MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2024 AND 2023

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' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying consolidated balance sheets of Merry Electronics Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the

audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

Cut-off on sales revenue from distribution warehouse

Description

Refer to Note 4(31) for accounting policy on revenue recognition.

The Group recognizes revenue upon delivery or pick-up of goods (the transfer of control of ownership) by customers at warehouses. Warehouse sales revenue constitutes 30% of total operating revenue for the year ended December 31, 2024. The Group's revenue recognition is based on inventory movement records of warehouses based on the reports provided by warehouse custodians or bill of lading reports recorded on network platform. As the warehouses are located in various locations and there are numerous custodians, the frequency and contents of statements provided by custodians vary, the process of revenue recognition contains numerous manual procedures, which would potentially result in inaccurate timing of revenue recognition and the discrepancy between physical inventory quantities in the warehouses and quantities per accounting records. Thus, we determine the cut-off on sales revenue from distribution warehouses a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in relation to the above key audit matter:

A. Understood, evaluated and verified the Group's procedures for warehouse sales revenue and internal control, including:
   (a) Interviewing the staff of the sales revenue process from distribution warehouse, and confirming the consistency by comparing interview results with the process of warehouse sales revenue recognition obtained.
   (b) Verifying the internal control of warehouse distribution (checked the terms of transaction / timing of ownership transfer and dates of supporting documents and verifying transactions recognized in the appropriate period by reconciling the quantities of supporting documents with invoices) to confirm the accuracy of the timing of revenue recognition.

B. Performed cut-off procedures on sales revenue from distribution warehouses recognized during a specific period before and after the period-end, including verifying delivery schedule of distribution warehouses and ensuring the movements of inventories correctly contained in the statements.

C. Performed physical inventory count observation or confirmed the inventory quantities with warehouse custodian and agreed the results to accounting records.

Valuation of inventories

Description

Refer to Note 4(13) for accounting policies on inventory valuation, Note 5(1) for significant accounting estimates and assumptions related to inventory valuation, and Note 6(6) for details of allowance for inventory valuation losses. As of December 31, 2024, the balances of inventories and allowance for inventory valuation losses were NT$5,072,549 thousand and NT$213,564 thousand, respectively.

The Group has a high risk of incurring inventory valuation loss or obsolescence due to fluctuations in market demand and rapidly evolving technology. Further, the measurement of net realizable value of inventories involves judgment resulting in a high degree of

estimation uncertainty. Thus, we determine the allowance for inventory valuation loss a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in relation to the above key audit matter:

A. Understood and assessed the reasonableness of the subsequent inventory valuation and the provision for loss on obsolete and slow-moving inventory.
B. Assessed the annual plan of the physical inventory count and attended the annual inventory count; evaluated the effectiveness of the procedures used to identify and control obsolete inventories.
C. Obtained inventory aging report and verified dates of movements with supporting documents and ensured the accuracy of inventory aging classification and its consistency with the policies.
D. Obtained the net realizable value of each kind of inventory and checked whether the applied calculation logic was in agreement with all inventories, tested the supporting documents related to the estimation basis for net realizable value of inventories including verifying the supporting documents of sales and purchase prices, as well as recalculating and assessing the reasonableness of allowance for inventory valuation losses.

Other matter - audits of other independent auditors

We did not audit the financial statements of certain investments accounted for under the equity method that are included in the consolidated financial statements and disclosures in Note 13. Those financial statements were audited by other independent auditors, and our opinion expressed herein is based solely on reports of the other independent auditors. The balance of these investments accounted for under equity method amounted to NT$559,364 thousand and NT$480,811 thousand, constituting 1.43% and 1.47% of total assets as of December 31, 2024 and 2023, respectively, and the comprehensive income or loss of associates accounted for using equity method was NT$94,598 thousand and (NT$5,001) thousand, constituting 3.27% and (0. 40%) of total comprehensive income

for the years then ended.

Other matter - parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Merry Electronics Co., Ltd. as at and for the years ended December 31, 2024 and 2023.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty

exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Liu, Mei Lan Hsu, Chien-Yeh

For and on behalf of PricewaterhouseCoopers, Taiwan

February 26, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' 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
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 8,586,894	22	$ 5,526,722	17
1110	Financial assets at fair value through profit or loss - current	6(2)	656,476	2	556,580	2
1120	Current financial assets at fair value through other comprehensive income	6(3)	105,910	-	105,206	-
1136	Current financial assets at amortised cost		169,820	1	513,218	2
1170	Accounts receivable, net	6(4)(5)	11,234,447	29	9,224,475	28
1180	Accounts receivable due from related parties, net	7(2)	475,022	1	155,813	-
1200	Other receivables	6(2)	75,718	-	169,190	1
1210	Other receivables - related parties	7(2)	307,185	1	173,586	1
130X	Inventories	6(6)	4,858,985	12	3,821,320	12
1470	Other current assets		435,201	1	470,436	1
11XX	**Current Assets**		26,905,658	69	20,716,546	64
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	6(2)	43,075	-	45,828	-
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	232,210	1	369,523	1
1535	Non-current financial assets at amortised cost		469,589	1	422,748	1
1550	Investments accounted for under equity method	6(7)	5,914,755	15	5,602,510	17
1600	Property, plant and equipment	6(8)	4,365,774	11	4,021,917	12
1755	Right-of-use assets	6(9)	189,394	1	247,172	1
1780	Intangible assets	6(10)	778,132	2	911,221	3
1840	Deferred income tax assets	6(27)	154,583	-	188,976	1
1900	Other non-current assets		66,751	-	84,752	-
15XX	**Non-current assets**		12,214,263	31	11,894,647	36
1XXX	**Total assets**		$ 39,119,921	100	$ 32,611,193	100

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MERRY ELECTRONICS CO., LTD AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(12)	$ 366,659	1	$ 1,133,099	4
2120	Financial liabilities at fair value through profit or loss - current	6(2)	-	-	1,726	-
2130	Current contract liabilities	6(22)	318,054	1	301,635	1
2170	Accounts payable		7,087,414	18	5,516,301	17
2180	Accounts payable - related parties	7(2)	3,335,965	8	3,023,117	9
2200	Other payables	6(2)(13)	1,606,089	4	1,385,934	4
2220	Other payables - related parties	7(2)	112,380	-	65,895	-
2230	Current income tax liabilities		323,977	1	466,311	1
2320	Current portion of long-term borrowings	6(14)(15)	282,505	1	3,428,440	11
2399	Other current liabilities, others		667,888	2	529,581	2
21XX	**Current Liabilities**		14,100,931	36	15,852,039	49
	Non-current liabilities					
2527	Non-current contract liabilities	6(22)	462,049	1	590,487	2
2530	Corporate bonds payable	6(14)	2,856,278	7	-	-
2540	Long-term borrowings	6(15)	242,897	1	1,003,177	3
2570	Deferred income tax liabilities	6(27)	2,153,548	6	1,540,737	5
2640	Accrued pension liabilities	6(16)	23,888	-	36,054	-
2690	Other non-current liabilities, others		86,963	-	106,376	-
25XX	**Non-current liabilities**		5,825,623	15	3,276,831	10
2XXX	**Total Liabilities**		19,926,554	51	19,128,870	59
	Equity attributable to owners of parent					
	Share capital	6(18)				
3110	Share capital - common stock		2,534,914	6	2,193,163	7
	Capital reserve	6(19)				
3200	Capital surplus		8,422,431	21	4,872,974	14
	Retained earnings	6(20)				
3310	Legal reserve		2,549,941	7	2,412,390	8
3320	Special reserve		973,012	3	768,186	3
3350	Unappropriated retained earnings		4,306,799	11	3,583,885	11
	Other equity interest	6(21)				
3400	Other equity interest		(768,252)	(2)	(1,209,351)	(4)
31XX	**Equity attributable to owners of the parent**		18,018,845	46	12,621,247	39
36XX	Non-controlling interest	4(3)	1,174,522	3	861,076	2
3XXX	**Total equity**		19,193,367	49	13,482,323	41
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 39,119,921	100	$ 32,611,193	100

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

MERRY ELECTRONICS CO., LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Year ended December 31			
			2024		2023	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(22) and 7(2)	$ 43,855,354	100	$ 36,690,383	100
5000	Operating costs	6(6) and 7(2)	(38,006,671)	(87)	(31,948,416)	(87)
5900	Net operating margin		5,848,683	13	4,741,967	13
	Operating expenses	6(25)(26)				
6100	Selling expenses		(494,968)	(1)	(456,917)	(1)
6200	General and administrative expenses		(1,320,189)	(3)	(1,186,242)	(3)
6300	Research and development expenses		(2,142,960)	(5)	(1,964,625)	(6)
6450	Expected credit impairment (loss) gain	12(2)	(28,594)	-	3,740	-
6000	Total operating expenses		(3,986,711)	(9)	(3,604,044)	(10)
6900	Operating profit		1,861,972	4	1,137,923	3
	Non-operating income and expenses					
7100	Interest income		239,466	1	136,805	-
7010	Other income	6(23)	234,874	-	467,008	1
7020	Other gains and losses	6(24)	294,901	1	(40,545)	-
7050	Finance costs		(97,595)	-	(100,497)	-
7060	Share of profit(loss) of associates and joint ventures accounted for under equity method	6(7)	616,994	1	284,801	1
7000	Total non-operating income and expenses		1,288,640	3	747,572	2
7900	**Profit before income tax**		3,150,612	7	1,885,495	5
7950	Income tax expense	6(27)	(710,455)	(1)	(467,598)	(1)
8200	**Profit for the year**		$ 2,440,157	6	$ 1,417,897	4

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MERRY ELECTRONICS CO., LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Year ended December 31			
			2024		2023	
	Items	Notes	AMOUNT	%	AMOUNT	%
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	6(16)	$ 6,637	-	($ 6,348)	-
8316	Unrealized gains(losses) from investments in equity instruments measured at fair value through other comprehensive income, net	6(3)(21)	(6,346)	-	8,152	-
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(7)(21)	(2,597)	-	(22)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	(5,565)	-	485	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(7,871)	-	2,267	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(21)	382,651	1	(118,368)	(1)
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income, net	6(3)(21)	-	-	2,687	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(7)(21)	191,851	-	(94,837)	-
8399	Income tax relating to the components of other comprehensive income	6(27)	(111,935)	-	38,261	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		462,567	1	(172,257)	(1)
8300	**Total other comprehensive income (loss) for the year**		$ 454,696	1	($ 169,990)	(1)
8500	**Total comprehensive income for the year**		$ 2,894,853	7	$ 1,247,907	3
	Profit, attributable to:					
8610	Owners of parent		$ 2,143,258	5	$ 1,320,318	4
8620	Non-controlling interest		296,899	1	97,579	-
	Total Profit		$ 2,440,157	6	$ 1,417,897	4
	Comprehensive income, attributable to:					
8710	Owners of the parent		$ 2,581,407	6	$ 1,170,680	3
8720	Non-controlling interest		313,446	1	77,227	-
	Total Comprehensive Income		$ 2,894,853	7	$ 1,247,907	3
	Basic earnings per share	6(28)				
9750	Total basic earnings per share		$	9.26	$	6.16
	Diluted earnings per share	6(28)				
9850	Total diluted earnings per share		$	8.37	$	5.49

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

MERRY ELECTRONICS CO., LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent								
				Retained earnings						
	Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Total	Non-controlling interest	Total equity
Year 2023										
Balance at January 1, 2023		$ 2,177,827	$ 4,720,866	$ 2,265,932	$ 748,930	$ 3,355,328	($ 996,446)	$ 12,272,437	$ 783,849	$ 13,056,286
Profit for the year		-	-	-	-	1,320,318	-	1,320,318	97,579	1,417,897
Other comprehensive income (loss) for the year		-	-	-	-	(5,066)	(144,572)	(149,638)	(20,352)	(169,990)
Total comprehensive income (loss)		-	-	-	-	1,315,252	(144,572)	1,170,680	77,227	1,247,907
Appropriation and distribution of 2022 retained earnings	6(20)									
Legal reserve		-	-	146,458	-	(146,458)	-	-	-	-
Special reserve		-	-	-	19,256	(19,256)	-	-	-	-
Cash dividends		-	-	-	-	(981,235)	-	(981,235)	-	(981,235)
Convertible bonds converted into common shares		10	90	-	-	-	-	100	-	100
Share-based payments	6(17)	15,326	125,063	-	-	-	(8,079)	132,310	-	132,310
Equity instruments at fair value through other comprehensive income reclassified to investments accounted for using equity method		-	-	-	-	60,254	(60,254)	-	-	-
Recognition of change in equity of associates in proportion to the Group's ownership		-	26,955	-	-	-	-	26,955	-	26,955
Balance at December 31, 2023		$ 2,193,163	$ 4,872,974	$ 2,412,390	$ 768,186	$ 3,583,885	($ 1,209,351)	$ 12,621,247	$ 861,076	$ 13,482,323
Year 2024										
Balance at January 1, 2024		$ 2,193,163	$ 4,872,974	$ 2,412,390	$ 768,186	$ 3,583,885	($ 1,209,351)	$ 12,621,247	$ 861,076	$ 13,482,323
Profit for the year		-	-	-	-	2,143,258	-	2,143,258	296,899	2,440,157
Other comprehensive income for the year		-	-	-	-	5,418	432,731	438,149	16,547	454,696
Total comprehensive income		-	-	-	-	2,148,676	432,731	2,581,407	313,446	2,894,853
Appropriation and distribution of 2023 retained earnings	6(20)									
Legal reserve		-	-	137,551	-	(137,551)	-	-	-	-
Special reserve		-	-	-	204,826	(204,826)	-	-	-	-
Cash dividends		-	-	-	-	(1,030,914)	-	(1,030,914)	-	(1,030,914)
Issuance of common stock		50,000	445,241	-	-	-	-	495,241	-	495,241
Proceeds from issuance of convertible bonds	6(14)	-	280,733	-	-	-	-	280,733	-	280,733
Convertible bonds converted into common shares	6(14)	285,593	2,707,409	-	-	-	-	2,993,002	-	2,993,002
Share-based payments	6(17)	6,158	104,701	-	-	-	(68,977)	41,882	-	41,882
Equity instruments at fair value through other comprehensive income reclassified to investments accounted for using equity method	6(7)	-	-	-	-	(52,471)	52,471	-	-	-
Recognition of change in equity of associates in proportion to the Group's ownership	6(7)	-	13,679	-	-	-	2,816	16,495	-	16,495
Disposal of investments accounted for using equity	6(7)	-	(1,872)	-	-	-	22,058	20,186	-	20,186
Changes in ownership of subsidiaries		-	(434)	-	-	-	-	(434)	-	(434)
Balance at December 31, 2024		$ 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

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

MERRY ELECTRONICS CO., LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 3,150,612	$ 1,885,495
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense-property, plant and equipment	6(8)(25)	600,039	560,412
Depreciation expense - right-of-use assets	6(9)(25)	122,494	120,710
Amortization	6(10)(25)	93,824	142,490
Expected credit impairment (gain) loss	12(2)	28,594	(3,740)
Impairment loss - non-financial assets	6(11)(24)	64,973	65,510
Finance costs		91,483	93,232
Interest expense - lease liability	6(9)	6,112	7,265
Gain on financial assets or liabilities at fair value through profit or loss		(6,225)	(13,435)
Share of profit of associates and joint ventures accounted for using equity method	6(7)	(616,994)	(284,801)
Compensation cost of share-based payment	6(17)	62,123	132,310
Loss on disposal of property, plant and equipment	6(24)	12,446	(19,291)
Loss (gain) on disposal of investments	6(24)	15,469	(16,500)
Interest income		(239,466)	(136,805)
Dividend income	6(23)	(4,004)	(11,763)
Deferred income of government's compensation		(155)	(699)
Unrealized exchange (gain) loss		(258,826)	173,473
Changes in operating assets and liabilities			
Changes in operating assets			
Increase in financial assets/liabilities mandatorily measured at fair value through profit or loss		3,837	(8,878)
Accounts receivable (including related parties)		(1,706,513)	(811,983)
Other receivables (including related parties)		(27,756)	1,254
Inventories		(930,605)	1,059,389
Other current assets		62,423	(183,162)
Changes in operating liabilities			
Accounts payable		1,263,351	589,619
Accounts payable - related parties		154,937	(1,163,003)
Other payables		203,705	270,015
Other payables - related parties		46,471	(16,512)
Contract liabilities		(112,462)	(128,317)
Other current liabilities		153,286	181,838
Net defined benefit liability - non-current		(5,529)	(5,407)
Cash inflow generated from operations		2,227,644	2,478,716
Interest received		226,033	131,529
Dividend income		4,004	11,763
Interest paid		(92,730)	(98,892)
Income taxes paid		(336,037)	(299,776)
Net cash flows from operating activities		2,028,914	2,223,340

(Continued)

MERRY ELECTRONICS CO., LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in financial assets mandatorily measured at fair value through profit or loss		$ 423,502	$ -
Increase in financial assets mandatorily measured at fair value through profit or loss		(518,485)	(172,480)
Proceeds from disposal of financial assets at fair value through other comprehensive income		-	161,125
Increase in financial assets at amortised cost - current		(4,431)	(362,886)
Decrease in financial assets at amortised cost - current		373,663	30,450
Increase in financial assets at amortised cost - non - current		(362,564)	(318,630)
Decrease in financial assets at amortised cost - non - current		330,476	-
Acquisition of investments accounted for using equity method	6(7)	(26,200)	(409,928)
Earnings repatriated by investments accounted for using equity method	6(7)	238,169	213,003
Proceeds from liquidated amount of investments accounted for using equity method	6(7)	439,576	-
Acquisition of property, plant and equipment	6(29)	(803,835)	(530,445)
Proceeds from disposal of property, plant and equipment		15,094	41,775
Acquisition of intangible assets		(20,644)	(12,630)
Decrease in other non-current financial assets		12,972	2,880
Decrease in guarantee deposits paid		2,930	4,412
Net cash flows from (used in) investing activities		100,223	(1,353,354)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term borrowings	6(30)	(1,132,210)	(2,125,772)
Increase in short-term borrowings	6(30)	353,762	1,139,459
Repayment of principal portion of lease liabilities		(126,845)	(134,976)
Increase in long-term borrowings	6(30)	-	539,459
Decrease in long-term borrowings	6(30)	(931,774)	(440,516)
Proceeds from issuing corporate bonds	6(30)	3,114,036	-
Redemption of corporate bonds	6(30)	(4,000)	-
Increase (decrease) in other non-current liabilities	6(30)	18,075	(13,583)
Cash dividends paid	6(30)	(1,030,914)	(981,235)
Proceeds from issuance of shares	6(18)	475,000	-
Net cash flows from (used in) financing activities		735,130	(2,017,164)
Effect of change in foreign currency exchange		195,905	(249,368)
Net increase (decrease) in cash and cash equivalents		3,060,172	(1,396,546)
Cash and cash equivalents at beginning of year		5,526,722	6,923,268
Cash and cash equivalents at end of year		$ 8,586,894	$ 5,526,722

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

MERRY ELECTRONICS CO., LTD AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

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

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

These consolidated financial statements were reported for issuance by the Board of Directors on February 26, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

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

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

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

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

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

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

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

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17,'Insurance contracts'	January 1, 2023
Amendment to IFRS 17,'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(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 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:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)	
			December 31, 2024	December 31, 2023
MEHO	MERRY ELECTRONICS (HK) CO., LTD. ("MEST")	Sales of the same products as the Company.	100.00%	100.00%
MEHO	MERRY ELECTRONICS (THAILAND) CO., LTD. ("METC")	The same main business as the Company.	99.99%	99.99%
MEHO	MERRY ELECTRONICS (U.S.A.) CO., LTD. ("MECA")	Providing technology and marketing after-sales services.	99.90%	99.90%
MEHO	DANNY DYNAMICS LIMITED ("DDBV")	Equity investments.	100.00%	100.00%
MEHO	MERRY ELECTRONICS (SINGAPORE) PTE. LTD. ("MESG")	The same main business as the Company.	100.00%	100.00%

Name of investor	Name of subsidiary	Main business activities	Ownership(%)	
			December 31, 2024	December 31, 2023
MEHO	MERRY HEALTHCARE CO., LTD. ("MHKY")	Equity investments.	100.00%	100.00%
MEHO	ASIAN ELITE INTERNATIONAL LTD. ("MSCS")	Manufacturing and sales of speaker and amplifier.	100.00%	100.00%
MEHO	Indigo Enterprise Inc. ("INSA")	Equity investments.	100.00%	100.00%
MEHO	MERRY & LUXSHARE (VIETNAM) CO., LTD. (MEVN)	Manufacturing of sales of speaker, microphone and headphone products.	51.00%	51.00%
MEHO	MUtek Electronics Co., Ltd. (MUTT)	Manufacturing and application service of electrical appliances and audiovisual electronic products.	51.00%	51.00%
MEHO	Merry Capital Inc. (MCTT)	Equity investments.	100.00%	100.00%
MEST	MERRY ELECTRONICS (SHENZHEN) CO., LTD. ("MECL")	The same main business as the Company.	100.00%	100.00%
DDBV	MERRYTECH (HK) CO.LIMITED ("MTHK")	Equity investments.	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%
MENA	Seas Fabrikker ("SENM")	Manufacturing and sales of speaker monomer.	100.00%	100.00%
MHKY	FULICARE CO., LTD. ("FUSA")	Equity investments.	96.01%	96.01%

Name of investor	Name of subsidiary	Main business activities	Ownership(%)	
			December 31, 2024	December 31, 2023
FUSA	Fulicare Medical Instruments (Suzhou) Co.,Ltd ("FUSZ")	Sales of medical device.	100.00%	100.00%
FUSA	Fulicare Medical Instruments (Xiamen) Co.,Ltd ("FUXM")	Manufacturing of medical device.	100.00%	100.00%
FUSA	Xiamen Etimbre Hearing Technology Co. LTD ("ETCX")	Exclusive stores for selling hearing related products	100.00%	100.00%
FUSZ and FUSA	Austar Hearing Science And Technology（Xiamen) Co. , Ltd ("ASCX")	Research and development, manufacturing as well as sales of hearing aid, hearing device and acoustics equipment.	99.50%	99.50%
MESG	Merry Electronics Sdn Bhd ("MEMP")	Research and development of microphone, receiver and speaker.	100.00%	100.00%

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 December 31, 2024 and 2023, the non-controlling interest amounted to $1,174,522 thousand and $861,076 thousand, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest			
		December 31, 2024		December 31, 2023	
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)
MEVN	Vietnam	$ 1,109,526	49%	$ 808,567	49%

Summarised financial information of the subsidiaries:

Balance sheets

	MEVN	
	December 31, 2024	December 31, 2023
Current assets	$ 3,910,754	$ 1,755,805
Non-current assets	1,013,238	984,139
Current liabilities	(2,587,704)	(961,104)
Non-current liabilities	(23,148)	(108,603)
Total net assets	$ 2,313,140	$ 1,670,237

Statements of comprehensive income

	MEVN	
	Years ended December 31,	
	2024	2023
Revenue	$ 6,362,284	$ 2,814,771
Profit before income tax	693,629	229,982
Income tax expense	(83,394)	(418)
Profit for the period from continuing operations	610,235	229,564
Profit for the period	610,235	229,564
Total comprehensive income for the period	$ 610,235	$ 229,564
Comprehensive income attributable to non-controlling interest	$ 299,015	$ 112,486

Statements of cash flows

	MEVN	
	Years ended December 31,	
	2024	2023
Net cash provided by operating activities	$ 116,599	$ 197,144
Net cash used in investing activities	(102,644)	(29,497)
Net cash provided by financing activities	(100,135)	(101,387)
Effect of exchange rates on cash and cash equivalents	10,806	(1,235)
(Decrease) increase in cash and cash equivalents	(75,374)	65,025
Cash and cash equivalents, beginning of period	142,185	77,160
Cash and cash equivalents, end of period	$ 66,811	$ 142,185

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise,

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'Other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(c) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realized within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities that does not have the right to defer the repayment for at least twelve months beyond the reporting period.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortized cost

A. Financial assets at amortised cost are those that meet all of the following criteria:
   (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
   (b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For financial assets at amortized cost at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(14) Joint operation and investment accounted for using equity method- joint ventures

Investment of joint arrangements are classified as joint operations or joint ventures based on its contractual rights and obligations.

A. Joint operation

For the interest in a joint operation, the Group recognizes direct interest in (and other shares of) the joint operation's assets, liabilities, revenue and expense which are included in the financial statements.

B. Investment accounted for using equity method – joint ventures

The Group accounts for its interest in a joint venture using equity method. Unrealized profits and losses arising from the transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. However, when the transaction provides evidence of a reduction in the net realizable value of current assets or an impairment loss, all such losses shall be recognized immediately. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings, structures and equipment	5 ~ 60 years
Machinery and equipment	2 ~ 12 years
Transportation equipment	5 ~ 12 years
Office equipment	3 ~ 10 years
Others	1 ~ 10 years

(16) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date; and

(c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognize the difference between remeasured lease liability in profit or loss.

(17) Intangible assets

A. Computer software

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 1 to 10 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

C. Intangible assets, mainly patent rights, trademark rights and business rights, are amortized on a straight-line basis over their estimated useful lives of 3 ~ 10 years.

(18) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(19) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(20) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term or financial liabilities at fair value through profit or loss. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss at initial recognition:

(a) Hybrid (combined) contracts; or

(b) They eliminate or significantly reduce a measurement or recognition inconsistency; or

(c) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

(22) Convertible bonds payable

A. Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

(a) The embedded call options and put options are recognized initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognized as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.

(b) The host contracts of bonds are initially recognized at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortized in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.

(c) The embedded conversion options which meet the definition of an equity instrument are initially recognized in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.

(d) Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.

(e) When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus—share options'.

(23) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(24) Non-hedging and embedded derivatives

Non-hedging derivatives are initially recognized at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognized in profit or loss.

(25) Provisions

Provisions (including warranties) are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(26) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is

calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(27) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

B. Restricted stocks:

(a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date and are recognized as compensation cost over the vesting period.

(b) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognizes the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.

(c) For restricted stocks where employees have to pay to acquire those stocks, if employees resign during the vesting period, they must return the stocks to the Group and the Group must refund their payments on the stocks, the Group recognizes the payments from the employees who are expected to resign during the vesting period as liabilities at the grant date, and recognizes the payments from the employees who are expected to be eventually vested with the stocks in 'capital surplus – others'.

(28) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

E. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(29) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(30) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(31) Revenue recognition

Sales of goods

A. The Group manufactures and sells radio apparatus, communication devices, consumer electronics as well as electronic parts and components. Sales are recognized when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. The furniture is often sold with volume discounts based on aggregate sales over a 12-month period. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated sales discounts. Accumulated experience is used to estimate and provide for the sales discounts and allowances, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognized for expected sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period. The sales usually are made with a credit term of 30~120 days. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

C. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(32) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are recognized as non-current liabilities and are amortized to profit or loss over the estimated useful lives of the related assets using the straight-line method.

(33) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical accounting estimates and assumptions

A. Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date and writes down the cost of inventories to the net realizable value. Such evaluation of inventories might have material changes.

As of December 31, 2024, the carrying amount of inventories was $4,858,985 thousand.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and revolving funds	$ 1,221	$ 2,694
Checking accounts and demand deposits	6,986,072	5,248,233
Time deposits	1,599,601	275,795
	$ 8,586,894	$ 5,526,722

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 December 31, 2024 and 2023, time deposits maturing in excess of three months were all classified as current financial assets at amortized cost.

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

Items	December 31, 2024	December 31, 2023
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
- Funds	$ 611,639	$ 232,000
- Forward exchange contract	7,603	13,166
- Call options of convertible bonds	600	-
- Stocks	20,965	20,480
- Bonds	-	280,000
Valuation adjustment	15,669	10,934
	$ 656,476	$ 556,580
Non-current items:		
- Funds	$ 46,220	$ 47,652
Valuation adjustment	(3,145)	(1,824)
	$ 43,075	$ 45,828

Items	December 31, 2024	December 31, 2023
Current items:		
Financial liabilities held for trading		
- Forward exchange contract	$ -	$ 1,726

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

	Years ended December 31,	
	2024	2023
Net (losses) gains on financial assets (liabilities) at fair value through profit or loss	$ 24,269	$ 29,907

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

	December 31, 2024		
Derivative instruments	Contract amount (Notional principal)	Contract period	Contract price
Forward foreign exchange contract to buy	USD 6,000 thousand	2024/03/14~ 2025/12/30	NTD 30.253~31.712
	December 31, 2023		
Derivative instruments	Contract amount (Notional principal)	Contract period	Contract price
Forward foreign exchange contract to sell	USD 15,000 thousand	2023/12/27~ 2024/01/30	NTD 30.555~30.846
Forward foreign exchange contract to buy	USD 25,000 thousand	2023/01/30~ 2024/05/10	NTD 29.036~30.600

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

C. The amounts that have been transacted and yet to be paid on December 31, 2024 and 2023 are $0 thousand and $140,019 thousand respectively. (shown as other payables).

D. The amounts that have been transacted and yet received on December 31, 2024 and 2023 are $0 thousand and $140,459 thousand respectively. (shown as other receivables).

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

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

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

Items	December 31, 2024	December 31, 2023
Current items:		
Equity instruments		
Stocks	$ 106,080	$ 106,080
Valuation adjustment		
-through other comprehensive income	(170)	(874)
Total	$ 105,910	$ 105,206
Non-current items:		
Equity instruments		
Unlisted stocks	$ 729,266	$ 916,650
Valuation adjustment		
-through other comprehensive income	(497,056)	(547,127)
Total	$ 232,210	$ 369,523

A. The Group has elected to classify equity and debt investments that are considered to be strategic investments or steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $338,120 thousand and $474,729 thousand as on December 31, 2024 and 2023, respectively.

B. On November 7, 2023, as the Company increased its investments in DONPON PRECISION INC., resulting to changes in the shareholding ratio, the Company obtained influence over DONPON PRECISION INC. and changed its operating mode in DONPON PRECISION INC. Accordingly, the Company reclassified the investment increase from financial assets at fair value through other comprehensive income to investments accounted for using equity method. Please refer to Note 6(7) for details.

C. On May 30, 2024, the Company acquired 1 seat in the Board of Directors of SYNERGY SCIENTECH CORP. Therefore, the Company reclassified the investments from financial assets at fair value through other comprehensive income to investments accounted for using equity method. Please refer to Note 6(7) for details.

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

	Years ended December 31,	
	2024	2023
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	($ 6,346)	$ 8,152
Cumulative (losses) gains reclassified to retained earnings due to derecognition	($ 52,471)	$ 60,254
Dividend income recognised in profit or loss	$ 4,004	$ 7,775
Debt instruments at fair value through other comprehensive income		
Fair value change recognised in profit or loss	$ -	($ 8,925)
Fair value change recognised in other comprehensive income	$ -	$ 2,687
Cumulative other comprehensive income reclassified to profit or loss		
Interest income recognised in profit or loss	$ -	$ 4,754

E. As of December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group were $338,120 thousand and $474,729 thousand, respectively.

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

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

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

(4) Accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable	$ 11,279,105	$ 9,241,314
Less: Allowance for uncollectible accounts	(44,658)	(16,839)
	$ 11,234,447	$ 9,224,475

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

	December 31, 2024	December 31, 2023
Not past due	$ 11,190,671	$ 9,169,410
Up to 30 days	45,293	58,076
31 to 90 days	3,134	2,535
91 to 180 days	3,263	52
Over 180 days	36,744	11,241
	$ 11,279,105	$ 9,241,314

The above aging analysis was based on past due date.

B. As of December 31, 2024 and 2023, and January 1, 2023, the balances of receivables (including notes receivable) from contracts with customers amounted to $11,234,447 thousand, $9,224,475 thousand and $8,709,698 thousand, respectively.

C. The Group took out a credit insurance on the accounts receivable. The insurance company audits the amount and pays 90% of the amount when the default occurred. As of December 31, 2024 and 2023, the insured accounts receivable amounted to $7,107,257 thousand and $7,614,787 thousand, respectively.

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

E. The Group entered into a factoring agreement which has no right of recourse with ING BANK N.V., TAIPEI BRANCH on August 19, 2024 and July 19, 2022. As of December 31, 2024 and 2023, there were no accounts receivable that were outstanding and expected to be transferred (reclassified as financial assets at fair value through other comprehensive income). Please refer to Note 6(5) for information on transfer of financial assets.

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

(5) Transfer of financial assets

A. Transferred financial assets that are entirely derecognized

None for December 31, 2024 and 2023.

B. Transferred financial assets that are not entirely derecognized

i. On August 19, 2024 and July 19, 2022, the Group entered into a factoring agreement with ING BANK N.V., TAIPEI BRANCH to sell its accounts receivable. In accordance with the agreement, the Group transferred first 90% of accounts receivable and has obligated to provide partial guarantees for the default risk of the transferred accounts receivable. Therefore, the Group has not derecognized the accounts receivable in their entirety and may not pledge these accounts receivable to a third party.

ii. As of December 31, 2024 and 2023, the related information of the transferred accounts receivable sold that the Group continuously recognized to the extent of continuing involvement were as follows:

	December 31, 2024	December 31, 2023
Total carrying amount of the original assets before transferring	$ 657,263	$ -
Carrying amount of the assets continuously recognized	65,726	-

(6) Inventories

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

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 1,732,946	($ 128,773)	$ 1,604,173
Work in progress	470,522	(10,597)	459,925
Finished goods	1,861,814	(104,592)	1,757,222
	$ 4,065,282	($ 243,962)	$ 3,821,320

The cost of inventories recognized as expense for the year :

	Years ended December 31,	
	2024	2023
Cost of goods sold	$ 37,957,731	$ 31,993,842
Loss on scrapping inventory	79,219	34,165
Gain on slow-moving inventories and decline in market value	(30,398)	(79,921)
Loss on physical inventory	119	330
	$ 38,006,671	$ 31,948,416

The Group reversed a previous inventory write-down because inventories with decline in market value were partially sold by the Group during the years ended December 31, 2024 and 2023.

(7) Investments accounted for using equity method

	Years ended December 31,	
	2024	2023
At January 1	$ 5,602,510	$ 5,028,458
Increase in investments accounted for using equity method	26,200	409,928
Disposal of investments accounted for using equity method	(430,463)	-
Share of profit or loss of investments accounted for using the equity method	616,994	284,801
Earnings distribution of investments	(238,193)	(213,003)
Changes in capital surplus	13,679	26,955
Changes in other equity items	189,146	(94,837)
Changes in retained earnings	108	(22)
Reclassification of credit balance of investments accounted for using equity method/ reversal of non- current liabilities	(1,095)	(14)
Transferred from financial assets at fair value through other comprehensive income	135,869	160,244
At December 31	$ 5,914,755	$ 5,602,510

A. On July 28, 2022, the investment of CDIB-Mac Limited Partnership was resolved by the Board of Directors. The Group increased its capital in CDIB-Mac Limited Partnership in the amounts of $26,200 thousand, $43,667 thousand and $63,316 thousand on December 23, 2024, May 25, 2023 and September 7, 2023, respectively.

B. On January 31, 2023, the Group's subsidiary, MERRY ELECTRONICS (SHENZHEN) CO., LTD. ("MECL"), invested in DONG GUAN GET PINK ELECTRONICS CO., LTD. in the amount of RMB 3,858 thousand (approximately NTD 16,925 thousand), with 33% ownership, as resolved by the Board of Directors. The registration for the investment was completed.

C. On November 7, 2023, the Board of Directors resolved to increase its investments in the private placement common shares of DONPON PRECISION INC. amounting to $286,020 thousand, and the Company accumulatively acquired 16.22% equity interests in the company, and further had significant influence over the company. The Company had reclassified the investment which was initially recognised in financial assets at fair value through other comprehensive income amounting to $160,244 thousand, including realised valuation gains in the amount of $60,254 thousand. Please refer to Note 6(3) for details.

D. The Group's investee company, Guangdong Luxshare & Merry Electronics Co., Ltd., established the liquidation committee on April 20, 2022. The liquidation period was from May 1, 2022 to May 29, 2024. The date of dissolution was the end of the liquidation period. Based on the liquidation result, the Group wrote-off the equity value of $430,463 thousand, capital surplus of $1,872 thousand and other equity of ($22,058) thousand and recognised losses on disposals of investments of $12,653 thousand. The disposal proceeds amounted to RMB 98,581 thousand (approximately NTD 439,576 thousand) and the liquidation was completed.

E. On December 25, 2024, the shareholders of the Group's investee company, Merry Electronics (Huizhou) Co., Ltd., during their meeting resolved to distribute earnings in the amount of RMB 49,000 thousand (approximately NTD 218,540 thousand).

F. For the year ended December 31, 2024, the Group received cash dividends of $19,653 thousand from investments accounted for using equity method, $24 thousand of which was the withholding tax distributed by the Group's investee company, CDIB-Mac Limited Partnership, on May 6, 2024, which is considered as the earnings appropriation and can be deducted from the tax payable in the income tax returns.

G. On May 30, 2024, the Company acquired 1 seat in the Board of Directors of SYNERGY SCIENTECH CORP. and further had significant influence over the company. The Group had reclassified the investment which was initially shown as (financial assets at fair value through other comprehensive income) amounting to $135,869 thousand, including realised valuation losses in the amount of $52,471 thousand. Please refer to Note 6(3) for details.

H. The Group's investee company, Merry Electronics (Huizhou) Co., Ltd., merged with the Group's investee company, Merry Electronics (Shanghai) Co., Ltd. The merge was resolved by the respective Board of Directors and the surviving company was Merry Electronics (Huizhou) Co., Ltd. The effective date was set on August 6, 2024, and the registration for the merger was completed.

I. Details are as follows：

	December 31, 2024	December 31, 2023
Associates with significant influence		
Merry Electronics(Suzhou) Co., Ltd. (MECE)	$ 3,665,410	$ 3,279,717
Associates with insignificant influence		
Merry Electronics (Huizhou)Co., Ltd. (MECH)	1,377,693	1,286,560
Guangdong Luxshare & Merry Electronics Co.,Ltd. (MEDG)	-	422,596
DONPON PRECISION INC	482,410	441,257
CDIB-Mac Limited Partnership (MAC FUND)	159,861	116,837
Leohab Enterprise Co., Ltd. (LEOHAB)	76,954	39,554
DONG GUAN GET PINK ELECTRONICS CO., LTD(DONG GUAN GET PINK)	16,278	15,989
SYNergy ScienTech Corp.	136,149	-
Merry Electronics (Shanghai)Co., Ltd. (MECS)	-	(1,095)
Subtotal	5,914,755	5,601,415
Add: Credit balance of investments accounted for using the equity method transferred to non-current liabilities	-	1,095
	$ 5,914,755	$ 5,602,510

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

	Years ended December 31,	
Investee	2024	2023
MECE	$ 251,048	$ 64,066
MECH	269,558	210,554
MEDG	2,682	23,081
DONPON	39,291	(4,172)
MAC FUND	16,847	(8,729)
LEOHAB	36,985	715
DONG GUAN GET PINK	(268)	(714)
SYNergy ScienTech Corp.	851	-
	$ 616,994	$ 284,801

K. 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 December 31, 2024	Shareholding ratio December 31, 2023	Nature of relationship	Methods of measurement
MECE	Mainland China	49.00%	49.00%	Holding more than 20% of voting right of stockholders	Equity method

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

Balance sheet

	MERRY ELECTRONICS(SUZHOU)CO.,LTD	
	December 31, 2024	December 31, 2023
Current assets	$ 7,811,276	$ 5,878,001
Non-current assets	3,151,317	4,160,057
Current liabilities	(3,356,318)	(3,164,937)
Non-current liabilities	(61,559)	(61,207)
Total net assets	$ 7,544,716	$ 6,811,914
Share in associate's net assets	$ 3,696,911	$ 3,337,838
Realized (unrealized) loss from upstream and sidestream transactions	(31,501)	(58,121)
Carrying amount of the associate	$ 3,665,410	$ 3,279,717

Statement of comprehensive income

	MERRY ELECTRONICS(SUZHOU)CO.,LTD	
	Years ended December 31,	
	2024	2023
Revenue	$ 10,616,315	$ 9,599,575
Profit for the period from continuing operations	$ 458,013	$ 18,679
Total comprehensive income	$ 458,013	$ 18,679

(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:

	Years ended December 31,	
	2024	2023
Share of profit of associates and joint ventures accounted for using the equity method	$ 365,946	$ 220,735
Other comprehensive income (loss), net of tax	82,540	(28,414)
Total comprehensive income	$ 448,486	$ 192,321

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(8) Property, plant and equipment

Year ended December 31, 2024

Cost	Opening balance	Additions	Reductions	Transfers	Effect of foreign currency exchange differences	Ending balance
Land	$ 792,956	$ 206,942	$ -	$ -	$ 11,711	$ 1,011,609
Land improvements	604	-	-	-	41	645
Buildings and structures	2,027,767	12,753	(829)	1,529	53,979	2,095,199
Machinery	3,240,291	308,428	(86,954)	30,219	112,034	3,604,018
Transportation equipment	16,896	1,756	-	-	517	19,169
Office equipment	335,656	20,564	(7,024)	39	8,936	358,171
Others	358,070	41,726	(6,717)	6,156	9,443	408,678
Unfinished construction	3,246	249,257	-	(17,875)	10,582	245,210
	6,775,486	$ 841,426	($ 101,524)	$ 20,068	$ 207,243	7,742,699
Accumulated depreciation						
Land improvements	($ 590)	($ 4)	$ -	$ -	($ 40)	($ 634)
Buildings and structures	(644,251)	(84,130)	571	-	(24,760)	(752,570)
Machinery	(1,684,403)	(421,248)	60,092	-	(59,803)	(2,105,362)
Transportation equipment	(13,501)	(1,728)	-	-	(378)	(15,607)
Office equipment	(224,257)	(34,182)	6,873	-	(7,138)	(258,704)
Others	(186,567)	(58,747)	6,448	-	(5,182)	(244,048)
	(2,753,569)	($ 600,039)	$ 73,984	$ -	($ 97,301)	(3,376,925)
	$ 4,021,917					$ 4,365,774

	Year ended December 31, 2023					
Cost	Opening balance	Additions	Reductions	Transfers	Effect of foreign currency exchange differences	Ending balance
Land	$ 792,675	$ -	$ -	$ -	$ 281	$ 792,956
Land improvements	599	-	-	-	5	604
Buildings and structures	1,774,209	153,183	(1,556)	129,898	(27,967)	2,027,767
Machinery	3,166,963	180,810	(76,510)	24,799	(55,771)	3,240,291
Transportation equipment	22,133	72	(5,054)	-	(255)	16,896
Office equipment	302,683	29,366	(16,034)	22,152	(2,511)	335,656
Others	286,053	45,442	(7,802)	40,651	(6,274)	358,070
Unfinished construction	124,368	76,720	(3,175)	(194,657)	(10)	3,246
	6,469,683	$ 485,593	($ 110,131)	$ 22,843	($ 92,502)	6,775,486
Accumulated depreciation						
Land improvements	($ 581)	($ 4)	$ -	$ -	($ 5)	($ 590)
Buildings and structures	(584,319)	(72,039)	1,556	1,977	8,574	(644,251)
Machinery	(1,377,578)	(400,492)	62,483	4,051	27,133	(1,684,403)
Transportation equipment	(16,450)	(1,897)	4,652	-	194	(13,501)
Office equipment	(202,973)	(35,555)	12,236	-	2,035	(224,257)
Others	(139,879)	(50,425)	6,720	(6,028)	3,045	(186,567)
	(2,321,780)	($ 560,412)	$ 87,647	$ -	$ 40,976	(2,753,569)
	$ 4,147,903					$ 4,021,917

A. The Group had no borrowing costs capitalized as part of property, plant and equipment.

B. Information about the property, plant and equipment that were pledged by the Group to others as collateral is provided in Note 8.

(9) Leasing arrangements－lessee

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

B. The Group's short-term leases comprise the office, dormitory and apparatus and equipment. Low-value assets comprise office equipment.

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

	December 31, 2024	December 31, 2023
	Carrying amount	Carrying amount
Land	$ 77,389	$ 79,399
Buildings	110,592	165,043
Machinery and equipment	322	1,026
Transportation equipment	1,091	1,577
Office equipment	-	127
	$ 189,394	$ 247,172

	Years ended December 31	
	2024	2023
	Depreciation charge	Depreciation charge
Land	$ 4,120	$ 4,842
Buildings	116,759	113,534
Machinery and equipment	676	1,251
Transportation equipment	808	905
Office equipment	131	145
Other equipment	-	33
	$ 122,494	$ 120,710

D. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets were $65,186 thousand and $93,901 thousand, respectively.

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

	Years ended December 31	
	2024	2023
Items affecting profit or loss		
Interest expense on lease liabilities	$ 6,112	$ 7,265
Expense on short-term lease contracts	10,115	34,950
Expense on leases of low-value assets	251	260
	$ 16,478	$ 42,475

For the years ended December 31, 2024 and 2023, the Group's total cash outflow for leases were $143,323 thousand and $177,451 thousand, respectively.

(10) Intangible assets

Year ended December 31, 2024					
Cost	Opening balance	Additions	Reductions	Effect of foreign currency exchange differences	Ending balance
Goodwill	$ 931,678	$ -	$ -	$ -	$ 931,678
Computer software	629,757	19,973	(3,907)	1,650	647,473
Customer relationship	326,550	-	-	-	326,550
Technical skills	115,748	-	-	-	115,748
Trademarks	61,481	-	-	-	61,481
Others	49,203	5,301	-	-	54,504
Sub-total	2,114,417	$ 25,274	($ 3,907)	$ 1,650	2,137,434
Accumulated amortization					
Computer software	($ 553,211)	($ 46,916)	$ 3,907	($ 1,200)	($ 597,420)
Customer relationship	(238,025)	(35,410)	-	-	(273,435)
Technical skills	(115,748)	-	-	-	(115,748)
Trademarks	(29,921)	(5,518)	-	-	(35,439)
Others	(39,015)	(5,980)	-	(16)	(45,011)
Sub-total	(975,920)	($ 93,824)	$ 3,907	($ 1,216)	(1,067,053)
Accumulated Impairment loss					
Goodwill	($ 227,276)	($ 64,973)	$ -	$ -	($ 292,249)
Total	$ 911,221				$ 778,132

Year ended December 31, 2023

Cost	Opening balance	Additions	Reductions	Effect of foreign currency exchange differences	Ending balance
Goodwill	$ 931,678	$ -	$ -	$ -	$ 931,678
Computer software	622,674	11,681	(4,146)	(452)	629,757
Customer relationship	326,550	-	-	-	326,550
Technical skills	115,748	-	-	-	115,748
Trademarks	61,481	-	-	-	61,481
Others	44,263	4,877	-	63	49,203
Sub-total	2,102,394	$ 16,558	($ 4,146)	($ 389)	2,114,417
Accumulated amortization					
Computer software	($ 478,230)	($ 79,258)	$ 4,146	$ 131	($ 553,211)
Customer relationship	(197,567)	(40,458)	-	-	(238,025)
Technical skills	(104,174)	(11,574)	-	-	(115,748)
Trademarks	(24,403)	(5,518)	-	-	(29,921)
Others	(33,311)	(5,682)	-	(22)	(39,015)
Sub-total	(837,685)	($ 142,490)	$ 4,146	$ 109	(975,920)
Accumulated Impairment loss					
Goodwill	($ 161,766)	($ 65,510)	$ -	$ -	($ 227,276)
Total	$ 1,102,943				$ 911,221

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

	Years ended December 31,	
	2024	2023
Operating costs	$ 5,114	$ 15,481
Selling expenses	13,672	11,640
Administrative expenses	46,008	72,501
Research and development expenses	29,030	42,868
	$ 93,824	$ 142,490

B. Goodwill allocated to the Group's cash-generating units is as follows:

	December 31, 2024		
	Cost	Accumulated impairment	Book value
Goodwill:			
Asian Elite And Indigo	$ 581,644	($ 292,249)	$ 289,395
Austar Hearing (Xiamen)	210,299	-	210,299
Huges Hi-Tech	139,735	-	139,735
	$ 931,678	($ 292,249)	$ 639,429

	December 31, 2023		
	Cost	Accumulated impairment	Book value
Goodwill:			
Asian Elite And Indigo	$ 581,644	($ 227,276)	$ 354,368
Austar Hearing (Xiamen)	210,299	-	210,299
Huges Hi-Tech	139,735	-	139,735
	$ 931,678	($ 227,276)	$ 704,402

For the years ended December 31, 2024 and 2023, the recoverable amount which was calculated based on use in value was less than carrying amount, the Group recognised impairment loss of goodwill amounting to $64,973 thousand and $65,510 thousand, respectively, and the balance of goodwill after recognising impairment loss amounted to $639,429 thousand and $704,402 thousand, respectively. In addition, value in use adopts pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period. The key assumptions used for value-in-use calculations are as follows:

December 31, 2024	Huges Hi-Tech	Asian Elite And Indigo	Austar Hearing (Xiamen)
Discount rate	9.44%	14.17%	13.47%
Growth rate	10%	4%~24.97%	3%~18.35%

December 31, 2023	Huges Hi-Tech	Asian Elite And Indigo	Austar Hearing (Xiamen)
Discount rate	6.58%	14%	16.17%
Growth rate	10%	2%~10.07%	3%~21.38%

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

(11) Impairment of non-financial assets

A. The Group recognized impairment loss for the years ended December 31, 2024 and 2023. Details of such loss are as follows :

	Years ended December 31,	
	2024	2023
	Recognized through profit or loss	Recognized through profit or loss
Accumulated impairment-Goodwill	$ 64,973	$ 65,510

B. Please refer to Note 6 (10) for the impairment to intangible assets.

(12) Short-term borrowings

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

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Credit loan	$ 1,089,829	1.66%~3.80%	None
Secured borrowings	43,270	3.70%	Patents (Note)
	$ 1,133,099		

A. Interest expense recognized in profit or loss amounted to $21,270 thousand and $22,411 thousand for the years ended December 31, 2024 and 2023, respectively.

B. The Group provided endorsements and guarantees for the credit loans as of December 31, 2024 and 2023.

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

(13) Other payables

	December 31, 2024	December 31, 2023
Payroll and bonus payable	$ 575,601	$ 498,293
Employee compensation payable	306,792	191,454
Payables on equipment	127,331	71,416
Directors' remuneration payable	59,771	36,982
Others	536,594	587,789
	$ 1,606,089	$ 1,385,934

(14) Bonds payable

	December 31, 2024	December 31, 2023
Bonds payable	$ 3,000,000	$ 2,999,900
Less: Discount on bonds payable	(143,722)	(17,639)
Sub-total	2,856,278	2,982,261
Less: Current portion	-	(2,982,261)
Total	$ 2,856,278	$ -

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

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

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

ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Company at any time during the period from the date after three months of the bonds issued to the maturity date by notifying the Taiwan Depository & Clearing Corporation through the dealer to the Company, except for (i) the stop transfer period as specified in the terms of the bonds or the laws/regulations; (ii) the book closure date of the issuance of bonus shares, and of cash dividends, the period between the date that is 15 business days before the book closure date of a capital increase to the ex-right date; (iii) the period between the record date of a capital reduction and the prior day before the commencement of stock trading after stocks are repurchased; (iv) the period 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. The conversion price was $104.9 (in dollars) per share.

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

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

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

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

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

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

ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Company at any time during the period from the date after three months of the bonds issued to the maturity date by notifying the Taiwan Depository & Clearing Corporation through the dealer to the Company, except for (i) the stop transfer period as specified in the terms of the bonds or the laws/regulations; (ii) the book closure date of the issuance of bonus shares, and of cash dividends, the period between the date that is 15 business days before the book closure date of a capital increase to the ex-right date; (iii) the period between the record date of a capital reduction and the prior day before the commencement of stock trading after stocks are repurchased; (iv) the period between the start date of stopping conversion due to implementing changes of face value of stocks and the prior day before the trading date that new shares start to be exchanged to stocks, can not ask conversions. Other than the aforementioned period, the bonds can be converted into common shares at any time after applying request to Taiwan Depository & Clearing Corporation through securities firms. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

iii. The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. As of December 31, 2024, the conversion price was $137.5 (in dollars) per share.

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

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

(b) As of December 31, 2024, the bonds had not yet been converted into common stock.

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

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

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

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

stopping conversion due to implementing changes of face value of stocks and the prior day before the trading date that new shares start to be exchanged to stocks, can not ask conversions. Other than the aforementioned period, the bonds can be converted into common shares at any time after applying request to Taiwan Depository & Clearing Corporation through securities firms. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

iii. The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. As of December 31, 2024, the conversion price was $133.5 (in dollars) per share.

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

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

(b) As of December 31, 2024, the bonds had not yet been converted into common stock.

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

(15) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2024
Long-term bank borrowings				
Credit loan	Borrowing period is from 2020/2/20 to 2025/2/20; interest is repayable monthly, principal is repayable starting from 2022. (Notes 1 and 2)	0.93%~1.29%	None	$ 20,556
Credit loan	Borrowing period is from 2020/2/20 to 2027/2/19; interest is repayable monthly, principal is repayable starting from 2022.	1.23%~5.30%	None	450,288
Secured borrowings	Borrowing period is from 2023/9/27 to 2033/9/27; interest is repayable monthly, principal is repayable starting from 2023.	3.30%	Plant	54,558
				525,402
Less: Expiring within one year or one operating cycle				(282,505)
				$ 242,897

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023
Long-term bank borrowings				
Credit loan	Borrowing period is from 2020/2/20 to 2025/2/20; interest is repayable monthly, principal is repayable starting from 2022. (Notes 1 and 2)	0.80%~1.16%	None	$ 143,889
Credit loan	Borrowing period is from 2020/2/20 to 2027/2/19; interest is repayable monthly, principal is repayable starting from 2022.	1.10%~5.60%	None	1,165,921
Credit loan	Borrowing period is from 2022/9/27 to 2026/6/27; interest is repayable monthly, principal is repayable starting from 2023.	2.00%~3.75%	None	56,121
Secured borrowings	Borrowing period is from 2023/9/27 to 2033/9/27; interest is repayable monthly, principal is repayable starting from 2023.	3.65%	plant	83,425
				1,449,356
Less: Expiring within one year or one operating cycle				(446,179)
				$ 1,003,177

Interest expense recognized in profit or loss amounted to $25,606 thousand and $30,353 thousand for the years ended December 31, 2024 and 2023, respectively.

Note 1: In November 2019, the Company entered into a long-term loan contract with Taipei Fubon Bank. As of December 31, 2024, all available borrowing facilities was used.

Aforementioned contract conditions:

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

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

(b) Debt ratio (total liabilities/total equity)shall not be higher than 200%;

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

(d) Net tangible assets shall not be less than 8 billion.

Note 2: In February 2020, the Company entered into a long-term loan contract with JIHSUN BANK. As of December 31, 2024, all available borrowing facilities was used.

Aforementioned contract conditions:

During the credit period, the following financial ratios shall be maintained and the

audited/reviewed consolidated financial statements shall be checked semi-annually:
(a) Current ratio shall not be lower than 100%;
(b) Debt ratio (total liabilities/tangible assets) shall not be higher than 250%;
(c) Tangible assets shall be maintained at least $8 billion.

(16) 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 amounts recognized in the balance sheet are as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	$ 77,886	$ 86,576
Fair value of plan assets	(53,998)	(50,522)
Net defined benefit liability	$ 23,888	$ 36,054

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2024			
Balance at January 1	$ 86,576	($ 50,522)	$ 36,054
Current service cost	307	-	307
Interest (income) expense	1,003	(583)	420
	87,886	(51,105)	36,781
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(3,255)	(3,255)
Change in financial assumptions	(3,120)	-	(3,120)
Experience adjustments	(262)	-	(262)
	(3,382)	(3,255)	(6,637)
Pension fund contribution	-	(6,256)	(6,256)
Paid pension	(6,618)	6,618	-
Balance at December 31	$ 77,886	($ 53,998)	$ 23,888

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2023			
Balance at January 1	$ 80,364	($ 42,745)	$ 37,619
Current service cost	230	-	230
Interest (income) expense	992	(518)	474
	81,586	(43,263)	38,323
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(327)	(327)
Change in financial assumptions	773	-	773
Experience adjustments	5,902	-	5,902
	6,675	(327)	6,348
Pension fund contribution	-	(8,617)	(8,617)
Paid pension	(1,685)	1,685	-
Balance at December 31	$ 86,576	($ 50,522)	$ 36,054

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regarding to the utilization

of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2024	2023
Discount rate	1.65%	1.20%
Future salary increases	3.00%	3.00%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2024				
Effect on present value of defined benefit obligation	($ 1,651)	$ 1,709	$ 1,682	($ 1,633)
December 31, 2023				
Effect on present value of defined benefit obligation	($ 1,913)	$ 1,983	$ 1,942	($ 1,884)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) The Company expects to pay contribution for pension plan amounting to $2,133 thousand in 2025.

(g) As of December 31, 2024, the weighted average duration of the retirement plan is 8 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$ 15,241
1-2 year(s)	2,045
2-5 years	12,909
Over 5 years	59,866
	$ 90,061

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) The subsidiary, METC, in Thailand is required to pay pension of up to 10 months of employee salaries to the employees upon their retirement. The pension liability is estimated annually based on the employees' total salaries and expected service years in accordance with the regulations of the Thailand government.

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

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

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

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

(h) The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2024 and 2023 were $204,291 thousand and $151,784 thousand, respectively.

(17) Share-based payment

A. For the years ended December 31, 2024 and 2023, the fair value of the Company's stocks granted on the grant date in accordance with the Company's share-based payment agreement is measured using the closing price. Related information is as follows:

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

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

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

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

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

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

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

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

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

	2024		2023	
	No. of share (in thousands)	Weighted-average exercise price (in dollars)	No. of share (in thousands)	Weighted-average exercise price (in dollars)
At January 1	4,071	$ -	3,348	$ -
Restricted stocks granted	1,949	-	1,645	-
Restricted shares retired	(560)	-	(809)	-
stocks retired	(1,333)	-	(113)	-
At December 31	4,127	-	4,071	-

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

	Years ended December 31,	
	2024	2023
Equity-settled	$ 62,123	$ 132,310

(18) Share capital

A. As of December 31, 2024, the Company's authorized capital was $4,000,000 thousand, consisting of 400,000 thousand shares of ordinary stock (including 5,000 thousand shares reserved for employee stock options), and the paid-in capital was $2,534,938 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):

	Years ended December 31,	
	2024	2023
At January 1	219,316	217,783
Cash capital increase	5,000	-
Employee restricted shares retired	(1,333)	(113)
Employee restricted shares granted	1,949	1,645
Conversion of convertible bonds	28,559	1
At December 31	253,491	219,316

(a) On April 25, 2024, the Company's Board of Directors resolved to increase its capital by issuing 5,000 thousand common shares and the subscription price was $95 (in dollars) per share. All proceeds from shares had been actually collected amounting to $475,000 thousand. The effective date was set on September 24, 2024 and the registration for the abovementioned capital increase was completed.

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

Date of the Board of Directors' Resolution	Number of restricted stocks to employees retired (in thousands)	Date of Capital Reduction
February 26, 2025	2	March 3, 2025
October 24, 2024	1,122	October 24, 2024
July 25, 2024	182	July 25, 2024
April 25, 2024	27	April 25, 2024
February 22, 2024	28	February 26, 2024
October 26, 2023	44	November 6, 2023
July 27, 2023	8	July 27, 2023
April 27, 2023	33	May 3, 2023

The registration for the abovementioned retirement of the employees' restricted stocks was completed, excluding the capital reduction which was resolved on February 26, 2025.

(c) The Company issued the third unsecured convertible bonds on August 11, 2021. As of December 31, 2024, the face value of the convertible bonds of $2,996,000 thousand had been converted into common shares amounting to 28,559 thousand shares. Please refer to Note 6(14) for details. 11,317 shares, 16,154 thousand shares and 1,089 thousand shares of which had been set effective on October 25, 2024, July 26, 2024, April 26, 2024 as resolved by the Board of Directors during their meeting on October 24, 2024, July 25, 2024 and April 25, 2024, respectively. The registration for the abovementioned issuance of the new shares was completed.

(d) On April 28, 2022 and April 27, 2023, the Board of Directors of the Company resolved to issue employee restricted shares. The issuance was approved by the Competent Authority on September 21, 2022 and October 4 ,2023, respectively. The Company issued 1,949 thousand common shares with the effective date set on July 26, 2024. The subscription price is $0 per share. The registration for the issuance of employee restricted shares was completed. The employee restricted shares issued are subject to certain transfer restrictions before their vesting conditions are qualified. Other than these restrictions, the rights and obligations of these shares issued are the same as other issued ordinary shares.

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

(19) Capital surplus

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

	2024				
	Share premium	Share option	Employee restricted stocks	Others	Total
At January 1	$ 4,147,542	$ 96,854	$ 338,495	$ 290,083	$ 4,872,974
Cash capital increase	445,241	-	-	-	445,241
Issuance of convertible bond	-	280,733	-	-	280,733
Convertible bonds converted into common shares	2,804,134	(96,725)	-	-	2,707,409
Redeemed of convertible bonds at maturity	-	(129)	-	129	-
Restricted stocks issued	-	-	222,186	-	222,186
Restricted stocks vested	52,909	-	(52,909)	-	-
Restricted stocks retired	-	-	(117,485)	-	(117,485)
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	-	13,679	13,679
Changes in ownership interests in subsidiaries	-	-	-	(434)	(434)
Disposal of investments accounted for using equity method	-	-	-	(1,872)	(1,872)
At December 31	$ 7,449,826	$ 280,733	$ 390,287	$ 301,585	$ 8,422,431

	2023				
	Share premium	Share option	Employee restricted stocks	Others	Total
At January 1	$ 4,070,017	$ 96,857	$ 290,864	$ 263,128	$ 4,720,866
Convertible bonds converted into common shares	93	(3)	-	-	90
Restricted stocks issued	-	-	134,725	-	134,725
Restricted stocks vested	77,432	-	(77,432)	-	-
Restricted stocks retired	-	-	(9,662)	-	(9,662)
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	-	26,955	26,955
At December 31	$ 4,147,542	$ 96,854	$ 338,495	$ 290,083	$ 4,872,974

(20) Retained earnings

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

B. The Company's dividend policy is summarized below: as the Company operates in a volatile business environment and is in the stable growth stage, the residual dividend policy is adopted taking into consideration the Company's financial structure, operating results and future expansion plans.

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 December 31, 2024, the special reserve set aside based on the above regulation amounted to $703,868 thousand.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed 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 December 31, 2024, the balance of capital surplus as aforementioned was $269,144 thousand.

(c) As of December 31, 2024 and 2023, the balance of special reserve was $973,012 thousand and $768,186 thousand, respectively.

E. The Company distributed earnings for the years ended December 31, 2023 and 2022 as resolved at the shareholders' meeting on May 29, 2024 and June 14, 2023, respectively, are as follows:

	Years ended December 31,			
	2023		2022	
	Amount	Dividends per share	Amount	Dividends per share
Legal reserve	$ 137,551		$ 146,458	
Special reserve	204,826		19,256	
Cash dividends	1,030,914	$ 4.7	981,235	$ 4.5
	$ 1,373,291		$ 1,146,949	

The abovementioned distribution of earnings for the years ended December 31, 2023 and 2022 was in agreement with those amounts proposed by the Board of Directors on February 22, 2024 and February 23, 2023, respectively.

F. The Company distributed earnings for the year ended December 31, 2024 as resolved by the Board of Directors on February 26, 2025 as follows:

	Year ended December 31, 2024	
	Amount	Dividends per share
Legal reserve	$ 209,620	
Special reserve	(510,076)	
Cash dividends	1,850,505	$ 7.3
	$ 1,550,049	

(21) Other equity items

	2024				
	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	Cost of unearned employee compensation	Total
At January 1	($ 413,159)	$ -	($ 559,853)	($ 236,339)	($1,209,351)
Issuance of restricted shares to employees	-	-	-	(241,676)	(241,676)
Amortisation of employee restricted stocks	-	-	-	41,882	41,882
Employee restricted shares retired	-	-	-	130,817	130,817
Revaluation - gross	-	-	(6,346)	-	(6,346)
Revaluation - tax	-	-	(4,238)	-	(4,238)
Revaluation transferred to retained earnings – gross	-	-	52,471	-	52,471
Revaluation – associates	-	-	(2,705)	-	(2,705)
Currency translation differences:					
- Group	366,104	-	-	-	366,104
- Tax on Group	(73,332)	-	-	-	(73,332)
- Associates	191,851	-	-	-	191,851
- Tax on associates	(38,603)	-	-	-	(38,603)
- Adjustment on disposal of associates transferred to profit or loss	24,874	-	-	-	24,874
At December 31	$ 57,735	$ -	($ 520,671)	($ 305,316)	($ 768,252)

	2023				
	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	Cost of unearned employee compensation	Total
At January 1	($ 258,567)	($ 2,687)	($ 506,932)	($ 228,260)	($ 996,446)
Issuance of restricted shares to employees	-	-	-	(151,176)	(151,176)
Amortisation of employee restricted stocks	-	-	-	132,310	132,310
Employee restricted shares retired	-	-	-	10,787	10,787
Revaluation - gross	-	2,687	8,152	-	10,839
Revaluation - tax	-	-	(784)	-	(784)
Revaluation transferred to retained earnings – gross	-	-	(60,254)	-	(60,254)
Revaluation – associates	-	-	(35)	-	(35)
Currency translation differences:					
- Group	(98,016)	-	-	-	(98,016)
- Tax on Group	19,648	-	-	-	19,648
- Associates	(94,837)	-	-	-	(94,837)
- Tax on associates	18,613	-	-	-	18,613
At December 31	($ 413,159)	$ -	($ 559,853)	($ 236,339)	($1,209,351)

(22) Operating revenue

	Years ended December 31,	
	2024	2023
Revenue from contracts with customers	$ 43,855,354	$ 36,690,383

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:

Year ended December 31, 2024

	Electronic devices					
	Taiwan	Shenzhen	Singapore	Vietnam	Others	Total
Total segment revenue	$ 33,063,291	$ 12,367,450	$ 8,055,590	$6,362,284	$ 7,553,674	$ 67,402,289
Revenue from internal segment transactions	(14,488)	(12,018,253)	(2,695)	(5,092,687)	(6,418,812)	(23,546,935)
Revenue from external customer contracts	33,048,803	349,197	8,052,895	1,269,597	1,134,862	43,855,354
Main region						
Europe	14,150,488	99,801	3,989,979	-	194,900	18,435,168
US	17,734,481	-	4,036,704	-	518,353	22,289,538
Mainland China	147,898	248,064	21,485	-	392,396	809,843
Taiwan	506,367	1,332	-	-	528	508,227
Others	509,569	-	4,727	1,269,597	28,685	1,812,578
	$ 33,048,803	$ 349,197	$ 8,052,895	$1,269,597	$ 1,134,862	$ 43,855,354

Year ended December 31, 2023

	Electronic devices					
	Taiwan	Shenzhen	Singapore	Vietnam	Others	Total
Total segment revenue	$ 26,701,755	$ 10,064,276	$ 8,364,498	$2,814,771	$ 6,183,465	$ 54,128,765
Revenue from internal segment transactions	(38,069)	(9,740,409)	-	(2,498,732)	(5,161,172)	(17,438,382)
Revenue from external customer contracts	26,663,686	323,867	8,364,498	316,039	1,022,293	36,690,383
Main region						
Europe	11,241,138	90,143	5,822,461	-	195,965	17,349,707
US	14,452,774	-	2,534,316	-	327,439	17,314,529
Mainland China	131,134	233,724	-	-	433,181	798,039
Taiwan	575,871	-	-	-	-	575,871
Others	262,769	-	7,721	316,039	65,708	652,237
	$ 26,663,686	$ 323,867	$ 8,364,498	$ 316,039	$ 1,022,293	$ 36,690,383

B. Contract liabilities：

(a) The Group has recognized the following revenue-related contract liabilities:

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities	$ 780,103	$ 892,122	$ 1,020,897

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

	Years ended December 31,	
	2024	2023
Revenue recognized that was included in the contract liability balance at the beginning of the period	$ 225,341	$ 375,730

(23) Other income

	Years ended December 31,	
	2024	2023
Compensation income (Note 1)	$ 4,217	$ 157,006
Government grants (Note 2)	81,410	96,430
Sample income	73,463	82,625
Dividend income	4,004	11,763
Rent income	30,463	27,661
Other income	41,317	91,523
	$ 234,874	$ 467,008

Notes 1: The Group had compensation agreement with Luxshare Limited.

Notes 2: Please refer to Note 6(31) for details of the Group's government grants.

(24) Other gains and losses

	Years ended December 31,	
	2024	2023
Foreign exchange gain (loss)	$ 372,901	($ 25,335)
Net gains on financial assets/liabilities at fair value through loss or profit	24,269	29,907
Impairment loss on goodwill	(64,973)	(65,510)
(Losses) gains on disposals of property, plant and equipment	(12,446)	19,291
(Losses) gains on disposals of investments	(15,469)	16,500
Other losses	(9,381)	(15,398)
	$ 294,901	($ 40,545)

(25) Expenses by nature

	Years ended December 31,	
	2024	2023
Employee benefit expense	$ 4,157,239	$ 3,527,116
Depreciation charge - property, plant and equipment	600,039	560,412
Depreciation charge - right-of-use assets	122,494	120,710
Amortization charge	93,824	142,490
	$ 4,973,596	$ 4,350,728

(26) Employee benefit expense

	Years ended December 31,	
	2024	2023
Wages and salaries	$ 3,533,589	$ 2,949,565
Share-based payments	62,123	132,310
Labor and health insurance fees	73,276	73,783
Pension costs	205,018	152,488
Directors' remuneration	60,941	37,942
Other personnel expenses	222,292	181,028
Total	$ 4,157,239	$ 3,527,116

A. To encourage employees and management 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 not be lower than 5 to 10% for employees' compensation 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 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:

	Years ended December 31,	
	2024	2023
Employees' compensation	$ 298,856	$ 184,910
Directors' and supervisors' remuneration	59,771	36,982
	$ 358,627	$ 221,892

The abovementioned amounts were recognized in wages and salaries and were accrued at 10% and 10% for employees' compensation and 2% and 2% for directors' remuneration for the years ended December 31, 2024 and 2023, respectively, based on the distributable profit of the year. Employees' compensation and directors' and supervisors' remuneration of 2023 as resolved at the Board of Directors' meeting were in agreement with those amounts recognized in the profit

or loss of 2023.

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

(27) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2024	2023
Current tax:		
Current tax on profits for the year	$ 448,897	$ 459,772
Tax on undistributed surplus earnings	-	10,810
Prior year income tax overestimation	(12,328)	(19,284)
Total current tax	436,569	451,298
Deferred tax:		
Origination and reversal of temporary differences	273,886	16,300
Income tax expense	$ 710,455	$ 467,598

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

	Years ended December 31,	
	2024	2023
Exchange differences changes on translation of foreign financial statements - the Group	$ 73,332	($ 19,648)
Exchange differences changes on translation of foreign financial statements - associates	38,603	(18,613)
Changes in fair value of financial assets at fair value through other comprehensive income	4,238	784
Remeasurement of defined benefit obligations	1,327	(1,269)
	$ 117,500	($ 38,746)

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2024	2023
Current tax:		
Tax calculated based on profit before tax and statutory tax rate	$ 928,100	$ 584,879
Expenses disallowed by tax regulation	931	4,434
Tax exempt income by tax regulation	(193,042)	(76,835)
Temporary differences not recognised as deferred tax assets	79,599	13,098
Effect from investment tax credits	(48,546)	(45,548)
Effect from Alternative Minimum Tax	83,139	-
Income tax of controlled foreign corporation	-	4,243
Tax on undistributed surplus earnings	-	10,810
Prior year income tax overestimation	(12,328)	(19,284)
Others	(127,398)	(8,199)
Income tax expense	$ 710,455	$ 467,598

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C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2024			
	January 1, 2024	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2024
Deferred tax assets:				
- Temporary differences:				
Unrealized exchange loss	$ 14,528	($ 14,528)	$ -	$ -
Income tax expense	11,163	(2,317)	-	8,846
Remeasurement of defined benefit obligations	16,431	-	(1,327)	15,104
Allowance for bad debts	4,108	(577)	-	3,531
Accumulated unused compensated absences	8,534	547	-	9,081
Allowance for inventory valuation losses and loss for obsolete and slow-moving inventories	24,256	2,570	-	26,826
Amortisation of discounts on corporate bonds	31,142	7,863	-	39,005
Cumulative translation adjustment of long-term equity investments	27,447	-	(27,447)	-
Investment tax credits				
Others	51,367	823	-	52,190
Total	$ 188,976	($ 5,619)	($ 28,774)	$ 154,583
- Deferred tax liabilities				
Unrealized exchange gain	($ 2,305)	($ 10,453)	$ -	($ 12,758)
Gain on overseas long-term investment	(1,501,202)	(524,671)	-	(2,025,873)
Cumulative translation adjustment of long-term equity investments	-	-	(84,488)	(84,488)
Adjustment of land value increment tax	(800)	-	-	(800)
Unrealized gain on valuation of financial instruments	(17,224)	(610)	(4,238)	(22,072)
Others	(19,206)	11,649	-	(7,557)
Total	($ 1,540,737)	($ 524,085)	($ 88,726)	($ 2,153,548)

	2023			
	January 1, 2023	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2023
Deferred tax assets:				
- Temporary differences:				
Unrealized exchange loss	$ 614	$ 13,914	$ -	$ 14,528
Income tax expense	9,849	1,314	-	11,163
Remeasurement of defined benefit obligations	15,162	-	1,269	16,431
Allowance for bad debts	7,036	(2,928)	-	4,108
Accumulated unused compensated absences	7,979	555	-	8,534
Allowance for inventory valuation losses and loss for obsolete and slow-moving inventories	43,168	(18,912)	-	24,256
Unrealized gain on valuation of financial instruments	172	(172)	-	-
Amortisation of discounts on corporate bonds	25,725	5,417	-	31,142
Cumulative translation adjustment of long-term equity investments	-	-	27,447	27,447
Investment tax credits				
Others	50,310	1,057	-	51,367
Total	$ 160,015	$ 245	$ 28,716	$ 188,976
- Deferred tax liabilities				
Unrealized exchange gain	($ 2,800)	$ 495	$ -	($ 2,305)
Gain on overseas long-term investment	(1,476,469)	(24,733)	-	(1,501,202)
Cumulative translation adjustment of long-term equity investments	(10,814)	-	10,814	-
Adjustment of land value increment tax	(800)	-	-	(800)
Unrealized gain on valuation of financial instruments	(14,798)	(1,642)	(784)	(17,224)
Others	(28,541)	9,335	-	(19,206)
Total	($ 1,534,222)	($ 16,545)	$ 10,030	($ 1,540,737)

D. Expiration dates of unused tax losses and amounts of unrecognized deferred tax assets are as follows:

December 31, 2024				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Expiry year
2009	$ 14,188	$ 14,188	$ 14,188	2029
2015	2,627	2,627	2,627	2035
2016	1,172	1,172	1,172	2036
2018	60,867	60,867	60,867	2028~unlimited
2019	42,231	42,231	42,231	2029~unlimited
2020	133,289	133,289	133,289	2030~unlimited
2021	177,484	177,484	177,484	2031~unlimited
2022	534,412	534,412	532,979	2032~unlimited
2023	382,708	382,708	379,991	2033~unlimited
2024	32,072	32,072	32,072	2034~unlimited
		$ 1,381,050	$ 1,376,900	

December 31, 2023				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Expiry year
2009	$ 14,188	$ 14,188	$ 14,188	2029
2015	2,627	2,627	2,627	2035
2016	1,172	1,172	1,172	2036
2018	60,867	60,867	60,867	2028~unlimited
2019	42,231	42,231	42,231	2029~unlimited
2020	133,289	133,289	133,289	2030~unlimited
2021	177,484	177,484	177,484	2031~unlimited
2022	534,412	534,412	532,979	2032~unlimited
2023	382,708	382,708	379,991	2033~unlimited
		$ 1,348,978	$ 1,344,828	

E. The amounts of deductible temporary difference that are not recognized as deferred tax assets are as follows:

	December 31, 2024	December 31, 2023
Deductible temporary differences	$ 1,329,939	$ 1,123,881

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

G. The current tax expense related to Pillar Two income taxes that the Group recognised for the year ended December 31, 2024 was $83,139 thousand.

H. The Group's exposure to Pillar Two income taxes arising from the Pillar Two legislation is as follows:

The Group is within the scope of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). Since Pillar Two legislation was enacted in Hong Kong and Thailand, the jurisdiction in which the Group's subsidiaries are incorporated,

and will come into effect from January 1, 2025, the Group has no related current tax exposure as of December 31, 2024.

Under the Pillar Two legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. The Group's subsidiaries, MEST, MTHK and METC, are incorporated in Hong Kong, Hong Kong and Thailand, respectively. The average effective tax rate is lower than 15%, and the Group is exposed to Pillar Two income taxes under the Group's assessment. And, the Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. For Hong Kong and Thailand jurisdiction, the average effective tax rate calculated based on accounting profit is 0%, 0% and 7.83%, respectively, the income tax expense is $0, $0 and $20,927 thousand, respectively, and accounting profit is $278,561 thousand, $224,429 thousand and $267,412, respectively, constituting 9%, 7% and 8% of the Group's accounting profit, for the year ended December 31, 2024. However, due to the complexities in applying the legislation and calculating GloBE income as well as the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with IAS 12, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. The Group is currently engaged with tax specialists to assist it with applying the legislation.

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

J. The corporate income tax returns for Merry Healthcare Co., Ltd. Taiwan Branch (CAYMAN) through 2023 have been assessed and approved by the tax authority.

K. The corporate income tax returns for Fulicare Co., Ltd. Taiwan Branch (SAMOA) through 2023 have been assessed and approved by the tax authority.

L. MUtek Electronics Co., Ltd's income tax returns through 2022 have been assessed and approved by the Tax Authority.

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(28) Earnings per share

	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 2,143,258	231,541	$ 9.26
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 2,143,258	231,541	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	3,009	
Convertible bonds	33,319	23,966	
Employee restricted shares	-	1,498	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 2,176,577	260,014	$ 8.37

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	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,320,318	214,371	$ 6.16
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,320,318	214,371	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,967	
Convertible bonds	22,818	27,125	
Employee restricted shares	-	1,364	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,343,136	244,827	$ 5.49

(29) Supplemental cash flow information

A. Investing activities with partial cash flow effects

	Years ended December 31	
	2024	2023
Purchase of property, plant and equipment	$ 861,494	$ 508,436
Add:		
Beginning balance of payable on equipment	71,416	105,829
Ending balance of prepayments for equipment	827	2,571
Less:		
Beginning balance of prepayments for equipment	(2,571)	(14,975)
Ending balance of payable on equipment	(127,331)	(71,416)
Cash paid during the year	$ 803,835	$ 530,445

B. Financing activities with no cash flow effects

	Years ended December 31	
	2024	2023
Convertible bonds being converted to common stocks	$ 2,993,002	$ -

(30) Changes in liabilities from financing activities

	Short-term borrowings	Lease liability	Convertible bond	Long-term borrowings (including those matured within one year)	Dividends payable	Other non-current liabilities	Liabilities from financing activities-gross
At January 1, 2024	$ 1,133,099	$ 173,020	$ 2,982,261	$ 1,449,356	$ -	$ 11,963	$ 5,749,699
Changes in cash flow from financing activities	(778,448)	(126,845)	3,114,036	(931,774)	(1,030,914)	18,075	264,130
Additions	-	65,186	-	-	1,030,914	-	1,096,100
Redemption of corporate bond	-	-	(4,000)	-	-	-	(4,000)
Impact of changes in foreign exchange rate	12,008	1,884	-	7,820	-	363	22,075
Amortisation of discounts on corporate bonds	-	-	40,752	-	-	-	40,752
Changes in capital surplus	-	-	(280,733)	-	-	-	(280,733)
Changes in other non-cash items	-	2,893	(2,996,038)	-	-	(1,250)	(2,994,395)
At December 31, 2024	$ 366,659	$ 116,138	$ 2,856,278	$ 525,402	$ -	$ 29,151	$ 3,893,628

	Short-term borrowings	Lease liability	Convertible bond	Long-term borrowings (including those matured within one year)	Dividends payable	Other non-current liabilities	Liabilities from financing activities-gross
At January 1, 2023	$ 2,146,851	$ 208,436	$ 2,953,838	$ 1,356,447	$ -	$ 26,413	$ 6,691,985
Changes in cash flow from financing activities	(986,313)	(134,976)	-	98,943	(981,235)	(13,583)	(2,017,164)
Additions	-	93,901	-	-	981,235	-	1,075,136
Impact of changes in foreign exchange rate	(27,439)	4,004	-	(6,034)	-	(154)	(29,623)
Amortisation of discounts on corporate bonds	-	-	28,523	-	-	-	28,523
Changes in other non-cash items	-	1,655	(100)	-	-	(713)	842
At December 31, 2023	$ 1,133,099	$ 173,020	$ 2,982,261	$ 1,449,356	$ -	$ 11,963	$ 5,749,699

(31) Government grants

	Years ended December 31	
	2024	2023
MECL	$ 65,658	$ 73,080
MEHO	140	8,135
ASCX	12,665	9,431
Others	2,947	5,784
	$ 81,410	$ 96,430

This refers to the subsidies granted by local governments, such as the Industry and Information Technology Bureau of Shenzhen Municipality, the Longhua District Industry and Information Technology Bureau, the Culture, Radio, Television, Tourism and Sports Bureau of Shenzhen Municipality and Commerce Bureau of Shenzhen Municipality. Other subsidies are lower than 5% of total government grants, therefore, they are not disclosed individually.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Name	Relationship
MERRY ELECTRONICS(SUZHOU)CO.,LTD (MECE)	Affiliated company
MERRY ELECTRONICS (HUIZHOU)CO.,LTD. (MECH)	Affiliated company
DONPON PRECISION INC.	Affiliated company
Donyun plastic Manufactory Co., Ltd.	Affiliated company
SYNergy ScienTech Corp.	Affiliated company (Note 1)
Merry Fuling Co., Ltd. Taiwab Branch (MHNCTW)	Other related party
Luxshare Co., Ltd.	Other related party (Note 2)
Luxshare Precision Limited	Other related party (Note 2)
Luxshare Precision Industry Co., Ltd	Other related party (Note 2)
Luxshare Electronic Technology (Kunshan) Co., Ltd.	Other related party (Note 2)
Dongguan Luxshare Precision Industry Co., Ltd.	Other related party (Note 2)
Luxshare Precision Industry (Chuzhou), Ltd.	Other related party (Note 2)
LUXSHARE PRECISION SINGAPORE PTE. LT	Other related party (Note 2)
Luxshare Precision (Ngee Ann) Company Limited.	Other related party (Note 2)
Taiwan Reading Culture Foundation	Other related party (Note 3)

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

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

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

(2) Significant related party transactions

A. Operating revenue

	Years ended December 31,	
	2024	2023
Sales of goods:		
Luxshare Precision Singapore PTE.LT	$ 1,093,244	$ 36,401
Luxshare Precision Limited	175,585	279,638
Other related party	34,894	3,055
Affiliated company	13,177	9,622
Total	$ 1,316,900	$ 328,716

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.

B. Purchases

	Years ended December 31,	
	2024	2023
Purchases of goods		
MECE	$ 10,225,885	$ 9,439,736
MECH	4,785,774	4,479,454
Affiliated company	1,349,117	121,965
Other related party	612,433	100,759
Total	$ 16,973,209	$ 14,141,914

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 once a year. 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

	December 31, 2024	December 31, 2023
Accounts receivable		
LUXSHARE PRECISION SINGAPORE PTE.LT	$ 440,299	$ 35,396
Other related party	32,101	119,250
Affiliated company	2,622	1,167
Total	$ 475,022	$ 155,813
Other receivables		
MECH	$ 305,794	$ 173,392
Affiliated company	1,391	194
Total	$ 307,185	$ 173,586

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

D. Payables to related parties

	December 31, 2024	December 31, 2023
Accounts payable		
MECE	$ 1,951,430	$ 2,000,045
MECH	616,296	551,324
Affiliated company	557,845	420,685
Other related party	210,394	51,063
Total	$ 3,335,965	$ 3,023,117
Other payables		
Affiliated company	$ 98,054	$ 65,660
Other related party	14,326	235
Total	$ 112,380	$ 65,895

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

E. Equipment payables

	Years ended December 31,	
	2024	2023
MECH	$ 3,172	$ -

F. Property transactions

(a) Acquisition of property, plant and equipment:

	Years ended December 31,	
	2024	2023
MECH	$ 2,913	$ 7,847
Other related party	387	441
Total	$ 3,300	$ 8,288

(b) Disposal of property, plant and equipment:

Year ended December 31, 2023: None.

	Years ended December 31,	
	2024	
	Disposal proceeds	Gain (loss) on disposal
MECH	$ 102	$ 9

G. Other income

	Years ended December 31,	
	2024	2023
Luxshare CO., Ltd	$ -	$ 157,006

Other revenue is the billing to Luxshare CO., Ltd. For the compensation, it was fully collected.

(3) Key management compensation

	Years ended December 31,	
	2024	2023
Salaries and other short-term employee benefits	$ 149,898	$ 98,379
Post-employment benefits	204	199
Share-based payments	17,746	31,997
	$ 167,848	$ 130,575

8. PLEDGED ASSETS

	Book value		
Pledged asset	December 31, 2024	December 31, 2023	Purpose
Property, plant and equipment	$ 138,972	$ 141,272	Long-term borrowings

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

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

	December 31, 2024	December 31, 2023
Property, plant and equipment	$ 456,503	$ 20,752
Intangible assets	1,370	3,056
	$ 457,873	$ 23,808

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Refer to Note 6(20)F. for details of the appropriation of 2024 retained earnings.

12. OTHERS

(1) Capital management

The Company's capital management is to ensure it has sufficient financial resource and operating plans to meet operational capital for future needs, capital expenditure, research and development expense, obligation repayment and dividend distribution within the next year.

The Company monitors capital by reassessing debt ratios periodically. The debt ratios as at December 31, 2024 and 2023 were as follows:

	December 31, 2024	December 31, 2023
Total debt	$ 19,926,554	$ 19,128,870
Total assets	39,119,921	32,611,193
Debt ratio	51%	59%

(2) Financial instruments

A. Financial instruments by category

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 699,551	$ 602,408
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ 338,120	$ 474,729

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets at amortised cost/Loans and receivables		
Cash and cash equivalents	$ 8,586,894	$ 5,526,722
Financial assets at amortised cost	639,409	935,966
Accounts receivable (including due from related parties)	11,709,469	9,380,288
Other receivables (including due from related parties)	382,903	342,776
Guarantee deposits paid	52,989	54,496
	$ 21,371,664	$ 16,240,248
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	$ -	$ 1,726
Short-term borrowings	366,659	1,133,099
Accounts payable (including payable to related parties)	10,423,379	8,539,418
Other accounts payable (including payable to related parties)	1,718,469	1,451,829
Lease liabilities	116,138	173,020
Corporate bonds payable	2,856,278	2,982,261
Long-term borrowings (including those maturing within one year)	525,402	1,449,356
Gurantee deposits received	10,214	7,643
	$ 16,016,539	$ 15,738,352

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 are 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 currency, primarily with respect to the USD, RMB and HKD. Foreign exchange risk arises from

future commercial transactions and recognized assets and liabilities.

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

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

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

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(Foreign currency: functional currency)	December 31, 2024 Book value Foreign currency amount (In thousands)	Exchangerate	(NTD)	December 31, 2023 Book value Foreign currency amount (In thousands)	Exchangerate	(NTD)
Financial assets						
Monetary items						
Cash in banks						
USD : NTD	$ 83,092	32.79	$ 2,724,171	$ 43,711	30.71	$ 1,342,146
RMB : NTD	120,375	4.48	539,039	93,720	4.33	405,526
USD : HKD	2,212	7.77	72,520	939	7.81	28,832
USD : RMB	25,231	7.32	827,198	8,831	7.10	271,156
USD : THB	2,099	34.07	68,816	13,868	34.05	425,817
Receivables						
USD : HKD	$ 175	7.77	$ 5,737	$ 2,247	7.81	$ 68,994
USD : NTD	300,448	32.79	9,850,187	310,381	30.71	9,530,242
USD：RMB	98,332	7.32	3,223,815	106,964	7.10	3,284,330
USD：THB	45,321	34.07	1,485,849	29,547	34.05	907,241
RMB : NTD	44,100	4.48	197,480	-	-	-
Non-monetary items						
Investments Accounted for Using Equity Method						
USD：NTD	$ 111,801	32.79	$ 3,665,410	$ 106,814	30.71	$ 3,279,717
HKD：NTD	326,313	4.22	1,377,693	327,174	3.93	1,285,465
RMB：NTD	3,635	4.48	16,278	101,360	4.43	438,585
Financial liabilities						
Non-monetary items						
Bank loan						
RMB：NTD	$ 54,064	4.48	$ 242,097	$ 61,620	4.33	$ 266,630
Payables						
RMB：NTD	$ 237,938	4.48	$ 1,065,486	$ 255,054	4.33	$ 1,103,619
USD：NTD	287,092	32.79	9,412,311	245,114	30.71	7,526,225
USD：RMB	46,072	7.32	1,510,471	43,357	7.10	1,331,277

(Foreign currency: functional currency)	December 31, 2024 Sensitivity analysis Degree of variation	Effects on profit or loss	Effect on other comprehensive income	December 31, 2023 Sensitivity analysis Degree of variation	Effects on profit or loss	Effect on other comprehensive income
Financial assets						
Monetary items						
Cash in banks						
USD : NTD	3%	$ 81,725	$ -	3%	$ 40,264	$ -
RMB : NTD	3%	16,171	-	3%	12,166	-
USD : HKD	3%	2,176	-	3%	865	-
USD : RMB	3%	24,816	-	3%	8,135	-
USD : THB	3%	2,064	-	3%	12,775	-
Receivables						
USD : HKD	3%	$ 172	$ -	3%	$ 2,070	$ -
USD：NTD	3%	295,506	-	3%	285,907	-
USD：RMB	3%	96,714	-	3%	98,530	-
USD：THB	3%	44,575	-	3%	27,217	-
RMB : NTD	3%	5,924	-	3%	-	-
Non-monetary items						
Investments Accounted for Using Equity Method						
USD：NTD	3%	$ -	$ 109,962	3%	$ -	$ 98,392
HKD：NTD	3%	-	41,331	3%	-	38,564
RMB：NTD	3%	-	488	3%	-	13,158
Financial liabilities						
Non-monetary items						
Bank loan						
RMB：NTD	3%	$ 7,263	$ -	3%	$ 7,999	$ -
Payables						
RMB：NTD	3%	$ 31,965	$ -	3%	$ 33,109	$ -
USD：NTD	3%	282,369	-	3%	225,787	-
USD：RMB	3%	45,314	-	3%	39,938	-

Total exchange gain (loss), including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2024 and 2023, amounted to a gain of $372,901 thousand and a loss of $25,335 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 years ended December 31, 2024 and 2023 would have increased/decreased by $1,292 thousand and $1,375 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 $10,144 thousand and $14,242 thousand, respectively.

Cash flow and fair value Interest rate risk

i. The Group's borrowings and investment in debt instruments are measured at amortized cost, fair value through profit or loss and fair value through other comprehensive income. 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 years ended December 31, 2024 and 2023 would have increased/decreased by $1,784 thousand and $5,165 thousand, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

iii. If the debt instruments interest rate had increased/decreased by 0.25% with all other variables held constant, profit (loss), net of tax for the years ended December 31, 2024 and 2023 would have increased/decreased by $1,297 thousand and $787 thousand, respectively. The main factor is that changes in interest expense result in floating-rate debt instruments.

(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 credit rating of customer. 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. As of December 31, 2024 and 2023, the provision matrix is as follows:

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

December 31, 2023	Expected loss rate	Total book value	Loss allowance
Not past due	0.03%	$ 9,169,410	$ 2,843
Up to 30 days	3.32%	58,076	1,928
31~90 days	30.57%	2,535	775
91~180 days	100.00%	52	52
Over 180 days	100.00%	11,241	11,241
		$ 9,241,314	$ 16,839

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

	2024	2023
	Accounts receivable	Accounts receivable
At January 1	$ 16,839	$ 21,447
Reversal of impairment loss	-	(3,740)
Provision for impairment	28,594	-
Effect of foreign exchange	(775)	(868)
At December 31	$ 44,658	$ 16,839

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

	December 31, 2024	December 31, 2023
	Lifetime	Lifetime
	12 months	12 months
Financial assets measured at amortized cost		
Group 1	$ 589,409	$ 935,966
Group 2	50,000	-
	$ 639,409	$ 935,966

Group 1: Time deposits designated as investment grade.

Group 2: Debt instruments designated as investment grade

(c) Liquidity risk

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

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

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

iv. The Group has $16,200,084 thousand and $15,214,533 thousand in undrawn borrowing facilities as of December 31, 2024 and 2023, respectively.

December 31, 2024	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Non-derivative financial liabilities						
Short-term borrowings	$ 19,154	$ 351,284	$ -	$ -	$ -	$ 370,438
Accounts payable	5,761,635	1,325,779	-	-	-	7,087,414
Accounts payable -related parties	3,203,511	132,454	-	-	-	3,335,965
Other payables (including related parties)	1,400,893	317,576	-	-	-	1,718,469
Lease liabilities	23,407	33,654	26,956	37,236	7,071	128,324
Bonds payable	-	-	-	3,000,000	-	3,000,000
Long-term borrowings	91,283	203,558	177,578	18,494	62,253	553,166

December 31, 2023	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Non-derivative financial liabilities						
Short-term borrowings	$ 806,999	$ 335,431	$ -	$ -	$ -	$ 1,142,430
Accounts payable	4,420,705	1,095,596	-	-	-	5,516,301
Accounts payable -related parties	2,514,213	508,904	-	-	-	3,023,117
Other payables (including related parties)	1,345,409	106,420	-	-	-	1,451,829
Lease liabilities	22,026	59,943	50,440	40,457	13,462	186,328
Bonds payable	-	2,999,900	-	-	-	2,999,900
Long-term borrowings	109,542	371,473	405,080	546,398	98,287	1,530,780
Derivative financial liabilities						
Forward exchange contracts	1,726	-	-	-	-	1,726

(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 take 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.

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

	December 31, 2023			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 2,982,261	$ -	$ 2,972,536	$ -

(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 as at December 31, 2024 and 2023 is as follows:

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

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
-Equity securities	$ -	$ -	$ 45,828	$ 45,828
-Bonds investments	-	-	280,000	280,000
-Forward exchange contracts	-	13,166	-	13,166
-Fund	245,574	-	-	245,574
-Stock	17,840	-	-	17,840
Financial assets at fair value through other comprehensive income				
-Equity securities	105,206	-	369,523	474,729
Total	$ 368,620	$ 13,166	$ 695,351	$1,077,137

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

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

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

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

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

vi. 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 years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2

F. The following chart is the movement of Level 3 for the years ended December 31, 2024 and 2023:

	Years ended December 31,	
	2024	2023
At January 1	$ 695,351	$ 704,167
Added in the year	-	20,000
Sold in the year	(280,000)	-
Transferred to investments accounted for using the equity method	(124,604)	-
Losses recognised in profit or loss	(2,152)	(1,456)
Losses recognised in other comprehensive income	(12,710)	(27,360)
At December 31	$ 275,885	$ 695,351

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 December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Nonderivative equity instrument:					
Equity securities	$ 158,009	Market comparable companies	Price to book ration multiple	1	The higher the multiplier, the higher the fair value
Private equity funds in venture capital	43,075	Net asset value	N/A	N/A	N/A
Private placement shares (listed companies)	74,201	Market price method	Discount for lack of marketability	34.10%	The higher the discount for marketability, the lower the fair value

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Call options of convertible bonds	600	Binary tree convertible bond valuation model	Risk-free interest rate	1.4456%~ 1.4472%	The higher the risk-free interest rate, the lower the fair value
			Stock price	108.0	The higher the stock price, the higher the fair value
			Volatility	32.85%	The higher the stock price volatility, the higher the fair value

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Nonderivative equity instrument:					
Equity securities	$ 136,887	Market comparable companies	Price to book ration multiple	1	The higher the multiplier, the higher the fair value
Private equity funds in venture capital	45,828	Net asset value	N/A	N/A	N/A
Private placement shares (listed companies)	232,636	Market price method	Discount for lack of marketability	15.57%~41.45%	The higher the discount for marketability, the lower the fair value
Nonderivative debt instrument:					
Convertible bonds	$ 280,000	Discounted cash flow method	Discount rate	-	The higher the discount rate, the lower the fair value

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

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

			December 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity securities	Price to book ratio multiple	±10%	$ -	$ -	$ 13,689	($ 13,689)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

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

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

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

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: Please refer to table 4.

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

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 5.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 6.

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

J. Significant inter-company transactions during the reporting periods: Purchases or sales of goods from or to related parties reaching $100 million or more: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 9.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 10.

(4) Major shareholders information

Major shareholders information: None.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. Business organization is divided into Taiwan, Shenzhen, Singapore, Vietnam 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 year ended December 31, 2024 is as follows:

	Taiwan	Shenzhen	Singapore	Vietnam	Total
Revenue					
Revenue from external customers	$ 33,048,803	$ 349,197	$ 8,052,895	$ 1,269,597	$ 42,720,492
Inter-segment revenue	14,488	12,018,253	2,695	5,092,687	17,128,123
Revenue total	$ 33,063,291	$ 12,367,450	$ 8,055,590	$ 6,362,284	$ 59,848,615
Segment profit before tax	$ 2,629,932	$ 397,472	$ 771,781	$ 693,629	$ 4,492,814
Segment profit contains：					
Interest revenue	$ 129,009	$ 56,335	$ 54,449	$ 1,743	$ 241,536
Interest expense	(65,745)	(8,291)	(395)	(9,417)	(83,848)
Depreciation & amortization	(72,510)	(372,514)	(6,547)	(170,228)	(621,799)
Income tax (expense) benefit	(486,674)	14,112	(131,132)	(83,394)	(687,088)
Recognized investment profit which is adopting equity method	2,079,348	(268)	383	-	2,079,463

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 year ended December 31, 2023 is as follows:

	Taiwan	Shenzhen	Singapore	Vietnam	Total
Revenue					
Revenue from external customers	$ 26,663,686	$ 323,867	$ 8,364,498	$ 316,039	$ 35,668,090
Inter-segment revenue	38,069	9,740,409	-	2,498,732	12,277,210
Revenue total	$ 26,701,755	$ 10,064,276	$ 8,364,498	$ 2,814,771	$ 47,945,300
Segment profit before tax	$ 1,627,212	$ 205,676	$ 853,467	$ 229,982	$ 2,916,337
Segment profit contains：					
Interest revenue	$ 74,498	$ 33,513	$ 21,931	$ 2,201	$ 132,143
Interest expense	(60,738)	(13,399)	(582)	(13,347)	(88,066)
Depreciation & amortization	(98,501)	(458,920)	(6,876)	(161,635)	(725,932)
Income tax (expense) benefit	(306,894)	(30,987)	(132,093)	(418)	(470,392)
Recognized investment profit which is adopting equity method	1,389,335	(714)	(7,630)	-	1,380,991

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) before tax, which is used as a basis for the Group in assessing the performance of the operating segments.

(4) Reconciliation for segment income (loss)

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

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

	Years ended December 31,	
	2024	2023
Adjusted revenue from reportable segments	$ 59,848,615	$ 47,945,300
Adjusted revenue from other operating segments	7,553,674	6,183,465
Total operating segments	67,402,289	54,128,765
Elimination of inter-segment revenue	(23,546,935)	(17,438,382)
Total consolidated operating revenue	$ 43,855,354	$ 36,690,383

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

	Years ended December 31,	
	2024	2023
Adjusted income from reportable segments after income tax	$ 4,492,814	$ 2,916,337
Adjusted income (loss) from other operating segments after income tax	228,452	34,684
Total operating segments	4,721,266	2,951,021
Elimination of inter-segment income	(1,570,654)	(1,065,526)
Income from continuing operations after income tax	$ 3,150,612	$ 1,885,495

(5) Information on products and services

Revenues from external customers are mainly manufacturing, processing, repairing and sales of radio apparatus, communication devices, consumer electronics, automatic control system, electronic security systems and fire protection system as well as electronic components; planning, design as well as output of service items' equipment; production as well as marketing management consultant of service items' relevant business. Details of revenue are as follows:

	Years ended December 31,	
	2024	2023
Finished goods sales revenue	$ 43,845,585	$ 36,680,126
Technical service revenue	9,769	10,257
	$ 43,855,354	$ 36,690,383

(6) Geographical information

Geographical information for the years ended December 31, 2024 and 2023 is as follows:

	Year ended December 31, 2024		Year ended December 31, 2023	
	Revenue	Non-current assets	Revenue	Non-current assets
US	$ 22,289,538	$ 872	$ 17,314,529	$ 707
Netherlands	9,052,579	-	8,706,365	-
Switzerland	5,266,176	-	3,704,526	-
Denmark	1,502,557	-	2,816,056	-
China	809,843	1,213,860	798,039	1,503,483
Taiwan	508,227	1,562,521	575,871	1,563,840
Others	4,426,434	2,622,798	2,774,997	2,197,032
	$ 43,855,354	$ 5,400,051	$ 36,690,383	$ 5,265,062

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2024 and 2023 is as follows:

	Year ended December 31, 2024				Year ended December 31, 2023			
	Revenue	%	Segment		Revenue	%	Segment
A	$ 16,761,414	38	Taiwan	A	$ 13,300,819	36	Taiwan
B	10,418,837	24	Taiwan	B	10,343,958	28	Taiwan
C	5,207,624	12	Taiwan	C	3,707,467	10	Taiwan
	$ 32,387,875				$ 27,352,244		

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Loans to others

Year ended December 31, 2024

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 year ended December 31, 2024	Balance at December 31, 2024	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 1)	Note
													Item	Value			
0	MEHO	FUXM	Other receivables	Y	$ 60,000	$ -	$ -	-	2	$ -	Purchasing plant	$ -	-	$ -	$ 7,207,538	$ 18,018,845	
1	MESG	MENA	Other receivables	Y	131,140	-	-	-	2	-	Business operation	-	-	-	2,651,893	2,651,893	
1	MESG	MENA	Other receivables	Y	65,570	65,570	65,570	4.31	2	-	Business operation	-	-	-	2,651,893	2,651,893	
1	MESG	MENA	Other receivables	Y	131,140	131,140	77,045	4.35~ 4.83	2	-	Business operation	-	-	-	2,651,893	2,651,893	
1	MESG	SENM	Other receivables	Y	49,178	49,178	16,393	3.52	2	-	Business operation	-	-	-	2,651,893	2,651,893	
1	MESG	SENM	Other receivables	Y	32,785	32,785	16,393	4.64	2	-	Business operation	-	-	-	2,651,893	2,651,893	
2	MECL	ASCX	Other receivables	Y	35,824	-	-	-	2	-	Business operation	-	-	-	1,556,776	3,891,941	
2	MECL	ASCX	Other receivables	Y	35,824	35,824	11,195	3.35	2	-	Business operation	-	-	-	1,556,776	3,891,941	
2	MECL	FUXM	Other receivables	Y	58,214	58,214	58,214	3.45	2	-	Business operation	-	-	-	1,556,776	3,891,941	

Note 1: (1) The ceiling on MESG total loans to others is MESG's net assets; for short-term financing, the limit to a single party is 40% of MESG's net assets.
(2) The ceiling on MECL total loans to others is MESG's net assets; for short-term financing, the limit to a single party is 40% of MECL's net assets.
(3) For short-term financing between the Company's wholly-owned subsidiaries, limit on loans is not restricted. Limit on total loans granted to a single party is the net value of MESG.
(4) For the companies having business relationship with MESG and MECL, financial limit on loans granted to a single party shall not exceed the amount of business transactions occurred between the creditor and borrower.
(5) Limit on loans to FuliCare (Xiamen) Co., Ltd. ("FUXM") is 40% of the Company's net value for the needs of short-term financing.

Note 2: (1) Having business relationship with the Company, MESG and MECL.
(2) The needs for short-term financing.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

Year ended December 31, 2024

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount for the year ended December 31, 2024	Outstanding endorsement/ guarantee amount at December 31, 2024	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 4)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	MEHO	MENA	2	$ 14,415,076	$ 85,241	$ -	$ -	$ -	0.00%	$ 18,018,845	Y	N	N	

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

(1)The Company is '0'.

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

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

(1)Having business relationship.

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

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

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

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

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2024

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer	General ledger account	As of December 31, 2024				Note
				Number of shares	Book value (in thousands)	Ownership (%)	Fair value (in thousands)	
The Company	Fund - 76324296A KGI Taiwan Multi-Asset Income Fund A TWD	-	Financial assets mandatorily measured at fair value through profit or loss - current	4,015	$ 40,190	-	$ 50,670	
The Company	Fund - UPAMC Wealthy Fund		Financial assets mandatorily measured at fair value through profit or loss - current	5,000	50,000	-	57,493	
The Company	Stock - Chailease Holding Company Limited		Financial assets mandatorily measured at fair value through profit or loss - current	4	485	-	439	
The Company	Stock - Foxtron Vehicle Technologies	-	Financial assets mandatorily measured at fair value through profit or loss - current	400	20,480	-	16,460	
The Company	Fund - UPAMC JAMES BOND MONEY MARKET Fund		Financial assets mandatorily measured at fair value through profit or loss - current	28,828	500,000	-	501,398	
MUTT	Fund - Taishin 1699 Money Market Fund		Financial assets mandatorily measured at fair value through profit or loss - current	1,542	21,449	-	21,813	
					632,604		$ 648,273	
			Valuation adjustment		15,669			
					$ 648,273			
The Company	Fund - JAFCO	-	Non-current financial assets mandatorily measured at fair value through profit or loss	870	$ 26,220	0.71%	$ 23,185	
The Company	Fund-WK Technology		Non-current financial assets mandatorily measured at fair value through profit or loss	2,000	20,000	1.78%	19,890	
					46,220		$ 43,075	
			Valuation adjustment		(3,145)			
					$ 43,075			
The Company	Stock - 2881B.TW	-	Equity instruments measured at fair value through other comprehensive income - current	683	$ 40,980	-	$ 41,322	
The Company	Stock - 2882B.TW	-	Equity instruments measured at fair value through other comprehensive income - current	585	35,100	-	35,158	
The Company	Stock - 5871A			300	30,000	-	29,430	
					106,080		$ 105,910	
			Valuation adjustment		(170)			
					$ 105,910			
The Company	Stock - 4943.TW		Equity instruments measured at fair value through other comprehensive income - non-current	7,712	$ 648,164	6.34%	$ 74,201	
The Company	Stock - FUJITER Semiconductor CO.,LTD.	-	Equity instruments measured at fair value through other comprehensive income - non-current	2,126	27,811	9.79%	17,027	
The Company	Stock - NETVOX TECHNOLOGY CO., LTD	-	Equity instruments measured at fair value through other comprehensive income - non-current	324	2,976	1.32%	-	
The Company	Stock - EVER THAI AGRI-PRODUCT CO.,LTD.	-	Equity instruments measured at fair value through other comprehensive income - non-current	683	6,425	4.64%	2,351	
The Company	Stock - SUNSINO SME Development Co., Ltd.	-	Equity instruments measured at fair value through other comprehensive income - non-current	169	2,123	0.36%	2,606	
The Company	Stock - LINSATION Intelligent Technology Limited	-	Equity instruments measured at fair value through other comprehensive income - non-current	75	8,772	6.19%	3,037	
The Company	Stock - MERRY FULING CO., LTD., TAIWAN BRANCH (SAMOA)	-	Equity instruments measured at fair value through other comprehensive income - non-current	356	10,437	19.00%	11,337	
					706,708		$ 110,559	
			Valuation adjustment		(596,149)			
					$ 110,559			
MEST	Stock - Perfect Fortune Inc.	-	Measured at fair value through other comprehensive income - non-current	2,126	$ 8,978	18.33%	$ 93,757	
MEST	Stock - LOYAL WIRE& CABLE COMPANY LTD.	-	Measured at fair value through other comprehensive income - non-current	1,159	8,654	18.33%	22,968	
ASCX	Stock - Beijing Wanling Hearing Aids	-	Measured at fair value through other comprehensive income - non-current	-	4,926	19.64%	4,926	
					22,558		$ 121,651	
			Valuation adjustment		99,093			
					$ 121,651			
The Company	Bond - P13 Fubon Life Insurance 1A	-	Financial assets at amortized cost – non-current	-	$ 50,000	-	$ 50,000	

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Acquisition of real estate reaching $300 million or 20% of paid-in capital or more
December 31, 2024

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner	Relationship between the original owner and the acquirer	Date of the original transaction	Amount			
METC	Plant	October 29, 2024	$ 538,000	$ 230,371	Booncharoensap Co. Ltd.	None	-	-	-	$ -	-	For operating use	-

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

Year ended December 31, 2024

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	total purchases (sales)	Credit term	Unit price	Credit term	Balance (Note 2)	notes/accounts receivable (payable)	Note
The Company	MECL	A subsidiary of the Company	Purchases	$ 11,026,896	25%	60~65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	($ 3,711,978)	36%	(Note 3)
The Company	MEVN	A subsidiary of the Company	Purchases	5,089,017	12%	60~65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(1,947,949)	19%	(Note 3)
The Company	MSCS	A subsidiary of the Company	Purchases	110,121	0%	60~65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(45,624)	0%	(Note 3)
The Company	MECH	Investment accounted for using the equity method	Purchases	4,615,142	11%	60~65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(591,514)	6%	
The Company	MECE	Investment accounted for using the equity method	Purchases	10,225,885	23%	60~65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(1,951,430)	19%	(Note 3)
METC	The Company	Parent Company	Purchases	3,663,126	8%	60~120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(1,490,410)	14%	(Note 3)
MESG	MECL	Parent Company	Purchases	1,027,973	2%	60~65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(177,756)	2%	(Note 3)
MESG	METC	Parent Company	Purchases	5,959,809	14%	60~120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(1,395,963)	13%	
MESG	MECH	Associates	Purchases	127,652	0%	60~65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	-	0%	
METC	DONPON	Associates	Purchases	744,871	2%	120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(262,657)	3%	
METC	SYNergy ScienTech Corp	Associates	Purchases	110,692	0%	120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(70,806)	1%	
MECL	DONPON	Associates	Purchases	397,326	1%	120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(148,017)	1%	
MEVN	LUXSHARE PRECISION SINGAPORE PTE.LT	Associates	Sales	1,093,244	2%	60~120 days end of month after offsetting with accounts payable	(Note 1)	30~120 days end of month for the third parties	440,299	4%	
MEVN	Luxshare Precision Limited	Associates	Sales	175,585	0%	60~120 days end of month after offsetting with accounts payable	(Note 1)	30~120 days end of month for the third parties	21,375	0%	
MEVN	The Company	Parent Company	Purchases	545,829	1%	60~65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(166,021)	2%	(Note 3)

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Receivables from related parties reaching $100 million or 20% of paid-in capital or more

December 31, 2024

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance of accounts receivable due from related party		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 2)	Allowance for doubtful accounts	Note
			General ledger account	Amount		Amount	Action taken			
The Company	METC	A subsidiary of the Company	Other Receivable	$ 1,490,410	-	$ -	-	$ 911,436	$ -	(Note 1、3)
The Company	MEVN	A subsidiary of the Company	Other Receivable	166,021	-	-	-	86,816	-	(Note 1、3)
MECL	The Company	Parent Company	Accounts Receivable	3,711,978	3.12	-	-	1,603,599	-	(Note 1)
MECL	MESG	A subsidiary of the Company	Accounts Receivable	177,756	3.86	-	-	124,887	-	(Note 1)
METC	MESG	A subsidiary of the Company	Accounts Receivable	1,395,963	5.18	-	-	985,644	-	(Note 1)
MEVN	The Company	Parent Company	Accounts Receivable	1,947,949	3.41	-	-	1,163,577	-	(Note 1)
MEVN	LUXSHARE PRECISION SINGAPORE PTE.LT	A other related party of the Group	Accounts Receivable	440,299	4.60	-	-	254,147	-	
The Company	MEST	A subsidiary of the Company	Other Receivable	218,903	-	-	-	201,603	-	(Note 1、3)
MEST	MECH	Investment accounted for using the equity method	Other Receivable	201,603	-	-	-	201,603	-	(Note 3)
MESG	MENA	A subsidiary of the Company	Other Receivable	142,615	-	-	-	-	-	(Note 1、3)

Note 1: Inter-company transactions between companies within the Group are eliminated.
Note 2: The balance was as at February 26, 2025.
Note 3: The amount comprises other receivables and thus, the turnover rate is not calculated.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Significant inter-company transactions during the reporting periods

Year ended December 31, 2024

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	MEHO	MECL	1	Purchases	$ 11,026,896	The price is based on the profitability of the product	25%
0	MEHO	MECL	1	Accounts payable	3,711,978	60~65 days end of month after offsetting with accounts receivable	9%
0	MEHO	MEVN	1	Purchases	5,089,017	The price is based on the profitability of the product	12%
0	MEHO	MEVN	1	Accounts payable	1,947,949	60~65 days end of month after offsetting with accounts receivable	5%
0	MEHO	MSCS	1	Purchases	110,121	The price is based on the profitability of the product	0%
0	MEHO	MSCS	1	Accounts payable	45,624	60~65 days end of month after offsetting with accounts receivable	0%
1	METC	MEHO	2	Purchases	3,663,126	The price is based on the profitability of the product	8%
1	METC	MEHO	2	Accounts payable	1,490,410	60~120 days end of month after offsetting with accounts receivable	4%
2	MEVN	MEHO	2	Purchases	545,829	The price is based on the profitability of the product	1%
2	MEVN	MEHO	2	Accounts payable	166,021	60~65 days end of month after offsetting with accounts receivable	0%
3	MESG	MECL	3	Purchases	1,027,973	The price is based on the profitability of the product	2%
3	MESG	MECL	3	Accounts payable	177,756	60~65 days end of month after offsetting with accounts receivable	0%
3	MESG	METC	3	Purchases	5,959,809	The price is based on the profitability of the product	14%
3	MESG	METC	3	Accounts payable	1,395,963	60~65 days end of month after offsetting with accounts receivable	4%

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
Year ended December 31, 2024

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024			Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognised by the Company for the year ended December 31, 2024	Note
				Balance as at December 31, 2024	Balance as at December 31, 2023	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%	$ 5,427,109	$ 690,145	$ 683,230	(Note 1)
The Company	DDBV	British Virgin IS.	General investment business	1,479,925	1,479,925	48,005	100.00%	3,665,620	224,429	251,049	(Note 1)
The Company	LEOHAB ENTERPRISE CO.,LTD.	Taichung City	Plastic injection molding and metal stamping	79,689	79,689	4,036	13.81%	76,954	213,773	36,985	
The Company	DONPON PRECISION INC.	Taoyuan City	Various plastic products, mold manufacturing and processing and trading business	386,010	386,010	19,723	15.31%	482,410	251,080	39,291	(Note 1)
The Company	SYNergy ScienTech Corp	Hsinchu City	Research, development, manufacture and sale of secondary lithium batteries	135,869	-	7,300	7.79%	136,149	9,571	851	(Note 1)
The Company	MECA	U.S.A	Technique, marketing and after service	28,887	28,887	999	99.90%	37,730	125	125	
The Company	MESG	SINGAPORE	Sales of microphone, receiver and speaker	92,132	92,132	800	100.00%	2,651,893	640,649	640,649	
The Company	METC	THAILAND	Microphone, components and product and sale of other electric products	484,358	484,358	5,060	99.99%	1,183,631	246,485	247,690	(Note 1)
The Company	MHKY	CAYMAN	General investment business	857,946	857,946	27,992	100.00%	301,700	11,814	11,814	
The Company	INSA	SAMOA	General investment business	1,293,008	1,293,008	302	100.00%	309,136	(157,496)	(157,496)	
The Company	MEVN	VIETNAM	Manufacture of microphone and speaker	366,710	366,710	-	51.00%	1,154,813	610,235	296,582	(Note 1)
The Company	MUTT	New Taipei City	Electrical appliances and audiovisual electronic products	30,600	30,600	3,060	51.00%	12,861	(6,165)	(3,144)	
The Company	MCTT	Taichung City	General investment business	8,000	8,000	800	100.00%	10,660	2,233	2,233	
The Company	MAC FUND	Taipei City	General investment business	149,333	123,733	-	42.67%	156,199	38,581	16,462	
MESG	MEMP	Malaysia	Research and development of microphone, receiver and speaker	15,969	15,969	2,400	100.00%	9,656	383	-	(Note 2)
MCTT	MAC FUND	Taipei City	General investment business	3,500	2,900	-	1.00%	3,662	38,581	385	
DDBV	MTHK	HONG KONG	General investment business	1,392,956	1,392,956	48,000	100.00%	3,665,410	224,429	-	(Note 2)
MHKY	FUSA	SAMOA	General investment business	795,943	795,943	27,160	96.01%	304,959	11,906	-	(Note 2)
INSA	MENA	CANADA	Sale and development of speaker and power amplifier	92,445	92,445	56,954	100.00%	(80,069)	(131,276)	-	(Note 2)
MENA	SENM	NORWAY	Manufacture and sales of speaker monomer	23	23	-	100.00%	47,519	6,496	-	(Note 2)

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Information on investees in Mainland China

Year ended December 31, 2024

Table 9

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, 2024	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the year ended December 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net income of investee for the year ended December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2024	Book value of investments in Mainland China as of December 31, 2024 (Note 4)	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Note
					Remitted to Mainland China	Remitted back to Taiwan							
MEDG	Research and development of sound equipment, earphones, mobile power supply, charging box, cable, connector, electronic components, plastic hardware,	$ 895,600	(Note 1)	$ 452,564	$ -	($ 452,564)	$ -	$ 5,473	49.00%	$ 2,682	$ -	$ -	(Note 5)
MSCS	Manufacture of speaker and amplifier	154,816	(Note 1)	110,497	-	-	110,497	10,346	100.00%	10,346	148,143	-	
MECL	Microphone, receiver, speaker, security system, induction cooker and other electronic component	426,950	(Note 2)	453,191	-	-	453,191	411,584	100.00%	411,584	3,891,941	2,282,120	(Note 3)
MECE	Manufacture and sales of microphone, receiver and speaker	2,802,059	(Note 2)	1,369,285	-	-	1,369,285	458,013	49.00%	251,048	3,665,410	295,185	(Note 3)
MECS	International trade, transit trade and trading consulting; trading amongst companies in bonded area and trading agency in the area	7,432	(Note 2)	6,055	-	-	6,055	1	49.00%	-	-	40,321	(Note 5)
MECH	Manufacture and sales of microphone, receiver, speaker and mobile phone	455,232	(Note 2)	420,687	-	-	420,687	586,519	49.00%	269,558	1,377,693	213,003	(Note 3)
FUSZ	Manufacture of medical device	287,413	(Note 2)	310,763	-	-	310,763	(2,309)	96.01%	(2,216)	242,789	-	(Note 3)
ETCX	Retail sales of hearing products	20,151	(Note 2)	19,009	-	-	19,009	(6,817)	96.01%	(6,545)	(38,415)	-	(Note 3)
ASCX	Manufacture and sales of hearing aid, hearing device and acoustics equipment	117,490	(Note 2)	315,461	-	-	315,461	38,296	95.53%	36,584	57,880	-	(Note 3)

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Information on investees in Mainland China

Year ended December 31, 2024

Table 9

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, 2024	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the year ended December 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net income of investee for the year ended December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2024	Book value of investments in Mainland China as of December 31, 2024 (Note 4)	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Note
					Remitted to Mainland China	Remitted back to Taiwan							
FUXM	Sales of medical device	$ 311,817	(Note 2)	$ 302,995	$ -	$ -	$ 302,995	$ 2,863	96.01%	$ 2,749	$ 27,334	$ -	(Note 3)
DONG GUAN GET PINK	Manufacture and sales of earphones and speaker	70,529	(Note 2)	-	-	-	-	(929)	33.00%	(268)	16,278	-	(Note 3)

Note 1: Reinvesting in the investee in Mainland China through the parent company.
Note 2: Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
Note 3: The financial statements that are audited and attested by R.O.C. parent company's CPA.
Note 4: The amount in the table is translated into New Taiwan dollars at the closing exchange rates prevailing at the balance sheet date.
Note 5: Please refer to Note 6 (7).

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Merry Electronics Co., Ltd.	$ 3,307,943	$ 4,178,588	$ 10,811,307

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

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

Year ended December 31, 2024

Table 10

Expressed in thousands of NTD
(Except as otherwise indicated)

		Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
Investee in Mainland China	Counterparty	Amount	%	Amount	%	Balance at December 31, 2024	%	Balance at December 31, 2024	Purpose	Maximum balance during the year ended December 31, 2024	Balance at December 31, 2024	Interest rate	Interest during the year ended December 31, 2024	Others
MECL	MEHO	($ 11,026,896)	25%	$ -	-	($ 3,711,978)	36%	$ -	-	$ -	$ -	-	$ -	-
MECL	MESG	(1,027,973)	2%	-	-	(177,756)	2%	-	-	-	-	-	-	-
MECE	MEHO	(10,225,885)	23%	-	-	(1,951,430)	19%	-	-	-	-	-	-	-
MECH	MEHO	(4,615,142)	11%	-	-	(591,514)	6%	-	-	-	-	-	-	-
MECH	MESG	(127,652)	0%	-	-	-	0%	-	-	-	-	-	-	-
MSCS	MEHO	(110,121)	0%	-	-	(45,624)	0%	-	-	-	-	-	-	-