00%	NOTE 1
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 sales of speaker, microphone and headphone products.	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
MEHO	Merry Capital Inc. ("MCTT")	Equity investments	100.00%	100.00%	100.00%	NOTE 1
MEHO	MWT Holdings Co., Ltd. ("MWJP")	Equity investments.	100.00%	-	-	NOTE 2、7
MEST	Merry Electronics (Shenzhen) Co., Ltd. ("MECL")	Manufacture of earphones, microphone, receiver, batteries, speaker and other electronic component.	100.00%	100.00%	100.00%	
DDBV	Merrytech (HK) Co., Limited ("MTHK")	Equity investments.	100.00%	100.00%	100.00%	
INSA	Merry Electronics North America Inc. ("MENA")	Develop-to-order and appearance design of speaker and amplifier.	100.00%	100.00%	100.00%	
MENA	Seas Fabrikker AS ("SENM")	Manufacturing and sales of speaker monomer.	100.00%	100.00%	100.00%	NOTE 1
MHXY	Fulicare Co., Ltd. ("FUSA")	Equity investments.	100.00%	100.00%	100.00%	NOTE 1、NOTE 3
FUSA	Fulicare Medical Instruments (Suzhou) Co., Ltd. ("FUSZ")	General administration.	100.00%	100.00%	100.00%	NOTE 1

Name of investor	Name of subsidiary	Main business Activities	Ownership (%)			Description
			June 30, 2026	December 31, 2025	June 30, 2025	
FUSA	Fulicare Medical Instruments (Xiamen) Co., Ltd. ("FUXM")	General administration.	100.00%	100.00%	100.00%	NOTE 1
FUSA	Xiamen Etimbre Hearing Technology Co., Ltd. ("ETCX")	Exclusive stores for selling hearing related products	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.	100.00%	100.00%	100.00%	NOTE 1 、 4
MESG	Merry Electronics Sdn Bhd. ("MEMP")	Research and development of microphone, receiver and speaker.	100.00%	100.00%	100.00%	NOTE 1
MESG and MCTT	Merry Electronics Private Limited ("MEIN")	Research and development of microphone, receiver and speaker.	100.00%	100.00%	-	NOTE 1 、 5
MWJP	Tokumi Electronics Co., Ltd. ("TOJP")	Equity investments.	100.00%	-	-	NOTE 2 、 7
TOJP	TR Electronics HK Limited ("TOHK")	Purchase of components for headphone and earbud production.	100.00%	-	-	NOTE 2 、 7
TOJP 、 TOHK and TOJG	Tokumi Electronics Thai Co.,Ltd. ("TOTH")	Manufacturing and sales of headphones and earphones.	100.00%	-	-	NOTE 2 、 7
TOJP and TOTH	Tokumi Corporation ("TOJG")	Design, samples, and molds for headphone and earphone products.	100.00%	-	-	NOTE 2 、 7
TOJG	Tokumi Mold Inc. ("TOJY")	Manufacturing and sales of molds for headphones and earphones.	100.00%	-	-	NOTE 2 、 7

Note 1: The financial statements of the entity as of and for the six months ended June 30, 2026 and 2025 were not reviewed by the independent auditors as the entity is not a significant subsidiary.

Note 2: On March 17, 2025, the Board of Directors of the Group resolved to acquire 100% ownership in MWT HOLDINGS CO., LTD. (MWT Holdings) from non-related parties, including J-STAR Co., Ltd., with an investment amount of JPY 9,782 million

(approximately NTD 2,017 million). The effective date of the merger was set on February 2, 2026, and the settlement was completed.

Note 3: In April 2025, the Group's subsidiary, MHKY, increased its capital in FUSA by cash amounting to USD 2,000 thousand (approximately NTD 65,000 thousand). Due to not participating in the cash capital increase proportionally, the percentage of shares held increased from 96.01% to 96.29%. Additionally, on April 24, 2025, the Group's subsidiary, FUSA, passed a board resolution to acquire and cancel the 3.71% of shares held by original shareholders (non-related parties), resulting in an increase in MHKY's ownership interest in FUSA from 96.29% to 100%. The equity transaction date was April 24, 2025.

Note 4: On April 10, 2025, the Board of Directors of the Group resolved to acquire 0.5% equity interest held by the original shareholders of ASCX (non-related parties). The transaction date for the equity acquisition is April 24, 2025.

Note 5: On August 27, 2025, the investment of MEIN was resolved. The investment is amounting to INR 90,000 thousand, with 100% ownership. The registration was completed.

Note 6: On November 25, 2025, the Company acquired a 0.1% equity interest from an individual shareholder (non-related party) of the subsidiary, MECA. The transfer price was USD 1 thousand (approximately NTD 38 thousand).

Note 7: The financial statements of the entity as of and for the six months ended June 30, 2026 were not reviewed by the independent auditors as the entity is not a significant subsidiary.

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 June 30, 2026, December 31, 2025 and June 30, 2025, the Group's non-controlling interests amounted to \$1,813,574 thousand, \$ 1,538,504 thousand and \$ 1,130,046 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:

Name of subsidiary	Principal place of business	Non-controlling interests					
		June 30, 2026		December 31, 2025		June 30, 2025	
		Amount	Shareholding ratio	Amount	Shareholding ratio	Amount	Shareholding ratio
MEVN	Vietnam	\$ 1,780,459	49%	\$ 1,505,178	49%	\$1,104,023	49%

The summarized financial information of the subsidiary is as follows:

Balance sheet

	MEVN		
	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	\$ 5,257,961	\$ 5,946,258	\$ 4,290,552
Non-current assets	1,094,167	1,258,145	963,391
Current liabilities	(2,672,705)	(4,085,367)	(2,971,504)
Non-current liabilities	(3,350)	(3,351)	(719)
Total net assets	<u>\$ 3,676,073</u>	<u>\$ 3,115,685</u>	<u>\$ 2,281,720</u>

Statement of comprehensive income

	MEVN	
	Three months ended June 30	
	2026	2025
Revenue	<u>\$ 3,011,394</u>	<u>\$ 2,484,793</u>
Profit before income tax	306,419	248,509
Income tax	<u>(44,180)</u>	<u>(37,590)</u>
Profit for the period from continuing operations	<u>262,239</u>	<u>210,919</u>
Profit for the period	<u>262,239</u>	<u>210,919</u>
Total comprehensive income for the period	<u>\$ 262,239</u>	<u>\$ 210,919</u>
Comprehensive income attributable to non-controlling interests	<u>\$ 128,497</u>	<u>\$ 103,351</u>

	MEVN	
	Six months ended June 30	
	2026	2025
Revenue	<u>\$ 6,065,417</u>	<u>\$ 4,053,708</u>
Profit before income tax	599,349	343,471
Income tax	<u>(77,533)</u>	<u>(45,480)</u>
Profit for the period from continuing operations	<u>521,816</u>	<u>297,991</u>
Profit for the period	<u>521,816</u>	<u>297,991</u>
Total comprehensive income for the period	<u>\$ 521,816</u>	<u>\$ 297,991</u>
Comprehensive income attributable to non-controlling interests	<u>\$ 255,690</u>	<u>\$ 146,016</u>

Statement of cash flows

	MEVN	
	Six months ended June 30	
	2026	2025
Net cash inflows generated from operating activities	\$ 144,605	\$ 433,190
Net cash outflows used in investing activities	(124,252)	(96,130)
Net cash inflows generated from (outflows used in) financing activities	-	(112,534)
Effect of change in foreign currency exchange	2,186	(25,920)
Net increase in cash and cash equivalents	22,539	198,606
Cash and cash equivalents at beginning of period	15,083	66,811
Cash and cash equivalents at end of period	<u>\$ 37,622</u>	<u>\$ 265,417</u>

(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, 2025.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand and revolving funds	\$ 1,359	\$ 1,258	\$ 1,032
Checking accounts and demand deposits	7,107,335	9,716,237	8,256,434
Time deposits	224,692	80,437	1,744,138
	<u>\$ 7,333,386</u>	<u>\$ 9,797,932</u>	<u>\$ 10,001,604</u>

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 June 30, 2026, December 31, 2025 and June 30, 2025, 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

<u>Items</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
<u>Current items:</u>			
Financial assets mandatorily measured at fair value through profit or loss			
-Funds	\$ 11,582	\$ 791,582	\$ 831,362
-Forward exchange contract	1,223	2,139	34,049
-Call options of convertible bonds	-	-	650
-Stocks	20,480	20,480	20,480
Valuation adjustment	(6,826)	5,578	6,680
Total	<u>\$ 26,459</u>	<u>\$ 819,779</u>	<u>\$ 893,221</u>

Non-current items:

Funds	\$ 26,220	\$ 26,220	\$ 46,220
Stocks	20,000	20,000	-
Valuation adjustment	(873)	62	(3,237)
	<u>\$ 45,347</u>	<u>\$ 46,282</u>	<u>\$ 42,983</u>

<u>Items</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
<u>Current items:</u>			
Financial liabilities held for trading-forward exchange contract	<u>\$ 53,711</u>	<u>\$ 38,725</u>	<u>\$ 51,726</u>

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

	<u>Three months ended June 30</u>	
	<u>2026</u>	<u>2025</u>
Net gains on financial assets and liabilities at fair value through profit or loss	<u>\$ 67,571</u>	<u>\$ 14,656</u>
	<u>Six months ended June 30</u>	
	<u>2026</u>	<u>2025</u>
Net (losses) gains on financial assets and liabilities at fair value through profit or loss	<u>(\$ 4,568)</u>	<u>\$ 23,866</u>

- 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:

	June 30, 2026		
	Contract amount		
<u>Derivative instruments</u>	<u>(Notional principal)</u>	<u>Contract period</u>	<u>Contract price</u>
Forward foreign exchange contract to sell		2025/12/03~	
	<u>USD 142,000 thousand</u>	2026/12/29	NTD 30.730~32.165

	December 31, 2025		
	Contract amount		
<u>Derivative instruments</u>	<u>(Notional principal)</u>	<u>Contract period</u>	<u>Contract price</u>
Forward foreign exchange contract to sell		2025/11/28 ~	
	<u>USD 116,000 thousand</u>	2026/09/01	NTD 30.730~31.690

	June 30, 2025		
	Contract amount		
<u>Derivative instruments</u>	<u>(Notional principal)</u>	<u>Contract period</u>	<u>Contract price</u>
Forward foreign exchange contract to sell		2025/05/13~	
	<u>USD 109,500 thousand</u>	2025/09/30	NTD 28.780~30.185
Forward foreign exchange contract to buy		2024/12/26~	
	<u>USD 113,500 thousand</u>	2025/12/30	NTD 28.120~32.382

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 June 30, 2026, December 31, 2025, and June 30, 2025, the amounts of trades settled but not yet paid were \$0 thousand, \$0 thousand, and \$135,416 thousand, respectively (presented as other payables).
- D. As of June 30, 2026, December 31, 2025, and June 30, 2025, the amounts of trades settled but not yet received were \$856 thousand, \$62 thousand, and \$134,609 thousand, respectively (presented as other receivables).
- E. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.

(3) Accounts receivable

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable	\$ 9,331,792	\$ 11,485,703	\$ 8,577,887
Less: Allowance for doubtful accounts	(67,764)	(64,670)	(44,902)
	<u>\$ 9,264,028</u>	<u>\$ 11,421,033</u>	<u>\$ 8,532,985</u>

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

	June 30, 2026	December 31, 2025	June 30, 2025
Not past due	\$ 9,078,908	\$ 11,282,383	\$ 8,412,648
Up to 30 days	190,979	139,185	119,405
31 to 90 days	6,163	5,624	5,309
91 to 180 days	1,151	7,899	722
Over 180 days	54,591	50,612	39,803
	<u>\$ 9,331,792</u>	<u>\$ 11,485,703</u>	<u>\$ 8,577,887</u>

The above aging analysis was based on past due date.

- B. As of June 30, 2026, December 31, 2025, June 30, 2025, and January 1, 2025, the balances of receivables from contracts with customers amounted to \$9,264,028 thousand, \$11,421,033 thousand, \$8,532,985 thousand and \$11,234,447 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 June 30, 2026, December 31, 2025 and June 30, 2025, the balance of insured accounts receivable amounted to \$5,101,280 thousand, \$7,191,488 thousand and \$5,327,063 thousand, respectively.
- D. The Group does not hold any collateral as security.
- E. The Group entered into a factoring agreement which has no right of recourse with ING BANK N.V., TAIPEI BRANCH on August 19, 2024. As of June 30, 2026, December 31, 2025 and June 30, 2025, there were no accounts receivable that were outstanding and expected to be transferred (reclassified as financial assets at fair value through other comprehensive income). Please refer to Note 6(4) for information on transfer of financial assets.
- F. Information relating to credit risk of accounts receivable is provided in Note 12 (2).

(4) Transfer of financial assets

- A. Transferred financial assets that are not derecognized in their entirety
- On August 19, 2024, the Group entered into a factoring agreement with ING BANK N.V., TAIPEI BRANCH to sell its accounts receivable. In accordance with the agreement, the Group transferred first 90% of accounts receivable and has obligated to provide partial guarantees for the default risk of the transferred accounts receivable. Therefore, the Group has not derecognized the accounts receivable in their entirety and may not pledge these accounts receivable to a third party.
 - As of June 30, 2026, December 31, 2025 and June 30, 2025, the related information of the transferred accounts receivable sold that the Group continuously recognized to the extent of continuing involvement were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Total carrying amount of the original assets before transferring	\$ -	\$ 945,697	\$ -
Carrying amount of the assets continuously recognized	-	94,570	-

(5) Inventories

	June 30, 2026		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 3,867,615	(\$ 141,721)	\$ 3,725,894
Work in progress	1,266,015	(13,223)	1,252,792
Finished goods	2,943,573	(127,384)	2,816,189
	<u>\$ 8,077,203</u>	<u>(\$ 282,328)</u>	<u>\$ 7,794,875</u>
	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 3,147,153	(\$ 102,823)	\$ 3,044,330
Work in progress	989,046	(5,941)	983,105
Finished goods	2,815,738	(137,414)	2,678,324
	<u>\$ 6,951,937</u>	<u>(\$ 246,178)</u>	<u>\$ 6,705,759</u>

	June 30, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 3,038,154	(\$ 81,106)	\$ 2,957,048
Work in progress	1,198,267	(9,297)	1,188,970
Finished goods	1,983,780	(115,827)	1,867,953
	<u>\$ 6,220,201</u>	<u>(\$ 206,230)</u>	<u>\$ 6,013,971</u>

The cost of inventories recognized as expense for the period:

	Three months ended June 30	
	2026	2025
Cost of goods sold	\$ 9,334,074	\$ 9,083,038
Loss on scrapping inventory	32,469	32,550
Loss on reversal of slow-moving inventories and decline in market value	29,387	1,870
Gain on physical inventory	(142)	(38)
	<u>\$ 9,395,788</u>	<u>\$ 9,117,420</u>

	Six months ended June 30	
	2026	2025
Cost of goods sold	\$ 18,990,730	\$ 16,850,783
Loss on scrapping inventory	42,230	37,534
Loss (Gain) on reversal of slow-moving inventories and decline in market value	36,150	(7,334)
Gain on physical inventory	(142)	(38)
	<u>\$ 19,068,968</u>	<u>\$ 16,880,945</u>

The Group reversed a previous inventory write-down because of the sale of certain written-down inventories by the Group for the six months ended June 30, 2025.

(6) Investments accounted for using the equity method

	Six months ended June 30	
	2026	2025
At January 1	\$ 6,272,742	\$ 5,914,755
Increase in investments accounted for using equity method	65,500	-
Disposal of investments accounted for using equity method	(119,974)	-
Proceeds from capital reduction of investments accounted for using equity method	(34,928)	-
Share of profit or loss of investments accounted for using the equity method	219,249	340,814
Earnings distribution	(29,937)	(8)
Changes in capital surplus additional paid-in capital	5,055	4,824
Changes in other equity items	249,672	(704,404)
Changes in retained earnings	2	-
At June 30	<u>\$ 6,627,381</u>	<u>\$ 5,555,981</u>

- A. On July 28, 2022, the Group's Board of Directors resolved to invest in MAC FUND. Subsequently, on May 25, 2026, the Group made an additional capital contribution of \$65,500 thousand.
- B. On June 3, 2026, the Group disposed of its entire equity interest in Leohab Enterprise Co., Ltd. Accordingly, the Group derecognized the investment and related balances, including the carrying amount of the investment of \$119,974 thousand, capital surplus of \$5,459 thousand, and other equity of \$3,040 thousand. The disposal proceeds amounted to \$140,558 thousand, and a gain on disposal of the investment of \$12,085 thousand was recognized.
- C. On March 6, 2026, the Group's investee, MAC FUND, carried out a cash capital reduction, returning capital contributions of \$34,928 thousand to the Group.
- D. In 2026, the Group received cash dividends of \$29,937 thousand from its investee, MAC FUND. With respect to this distribution, withholding tax of \$66 thousand was deducted on May 5, 2026. This withholding tax is treated as a distribution of earnings and is creditable against the Group's profit-seeking enterprise income tax liability in its consolidated income tax return.
- E. In 2025, the Group recognized withholding tax of \$8 thousand relating to a distribution from its investee, MAC FUND on May 5, 2025. This withholding tax is treated as a distribution of earnings and is creditable against the Group's profit-seeking enterprise income tax liability in its consolidated income tax return.

F. Details are as follows :

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Associates with significant influence			
Merry Electronics (Suzhou) Co., Ltd. (MECE)	\$ 4,106,763	\$ 3,816,947	\$ 3,281,182
Associates with insignificant influence			
Merry Electronics (Huizhou) Co., Ltd. (MECH)	1,643,195	1,540,032	1,344,210
DONPON PRECISION INC	529,290	453,347	455,935
CDIB-Mac Limited Partnership. (MAC FUND)	213,512	213,318	250,299
Leohab Enterprise Co., Ltd. (LEOHAB)	-	109,629	80,046
Dong Guan Get Pink Electronics Co., Ltd.	12,514	13,653	13,288
SYNergy ScienTech Corp.	122,107	125,816	131,021
	<u>\$ 6,627,381</u>	<u>\$ 6,272,742</u>	<u>\$ 5,555,981</u>

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

Investee	Three months ended June 30	
	2026	2025
MECE	\$ 10,944	\$ 9,874
MECH	22,153	50,731
DONPON	23,426	2,700
MAC FUND	22,415	90,018
LEOHAB	4,223	6,580
Dong Guan Get Pink Electronics Co., Ltd.	(376)	(128)
SYNERGY	(3,153)	(3,201)
	<u>\$ 79,632</u>	<u>\$ 156,574</u>
Investee	Six months ended June 30	
	2026	2025
MECE	\$ 118,648	\$ 142,559
MECH	36,183	92,484
DONPON	63,182	5,612
MAC FUND	(441)	90,446
LEOHAB	9,006	15,013
Dong Guan Get Pink Electronics Co., Ltd.	(1,701)	(1,693)
SYNERGY	(5,628)	(3,607)
	<u>\$ 219,249</u>	<u>\$ 340,814</u>

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.

H. Associates

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

Company name	Principal place of business	Shareholding ratio			Nature of relationship	Method of measurement
		June 30, 2026	December 31, 2025	June 30, 2025		
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.		
	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	\$ 10,194,525	\$ 8,525,559	\$ 7,693,852
Non-current assets	2,844,379	2,786,897	2,716,684
Current liabilities	(4,420,469)	(3,309,515)	(3,581,518)
Non-current liabilities	(115,408)	(123,652)	(55,762)
Total net assets	<u>\$ 8,503,027</u>	<u>\$ 7,879,289</u>	<u>\$ 6,773,256</u>

MERRY ELECTRONICS (SUZHOU) CO., LTD.				
	June 30, 2026	December 31, 2025	June 30, 2025	
Share in associate's net assets	\$ 4,166,483	\$ 3,860,852	\$ 3,318,895	
Realized (unrealized) gain or loss from upstream and side stream transactions	(59,720)	(43,905)	(37,713)	
Carrying amount of the associate	<u>\$ 4,106,763</u>	<u>\$ 3,816,947</u>	<u>\$ 3,281,182</u>	

Statement of comprehensive income

MERRY ELECTRONICS (SUZHOU) CO., LTD.				
Three months ended June 30				
	2026	2025		
Revenue	<u>\$ 2,303,344</u>	<u>\$ 1,829,140</u>		
Profit (loss) for the period from continuing operations	<u>\$ 47,680</u>	<u>(\$ 28,082)</u>		
Total comprehensive income(loss)	<u>\$ 47,680</u>	<u>(\$ 28,082)</u>		

MERRY ELECTRONICS (SUZHOU) CO., LTD.				
Six months ended June 30				
	2026	2025		
Revenue	<u>\$ 5,053,362</u>	<u>\$ 4,428,332</u>		
Profit for the period from continuing operations	<u>\$ 274,414</u>	<u>\$ 303,616</u>		
Total comprehensive income	<u>\$ 274,414</u>	<u>\$ 303,616</u>		

- (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 June 30				
	2026	2025		
Share of profit of associates and joint ventures accounted for using the equity method	\$ 68,688	\$ 146,700		
Other comprehensive income (loss), net of tax	<u>25,615</u>	<u>(182,449)</u>		
Total comprehensive income	<u>\$ 94,303</u>	<u>(\$ 35,749)</u>		
Six months ended June 30				
	2026	2025		
Share of profit of associates and joint ventures accounted for using the equity method	\$ 100,601	\$ 198,255		
Other comprehensive income (loss), net of tax	<u>73,753</u>	<u>(147,853)</u>		
Total comprehensive income	<u>\$ 174,354</u>	<u>\$ 50,402</u>		

(7) Property, plant and equipment

Six months ended June 30, 2026

Cost	Opening balance	Effect of initial consolidation of subsidiaries	Additions	Reductions	Transfers	Effect of foreign currency exchange difference	Ending balance
Land	\$ 1,021,980	\$ -	\$ -	\$ -	\$ -	(\$ 9,900)	\$ 1,012,080
Land improvements	671	-	-	-	-	(25)	646
Buildings and structures	2,085,975	25	9,843	-	495,452	18,140	2,609,435
Machinery	4,009,037	523,427	183,570	(160,836)	189,557	32,329	4,777,084
Transportation equipment	22,113	30,522	2,999	(13)	641	(1,021)	55,241
Office equipment	413,624	84,585	10,769	(9,910)	2,469	478	502,015
Others	421,354	312,884	13,932	(14,771)	8,691	(6,038)	736,052
Unfinished construction	748,512	8,472	109,651	-	(694,293)	(16,020)	156,322
Total	<u>8,723,266</u>	<u>\$ 959,915</u>	<u>\$ 330,764</u>	<u>(\$ 185,530)</u>	<u>\$ 2,517</u>	<u>\$ 17,943</u>	<u>9,848,875</u>
<u>Accumulated depreciation</u>							
Land improvements	(\$ 664)	\$ -	(\$ 2)	\$ -	\$ -	\$ 25	(\$ 641)
Buildings and structures	(825,474)	(7)	(55,749)	-	-	(15,788)	(897,018)
Machinery	(2,298,886)	(414,131)	(250,125)	56,310	-	(32,046)	(2,938,878)
Transportation equipment	(14,047)	(18,913)	(2,772)	13	-	665	(35,054)
Office equipment	(290,374)	(67,285)	(24,861)	9,664	-	(1,598)	(374,454)
Others	(256,038)	(259,826)	(37,643)	4,917	-	6,478	(542,112)
Total	<u>(3,685,483)</u>	<u>(\$ 760,162)</u>	<u>(\$ 371,152)</u>	<u>\$ 70,904</u>	<u>\$ -</u>	<u>(\$ 42,264)</u>	<u>(4,788,157)</u>
	<u>\$ 5,037,783</u>						<u>\$ 5,060,718</u>

Six months ended June 30, 2025

Cost	Opening balance	Additions	Reductions	Transfers	Effect of foreign currency exchange difference	Ending balance
Land	\$ 1,011,609	\$ -	\$ -	\$ -	(\$ 14,509)	\$ 997,100
Land improvements	645	-	-	-	(37)	608
Buildings and structures	2,095,199	1,660	-	(12,140)	(147,478)	1,937,241
Machinery	3,604,018	328,553	(174,182)	12,462	(339,662)	3,431,189
Transportation equipment	19,169	4,897	(3,270)	-	(1,382)	19,414
Office equipment	358,171	21,928	(2,172)	813	(20,226)	358,514
Others	408,678	32,773	(17,088)	(36,536)	(35,014)	352,813
Unfinished construction	245,210	213,425	-	(12,398)	(23,677)	422,560
Total	<u>7,742,699</u>	<u>\$ 603,236</u>	<u>(\$ 196,712)</u>	<u>(\$ 47,799)</u>	<u>(\$ 581,985)</u>	<u>7,519,439</u>
<u>Accumulated depreciation</u>						
Land improvements	(\$ 634)	(\$ 2)	\$ -	\$ -	\$ 37	(\$ 599)
Buildings and structures	(752,570)	(41,669)	-	12,140	61,932	(720,167)
Machinery	(2,105,362)	(208,401)	115,619	-	194,504	(2,003,640)
Transportation equipment	(15,607)	(766)	3,211	-	838	(12,324)
Office equipment	(258,704)	(17,535)	2,069	-	16,454	(257,716)
Others	(244,048)	(25,834)	9,307	21,951	21,207	(217,417)
Total	<u>(3,376,925)</u>	<u>(\$ 294,207)</u>	<u>\$ 130,206</u>	<u>\$ 34,091</u>	<u>\$ 294,972</u>	<u>(3,211,863)</u>
	<u>\$ 4,365,774</u>					<u>\$ 4,307,576</u>

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

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

(8) Intangible assets

Six months ended June 30, 2026

Cost	Opening balance	Effect of initial consolidation of subsidiaries	Additions	Reductions	Effect of foreign currency exchange difference	Ending balance
Goodwill	\$ 931,678	\$ -	\$ -	\$ -	\$ -	\$ 931,678
Computer software	669,381	41,808	637	(1)	(772)	711,053
Customer relationship	326,550	64,521	-	-	-	391,071
Know-how	115,748	-	-	-	-	115,748
Trademarks	61,481	80	-	-	(37)	61,524
Others	59,029	60	2,493	-	(32)	61,550
Total	2,163,867	\$ 106,469	\$ 3,130	(\$ 1)	(\$ 841)	2,272,624

Accumulated amortization

Computer software	(\$ 621,445)	(\$ 37,196)	(\$ 12,620)	\$ 1	\$ 510	(\$ 670,750)
Customer relationship	(308,845)	-	(20,465)	-	216	(329,094)
Know-how	(115,748)	-	-	-	-	(115,748)
Trademarks	(40,957)	(30)	(2,821)	-	206	(43,602)
Others	(50,741)	-	(2,620)	-	4	(53,357)
Total	(1,137,736)	(\$ 37,226)	(\$ 38,526)	\$ 1	\$ 936	(1,212,551)

Accumulated Impairment loss

Goodwill	(\$ 292,249)	\$ -	\$ -	\$ -	\$ -	(\$ 292,249)
	\$ 733,882					\$ 767,824

Six months ended June 30, 2025

Cost	Opening balance	Additions	Reductions	Effect of foreign currency exchange difference	Ending balance
Goodwill	\$ 931,678	\$ -	\$ -	\$ -	\$ 931,678
Computer software	647,473	1,595	(607)	(1,956)	646,505
Customer relationship	326,550	-	-	-	326,550
Know-how	115,748	-	-	-	115,748
Trademarks	61,481	-	-	-	61,481
Others	54,504	1,735	-	(92)	56,147
Total	<u>2,137,434</u>	<u>\$ 3,330</u>	<u>(\$ 607)</u>	<u>(\$ 2,048)</u>	<u>2,138,109</u>
<u>Accumulated amortization</u>					
Computer software	(\$ 597,420)	(\$ 13,828)	\$ 607	\$ 1,103	(\$ 609,538)
Customer relationship	(273,435)	(17,705)	-	-	(291,140)
Know-how	(115,748)	-	-	-	(115,748)
Trademarks	(35,439)	(2,759)	-	-	(38,198)
Others	(45,011)	(2,897)	-	26	(47,882)
Total	<u>(\$ 1,067,053)</u>	<u>(\$ 37,189)</u>	<u>\$ 607</u>	<u>\$ 1,129</u>	<u>(1,102,506)</u>
<u>Accumulated Impairment loss</u>					
Goodwill	<u>(\$ 292,249)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 292,249)</u>
	<u>\$ 778,132</u>				<u>\$ 743,354</u>

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

		Three months ended June 30	
		2026	2025
Operating costs	\$	775	\$ 888
Selling expenses		1,785	1,621
Administrative expenses		8,339	7,388
Research and development expenses		8,657	8,278
	\$	<u>19,556</u>	<u>\$ 18,175</u>
		Six months ended June 30	
		2026	2025
Operating costs	\$	1,477	\$ 1,800
Selling expenses		3,413	3,529
Administrative expenses		16,827	15,551
Research and development expenses		16,809	16,309
	\$	<u>38,526</u>	<u>\$ 37,189</u>

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

June 30, 2026			
		Accumulated	
Goodwill:	Cost	Impairment Loss	Ending balance
MSCS and Indigo	\$ 581,644	(\$ 292,249)	\$ 289,395
ASCX	210,299	-	210,299
Huges Hi-Tech Inc.	139,735	-	139,735
	<u>\$ 931,678</u>	<u>(\$ 292,249)</u>	<u>\$ 639,429</u>
December 31, 2025			
		Accumulated	
Goodwill:	Cost	Impairment Loss	Ending balance
MSCS and Indigo	\$ 581,644	(\$ 292,249)	\$ 289,395
ASCX	210,299	-	210,299
Huges Hi-Tech Inc.	139,735	-	139,735
	<u>\$ 931,678</u>	<u>(\$ 292,249)</u>	<u>\$ 639,429</u>
June 30, 2025			
		Accumulated	
Goodwill:	Cost	Impairment Loss	Ending balance
MSCS and Indigo	\$ 581,644	(\$ 292,249)	\$ 289,395
ASCX	210,299	-	210,299
Huges Hi-Tech Inc.	139,735	-	139,735
	<u>\$ 931,678</u>	<u>(\$ 292,249)</u>	<u>\$ 639,429</u>

As of December 31, 2025, the recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount; therefore, no impairment loss on goodwill was recognized. The goodwill balance after the recognition of impairment loss amounted as of June 30, 2026 is \$639,429 thousand. The cash flow projections are based on

financial budgets approved by the management covering a five-year period, the key assumptions used for value-in-use calculations are as follows:

<u>December 31, 2025</u>	<u>Huges Hi-Tech Inc.</u>	<u>MSCS and Indigo</u>	<u>ASCX</u>
Discount rate	7.48%	13.51%	15.04%
Growth rate	10%	4.75%~16.92%	3%~18.75%

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

(9) Short-term borrowings

<u>Type of borrowings</u>	<u>June 30, 2026</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Credit loan	\$ 1,861,635	1.7%~3.8%	None
Secured borrowings	44,555	2.60%	Plant
Secured borrowings	<u>46,759</u>	1.75%	Patents (Note)
	<u>\$ 1,952,949</u>		

<u>Type of borrowings</u>	<u>December 31, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Credit loan	\$ 4,206,045	2.00%~4.61%	None
Secured borrowings	44,960	2.55%	Plant
Secured borrowings	<u>44,960</u>	2.70%	Patents (Note)
	<u>\$ 4,295,965</u>		

<u>Type of borrowings</u>	<u>June 30, 2025</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Credit loan	\$ 2,039,227	2.00%~2.95%	None
Secured borrowings	<u>81,820</u>	2.75%~3.40%	Patents (Note)
	<u>\$ 2,121,047</u>		

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

Interest expense recognized in profit or loss amounted to \$9,811 thousand, \$5,666 thousand, \$35,464 thousand and \$7,875 thousand for the three months and six months ended June 30, 2026 and 2025, respectively.

(10) Other payables

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Dividend payable	\$ 1,015,358	\$ -	\$ 1,850,505
Payroll and bonus payable	430,259	607,028	440,051
Employee compensation payable	164,893	172,717	221,047
Payables on equipment	78,926	177,609	242,143
Directors' remuneration payable	38,884	31,579	66,627
Other payables-Financial liabilities	-	-	135,416
Others	<u>545,617</u>	<u>670,848</u>	<u>464,451</u>
	<u>\$ 2,273,937</u>	<u>\$ 1,659,781</u>	<u>\$ 3,420,240</u>

(11) Bonds payable

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Bonds payable	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Less: Discount on bonds payable	(59,559)	(87,731)	(116,092)
	<u>\$ 2,940,441</u>	<u>\$ 2,912,269</u>	<u>\$ 2,883,908</u>

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

- (a) The terms of the fourth domestic unsecured convertible bonds issued by the Company are as follows:
- The Company issued \$2,500,000 thousand, 0% fourth domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature three years from the issue date July 10, 2024 to July 10, 2027 and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on July 10, 2024.
 - The bondholders have the right to ask for conversion of the bonds into common shares of the Company at any time during the period from the date after three months of the bonds issued to the maturity date by notifying the Taiwan Depository & Clearing Corporation through the dealer to the Company, except for (i) the stop transfer period as specified in the terms of the bonds or the laws/regulations; (ii) the book closure date of the issuance of bonus shares, and of cash dividends, the period between the date that is 15 business days before the book closure date of a capital increase to the ex-right date; (iii) the period between the record date of a capital reduction and the prior day before the commencement of stock trading after stocks are repurchased; (iv) the period between the start date of stopping conversion due to implementing changes of face value of stocks and the prior day before the trading date that new shares start to be exchanged to stocks, can not ask conversions. Other than the aforementioned period, the bonds can be converted into common shares at any time after applying request to Taiwan Depository & Clearing Corporation through securities firms. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
 - 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 June 30, 2026, the conversion price was \$128.9 (in dollars) per share.
 - 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 June 30, 2026, the bonds had not yet been converted into common stock.

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

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

- i. The Company issued \$500,000 thousand, 0% fifth domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature three years from the issue date July 22, 2024 to July 22, 2027 and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on July 22, 2024.
- ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Company at any time during the period from the date after three months of the bonds issued to the maturity date by notifying the Taiwan Depository & Clearing Corporation through the dealer to the Company, except for (i) the stop transfer period as specified in the terms of the bonds or the laws/regulations; (ii) the book closure date of the issuance of bonus shares, and of cash dividends, the period between the date that is 15 business days before the book closure date of a capital increase to the ex-right date; (iii) the period between the record date of a capital reduction and the prior day before the commencement of stock trading after stocks are repurchased; (iv) the period between the start date of stopping conversion due to implementing changes of face value of stocks and the prior day before the trading date that new shares start to be exchanged to stocks, can not ask conversions. Other than the aforementioned period, the bonds can be converted into common shares at any time after applying request to Taiwan Depository & Clearing Corporation through securities firms. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- iii. The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. As of June 30, 2026, the conversion price was \$125.2 (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 June 30, 2026, the bonds had not yet been converted into common stock.

C. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$280,733 thousand were separated from the liability component and were recognized in 'capital surplus - share options' in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts and were recognized in 'financial assets at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts.

(12) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>June 30, 2026</u>
Long-term bank borrowings				
Credit loan	Borrowing period is from 2020/2/20 to 2027/2/19; interest is repayable monthly; principal is repayable starting from 2023.	1.79%~2.22%	None	\$ 88,846
Less: Expiring within one year or one operating cycle				(88,846)
				<u>\$ -</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2025</u>
Long-term bank borrowings				
Credit loan	Borrowing period is from 2020/2/20 to 2027/2/19; interest is repayable monthly, principal is repayable starting from 2023.	1.79%~2.22%	None	\$ 165,191
Less: Expiring within one year or one operating cycle				(152,691)
				<u>\$ 12,500</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>June 30, 2025</u>
Long-term bank borrowings				
Credit loan	Borrowing period is from 2020/2/20 to 2027/2/19; interest is repayable monthly; principal is repayable starting from 2023.	1.28%~1.79%	None	\$ 241,537
Secured borrowings	Borrowing period is from 2023/9/27 to 2033/9/27; interest is repayable monthly; principal is repayable starting from 2023.	3.30%	Plant	<u>47,365</u>
				288,902
Less: Expiring within one year or one operating cycle				(<u>152,691</u>)
				<u>\$ 136,211</u>

The interest expense recognized in profit or loss for the three months and six months ended June 30, 2026 and 2025 amounted to \$699 thousand, \$1,629 thousand, \$1,480 thousand and \$4,596 thousand, respectively.

(13) Pensions

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

(b) The pension costs under defined contribution pension plans of the Group for the three months and six months ended June 30, 2026 and 2025 were \$145 thousand, \$169 thousand, \$290 thousand and \$338 thousand, respectively.

(c) The Group expects to pay contribution for pension plan amounting to \$2,090 thousand in 2026.

B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a

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

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

(c) Other overseas entities contribute to the statutory pension insurance or pension fund for their employees based on their wages and salaries in compliance with local laws and regulations. Other than the annual contributions, the entities have no further obligations.

(d) The pension costs under defined contribution pension plans of the Group for the three months and six months ended June 30, 2026 and 2025 were \$67,468 thousand, \$62,735 thousand, \$143,101 thousand and \$122,912 thousand, respectively.

(14) Share-based payment

A. For the six months ended June 30, 2026 and 2025, the Group’s share-based payment arrangements were as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Share price</u>	<u>Exercise price</u>	<u>Fair Value per unit</u>	<u>Vesting condition</u>
The 1 st restricted stocks to employees in 2021	2022/07/29	1,800 units	3 years	80.7	0	80.7	Note 1
The 1 st restricted stocks to employees in 2022	2023/07/28	1,645 units	3 years	91.9	0	91.9	Note 1
The 2 nd restricted stocks to employees in 2022	2024/07/26	355 units	3 years	124.0	0	124.0	Note 1
The 1 st restricted stocks to employees in 2023	2024/07/26	1,594 units	5 years	124.0	0	124.0	Note 2
The 2 nd restricted stocks to employees in 2023	2025/07/25	406 units	5 years	113.0	0	113.0	Note 2

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

- 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%.
- 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%.
- For the employees who are currently working in the Company, whose services have reached

3 years and achieved the performance of the most recent year's consolidated financial statements and the target personal performance, the ceiling of accumulated vested share ratio is 100%.

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

Note 2: The expired date of the vesting period is 5 years after the grant date. The Group will calculate the number of vesting stocks by reviewing the personal and company's performance and the vesting stocks for the employees will be vested cumulatively at once. The aforementioned restricted stocks issued by the Company cannot be transferred during the vesting period and the commissioned trust custodians execute the shareholders' rights on behalf of the employees.

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

	Six months ended June 30, 2026		Six months ended June 30, 2025	
	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	3,307	\$ -	4,127	\$ -
Restricted				
Stocks vested	(50)	-	-	-
Restricted				
stocks retired	(186)	-	(2)	-
At June 30	<u>3,071</u>	-	<u>4,125</u>	-

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

	Three months ended June 30	
	2026	2025
Equity-settled	<u>\$ 24,838</u>	<u>\$ 32,913</u>
	Six months ended June 30	
	2026	2025
Equity-settled	<u>\$ 43,702</u>	<u>\$ 65,696</u>

(15) Share capital

As of June 30, 2026, 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 \$ 2,536,449 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):

	2026	2025
At January 1	253,840	253,494
Employee restricted shares retired	(199)	(4)
Treasury shares repurchased and not yet retired	(5,000)	-
At June 30	248,641	253,490
Restricted stocks for employees - repurchased yet to be retired	4	-
Treasury shares repurchased and not yet retired	5,000	-
Number of shares in issue as of June 30	<u>253,645</u>	<u>253,490</u>

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

<u>Date of the Board of Directors' Resolution</u>	<u>Number of restricted stocks to employees retired (in thousands)</u>	<u>Date of Capital Reduction</u>
July 30, 2026	4	July 30, 2026
April 29, 2026	182	April 30, 2026
February 25, 2026	13	February 26, 2026
April 24, 2025	2	April 28, 2025
February 26, 2025	2	March 3, 2025

The registration for the abovementioned retirement of the employees' restricted stocks was completed, excluding the capital reduction which was resolved on July 30, 2026.

- (b) To maintain the Company's credit and shareholders' equity, the Board of Directors approved a share buyback program during an extraordinary meeting on March 12, 2026. The program authorizes the repurchase of up to 5,000 thousand shares between March 13 and May 11, 2026. As of June 30, the Company has repurchased 5,000 thousand shares, for a total consideration of \$432,739 thousand. Pursuant to the Securities and Exchange Act, the Board of Directors resolved on July 30, 2026, to retire the repurchased shares, setting July 30, 2026, as the capital reduction base date. The registration of the foregoing capital reduction has not yet been completed.

- (c) Treasury shares:

- i. Reason for share repurchase and number of shares

Name of		<u>June 30, 2026</u>	
<u>shareholder company</u>	<u>Reason for repurchase</u>	<u>Number of shares (in thousands)</u>	<u>Carrying amount</u>
The Company	To maintain credit and shareholders' equity	<u>5,000</u>	<u>432,739</u>

December 31, 2025 and June 30, 2025: None.

- ii. Pursuant to the Securities and Exchange Act, the number of shares repurchased by a company shall not exceed ten percent (10%) of its total outstanding shares. Furthermore, the total amount of the repurchase shall not exceed the aggregate amount of retained earnings plus premium on issuance of common stock and realized capital surplus.
- iii. Pursuant to the Securities and Exchange Act, treasury shares held by the Company shall not be pledged as collateral and do not bear any shareholder rights prior to their transfer.
- iv. Pursuant to the Securities and Exchange Act, treasury shares repurchased for transfer to employees must be transferred within five years from the date of repurchase. Any shares remaining untransferred past this period are deemed unissued shares and must be retired through registration of amendment. Additionally, shares repurchased to maintain the Company's credit and shareholders' equity must be retired through registration of cancellation within six months from the date of repurchase.

(16) 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.

	2026				
	Share premium	Share option	Employee restricted stocks	Others	Total
At January 1	\$ 7,538,518	\$ 280,733	\$ 337,972	\$ 322,994	\$ 8,480,217
Restricted stocks vested	4,322	-	(4,322)	-	-
Restricted stocks retired	-	-	(20,402)	-	(20,402)
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	-	5,055	5,055
Disposal of investments accounted for using equity method	-	-	-	5,459	5,459
At June 30	<u>\$ 7,542,840</u>	<u>\$ 280,733</u>	<u>\$ 313,248</u>	<u>\$ 333,508</u>	<u>\$ 8,470,329</u>

	2025				
	Share	Share	Employee		
	premium	option	restricted	Others	Total
			stocks		
At January 1	\$ 7,449,826	\$ 280,733	\$ 390,287	\$ 301,585	\$ 8,422,431
Restricted stocks retired	-	-	(141)	-	(141)
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	-	4,824	4,824
Changes in non-controlling interests	-	-	-	(392)	(392)
At June 30	<u>\$ 7,449,826</u>	<u>\$ 280,733</u>	<u>\$ 390,146</u>	<u>\$ 306,017</u>	<u>\$ 8,426,722</u>

(17) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, after deduction of mandatory income tax, shall first be used to offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. After the provision or reversal of special reserve, the appropriation of the remaining earnings along with the unappropriated earnings of prior year shall be proposed by the Board of Directors and approved by the shareholders. The Board of Directors may, based on financial, business and operating perspectives, propose a distribution of earnings within an amount at least 30% of the new distributable earnings and not more than 80% of the accumulated distributable earnings for the current period. The dividends shall be preferably distributed in the form of cash, and can be appropriated in the shares. The ratio of cash dividends shall account for at least 30% of the total dividends distributed. All or partial of dividend and bonus that are distributed in the form of cash will be resolved and reported to the shareholders if more than 2/3 of the directors attend the Board of Directors' meeting and more than 1/2 of the directors present at the meeting have agreed.
- B. The Company's dividend policy is summarized below: as the Company operates in a volatile business environment and is in the stable growth stage, the residual dividend policy is adopted taking into consideration the Company's financial structure, operating results and future expansion plans
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

- D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings. In Accordance with Ruling No.1010051600 issued by Securities and Futures Bureau of the FSC on November 21, 2012, “unearned employee compensation” under employee restricted stock is not an unrealized item, and therefore is not required to set aside the special reserve. As of June 30, 2026, the special reserve set aside based on the above regulation amounted to \$281,257 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 June 30, 2026, the balance of special reserve as aforementioned was \$269,144 thousand.
- (c) As of June 30, 2026, December 31, 2025 and June 30, 2025, the balance of special reserve was \$550,401 thousand, \$462,936 thousand and \$462,936 thousand.
- E. The Company distributed earnings for the years ended December 31, 2025 and December 31, 2024 as resolved at the shareholders’ meeting on May 26, 2026, May 26, 2025 is as follows:

	2025		2024	
	<u>Amounts</u>	<u>Cash dividends per share (NT\$) \$</u>	<u>Amounts</u>	<u>Cash dividends per share (NT\$) \$</u>
Legal reserve	\$ 133,159		\$ 209,620	
Special reserve	87,465		(510,076)	
Cash dividends	<u>1,015,358</u>	\$ 4.0	<u>1,850,505</u>	\$ 7.3
	<u>\$ 1,235,982</u>		<u>\$ 1,550,049</u>	

The above mentioned distribution of earnings for the years ended December 31, 2025 and 2024 was in agreement with those amounts proposed by the Board of Directors on February 25, 2026 and February 26, 2025.

(18) Other equity items

2026	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income	Cost of unearned employee compensation	Total
At January 1	\$ 25,812	(\$ 524,589)	(\$ 229,605)	(\$ 780,006)
Amortization of employee restricted stocks	-	-	43,702	43,702
Restricted stocks retired	-	-	22,258	22,258
Revaluation – gross	-	(10,550)	-	(10,550)
Revaluation – tax	-	(1,185)	-	(1,185)
Revaluation – associates	-	(663)	-	(663)
Currency translation differences:				
-Group	69,248	-	-	69,248
-Tax on Group	(13,962)	-	-	(13,962)
-Associates	250,335	-	-	250,335
-Tax on associates	(46,619)	-	-	(46,619)
-Reclassification adjustment on disposal of an associate	3,040	-	-	3,040
At June 30	<u>\$ 236,230</u>	<u>(\$ 536,987)</u>	<u>(\$ 163,645)</u>	<u>(\$ 464,402)</u>

2025	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income	Cost of unearned employee compensation	Total
At January 1	\$ 57,735	(\$ 520,671)	(\$ 305,316)	(\$ 768,252)
Amortization of employee restricted stocks	-	-	65,696	65,696
Restricted stocks retired	-	-	161	161
Revaluation – gross	-	(25,759)	-	(25,759)
Revaluation – tax	-	1,792	-	1,792
Currency translation differences:				
-Group	(696,452)	-	-	(696,452)
-Tax on Group	139,290	-	-	139,290
-Associates	(704,404)	-	-	(704,404)
-Tax on associates	132,774	-	-	132,774
At June 30	<u>(\$ 1,071,057)</u>	<u>(\$ 544,638)</u>	<u>(\$ 239,459)</u>	<u>(\$ 1,855,154)</u>

(19) Operating revenue

	Three months ended June 30	
	2026	2025
Revenue from contracts with customers	<u>\$ 10,437,777</u>	<u>\$ 10,326,562</u>
	Six months ended June 30	
	2026	2025
Revenue from contracts with customers	<u>\$ 21,408,429</u>	<u>\$ 19,184,746</u>

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 June 30, 2026							
Electronic devices							
	<u>Taiwan</u>	<u>Shenzhen</u>	<u>Singapore</u>	<u>Vietnam</u>	<u>Thailand</u>	<u>Others</u>	<u>Total</u>
Total segment revenue	\$ 7,539,653	\$ 1,776,318	\$1,116,784	\$ 3,011,394	\$ 2,413,234	\$ 475,474	\$ 16,332,857
Revenue from internal segment transactions	(1,518)	(1,704,071)	-	(2,068,344)	(2,003,536)	(17,611)	(5,895,080)
Revenue from external customer contracts	<u>7,538,135</u>	<u>72,247</u>	<u>1,116,784</u>	<u>943,050</u>	<u>409,698</u>	<u>357,863</u>	<u>10,437,777</u>
Main Region							
US	3,239,057	-	695,921	-	-	205,696	4,140,674
Europe	3,439,180	-	413,579	-	-	49,357	3,902,116
Singapore	228,438	20,727	3,656	541,991	-	-	794,812
Taiwan	191,064	-	-	-	-	244	191,308
Mainland China	39,411	51,447	-	(78)	-	88,808	179,588
Others	<u>400,985</u>	<u>73</u>	<u>3,628</u>	<u>401,137</u>	<u>409,698</u>	<u>13,758</u>	<u>1,229,279</u>
	<u>\$ 7,538,135</u>	<u>\$ 72,247</u>	<u>\$ 1,116,784</u>	<u>\$ 943,050</u>	<u>\$ 409,698</u>	<u>\$ 357,863</u>	<u>\$10,437,777</u>
Six months ended June 30, 2026							
Electronic devices							
	<u>Taiwan</u>	<u>Shenzhen</u>	<u>Singapore</u>	<u>Vietnam</u>	<u>Thailand</u>	<u>Others</u>	<u>Total</u>
Total segment revenue	\$ 14,726,681	\$ 3,412,322	\$2,881,135	\$ 6,065,417	\$ 4,314,075	\$ 951,777	\$ 32,351,407
Revenue from internal segment transactions	(4,572)	(3,219,666)	-	(3,805,413)	(3,702,706)	(210,621)	(10,942,978)
Revenue from external customer contracts	<u>14,722,109</u>	<u>192,656</u>	<u>2,881,135</u>	<u>2,260,004</u>	<u>611,369</u>	<u>741,156</u>	<u>21,408,429</u>
Main Region							
US	6,648,670	-	1,772,870	-	-	429,146	8,850,686
Europe	6,357,741	-	1,090,552	-	-	97,567	7,545,860
Singapore	425,525	37,246	4,745	1,571,571	-	-	2,039,087
Taiwan	449,281	-	47	-	-	244	449,572
Mainland China	71,830	146,521	-	5,038	-	178,348	401,737
Others	<u>769,062</u>	<u>8,889</u>	<u>12,921</u>	<u>683,395</u>	<u>611,369</u>	<u>35,851</u>	<u>2,121,487</u>
	<u>\$14,722,109</u>	<u>\$ 192,656</u>	<u>\$ 2,881,135</u>	<u>\$2,260,004</u>	<u>\$ 611,369</u>	<u>\$ 741,156</u>	<u>\$21,408,429</u>

Three months ended June 30, 2025							
Electronic devices							
	<u>Taiwan</u>	<u>Shenzhen</u>	<u>Singapore</u>	<u>Vietnam</u>	<u>Thailand</u>	<u>Others</u>	<u>Total</u>
Total segment revenue	\$ 7,625,561	\$ 2,746,936	\$1,535,473	\$ 2,484,793	\$ 1,242,905	\$ 388,969	\$ 16,024,637
Revenue from internal segment transactions	(2,351)	(2,495,242)	(760)	(1,900,975)	(1,242,905)	(55,842)	(5,698,075)
Revenue from external customer contracts	<u>7,623,210</u>	<u>251,694</u>	<u>1,534,713</u>	<u>583,818</u>	<u>-</u>	<u>333,127</u>	<u>10,326,562</u>
Main Region							
US	3,073,303	-	668,336	-	-	198,652	3,940,291
Europe	3,976,601	18,231	860,285	-	-	41,897	4,897,014
Mainland China	47,863	99,606	4,699	-	-	77,560	229,728
Taiwan	318,148	6	-	-	-	22	318,176
Singapore	26,774	-	1,197	493,136	-	-	521,107
Others	<u>180,521</u>	<u>133,851</u>	<u>196</u>	<u>90,682</u>	<u>-</u>	<u>14,996</u>	<u>420,246</u>
	<u>\$ 7,623,210</u>	<u>\$ 251,694</u>	<u>\$ 1,534,713</u>	<u>\$ 583,818</u>	<u>\$ -</u>	<u>\$ 333,127</u>	<u>\$10,326,562</u>

Six months ended June 30, 2025							
Electronic devices							
	<u>Taiwan</u>	<u>Shenzhen</u>	<u>Singapore</u>	<u>Vietnam</u>	<u>Thailand</u>	<u>Others</u>	<u>Total</u>
Total segment revenue	\$ 14,428,896	\$ 4,873,136	\$2,966,711	\$ 4,053,708	\$ 2,599,180	\$ 784,877	\$ 29,706,508
Revenue from internal segment transactions	(2,795)	(4,549,535)	(760)	(3,254,466)	(2,599,180)	(115,026)	(10,521,762)
Revenue from external customer contracts	<u>14,426,101</u>	<u>323,601</u>	<u>2,965,951</u>	<u>799,242</u>	<u>-</u>	<u>669,851</u>	<u>19,184,746</u>
Main Region							
US	6,812,331	-	1,297,588	-	-	353,442	8,463,361
Europe	6,557,987	38,025	1,655,069	-	-	82,248	8,333,329
Mainland China	103,844	151,358	11,528	-	-	206,506	473,236
Taiwan	546,242	367	-	-	-	(38)	546,571
Singapore	27,915	-	1,570	675,051	-	-	704,536
Others	<u>377,782</u>	<u>133,851</u>	<u>196</u>	<u>124,191</u>	<u>-</u>	<u>27,693</u>	<u>663,713</u>
	<u>\$14,426,101</u>	<u>\$ 323,601</u>	<u>\$ 2,965,951</u>	<u>\$ 799,242</u>	<u>\$ -</u>	<u>\$ 669,851</u>	<u>\$19,184,746</u>

B. Contract assets and liabilities :

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

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>	<u>January 1, 2025</u>
Contract liabilities-current	\$ 228,646	\$ 413,316	\$ 274,596	\$ 318,054
Contract liabilities- non-current	<u>281,775</u>	<u>334,381</u>	<u>437,480</u>	<u>462,049</u>
Contract liabilities	<u>\$ 510,421</u>	<u>\$ 747,697</u>	<u>\$ 712,076</u>	<u>\$ 780,103</u>

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

	Three months ended June 30	
	2026	2025
Revenue recognized that was included in the contract liability balance at the beginning of the period	\$ 53,018	\$ 63,696
	Six months ended June 30	
	2026	2025
Revenue recognized that was included in the contract liability balance at the beginning of the period	\$ 123,491	\$ 129,334

(20) Other income

	Three months ended June 30	
	2026	2025
Sample income	\$ 35,564	\$ 15,464
Government grants	17,600	20,871
Dividend income	5,793	-
Rent income	659	7,157
Other income	17,633	20,068
	<u>\$ 77,249</u>	<u>\$ 63,560</u>
	Six months ended June 30	
	2026	2025
Sample income	\$ 59,922	\$ 18,605
Government grants	28,060	31,653
Dividend income	5,793	-
Gain on bargain purchase	4,777	-
Rent income	1,252	14,944
Other income	23,831	27,359
	<u>\$ 123,635</u>	<u>\$ 92,561</u>

(21) Other gains and losses

	Three months ended June 30	
	2026	2025
Foreign exchange loss	(\$ 89,838)	(\$ 472,467)
Gains on financial assets (liabilities) at fair value through profit or loss	67,571	14,656
(Loss) gains on disposals of property, plant and equipment	(1,394)	7,160
Gain on disposals of investments	12,085	-
Other losses	(573)	(13,771)
	<u>\$ 12,149</u>	<u>(\$ 464,422)</u>

	Six months ended June 30	
	2026	2025
Foreign exchange gain (loss)	\$ 41,998	(\$ 359,384)
(Loss) gains on financial assets (liabilities) at fair value through profit or loss	(4,568)	23,866
(Loss) gains on disposals of property, plant and equipment	(868)	7,612
Gain on disposals of investments	12,085	-
Other losses	(18,469)	(15,149)
	<u>\$ 30,178</u>	<u>(\$ 343,055)</u>

(22) Expenses by nature

	Three months ended June 30	
	2026	2025
Employee benefit expense	\$ 1,185,171	\$ 1,130,305
Depreciation charge - property, plant and equipment	185,111	141,694
Depreciation charge - right-of-use assets	14,398	29,242
Amortization charge	19,556	18,175
	<u>\$ 1,404,236</u>	<u>\$ 1,319,416</u>
	Six months ended June 30	
	2026	2025
Employee benefit expense	\$ 2,444,614	\$ 2,202,443
Depreciation charge - property, plant and equipment	371,152	294,207
Depreciation charge - right-of-use assets	32,814	60,648
Amortization charge	38,526	37,189
	<u>\$ 2,887,106</u>	<u>\$ 2,594,487</u>

(23) Employee benefit expense

	Three months ended June 30	
	2026	2025
Wages and salaries	\$ 1,005,148	\$ 959,343
Share-based payments	24,838	32,913
Labor and health insurance fees	23,526	19,957
Pension costs	67,613	62,904
Directors' remuneration	780	(2,457)
Other personnel expenses	63,266	57,645
	<u>\$ 1,185,171</u>	<u>\$ 1,130,305</u>

	Six months ended June 30	
	2026	2025
Wages and salaries	\$ 2,069,627	\$ 1,847,448
Share-based payments	43,702	65,696
Labor and health insurance fees	48,332	42,221
Pension costs	143,391	123,250
Directors' remuneration	7,735	7,486
Other personnel expenses	131,827	116,342
	<u>\$ 2,444,614</u>	<u>\$ 2,202,443</u>

- A. To encourage the Company's employees and operation team, 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 be at least 5% for employees' compensation, of which at least 1% shall be set aside for rank-and-file employees, and shall not be higher than 2% for directors' remuneration. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by at least two-thirds of the total number of directors, have the profit distributable as employees' compensation distributed in the form shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders at the shareholders' meeting. Employees' compensation can be distributed in cash or shares and shall be distributed to the employees of subsidiaries of the Company who meet certain specific requirements.
- B. The details of employees' compensation and directors' and supervisors' remuneration of the Company are as follows:

	Three months ended June 30	
	2026	2025
Employees' compensation	\$ 2,828	(\$ 13,484)
Directors' and supervisors' remuneration	565	(2,697)
	<u>\$ 3,393</u>	<u>(\$ 16,181)</u>
	Six months ended June 30	
	2026	2025
Employees' compensation	\$ 36,527	\$ 34,281
Directors' and supervisors' remuneration	7,305	6,856
	<u>\$ 43,832</u>	<u>\$ 41,137</u>

The abovementioned amounts were recognized in wages and salaries based on profit status of the current year. Employees' compensation was estimated at 10% and 10% of the profit for the six months ended June 30, 2026 and 2025, respectively. Directors' remuneration was estimated at 2% and 2% of the profit for the six months ended June 30, 2026 and 2025, respectively. Employees' compensation and directors' remuneration of 2025 as resolved at the Board of Directors' meeting were in agreement with those amounts recognized in the profit or loss of 2025.

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.

(24) Income tax

A. Income tax expense

(a) Components of income tax expense:

Three months ended June 30			
		2026	2025
Current tax:			
Current tax on profits for the period	\$	55,174	\$ 37,223
Surtax on undistributed earnings		4,449	26,680
Prior year income tax overestimation	(	825)	(34,416)
Total current tax		58,798	29,487
Deferred tax:			
Origination and reversal of temporary differences	(	149,404)	(88,312)
Income tax benefit	(\$	90,606)	(\$ 58,825)

Six months ended June 30			
		2026	2025
Current tax:			
Current tax on profits for the period	\$	118,005	\$ 101,702
Surtax on undistributed earnings		4,449	26,680
Prior year income tax overestimation	(	965)	(34,375)
Total current tax		121,489	94,007
Deferred tax:			
Origination and reversal of temporary differences	(	169,315)	(60,387)
Income tax (benefit) expense	(\$	47,826)	\$ 33,620

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

Three months ended June 30			
		2026	2025
Exchange differences changes on translation of foreign financial statements - the Group	\$	1,076	(\$ 172,198)
Exchange differences changes on translation of foreign financial statements - associates		14,623	(154,933)
Changes in fair value of financial assets at fair value through other comprehensive income		288	(2,017)
	\$	15,987	(\$ 329,148)

	Six months ended June 30	
	2026	2025
Exchange differences changes on translation of foreign financial statements - the Group	\$ 13,962	(\$ 139,290)
Exchange differences changes on translation of foreign financial statements - associates	46,619	(132,774)
Changes in fair value of financial assets at fair value through other comprehensive income	1,185	(1,792)
	<u>\$ 61,766</u>	<u>(\$ 273,856)</u>

- B. The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.
- C. Pursuant to the Pillar Two legislation, the Group is responsible for paying a Top-up Tax on the difference between the GloBE Effective Tax Rate (ETR) and the minimum tax rate of 15% in respect of each jurisdiction.
- The Group's subsidiary, MEVN, calculated the Top-up Tax of 10% for the three months ended June 30, 2026 and 2025, and for the six months ended June 30, 2026 and 2025, respectively.; The Group's other subsidiary, METC, calculated the Top-up Tax of 5% for the three months ended June 30, 2026 and 2025, and for the six months ended June 30, 2026 and 2025, respectively. The recognition of the current income tax expense of the Group related to Pillar Two income tax issue amounted to \$28,552 thousand, \$24,221 thousand, \$46,950 thousand and \$26,759 thousand for the three months and six months ended June 30, 2026 and 2025, respectively.
- D. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.
- E. MUtek Electronics Co., Ltd income tax returns through 2024 have been assessed and approved by the Tax Authority.

(25) Earnings per share

	Three months ended June 30, 2026		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 124,098</u>	<u>246,634</u>	<u>\$ 0.50</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	124,098	246,634	
Assumed conversion of all dilutive potential ordinary shares			
Employee restricted shares	-	1,279	
Convertible bonds	11,358	23,389	
Employees' compensation	<u>-</u>	<u>31</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 135,456</u>	<u>271,333</u>	<u>\$ 0.50</u>

Three months ended June 30, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,622	248,963	\$ 0.01
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	2,622	248,963	
Assumed conversion of all dilutive potential ordinary shares			
Employee restricted shares	-	2,036	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 2,622	250,999	\$ 0.01
Six months ended June 30, 2026			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 381,852	247,928	\$ 1.54
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	381,852	247,928	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	22,538	23,389	
Employee restricted shares	-	1,279	
Employees' compensation	-	890	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 404,390	273,486	\$ 1.48

	Six months ended June 30, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 356,119	248,963	\$ 1.43
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	356,119	248,963	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	22,065	21,927	
Employee restricted shares	-	2,036	
Employees' compensation	-	1,134	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 378,184	274,060	\$ 1.38

1. The Group assumes that the entire amount of the compensation or bonus will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive.
2. For the three months ended June 30, 2025, employees' compensation and convertible bonds were anti-dilutive and, therefore, were not included in the calculation of diluted earnings per share.

(26) Transactions with non-controlling interests

A. Acquisition of Additional Interest in a Subsidiary

- (a) On April 24, 2025, FUSZ, a subsidiary of the Group, acquired an additional 0.5% of the issued shares of ASCX from non-controlling interests for cash consideration of NTD 1,074 thousand. The carrying amount of ASCX's non-controlling interests on the acquisition date was NTD 513 thousand. This transaction decreased non-controlling interests by NTD 513 thousand and decreased equity attributable to the owners of the parent by NTD 561 thousand. The impact of the changes in ASCX's equity during the year 2025 on equity attributable to the owners of the parent is as follows:

	2025
Carrying amount of purchased non-controlling interests	\$ 513
Consideration Paid to Non-controlling Interests	(1,074)
	(\$ 561)
Difference between the actual acquisition or disposal price and the book value of subsidiary equity:	
Capital surplus	\$ -
Retained earnings	(\$ 561)

- (b) On April 24, 2025, FUSA, a subsidiary of the Group, repurchased treasury shares for cash consideration of NTD 22,518 thousand and subsequently canceled them. As a result of this transaction, non-controlling interests decreased by NTD 17,896 thousand, and the

equity attributable to the owners of the parent decreased by NTD 4,622 thousand.

- B. The subsidiary's cash capital increase was not subscribed by the Group in proportion to its shareholding.

On April 23, 2025, the Group's subsidiary, FUSA, issued new shares through a cash capital increase. The Group did not subscribe in proportion to its shareholding, resulting in an increase of 0.28% in its equity stake. This transaction increased non-controlling interests by NTD 681 thousand and decreased equity attributable to the owners of the parent company by NTD 681 thousand.

(27) Business Combinations

- A. On February 2, 2026, the Group acquired a 100% equity interest in MWT Holdings Co., Ltd. (MWT Holdings) for a total consideration of NTD 2,016,920 thousand, thereby obtaining control thereof. The acquired company is primarily engaged in the manufacturing, research and development of headphones in Thailand and Japan. Through this acquisition, the Group expects to enhance its market penetration in Northeast Asia, strengthen its vertically integrated manufacturing capabilities, expand its scale of operations, and enhance overall operating performance.
- B. The following table summarizes the consideration paid for the acquisition of MWT Holdings, and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	<u>February 2, 2026</u>
Purchase Consideration	
Cash	\$ <u>2,016,920</u>
Fair value of identifiable assets acquired and liabilities assumed	
Cash	1,356,355
Accounts receivable	213,040
Inventories	400,691
Other current assets	37,258
Property, plant and equipment	199,753
Intangible assets	69,243
Other non-current assets	10,499
Accounts payable	(133,618)
Other payables	(57,215)
Other current liabilities	(3,455)
Other non-current liabilities	(<u>70,854</u>)
	<u>2,021,697</u>
Gain on bargain purchase	(\$ <u>4,777</u>)

- C. Since the acquisition date on February 2, 2026, MWT Holdings has contributed NTD 622,465 thousand to the Group's revenue and NTD 146,636 thousand to the Group's net profit before tax. Had the acquisition of MWT Holdings been consolidated from January 1, 2026, the Group's pro forma revenue and net profit before tax for the second quarter of 2026 would have been NTD 21,482,053 thousand and NTD 542,345 thousand, respectively.

(28) Supplemental cash flow information

A. Investing activities with partial cash payments

	Six months ended June 30	
	2026	2025
Acquisition of property, plant and equipment	\$ 333,281	\$ 604,113
Add: Beginning balance of payable on equipment	177,609	127,331
Ending balance of prepayments for equipment	7,037	13,891
Less: Beginning balance of prepayments for equipment	(3,959)	(827)
Ending balance of payable on equipment	(78,926)	(242,143)
Cash paid during the period	<u>\$ 435,042</u>	<u>\$ 502,365</u>

B. Net cash outflow on acquisition of subsidiaries:

	MWJP
Cash and cash equivalents transferred	(\$ 2,016,920)
Plus: Cash and cash equivalents of the subsidiary at the acquisition date	1,356,355
Net cash paid for acquisition of subsidiaries	<u>(\$ 660,565)</u>

C. Financing activities with no cash flow effects::

	Six months ended June 30	
	2026	2025
Dividend payable	<u>\$ 1,015,358</u>	<u>\$ 1,850,505</u>

(29) Changes in liabilities from financing activities

	Short-term Borrowings	Lease Liabilities	Convertible bonds	Long-term Borrowings (including those matured within one year)	Dividends payables	Liabilities from financing activities-gross
At January 1, 2026	\$ 4,295,965	\$ 90,494	\$ 2,912,269	\$ 165,191	\$ -	\$ 7,463,919
Changes in cash flow from financing	(2,353,714)	(46,603)	-	(76,345)	-	(2,476,662)
Additions	-	49,500	-	-	1,015,358	1,064,858
Amortization of discounts on corporate bonds	-	-	28,172	-	-	28,172
Changes in other non-cash items	-	3,708	-	-	-	3,708
Impact of changes in foreign exchange rate	10,698	1,228	-	-	-	11,926
At June 30, 2026	<u>\$ 1,952,949</u>	<u>\$ 98,327</u>	<u>\$ 2,940,441</u>	<u>\$ 88,846</u>	<u>\$ 1,015,358</u>	<u>\$ 6,095,921</u>

	Short-term Borrowings	Lease Liabilities	Convertible bonds	Long-term Borrowings (including those matured within one year	Dividends payables	Liabilities from financing activities- gross
At January 1, 2025	\$ 366,659	\$ 116,138	\$ 2,856,278	\$ 525,402	\$ -	\$ 3,864,477
Changes in cash flow from financing	1,785,943	(66,161)	-	(226,666)	-	1,493,116
Additions	-	40,602	-	-	1,850,505	1,891,107
Amortization of discounts on corporate bonds	-	-	27,630	-	-	27,630
Changes in other non- cash items	-	2,365	-	-	-	2,365
Impact of changes in foreign exchange rate	(31,555)	(2,512)	-	(9,834)	-	(43,901)
At June 30, 2025	<u>\$ 2,121,047</u>	<u>\$ 90,432</u>	<u>\$ 2,883,908</u>	<u>\$ 288,902</u>	<u>\$1,850,505</u>	<u>\$ 7,234,794</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Name	Relationship
Merry Electronics (Suzhou) Co., Ltd. (MECE)	Affiliated company
Merry Electronics (Huizhou) Co., Ltd. (MECH)	Affiliated company
DONPON PRECISION INC.	Affiliated company
Donyun plastic Manufactory Co., Ltd.	Affiliated company
DONPON PRECISION (THAILAND) CO., LTD.	Affiliated company
SYNergy ScienTech Corp.	Affiliated company
Merry Fuling Co., Ltd. Taiwan Branch (MHNCTW)	Other related party
BESKYTTE HUANG & CO	Other related party
Luxshare Precision Limited	Other related party (Note 1)
Luxshare Precision Industry Co., Ltd	Other related party (Note 1)
Luxshare Precision (Ngee Ann) Company Limited.	Other related party (Note 1)
Luxshare Electronic Technology (Kunshan) Co., Ltd.	Other related party (Note 1)
Dongguan Luxshare Precision Industry Co., Ltd.	Other related party (Note 1)
LUXSHARE PRECISION SINGAPORE PTE. LT	Other related party (Note 1)
GUANGZHOU LUXVISIONS INNOVATION TECHNOLOGY LIMITED.	Other related party (Note 1)
Dongguan Leader Precision Industry Co., Ltd	Other related party (Note 1)
LEADER TECH VIET NAM COMPANY LIMITED	Other related party (Note 1)
Asap Technology (Jiangxi) Co., Ltd.	Other related party (Note 1)
Luxshare - ICT (Nghe An) Limited	Other related party (Note 1)
Luxsan Technology (Kunshan) Co., Ltd.	Other related party (Note 1)
Luxsan Intelligent Manufacture Electronics (Shanghai) Co., Ltd.	Other related party (Note 1)
Luxsan Precision Industry (Kunshan) Co., Ltd.	Other related party (Note 1)
Taiwan Reading Culture Foundation	Other related party (Note 2)

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

Note 2: The key management person of the Group is the Chairman of the Board of the entity.

(2) Significant related party transactions

A. Operating revenue

		Three months ended June 30	
		2026	2025
Sales of goods			
LUXSHARE PRECISION SINGAPORE PTE.LT	\$	545,781	\$ 517,243
Luxshare Precision Limited		192,012	69,459
Luxshare-ICT(Nghe An)Limited		206,362	-
Other related party		24,160	9,718
Affiliated company		1,785	2,115
	\$	<u>970,100</u>	<u>\$ 598,535</u>

		Six months ended June 30	
		2026	2025
Sales of goods			
LUXSHARE PRECISION SINGAPORE PTE.LT	\$	1,581,101	\$ 698,265
Luxshare Precision Limited		440,177	103,861
Luxshare-ICT(Nghe An)Limited		241,448	-
Other related party		32,695	12,227
Affiliated company		4,099	5,631
	\$	<u>2,299,520</u>	<u>\$ 819,984</u>

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 to 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. For transactions in which the Company sells raw materials to the aforementioned related party and subsequently repurchases finished goods made from the same raw materials from the same party, the initial sale of raw materials is eliminated due to economic substance.

B. Purchases

		Three months ended June 30	
		2026	2025
Purchases of goods			
MECE	\$	2,050,772	\$ 1,777,496
MECH		902,267	783,512
Affiliated company		298,555	352,994
Other related party		72,424	90,608
	\$	<u>3,324,018</u>	<u>\$ 3,004,610</u>

	Six months ended June 30	
	2026	2025
Purchases of goods		
MECE	\$ 4,482,361	\$ 4,137,358
MECH	1,683,601	1,410,884
Affiliated company	556,487	695,309
Other related party	195,417	145,452
	<u>\$ 6,917,866</u>	<u>\$ 6,389,003</u>

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

C. Receivables from related parties

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Accounts receivable:			
LUXSHARE	\$ 1,085,399	\$ 1,635,885	\$ 518,002
PRECISION			
SINGAPORE PTE.LT			
Luxshare Precision	244,088	316,656	-
Limited			
Luxshare-ICT(Nghe	242,155	2,663	-
An)Limited			
Other related party	24,313	11,714	75,385
Affiliated company	<u>1,202</u>	<u>2,034</u>	<u>1,362</u>
Total	<u>\$ 1,597,157</u>	<u>\$ 1,968,952</u>	<u>\$ 594,749</u>
Other receivable:			
MECH	\$ 175,718	\$ 64,518	\$ 137,097
Luxshare-ICT(Nghe	104,391	1,326	-
An)Limited			
Affiliated company	<u>516</u>	<u>2,260</u>	<u>194</u>
Total	<u>\$ 280,625</u>	<u>\$ 68,104</u>	<u>\$ 137,291</u>

Other receivables mainly were the purchases of raw materials on behalf of affiliated companies. Details of transactions relating to the purchases of raw materials on behalf of affiliated companies are provided in Table 3.

D. Payables to related parties

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Accounts payable:			
MECE	\$ 2,187,519	\$ 2,072,198	\$ 1,166,032
MECH	903,900	468,235	535,744
Affiliated company	366,822	686,954	488,291
Other related party	<u>74,576</u>	<u>197,562</u>	<u>97,966</u>
Total	<u>\$ 3,532,817</u>	<u>\$ 3,424,949</u>	<u>\$ 2,288,033</u>
Other payable:			
Affiliated company	\$ 176,417	\$ 74,095	\$ 85,006
Other related party	<u>20,515</u>	<u>37,044</u>	<u>21,230</u>
Total	<u>\$ 196,932</u>	<u>\$ 111,139</u>	<u>\$ 106,236</u>

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

E. Equipment Payables(shown as other payables)

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
MECH	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,935</u>

F. Property transactions

(a) Acquisition of property, plant and equipment:

	<u>Three months ended June 30</u>	
	<u>2026</u>	<u>2025</u>
MECH	<u>\$ -</u>	<u>\$ 132</u>

	<u>Six months ended June 30</u>	
	<u>2026</u>	<u>2025</u>
MECH	<u>\$ -</u>	<u>\$ 1,026</u>

(b) Disposal of property, plant and equipment:

	<u>Three months ended June 30,2026</u>		<u>Three months ended June 30,2025</u>	
	<u>Disposal proceeds</u>	<u>Gain (Loss) on disposal</u>	<u>Disposal proceeds</u>	<u>Gain (Loss) on disposal</u>
Luxshare-ICT (NgheAn)Limited	<u>\$ 75,689</u>	<u>\$ 370</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>Six months ended June 30,2026</u>		<u>Six months ended June 30,2025</u>	
	<u>Disposal proceeds</u>	<u>Gain (Loss) on disposal</u>	<u>Disposal proceeds</u>	<u>Gain (Loss) on disposal</u>
Luxshare-ICT (NgheAn)Limited	<u>\$ 99,772</u>	<u>\$ 536</u>	<u>\$ -</u>	<u>\$ -</u>

(3) Key management compensation

	Three months ended June 30	
	2026	2025
Short-term employee benefits	\$ 12,138	\$ 9,836
Post-employment benefits	63	52
Share-based payments	9,518	9,380
	<u>\$ 21,719</u>	<u>\$ 19,268</u>
	Six months ended June 30	
	2026	2025
Short-term employee benefits	\$ 34,717	\$ 32,714
Post-employment benefits	142	104
Share-based payments	5,875	18,760
	<u>\$ 40,734</u>	<u>\$ 51,578</u>

8. PLEDGED ASSETS

	Book value			Purpose
	June 30, 2026	December 31, 2025	June 30, 2025	
Property, plant and equipment	<u>\$ 134,192</u>	<u>\$ 132,271</u>	<u>\$ 123,659</u>	Short-term borrowings

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

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

	June 30, 2026	December 31, 2025	June 30, 2025
Property, plant and equipment	\$ 148,856	\$ 322,879	\$ 350,900
Intangible assets	-	128	1,593
	<u>\$ 148,856</u>	<u>\$ 323,007</u>	<u>\$ 352,493</u>

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- (1) On July 20, 2026, the board of directors of the Group's subsidiary, Indigo Enterprises Inc., resolved to make a cash capital contribution of USD\$3,980 thousand to Merry Electronics North America Inc. The related registration of the amendment and other relevant procedures will be handled with the competent registration authority in accordance with applicable regulations.
- (2) On July 30, 2026, the Company's board of directors approved the cancellation of the treasury shares repurchased pursuant to the resolution of the extraordinary meeting of the board of directors held on March 12, 2026, for the purpose of maintaining the Company's credit standing and safeguarding shareholders' equity. The board also determined July 30, 2026, as the effective date of the capital reduction through the cancellation of treasury shares. The amount of the capital reduction is \$432,739 thousand, involving the cancellation of 5,000 thousand common shares. The Company will process the relevant amendment registration for the cancellation of shares with the competent registration

authority in accordance with applicable regulations.

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, 2025.

(2) Financial instruments

A. Financial instruments by category

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ <u>71,806</u>	\$ <u>866,061</u>	\$ <u>936,204</u>
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	\$ <u>320,081</u>	\$ <u>330,795</u>	\$ <u>300,686</u>
Financial assets at amortized cost/ Loans and receivables			
Cash and cash equivalents	\$ 7,333,386	\$ 9,797,932	\$ 10,001,604
Financial assets at amortized at cost	537,811	737,583	774,675
Accounts receivable (including due from related parties)	10,861,185	13,389,985	9,127,734
Other receivables (including due from related parties)	520,080	131,410	412,429
Guarantee deposits paid	<u>63,428</u>	<u>54,738</u>	<u>45,909</u>
	\$ <u>19,315,890</u>	\$ <u>24,111,648</u>	\$ <u>20,362,351</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	\$ <u>53,711</u>	\$ <u>38,725</u>	\$ <u>51,726</u>
Financial liabilities at amortized cost			
Short-term borrowings	1,952,949	4,295,965	2,121,047
Accounts payable (including payable to related parties)	10,928,583	12,562,806	9,960,422
Other payable (including payable to related parties)	2,470,869	1,770,920	3,526,476
Lease liability	98,327	90,494	90,432
Corporate bonds payable (including maturing within one year or one operating cycle)	2,940,441	2,912,269	2,883,908

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Long-term borrowings (including maturing within one year or one operating cycle)	88,846	165,191	288,902
Guarantee deposits received	<u>1,750</u>	<u>1,168</u>	<u>8,619</u>
	<u>\$ 18,481,765</u>	<u>\$ 21,798,813</u>	<u>\$ 18,879,806</u>

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 management has a policy specifying that the companies within the Group manage the foreign exchange rate risk of its functional currency. Each company should hedge against its overall foreign exchange rate risk through the Group's finance department. The foreign exchange rate risk is measured through the expected transaction with highly probable expenditures in US dollars, in which the foreign exchange forward contract is adopted to reduce the impact on the fluctuation of foreign exchange rate over the expected purchase cost of inventories.
- iii. The Group's foreign exchange rate risk is hedged through foreign exchange forward contract, while the hedge accounting is not adopted. Please refer to Note 6 (2) for the financial assets or liabilities measured at fair value through profit or loss.
- iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, RMB, HKD, THB, CAD, NOK, MYR, JPY and INR). 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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	June 30, 2026			December 31, 2025			June 30, 2025		
	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)
<u>(Foreign currency: functional currency)</u>									
<u>Financial assets</u>									
<u>Monetary items</u>									
<u>Cash in banks</u>									
USD : NTD	\$ 81,817	31.85	\$ 2,605,871	\$ 81,893	31.43	\$ 2,573,897	\$ 49,454	29.30	\$ 1,449,002
RMB : NTD	6,616	4.69	31,029	69,330	4.50	311,708	2,186	4.09	8,943
JPY : NTD	-	-	-	8,025,584	0.20	1,611,537	-	-	-
USD : HKD	1,497	7.84	47,679	1,556	7.78	48,905	1,448	7.85	42,426
USD : RMB	28,960	6.79	922,376	42,228	6.99	1,327,226	14,730	7.16	431,589
USD : THB	33,832	33.04	1,077,549	3,900	31.37	122,577	6,733	32.31	197,277
<u>Receivables</u>									
USD : NTD	\$ 385,931	31.85	\$12,291,916	\$ 428,986	31.43	\$ 13,483,041	\$ 310,094	29.30	\$ 9,085,745
USD : RMB	61,842	6.79	1,969,668	119,311	6.99	3,749,945	104,007	7.16	3,047,405
USD : THB	63,224	33.04	2,013,684	85,719	31.37	2,694,148	39,654	32.31	1,161,862
<u>Non-monetary items</u>									
<u>Investments accounted for under equity method</u>									
USD : NTD	\$ 128,941	31.85	\$ 4,106,763	\$ 121,443	31.43	\$ 3,816,947	\$ 111,986	29.30	\$ 3,281,182
HKD : NTD	404,628	4.06	1,643,195	381,385	4.04	1,540,032	360,185	3.73	1,344,210
<u>Financial liabilities</u>									
<u>Monetary items</u>									
<u>Financial liabilities held for trading - current</u>									
USD : NTD	\$ 1,686	31.85	\$ 53,711	\$ 1,232	31.43	\$ 38,725	\$ 1,765	29.30	\$ 51,726
<u>Bank loan</u>									
USD : NTD	\$ -	-	\$ -	\$ 70,000	31.43	\$ 2,200,100	\$ 50,000	29.30	\$ 1,465,000
USD : RMB	14,573	6.79	464,150	20,571	6.99	646,547	-	-	-
USD : THB	12,900	33.04	410,865	-	-	-	-	-	-

<u>(Foreign currency: functional currency)</u>	June 30, 2026			December 31, 2025			June 30, 2025		
	Book value			Book value			Book value		
	Foreign currency amount			Foreign currency amount			Foreign currency amount		
	<u>(In thousands)</u>	<u>Exchange rate</u>	<u>(NTD)</u>	<u>(In thousands)</u>	<u>Exchange rate</u>	<u>(NTD)</u>	<u>(In thousands)</u>	<u>Exchange rate</u>	<u>(NTD)</u>
RMB : NTD	-	-	-	43,428	4.50	195,252	52,988	4.09	216,773
<u>Payables</u>									
RMB : NTD	\$ 191,425	4.69	\$ 897,783	\$ 223,710	4.50	\$ 1,005,800	\$ 156,072	4.09	\$ 638,491
USD : NTD	319,017	31.85	10,160,691	332,519	31.43	10,451,072	283,456	29.30	8,305,261
USD : RMB	21,678	6.79	690,444	39,302	6.99	1,235,262	37,777	7.16	1,106,866

<u>(Foreign currency: functional currency)</u>	June 30, 2026			December 31, 2025			June 30, 2025		
	Sensitivity analysis			Sensitivity analysis			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
<u>Financial assets</u>									
<u>Monetary items</u>									
<u>Cash in banks</u>									
USD : NTD	3%	\$ 78,176	\$ -	3%	\$ 77,217	\$ -	3%	\$ 43,470	\$ -
RMB : NTD	3%	931	-	3%	9,351	-	3%	268	-
JPY : NTD	3%	-	-	3%	48,346	-	3%	-	-
USD : HKD	3%	1,430	-	3%	1,467	-	3%	1,273	-
USD : RMB	3%	27,671	-	3%	39,817	-	3%	12,948	-
USD : THB	3%	32,326	-	3%	3,677	-	3%	5,918	-
<u>Receivables</u>									
USD : NTD	3%	\$ 368,757	\$ -	3%	\$ 404,491	\$ -	3%	\$ 272,572	\$ -
USD : RMB	3%	59,090	-	3%	112,498	-	3%	91,422	-
USD : THB	3%	60,411	-	3%	80,824	-	3%	34,856	-

<u>(Foreign currency: functional currency)</u>	June 30, 2026			December 31, 2025			June 30, 2025		
	Sensitivity analysis			Sensitivity analysis			Sensitivity analysis		
	<u>Degree of variation</u>	<u>Effect on profit or loss</u>	<u>Effect on other comprehensive income</u>	<u>Degree of variation</u>	<u>Effect on profit or loss</u>	<u>Effect on other comprehensive income</u>	<u>Degree of variation</u>	<u>Effect on profit or loss</u>	<u>Effect on other comprehensive income</u>
<u>Non-monetary items</u>									
<u>Investments accounted for under equity method</u>									
USD : NTD	3%	\$ -	\$ 123,203	3%	\$ -	\$ 114,508	3%	\$ -	\$ 98,435
HKD : NTD	3%	-	49,296	3%	-	46,201	3%	-	40,326
<u>Financial liabilities</u>									
<u>Monetary items</u>									
<u>Financial liabilities held for trading - current</u>									
USD : NTD	3%	\$ 1,611	\$ -	3%	\$ 1,162	\$ -	3%	\$ 1,552	\$ -
<u>Bank loan</u>									
USD : NTD	3%	\$ -	\$ -	3%	\$ 66,003	\$ -	3%	\$ 43,950	\$ -
USD : RMB	3%	13,925	-	3%	19,396	-	3%	-	-
USD : THB	3%	12,326	-	3%	-	-	3%	-	-
RMB : NTD	3%	-	-	3%	5,858	-	3%	6,503	-
<u>Payables</u>									
RMB : NTD	3%	\$ 26,933	\$ -	3%	\$ 30,174	\$ -	3%	\$ 19,155	\$ -
USD : NTD	3%	304,821	-	3%	313,532	-	3%	249,158	-
USD : RMB	3%	20,713	-	3%	37,058	-	3%	33,206	-

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 six months ended June 30, 2026 and 2025 amounted to a loss of \$89,838 thousand, a loss of \$472,467 thousand, a gain of \$41,998 thousand, and a loss of \$359,384 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 six months ended June 30, 2026 and 2025 would have increased/decreased by \$2,116 thousand and \$27,045 thousand, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$9,602 thousand and \$9,021 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 six months ended June 30, 2026 and 2025 would have increased/decreased by \$2,041 thousand and \$2,410 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 June 30, 2026, December 31, 2025 and June 30, 2025, the provision matrix is as follows:

<u>June 30, 2026</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0.06%	\$ 9,078,908	\$ 5,392
Up to 30 days	1.70%	190,979	3,251
31~90 days	54.83%	6,163	3,379
91~180 days	100.00%	1,151	1,151
Over 180 days	100.00%	54,591	54,591
		<u>\$ 9,331,792</u>	<u>\$ 67,764</u>

<u>December 31, 2025</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0.02%	\$ 11,282,383	\$ 2,179
Up to 30 days	1.36%	139,185	1,894
31~90 days	37.09%	5,624	2,086
91~180 days	100.00%	7,899	7,899
Over 180 days	100.00%	50,612	50,612
		<u>\$ 11,485,703</u>	<u>\$ 64,670</u>
<u>June 30, 2025</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0.02%	\$ 8,412,648	\$ 2,050
Up to 30 days	0.69%	119,405	821
31~90 days	28.37%	5,309	1,506
91~180 days	100.00%	722	722
Over 180 days	100.00%	39,803	39,803
		<u>\$ 8,577,887</u>	<u>\$ 44,902</u>

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

	<u>2026</u>	<u>2025</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
At January 1	\$ 64,670	\$ 44,658
Allowance of impairment loss	821	3,348
Effect of foreign exchange	<u>2,273</u>	<u>(3,104)</u>
At June 30	<u>\$ 67,764</u>	<u>\$ 44,902</u>

xi. For investments of financial assets at amortized cost, the credit rating levels are presented below:

	<u>June 30, 2026</u>			
	<u>Lifetime</u>			
	<u>12 months</u>	<u>Significant increase in credit risk</u>	<u>Impairment of credit</u>	<u>Total</u>
Financial assets at amortized cost				
Group 1	\$ 427,811	\$ -	\$ -	\$ 427,811
Group 2	<u>110,000</u>	<u>-</u>	<u>-</u>	<u>110,000</u>
	<u>\$ 537,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 537,811</u>
	<u>December 31, 2025</u>			
	<u>Lifetime</u>			
	<u>12 months</u>	<u>Significant increase in credit risk</u>	<u>Impairment of credit</u>	<u>Total</u>
Financial assets at amortized cost				
Group 1	\$ 627,583	\$ -	\$ -	\$ 627,583
Group 2	<u>110,000</u>	<u>-</u>	<u>-</u>	<u>110,000</u>
	<u>\$ 737,583</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 737,583</u>

	June 30, 2025			
	Lifetime			Total
	12 months	Significant increase in credit risk	Impairment of credit	
Financial assets at amortized cost				
Group 1	\$ 724,675	\$ -	\$ -	\$ 724,675
Group 2	50,000	-	-	50,000
	<u>\$ 774,675</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 774,675</u>

Group 1: Time deposits designated as investment grade.

Group 2: Debt instruments designated as investment grade.

Based on assessment, the default possibility of the Group's financial assets at amortized cost is remote, and thus no loss allowances were provided as of June 30, 2026, December 31, 2025 and June 30, 2025.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. Group treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.
- iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.
- iv. The Group has \$16,957,917 thousand, \$13,336,488 thousand and \$13,054,650 thousand in undrawn borrowing facilities as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively.

Non-derivative financial liabilities

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
June 30, 2026						
Short-term borrowings	\$ 1,156,783	\$ 808,276	\$ -	\$ -	\$ -	\$ 1,965,059
Accounts payable	5,161,247	2,234,519	-	-	-	7,395,766
Accounts payable - related parties	22,044	3,510,773	-	-	-	3,532,817
Other payables (including related parties)	2,168,886	301,983	-	-	-	2,470,869
Lease liabilities	10,665	31,447	28,758	33,830	-	104,700
Bonds payable	-	-	3,000,000	-	-	3,000,000
Long-term borrowings (including expiring within one year)	19,164	70,441	-	-	-	89,605

Non-derivative financial liabilities

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
June 30, 2026						
<u>Derivative financial liabilities</u>						
Forward exchange contracts	47,633	6,078	-	-	-	53,711

Non-derivative financial liabilities

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
December 31, 2025						
Short-term borrowings	\$ 3,132,615	\$ 1,191,613	\$ -	\$ -	\$ -	\$ 4,324,228
Accounts payable	7,396,898	1,740,959	-	-	-	9,137,857
Accounts payable - related parties	2,759,037	665,912	-	-	-	3,424,949
Other payables (including related parties)	1,285,398	485,522	-	-	-	1,770,920
Lease liabilities	11,497	24,357	25,621	35,023	-	96,498
Bonds payable	-	-	3,000,000	-	-	3,000,000
Long-term borrowings (including expiring within one year)	19,544	135,356	12,535	-	-	167,435
<u>Derivative financial liabilities</u>						
Forward exchange contracts	8,845	29,880	-	-	-	38,725

Non-derivative financial liabilities

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
June 30, 2025						
Short-term borrowings	\$ 2,029,502	\$ 113,456	\$ -	\$ -	\$ -	\$ 2,142,958
Accounts payable	5,391,647	2,280,742	-	-	-	7,672,389
Accounts payable - related parties	1,700,858	587,175	-	-	-	2,288,033
Other payables (including related parties)	3,217,230	309,246	-	-	-	3,526,476
Lease liabilities	8,960	19,967	27,433	37,138	3,652	97,150
Bonds payable	-	-	-	3,000,000	-	3,000,000
Long-term borrowings (including expiring within one year)	20,075	137,216	91,157	5,187	53,176	306,811
<u>Derivative financial liabilities</u>						
Forward exchange contracts	51,726	-	-	-	-	51,726

(3) Fair value information

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

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

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

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

B. Financial instruments not measured at fair value

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

		June 30, 2026		
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities				
Bonds payable	\$ 2,940,441	\$ -	\$2,957,836	\$ -
		December 31, 2025		
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities				
Bonds payable	\$ 2,912,269	\$ -	\$2,926,261	\$ -
		June 30, 2025		
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities				
Bonds payable	\$ 2,883,908	\$ -	\$2,826,871	\$ -

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

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

June 30, 2026	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
-Equity securities	\$ -	\$ -	\$ 45,347	\$ 45,347
-Forward exchange contracts	-	1,223	-	1,223
-Fund	12,056	-	-	12,056
-Stocks	13,180	-	-	13,180

June 30, 2026	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial liabilities at fair value through other comprehensive income				
- Equity securities	108,284	-	211,797	320,081
	<u>\$ 133,520</u>	<u>\$ 1,223</u>	<u>\$ 257,144</u>	<u>\$ 391,887</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
-Forward exchange contracts	\$ -	\$ 53,711	\$ -	\$ 53,711
December 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
-Equity securities	\$ -	\$ -	\$ 46,282	\$ 46,282
-Forward exchange contracts	-	2,139	-	2,139
-Fund	800,400	-	-	800,400
-Stock	17,240	-	-	17,240
Financial liabilities at fair value through other comprehensive income				
- Equity securities	107,541	-	223,254	330,795
Total	<u>\$ 925,181</u>	<u>\$ 2,139</u>	<u>\$ 269,536</u>	<u>\$ 1,196,856</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
-Forward exchange contracts	\$ -	\$ 38,725	\$ -	\$ 38,725
June 30, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
-Equity securities	\$ -	\$ -	\$ 42,983	\$ 42,983
-Forward exchange contracts	-	34,049	-	34,049
-Fund	841,722	-	-	841,722
-Call options of convertible bonds	-	-	650	650
-Stocks	16,800	-	-	16,800
Financial liabilities at fair value through other comprehensive income				
- Equity securities	108,456	-	192,230	300,686
	<u>\$ 966,978</u>	<u>\$ 34,049</u>	<u>\$ 235,863</u>	<u>\$ 1,236,890</u>

June 30, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
-Forward exchange contracts	\$ -	\$ 51,726	\$ -	\$ 51,726

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:

	<u>Listed shares</u>	<u>Open-end fund</u>
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 six months ended June 30, 2026 and 2025, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the six months ended June 30, 2026 and 2025:

	<u>Six months ended June 30</u>	
	<u>2026</u>	<u>2025</u>
At January 1	\$ 269,536	\$ 275,885
Losses recognized in loss	(935)	(42)
Losses recognized in other comprehensive income	(11,457)	(39,980)
At June 30	<u>\$ 257,144</u>	<u>\$ 235,863</u>

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 June 30, 2026	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity investment:					
Equity securities	\$ 159,535	Market comparable companies	Price to book ratio multiple	1	The higher the multiplier, the higher the fair value
Private equity funds in venture capital	45,347	Net asset value	N/A	N/A	N/A
Private placement shares (listed companies)	52,262	Market price method	Discount for lack of marketability	27.67%	The higher the discount for marketability, the lower the fair value
	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity investment:					
Equity securities	\$ 157,053	Market comparable companies	Price to book ratio multiple	1	The higher the multiplier, the higher the fair value
Private equity funds in venture capital	46,282	Net asset value	N/A	N/A	N/A
Private placement shares (listed companies)	66,201	Market price method	Discount for lack of marketability	33.45%	The higher the discount for marketability, the lower the fair value
	Fair value at June 30, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity investment:					
Equity securities	\$ 144,226	Market comparable companies	Price to book ratio multiple	1	The higher the multiplier, the higher the fair value
Private equity funds in venture capital	42,983	Net asset value	N/A	N/A	N/A
Private placement shares (listed companies)	48,004	Market price method	Discount for lack of marketability	34.48%	The higher the discount for marketability,

	Fair value at June 30, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Call options of convertible bonds	650	Binary tree convertible bond valuation model	Risk-free interest rate	1.2646%~ 1.2657%	the lower the fair value The higher the risk-free interest rate, the lower the fair value
			Stock price	110.0	The higher the stock price, the higher the fair value
			Volatility	38.29%	The higher the stock price volatility, the higher 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:

		June 30, 2026				
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets	Input	Change				
Equity securities	Price to book ratio multiple	±10%	\$ _____ -	\$ _____ -	\$ 15,954	(\$ 15,954)
		December 31, 2025				
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets	Input	Change				
Equity securities	Price to book ratio multiple	±10%	\$ _____ -	\$ _____ -	\$ 15,705	(\$ 15,705)
		June 30, 2025				
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets	Input	Change				
Equity securities	Price to book ratio multiple	±10%	\$ _____ -	\$ _____ -	\$ 14,423	(\$ 14,423)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- F. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

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

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 7.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in Mainland China: Please refer to table 1, table 3, table 4 and table 5.

14. SEGMENT INFORMATION

(1) General information

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

(2) Measurement of segment information

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

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

- A. The segment information provided to the chief operating decision-maker for the reportable segments for the three months and six months ended June 30, 2026 is as follows:

		Three months ended June 30, 2026					
		Taiwan	Shenzhen	Singapore	Vietnam	Thailand	Total
Revenue							
Revenue from external customers		\$ 7,538,135	\$ 72,247	\$ 1,116,784	\$ 943,050	\$ 409,698	\$ 10,079,914
Inter-segment revenue		1,518	1,704,071	-	2,068,344	2,003,536	5,777,469
Total revenue		<u>\$ 7,539,653</u>	<u>\$ 1,776,318</u>	<u>\$ 1,116,784</u>	<u>\$ 3,011,394</u>	<u>\$ 2,413,234</u>	<u>\$ 15,857,383</u>
Segment pre-tax profit (loss)		<u>\$ 24,880</u>	<u>(\$ 217,299)</u>	<u>\$ 4,710</u>	<u>\$ 306,419</u>	<u>(\$ 36,321)</u>	<u>\$ 82,389</u>

	Six months ended June 30, 2026					
	<u>Taiwan</u>	<u>Shenzhen</u>	<u>Singapore</u>	<u>Vietnam</u>	<u>Thailand</u>	<u>Total</u>
Revenue						
Revenue from external customers	\$ 14,722,109	\$ 192,656	\$ 2,881,135	\$ 2,260,004	\$ 611,369	\$ 20,667,273
Inter-segment revenue	<u>4,572</u>	<u>3,219,666</u>	<u>-</u>	<u>3,805,413</u>	<u>3,702,706</u>	<u>10,732,357</u>
Total revenue	<u>\$ 14,726,681</u>	<u>\$ 3,412,322</u>	<u>\$ 2,881,135</u>	<u>\$ 6,065,417</u>	<u>\$ 4,314,075</u>	<u>\$ 31,399,630</u>
Segment pre-tax profit (loss)	\$ 321,435	(\$ 478,478)	\$ 51,400	\$ 599,349	(\$ 12,765)	\$ 480,941

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

B. The segment information provided to the chief operating decision-maker for the reportable segments for the three months and six months ended June 30, 2025 is as follows:

	Three months ended June 30, 2025					
	<u>Taiwan</u>	<u>Shenzhen</u>	<u>Singapore</u>	<u>Vietnam</u>	<u>Thailand</u>	<u>Total</u>
Revenue						
Revenue from external customers	\$ 7,623,210	\$ 251,694	\$ 1,534,713	\$ 583,818	\$ -	\$ 9,993,435
Inter-segment revenue	<u>2,351</u>	<u>2,495,242</u>	<u>760</u>	<u>1,900,975</u>	<u>1,242,905</u>	<u>5,642,233</u>
Total revenue	<u>\$ 7,625,561</u>	<u>\$ 2,746,936</u>	<u>\$ 1,535,473</u>	<u>\$ 2,484,793</u>	<u>\$ 1,242,905</u>	<u>\$ 15,635,668</u>
Segment pre-tax profit (loss)	<u>(\$ 118,660)</u>	<u>(\$ 31,176)</u>	<u>\$ 108,144</u>	<u>\$ 248,509</u>	<u>\$ 51,411</u>	<u>\$ 258,228</u>

	Six months ended June 30, 2025					
	<u>Taiwan</u>	<u>Shenzhen</u>	<u>Singapore</u>	<u>Vietnam</u>	<u>Thailand</u>	<u>Total</u>
Revenue						
Revenue from external customers	\$ 14,426,101	\$ 323,601	\$ 2,965,951	\$ 799,242	\$ -	\$ 18,514,895
Inter-segment revenue	<u>2,795</u>	<u>4,549,535</u>	<u>760</u>	<u>3,254,466</u>	<u>2,599,180</u>	<u>10,406,736</u>
Total revenue	<u>\$ 14,428,896</u>	<u>\$ 4,873,136</u>	<u>\$ 2,966,711</u>	<u>\$ 4,053,708</u>	<u>\$ 2,599,180</u>	<u>\$ 28,921,631</u>
Segment pre-tax profit (loss)	\$ 301,674	(\$ 160,760)	\$ 219,851	\$ 343,471	\$ 133,341	\$ 837,577

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 June 30	
	2026	2025
Adjusted revenue from reportable segments	\$ 15,857,383	\$ 15,635,668
Adjusted revenue from other operating segments	475,474	388,969
Total operating segments	16,332,857	16,024,637
Elimination of inter-segment revenue	(5,895,080)	(5,698,075)
Total consolidated operating revenue	<u>\$ 10,437,777</u>	<u>\$ 10,326,562</u>

	Six months ended June 30	
	2026	2025
Adjusted revenue from reportable segments	\$ 31,399,630	\$ 28,921,631
Adjusted revenue from other operating segments	951,777	784,877
Total operating segments	32,351,407	29,706,508
Elimination of inter-segment revenue	(10,942,978)	(10,521,762)
Total consolidated operating revenue	<u>\$ 21,408,429</u>	<u>\$ 19,184,746</u>

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

	Three months ended June 30	
	2026	2025
Adjusted income from reportable segments before income tax	\$ 82,389	\$ 258,228
Adjusted income (loss) from other operating segments before income tax	265,002	59,384
Total operating segments	347,391	317,612
Elimination of inter-segment income	(185,333)	(270,646)
Income from continuing operations before income tax	<u>\$ 162,058</u>	<u>\$ 46,966</u>

	Six months ended June 30	
	2026	2025
Adjusted income from reportable segments before income tax	\$ 480,941	\$ 837,577
Adjusted income (loss) from other operating segments before income tax	643,821	380,090
Total operating segments	1,124,762	1,217,667
Elimination of inter-segment income	(534,942)	(680,237)
Income from continuing operations before income tax	<u>\$ 589,820</u>	<u>\$ 537,430</u>

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Loans to others
Six months ended June 30, 2026

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 six months ended June 30, 2026	Balance at June 30, 2026	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		Limit on loans granted to a single party (Note 1)	Ceiling on total loans granted (Note 1)	Footnote
													Item	Value			
0	MEHO	MESG	Other receivables	Y	\$ 1,592,500	\$ 1,592,500	\$ -	-	2	\$ -	Business operation	\$ -	-	\$ -	\$6,714,775	\$16,786,938	
1	MESG	MENA	Other receivables	Y	63,700	63,700	63,700	4.31	2	-	Business operation	-	-	-	702,741	702,741	
1	MESG	MENA	Other receivables	Y	127,400	127,400	127,400	3.73~4.83	2	-	Business operation	-	-	-	702,741	702,741	
1	MESG	SENM	Other receivables	Y	31,850	31,850	15,925	4.64	2	-	Business operation	-	-	-	702,741	702,741	
1	MESG	SENM	Other receivables	Y	31,850	31,850	15,925	3.55	2	-	Business operation	-	-	-	702,741	702,741	
1	MESG	MEMP	Other receivables	Y	15,925	15,925	4,778	3.87	2	-	Acquisition for asset	-	-	-	702,741	702,741	
2	MECL	FUXM	Other receivables	Y	60,970	-	-	-	2	-	Business operation	-	-	-	1,494,168	3,735,420	
2	MECL	FUXM	Other receivables	Y	51,590	51,590	51,590	2.60	2	-	Business operation	-	-	-	1,494,168	3,735,420	
2	MECL	ASCX	Other receivables	Y	37,520	37,520	-	-	2	-	Business operation	-	-	-	1,494,168	3,735,420	
2	MECL	FUXM	Other receivables	Y	18,760	18,760	14,070	2.60	2	-	Business operation	-	-	-	1,494,168	3,735,420	
3	MWJP	TOJP	Other receivables	Y	392,600	392,600	104,137	3.73	2	-	Business operation	-	-	-	1,969,642	1,969,642	
3	MWJP	TOJG	Other receivables	Y	39,260	39,260	9,815	3.73	2	-	Business operation	-	-	-	1,969,642	1,969,642	
4	TOJP	TOJG	Other receivables	Y	392,600	392,600	47,501	3.73	2	-	Business operation	-	-	-	1,704,729	1,704,729	

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 MESG total loans to others, as well as the individual loan limits for MENA, SENM, and MEMP, shall not exceed MESG's net assets.

(3) The ceiling on MECL total loans to others is MECL's net assets; for short-term financing, the individual loan limit for ASCX and FUXM is 40% of MECL's net assets.

(4) The financing provided by MWJP to TOJP is a pre-existing transaction prior to the Company's acquisition. The total loan ceiling and the individual loan limit shall not exceed MWJP's net assets in accordance with IFRS.

(5) The financing provided by TOJP to TOJG is a pre-existing transaction prior to the Company's acquisition. The total loan ceiling and the individual loan limit shall not exceed TOJP's net assets in accordance with IFRS.

Note 2:(1) For business transactions: 1. (2) For short-term financing: 2.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
June 30, 2026

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

				As of June 30, 2026						
Securities held		Relationship with	General ledger account	Number	Book value	Ownership (%)	Fair value			
by	Marketable securities (Note 1)	the securities		of shares	(in thousands)		(in thousands)		Note	
		issuer								
The Company	Stock-Foxtron Vehicle Technologies	-	Financial assets mandatorily measured at fair value through profit or loss - current	400	\$ 20,480	-	\$ 13,180			
MUTT	Fund - Taishin 1699 Money Market Fund	-	Financial assets mandatorily measured at fair value through profit or loss - current	833	11,582	-	12,056			
					32,062		\$ 25,236			
			Valuation adjustment		(6,826)					
					\$ 25,236					
The Company	Fund - JIF Capital Ltd.	-	Financial assets mandatorily measured at fair value through profit or loss - non-current	870	\$ 26,220	0.71%	\$ 22,127		Note 2	
The Company	Stock -WK Technology	-	Financial assets mandatorily measured at fair value through profit or loss - non-current	2,000	20,000	1.78%	23,220			
					46,220		\$ 45,347			
			Valuation adjustment		(873)					
					\$ 45,347					
The Company	Stock - 2881B.TW	-	Equity instruments measured at fair value through OCI - current	683	\$ 40,980	-	\$ 42,961			
The Company	Stock - 2882B.TW	-	Equity instruments measured at fair value through OCI - current	585	35,100	-	34,573			
The Company	Stock - 5871A	-	Equity instruments measured at fair value through OCI - current	300	30,000	-	30,750			
					106,080		\$ 108,284			
			Valuation adjustment		2,204					
					\$ 108,284					
The Company	Stock - 4943.TW	-	Measured at fair value through other comprehensive income - non-current	7,712	\$ 648,164	6.09%	\$ 52,262			
The Company	Stock - FUJITER Semiconductor CO.,LTD.	-	Measured at fair value through other comprehensive income - non-current	2,126	27,811	9.79%	14,221			
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%	-			
The Company	Stock - -SUNSINO SME Development Co., Ltd.	-	Measured at fair value through other comprehensive income - non-current	178	2,123	0.36%	2,303			
The Company	Stock - -LINSATION Intelligent Technology Limited	-	Measured at fair value through other comprehensive income - non-current	75	8,772	6.19%	2,921			
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%	10,999			
					706,708		\$ 82,706			
			Valuation adjustment		(624,002)					
					\$ 82,706					
MEST	Stock - Perfect Fortune Inc	-	Measured at fair value through other comprehensive income - non-current	-	\$ 8,635	18.33%	\$ 100,753			
MEST	Stock - LOYAL WIRE& CABLE COMPANY LTD	-	Measured at fair value through other comprehensive income - non-current	-	8,324	18.33%	24,117			
ASCX	Stock - Beijing Wanling Hearing Aids	-	Measured at fair value through other comprehensive income - non-current	-	4,221	19.64%	4,221			
					21,180		\$ 129,091			
			Valuation adjustment		107,911					
					\$ 129,091					
The Company	Bond - P13 Fubon Life Insurance 1A	-	Financial assets at amortized cost – non-current	-	\$ 50,000	-	\$ 50,000			
The Company	Bond - P14 Taiwan Life Insurance 1A	-	Financial assets at amortized cost – non-current	-	50,000	-	50,000			
The Company	Bond - P14 E.SUN Bank 3	-	Financial assets at amortized cost – non-current	-	10,000	-	10,000			
					\$ 110,000		\$ 110,000			

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

Note 2: The Company, formerly known as JAFCO Investment (Asia Pacific) Ltd., was acquired by Bee Alternatives Management Ltd. in March 2026 and subsequently renamed JIF Capital Ltd.

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
Six months ended June 30, 2026

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

							Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		
Purchase/seller	Counterparty	Relationship with the counterparty	Transaction				Unit price	Credit term	Balance (Note 2)	Percentage of total notes/ accounts receivable payable	Note
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term					
The Company	MECL	A subsidiary of the Company	Purchases	\$ 2,789,565	13%	60 - 95 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(\$ 2,152,515)	20%	(Note 3)
The Company	MEVN	A subsidiary of the Company	Purchases	3,810,343	18%	60 - 95 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(1,927,373)	18%	(Note 3)
The Company	MECH	Investment accounted for using the equity method	Purchases	1,658,858	8%	60 - 95 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(901,771)	8%	
The Company	MECE	Investment accounted for using the equity method	Purchases	4,482,361	21%	60 - 95 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(2,187,519)	20%	
The Company	METC	A subsidiary of the Company	Purchases	1,369,831	6%	60 - 95 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	-	-	(Note 3)
METC	The Company	Parent company	Purchases	2,869,881	13%	60 - 120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(3,545,807)	32%	(Note 3,4)
MESG	MECL	Parent company	Purchases	358,173	2%	60 - 95 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(259,001)	2%	(Note 3)
MESG	METC	Parent company	Purchases	2,325,902	11%	60 - 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(893,431)	8%	(Note 3)
METC	DONPON	Associates	Purchases	319,839	1%	90 - 120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(195,885)	2%	
MECL	DONPON	Associates	Purchases	108,070	1%	90 - 120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(80,603)	1%	
MEVN	LUXSHARE PRECISION SINGAPORE PTE.LT	Associates	(Sales)	1,570,234	7%	60 - 120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	1,079,155	10%	
MEVN	Luxshare - ICT (Nghe An) Limited	Associates	(Sales)	241,448	1%	60 - 120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	242,155	2%	
MEVN	Luxshare Precision Limited	Associates	(Sales)	437,693	2%	60 - 120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	241,500	2%	
MEVN	Luxshare Precision Limited	Associates	Purchases	103,988	0%	60 - 120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(39,994)	0%	
MEVN	The Company	Parent Company	Purchases	355,735	2%	60 - 95 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(156,066)	1%	(Note 3,4)

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.

Note 4: For transactions in which the Company sells raw materials to the aforementioned related party and subsequently repurchases finished goods made from the same raw materials from the same party, the initial sale of raw materials is eliminated due to economic substance.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
June 30, 2026

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance of accounts receivable due from related party			Overdue receivables		Amount collected subsequent to the balance sheet date (Note2)	Allowance for doubtful accounts	Note
			General ledger account	Amount	Turnover rate	Amount	Action taken			
The Company	METC	A subsidiary of the Company	Other Receivable	\$ 3,545,807	-	\$ -	-	\$ -	\$ -	(Note 1,3,4)
The Company	MEVN	A subsidiary of the Company	Other Receivable	156,066	-	-	-	-	-	(Note 1,3,4)
MECL	The Company	Parent Company	Accounts receivable	2,152,515	1.85	-	-	524,398	-	(Note 1)
MECL	MESG	A subsidiary of the Company	Accounts receivable	259,001	2.56	-	-	55,859	-	(Note 1)
METC	MESG	A subsidiary of the Company	Accounts receivable	893,431	2.76	-	-	180,593	-	(Note 1)
MEVN	The Company	Parent Company	Accounts receivable	1,927,373	4.01	-	-	95,146	-	(Note 1)
MEVN	LUXSHARE PRECISION SINGAPORE PTE.LT	A other related party of the Group	Accounts receivable	1,079,155	0.58	-	-	536,328	-	
MEVN	Luxshare - ICT (Nghe An) Limited	A other related party of the Group	Accounts receivable	242,155	0.99	-	-	27,637	-	
MEVN	Luxshare - ICT (Nghe An) Limited	A other related party of the Group	Other Receivable	104,391	-	-	-	-	-	(Note 3,5)
MEVN	Precision Limited	A other related party of the Group	Accounts receivable	241,500	0.78	-	-	25,522	-	
MESG	MENA	A subsidiary of the Company	Other Receivable	191,100	-	-	-	-	-	(Note 1,3)

Note 1: Inter-company transactions between companies within the Group are eliminated.

Note 2: The balance was as at July 30, 2026.

Note 3: The amount comprises other receivables and thus, the turnover rate is not calculated.

Note 4: Other receivables mainly were the purchases of raw materials on behalf of affiliated companies.

Note 5: Other receivables mainly were the sale of equipment.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
Six months ended June 30, 2026

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Transaction							Percentage of consolidated total operating revenues or total assets (Note 3)
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	
0	MEHO	MECL	1	Purchases	\$ 2,789,565	The price is based on the profitability of the product	13%
0	MEHO	MECL	1	Accounts payable	2,152,515	60~95 days end of month after offsetting with accounts receivable	5%
0	MEHO	MEVN	1	Purchases	3,810,343	The price is based on the profitability of the product	18%
0	MEHO	MEVN	1	Accounts payable	1,927,373	60~95 days end of month after offsetting with accounts receivable	5%
0	MEHO	METC	1	Purchases	1,369,831	The price is based on the profitability of the product	6%
1	METC	MEHO	2	Purchases	2,869,881	The price is based on the profitability of the product	13%
1	METC	MEHO	2	Accounts payable	3,545,807	60~120 days end of month after offsetting with accounts receivable	9%
2	MEVN	MEHO	2	Purchases	355,735	The price is based on the profitability of the product	2%
2	MEVN	MEHO	2	Accounts payable	156,066	60~95 days end of month after offsetting with accounts receivable	0%
3	MESG	MECL	3	Purchases	358,173	The price is based on the profitability of the product	2%
3	MESG	MECL	3	Accounts payable	259,001	60~95 days end of month after offsetting with accounts receivable	1%
3	MESG	METC	3	Purchases	2,325,902	The price is based on the profitability of the product	11%
3	MESG	METC	3	Accounts payable	893,431	60~65 days end of month after offsetting with accounts receivable	2%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

1. Parent company is '0'.
2. The subsidiaries are numbered in order starting from '1'.

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

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Information on investees
Six months ended June 30, 2026

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as on June 30, 2026			Net profit (loss) of the investee for the year ended June 30, 2026	Investment income (loss) recognized by the Company for the year ended June 30, 2026	Note
				Balance as on June 30, 2026	Balance as on December 31, 2025	Number of shares (in thousand shares)	Ownership (%)	Book value			
The Company	MEST	HONG KONG	Sales of microphone, receiver and speaker	\$ 733,733	\$ 733,733	19,658	100.00	\$ 5,536,890	(\$ 369,318)	(\$ 363,408)	(Note 1)
The Company	DDBV	British Virgin IS.	General investment business	1,479,925	1,479,925	48,005	100.00	4,108,049	134,388	118,573	(Note 1)
The Company	LEOHAB ENTERPRISE CO.,LTD.	Taichung City	Plastic injection molding and metal stamping	-	79,689	-	0.00	-	65,213	9,006	(Note 3)
The Company	DONPON PRECISION INC.	Taoyuan City	Various plastic products, mold manufacturing and processing and trading business	386,010	386,010	13,806	15.30	529,290	405,126	63,182	(Note 1)
The Company	SYNergy ScienTech Corp.	Hsinchu City	Research, development, manufacture and sale of secondary lithium batteries	135,869	135,869	7,300	7.78	122,107	(71,055)	(5,628)	(Note 1)
The Company	MECA	U.S.A.	Technique, marketing and after service	28,925	28,925	1,000	100.00	24,859	(11,899)	(11,900)	
The Company	MESG	SINGAPORE	Sales of microphone, receiver and speaker	369,556	92,132	12,000	100.00	702,741	41,679	41,679	
The Company	METC	THAILAND	Microphone, components and product and sale of other electric products	484,358	484,358	5,060	99.99	1,272,826	(78,267)	(74,397)	(Note 1)
The Company	MHKY	CAYMAN	General investment business	922,946	922,946	29,992	100.00	578,474	81,590	81,590	
The Company	INSA	SAMOA	General investment business	1,293,008	1,293,008	302	100.00	148,867	(68,349)	(68,349)	
The Company	MEVN	VIETNAM	Manufacture of microphone and speaker	366,710	366,710	-	51.00	1,853,131	521,816	266,845	(Note 1)
The Company	MUTT	New Taipei City	Electrical appliances and audiovisual electronic products	30,600	30,600	3,060	51.00	12,667	228	116	
The Company	MCTT	Taichung City	General investment business	8,000	8,000	800	100.00	9,838	893	893	
The Company	MAC FUND	Taipei City	General investment business	179,205	149,333	-	42.67	208,623	(1,009)	(431)	(Note 3)
The Company	MWJP	Japan	General investment business	2,016,920	-	102	100.00	1,969,642	42,611	42,611	
MESG	MEMP	Malaysia	Research and development of microphone, receiver and speaker	15,969	15,969	2,400	100.00	8,713	(3,274)	-	(Note 2)
MCTT	MAC FUND	Taipei City	General investment business	4,200	3,500	-	1.00	4,889	(1,009)	(10)	(Note 3)
DDBV	MTHK	HONG KONG	General investment business	1,392,956	1,392,956	45,000	100.00	4,106,763	134,388	-	(Note 2)
MHKY	FUSA	SAMOA	General investment business	860,943	860,943	28,078	100.00	579,191	81,777	-	(Note 2)
INSA	MENA	CANADA	Sale and development of speaker and power amplifier	103,557	103,557	56,954	100.00	(202,561)	(55,220)	-	(Note 2)
MENA	SENM	NORWAY	Manufacture and sales of speaker monomer	7,491	7,491	-	100.00	41,948	(1,895)	-	(Note 2)
MESG	MEIN	INDIA	Research and development of microphone, receiver and speaker	31,379	31,379	8,910	99.00	25,833	(2,530)	-	(Note 2)
MCTT	MEIN	INDIA	Research and development of microphone, receiver and speaker	317	317	90	1.00	261	(2,530)	-	(Note 2)
MWJP	TOJP	Japan	General investment business	120,060	-	10	100.00	1,704,729	48,113	-	
TOJP	TOHK	HONG KONG	Purchase of components for headphone and earbud production.	200	-	70	100.00	347,646	(1,895)	-	(Note 2)

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Information on investees

Six months ended June 30, 2026

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as on June 30, 2026				Net profit (loss) of the investee for the year ended June 30, 2026	Investment income (loss) recognized by the Company for the year ended June 30, 2026	Note
				Balance as on June 30, 2026	Balance as on December 31, 2025	Number of shares (in thousand shares)	Ownership (%)	Book value				
TOJP	TOTH	THAILAND	Manufacturing and sales of headphones and earphones.	694	-	1	0.31	5,402		65,502	-	(Note 2)
TOHK	TOTH	THAILAND	Manufacturing and sales of headphones and earphones.	300,228	-	330	99.69	1,748,303		65,502	-	(Note 2)
TOJG	TOTH	THAILAND	Manufacturing and sales of headphones and earphones.	3	-	-	0.00	35		65,502	-	(Note 2)
TOJP	TOJG	Japan	Design, samples, and molds for headphone and earphone products.	22,234	-	-	90.00	(20,959)	(	15,465)	-	(Note 2)
TOTH	TOJG	Japan	Design, samples, and molds for headphone and earphone products.	315	-	-	10.00	(2,329)	(	15,465)	-	(Note 2)
TOJG	TOJY	Japan	Manufacturing and sales of molds for, headphones and earphones.	18,009	-	6	100.00	3,432		946	-	(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 6 (6).

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Information on investees in Mainland China
Six months ended June 30, 2026

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2026	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for six months ended June 30, 2026		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2026	Net income of investee for six months ended June 30, 2026	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for six months ended June 30, 2026	Book value of investments in Mainland China as of June 30, 2026 (Note 4)	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2026	Note
					Remitted to Mainland China	Remitted back to Taiwan							
MSCS	Manufacture of speaker and amplifier	\$ 162,145	(Note 1)	\$ 110,497	\$ -	\$ -	\$ 110,497	(\$ 5,725)	100.00%	(\$ 5,725)	\$ 138,646	\$ -	
MECL	Microphone, receiver, speaker, security system, induction cooker and other electronic component	447,163	(Note 2)	453,191	-	-	453,191	(407,074)	100.00%	(407,074)	3,735,420	2,282,120	Note 3
MECE	Manufacture and sales of microphone, receiver and speaker	2,934,716	(Note 2)	1,369,285	-	-	1,369,285	274,414	49.00%	118,648	4,106,763	498,288	Note 3
MECH	Manufacture and sales of microphone, receiver, speaker and mobile phone	476,784	(Note 2)	426,742	-	-	426,742	74,919	49.00%	36,183	1,643,195	431,543	Note 3
FUSZ	Manufacture of medical device	301,020	(Note 2)	310,763	-	-	310,763	(825)	100.00%	(825)	261,769	-	
ETCX	Retail sales of hearing products	21,105	(Note 2)	19,009	-	-	19,009	1,157	100.00%	1,157	(41,066)	-	
ASCX	Manufacture and sales of hearing aid, hearing device and acoustics equipment	123,052	(Note 2)	315,461	-	-	315,461	82,833	100.00%	82,833	276,430	-	
FUXM	Sales of medical device	326,579	(Note 2)	302,995	-	-	302,995	(51)	100.00%	(51)	27,542	-	
DONG	Manufacture and sales of earphones and speaker	73,868	(Note 2)	-	-	-	-	(5,442)	33.00%	(1,701)	12,514	-	
GUAN													
GET PINK													

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.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Information on investees in Mainland China
Six months ended June 30, 2026

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

<u>Company name</u>	<u>Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2026</u>	<u>Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)</u>	<u>Ceiling on investments in Mainland China imposed by the Investment Commission (MOEA) (Note 5)</u>
Merry Electronics Co., Ltd.	\$ 3,307,943	\$ 3,748,971	\$ 11,160,307

Note 5: (2001) Tai-Cai-Zheng (1) Letter No. 006130 of Securities and Futures Commission, Ministry of Finance, R.O.C