MERRY ELECTRONICS CO., LTD.

PARENT COMPANY ONLY 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 parent company only balance sheets of Merry Electronics Co., Ltd. (the "Company") as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

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 parent company only financial statements* section of our report. We are independent of the Company 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 judgement, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The key audit matters in relation to the parent company only financial statements for the year ended December 31, 2024 are outlined as follows:

Cut-off on sales revenue from distribution warehouse

Description

Refer to Note 4 (29) for accounting policy on revenue recognition.

The Company recognizes revenue upon delivery of goods or pick-up of goods (the transfer of control of ownership) by customers at warehouse. Warehouse sales revenue constitutes 31% of total operating revenue for the year ended December 31, 2024. The Company's revenue recognition is based on inventory movement records of warehouse 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 warehouse 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 Company'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 warehouse recognized during a specific period before and after the period-end, including verifying delivery schedule of distribution warehouse 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.

Investments accounted for using equity method - valuation of inventories

Description

Refer to Note 4(12) 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$1,510,064 thousand and NT$79,892 thousand, respectively.

The Company receives orders from customers and the subsidiaries are tasked to manufacture the products. The subsidiaries (shown as investments accounted for using equity method) have a high risk of incurring inventory valuation loss and 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 of the subsidiaries (shown as investments accounted for using equity method) 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 inventory, 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 the other auditors

We did not audit the financial statements of certain consolidated subsidiaries and 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 auditors, and our opinion expressed herein is based solely on reports of the other auditors. The balance of these investments accounted for under equity method amounted to NT$559,364 thousand and NT$480,811 thousand, constituting 1.56% and 1.61% of total assets as of December 31, 2024 and 2023, respectively, and comprehensive income (loss) was NT$94,598 thousand and (NT$5,001) thousand, constituting 3.66% and (0.43%) of total comprehensive income for the years then ended.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 Company 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 Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only 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 parent company only 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 Company'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 Company'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 parent company only 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 Company to cease to continue as a going concern.

E. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only 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 Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 parent company only 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 parent company only 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 parent company only 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.
PARENT COMPANY ONLY 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)	$ 6,145,347	17	$ 2,510,496	8
1110	Financial assets at fair value through profit or loss - current	6(2)	634,663	2	524,580	2
1120	Financial assets at fair value through other comprehensive income - current	6(3)	105,910	-	105,206	-
1170	Accounts receivable, net	6(4)(5)	8,008,238	23	6,909,818	23
1180	Accounts receivable - related parties	7(2)	398	-	5,624	-
1200	Other receivables		40,827	-	141,864	1
1210	Other receivables - related parties	7(2)	1,721,820	5	2,638,436	9
130X	Inventories, net	6(6)	1,430,172	4	1,236,568	4
1410	Prepayments		106,808	-	88,509	-
1470	Other current assets		7,810	-	10,791	-
11XX	**Total current assets**		18,201,993	51	14,171,892	47
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	6(2)	43,075	-	45,828	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	110,559	-	270,021	1
1535	Non-current financial assets at amortised cost		50,000	-	-	-
1550	Investments accounted for under equity method	6(7)	15,755,008	44	13,690,685	46
1600	Property, plant and equipment, net	6(8)	1,366,897	4	1,360,514	5
1755	Right-of-use assets		9,085	-	3,360	-
1780	Intangible assets	6(9)	184,986	1	194,340	1
1840	Deferred income tax assets	6(27)	80,623	-	106,762	-
1990	Other non-current assets, others		1,553	-	5,626	-
15XX	**Total non-current assets**		17,601,786	49	15,677,136	53
1XXX	**Total assets**		$ 35,803,779	100	$ 29,849,028	100

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MERRY ELECTRONICS CO., LTD.
PARENT COMPANY ONLY 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(11)	$ -	-	$ 790,000	3
2120	Financial liabilities at fair value through profit or loss - current	6(2)	-	-	1,726	-
2130	Current contract liabilities	6(21)	296,018	1	282,209	1
2170	Accounts payable		1,854,867	5	1,358,309	5
2180	Accounts payable - related parties	7(2)	8,264,990	23	6,964,294	23
2200	Other payables	6(12)	772,476	2	724,126	2
2220	Other payables - related parties	7(2)	104,741	-	207,436	1
2230	Current income tax liabilities		83,903	-	303,215	1
2320	Long-term liabilities, current portion	6(13)(14)	189,914	1	3,341,619	11
2399	Other current liabilities, others		581,061	2	366,941	1
21XX	**Total current liabilities**		12,147,970	34	14,339,875	48
	Non-current liabilities					
2527	Non-current contract liabilities	6(21)	462,049	1	590,487	2
2530	Corporate bonds payable	6(13)	2,856,278	8	-	-
2540	Non-current portion of non-current borrowings	6(14)	165,191	1	755,105	3
2570	Deferred income tax liabilities	6(27)	2,123,372	6	1,505,933	5
2640	Accrued pension liabilities	6(15)	23,888	-	36,054	-
2670	Other non-current liabilities		6,186	-	327	-
25XX	**Total non-current liabilities**		5,636,964	16	2,887,906	10
2XXX	**Total liabilities**		17,784,934	50	17,227,781	58
	Equity					
	Share capital	6(17)				
3110	Share capital - common stock		2,534,914	7	2,193,163	7
	Capital surplus	6(18)				
3200	Capital surplus		8,422,431	23	4,872,974	16
	Retained earnings	6(19)				
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	12	3,583,885	12
	Other equity interest	6(20)				
3400	Other equity interest		(768,252)	(2)	(1,209,351)	(4)
3XXX	**Total equity**		18,018,845	50	12,621,247	42
3X2X	**Total liabilities and equity**		$ 35,803,779	100	$ 29,849,028	100

The accompanying notes are an integral part of these parent company only financial statements.

MERRY ELECTRONICS CO., LTD.
PARENT COMPANY ONLY 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(21) and 7	$ 33,063,291	100	$ 26,701,755	100
5000	Operating costs	6(6) and 7	(31,065,212)	(94)	(24,858,294)	(93)
5900	Net operating margin		1,998,079	6	1,843,461	7
	Operating expenses	6(25)(26)				
6100	Selling expenses		(260,669)	(1)	(229,217)	(1)
6200	General and administrative expenses		(648,687)	(2)	(567,116)	(2)
6300	Research and development expenses		(877,280)	(2)	(818,554)	(3)
6450	Expected credit impairment gain (loss)	12(2)	2,355	-	(1,123)	-
6000	Total operating expenses		(1,784,281)	(5)	(1,616,010)	(6)
6900	Operating profit		213,798	1	227,451	1
	Non-operating income and expenses					
7100	Interest income	6(22)	129,009	-	74,498	-
7010	Other income	6(23) and 7	99,144	-	99,942	-
7020	Other gains and losses	6(24)	174,377	1	(103,276)	-
7050	Finance costs		(65,745)	-	(60,738)	-
7070	Share of profit of associates and joint ventures accounted for using equity method	6(7)	2,079,349	6	1,389,335	5
7000	Total non-operating income and expenses		2,416,134	7	1,399,761	5
7900	**Profit before income tax**		2,629,932	8	1,627,212	6
7950	Income tax expense	6(27)	(486,674)	(1)	(306,894)	(1)
8200	**Profit for the year**		$ 2,143,258	7	$ 1,320,318	5
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial losses on defined benefit plans	6(15)	$ 6,637	-	($ 6,348)	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	6(3)(20)	(22,889)	-	4,100	-
8330	Share of other comprehensive loss of associates and joint ventures accounted for using equity method		9,708	-	3,246	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	(1,327)	-	1,269	-
8310	Other comprehensive loss 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	Exchange differences on translation	6(20)	366,104	1	(98,016)	(1)
8367	Unrealized gains from investments in debt instruments measured at fair value through other comprehensive income	6(3)(20)	-	-	2,687	-
8380	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method	6(20)	191,851	-	(94,837)	-
8399	Income tax relating to the components of other comprehensive income	6(20)(27)	(111,935)	-	38,261	-
8360	Other comprehensive (loss) income that will be reclassified to profit or loss		446,020	1	(151,905)	(1)
8300	**Other comprehensive income (loss) for the year**		$ 438,149	1	($ 149,638)	(1)
8500	**Total comprehensive income for the year**		$ 2,581,407	8	$ 1,170,680	4
	Earnings per share	6(28)				
9750	Basic earnings per share		$	9.26	$	6.16
9850	Diluted earnings per share		$	8.37	$	5.49

The accompanying notes are an integral part of these parent company only financial statements.

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

	Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Retained Earnings: Legal reserve	Retained Earnings: Special reserve	Retained Earnings: Unappropriated retained earnings	Financial statements translation differences of foreign operations	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
Profit for the year		-	-	-	-	1,320,318	-	1,320,318
Other comprehensive loss for the year	6(20)	-	-	-	-	(5,066)	(144,572)	(149,638)
Total comprehensive income (loss)	6(19)	-	-	-	-	1,315,252	(144,572)	1,170,680
Appropriation and distribution of 2022 retained earnings								
Legal reserve		-	-	146,458	-	(146,458)	-	-
Special reserve		-	-	-	19,256	(19,256)	-	-
Cash dividends		-	-	-	-	(981,235)	-	(981,235)
Convertible bonds converted into common shares	6(13)	10	90	-	-	-	-	100
Share-based payments	6(16)	15,326	125,063	-	-	-	(8,079)	132,310
Equity instruments at fair value through other comprehensive income reclassified to investments accounted for using equity method	6(3)	-	-	-	-	60,254	(60,254)	-
Recognition of change in equity of associates in proportion to the Group's ownership		-	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
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
Profit for the year		-	-	-	-	2,143,258	-	2,143,258
Other comprehensive income for the year		-	-	-	-	5,418	432,731	438,149
Total comprehensive income	6(19)	-	-	-	-	2,148,676	432,731	2,581,407
Appropriation and distribution of 2023 retained earnings								
Legal reserve		-	-	137,551	-	(137,551)	-	-
Special reserve		-	-	-	204,826	(204,826)	-	-
Cash dividends		-	-	-	-	(1,030,914)	-	(1,030,914)
Issuance of common stock		50,000	445,241	-	-	-	-	495,241
Proceeds from issuance of convertible bonds	6(13)	-	280,733	-	-	-	-	280,733
Convertible bonds converted into common shares	6(13)	285,593	2,707,409	-	-	-	-	2,993,002
Share-based payments	6(16)	6,158	104,701	-	-	-	(68,977)	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
Disposal of investments accounted for using equity	6(7)	-	(1,872)	-	-	-	22,058	20,186
Changes in ownership of subsidiaries		-	(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

The accompanying notes are an integral part of these parent company only financial statements.

MERRY ELECTRONICS CO., LTD.
PARENT COMPANY ONLY 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		$ 2,629,932	$ 1,627,212
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(25)	38,463	35,464
Depreciation expense - right-of-use assets	6(25)	3,854	4,143
Amortization	6(9)(25)	30,193	58,894
Expected credit impairment (gain) loss	12(2)	(2,355)	1,123
Impairment loss - non-financial assets	6(7)(24)	64,973	65,510
Finance costs		64,991	60,394
Interest expense - lease liability		754	344
Gain on financial assets or liabilities at fair value through profit or loss		(5,784)	(13,435)
Share of profit of associates and joint ventures accounted for using equity method	6(7)	(2,079,349)	(1,389,335)
Gain on disposal of property, plant and equipment	6(24)	258	-
Loss (gain) on disposal of investments	6(24)	15,469	(16,500)
Interest income	6(22)	(129,009)	(74,498)
Dividend income	6(3)(23)	(4,004)	(7,775)
Share-based payments	6(16)	62,123	132,310
Unrealized foreign exchange (gain) loss		(62,071)	114,538
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets (liabilities) at fair value through profit or loss		3,837	(8,878)
Accounts receivable		(627,346)	(977,283)
Accounts receivable - related parties		5,260	1,026
Other receivables		100,345	53,053
Other receivables - related parties		153,202	(382,972)
Inventories		(193,604)	1,405,641
Prepayments		(18,299)	(10,252)
Other current assets		4,325	(5,689)
Changes in operating liabilities			
Accounts payable		410,745	185,814
Accounts payable - related parties		886,579	(736,670)
Contract liabilities		(114,628)	(143,026)
Other payables		41,644	120,170
Other payables - related parties		(102,695)	(134,182)
Other current liabilities		213,961	128,658
Other non-current liabilities		(5,529)	(7,912)
Cash inflow generated from operations		1,386,235	85,887
Interest paid		(25,239)	(37,002)
Income taxes paid		(153,694)	(160,945)
Interest received		127,665	75,884
Dividend income		4,004	7,775
Net cash flows from (used in) operating activities		1,338,971	(28,401)

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MERRY ELECTRONICS CO., LTD.
PARENT COMPANY ONLY 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			
Increase in financial assets mandatorily measured at fair value through profit or loss		($ 518,485)	($ 140,480)
Decrease in financial assets mandatorily measured at fair value through profit or loss		412,874	-
Proceeds from disposal of financial assets at fair value through other comprehensive income		-	161,125
Decrease in financial assets at amortized cost - current		-	30,450
Decrease in financial assets at amortized cost - non - current		(50,000)	-
Acquisition of investments accounted for using equity method	6(7)	(25,600)	(483,584)
Proceeds from liquidated amount of investments accounted for using equity method	6(7)	439,576	-
Proceeds from disposal of investments accounted for using equity method	6(7)	-	243,600
Acquisition of property, plant and equipment	6(29)	(42,890)	(86,572)
Acquisition of intangible assets	6(29)	(16,207)	(11,890)
Earnings distribution accounted for using equity method	6(7)	21,088	-
Decrease in guarantee deposits paid		400	376
Recognition of dividends received from investments accounted for using equity method	6(7)	1,074,675	213,003
Net cash flows from (used in) investing activities		1,295,431	(73,972)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term borrowings	6(30)	(790,000)	(587,600)
Increase in long-term borrowings	6(30)	-	400,000
Decrease in long-term borrowings	6(30)	(759,358)	(291,346)
Proceeds from issuing bonds	6(13)	3,114,036	-
Cash dividends paid	6(30)	(1,030,914)	(981,235)
Repayment of principal portion of lease liabilities	6(30)	(4,315)	(4,470)
Redemption of corporate bonds	6(30)	(4,000)	-
Proceeds from issurance of shares	6(17)	475,000	-
Net cash flows from (used in) financing activities		1,000,449	(1,464,651)
Net increase (decrease) in cash and cash equivalents		3,634,851	(1,567,024)
Cash and cash equivalents at beginning of year		2,510,496	4,077,520
Cash and cash equivalents at end of year		$ 6,145,347	$ 2,510,496

The accompanying notes are an integral part of these parent company only financial statements.

MERRY ELECTRONICS CO., LTD.

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

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, repair, sales of electric appliances and audiovisual electric products, telecommunication equipment and apparatus, computers and computing peripheral equipments, restrained telecom radio frequency equipments, medical appliances, as well as electronic parts and components; planning, design as well as output of service items’ equipments; production as well as marketing management consultant of service items’ relevant business; and all business items that are not prohibited or restricted by law, except those that are subject to special approval. The Company’s shares were listed on the Taipei Exchange since August 1998 and transferred to the Taiwan Stock Exchange since September 2000 with approval. The Company merged with its subsidiary, 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 PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorized 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 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 Company’s financial condition and financial performance based on the Company’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 the FSC effective from 2025 are as follows:.

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

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company'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 Company's financial condition and financial performance based on the Company's assessment. IFRS 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1, updates the framework of the statement of comprehensive income, adds the disclosure of the evaluation of the performance of management, and strengthen the principle of summary and detailed breakdown adopted in the main financial statements and notes. The related impact will be disclosed when the evaluation is complete.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. Except for the following items, the parent company only 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 at fair value through other comprehensive income.

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

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

(3) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in New Taiwan dollars, which is the Company's functional 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 recognised 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 foreign exchange gains and losses 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 company entities and associates 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 Company 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.

(4) 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 held mainly for trading purposes;

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

(d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) 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.

(6) 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 Company measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

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

(7) 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 Company 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 Company measures the financial assets at fair value plus transaction costs. The Company 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 Company and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Company’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 Company 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.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company 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.

(10) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income including accounts receivable, at each reporting date, the Company 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 that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Company 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 Company 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 Company has not retained control of the financial asset.

(12) 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.

(13) Investments accounted for using equity method / subsidiaries and associates

A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company 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.

B. Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Company are eliminated. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize losses proportionate to its ownership, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.

D. If changes in the Company's shares in subsidiaries do not result in loss in control (transactions with non-controlling interest), transactions shall be considered as equity transactions, which are transactions between owners. Difference of adjustment of non-controlling interest and fair value of consideration paid or received is recognized in equity.

E. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

F. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

G. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognizes the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.

H. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

I. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall be equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall be equal to equity attributable to owners of the parent in the consolidated financial statements.

(14) 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 Company 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 and structures	5 ~ 60 years
Machinery and equipment	10 years
Transportation equipment	7 years
Office equipment	5 ~ 7 years
Others	4 ~ 10 years

(15) 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.

D. 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.

(16) Intangible assets

A. Computer software

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 3 to 5 years.

B. Goodwill

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

C. Other intangible assets are patents and are amortized using the straight-line method over 3 years.

(17) Impairment of non-financial assets

A. The Company 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 should be 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.

(18) 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.

(19) 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.

(20) 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 and 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 Company measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

(21) Convertible bonds payable

Convertible bonds issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Company 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 carrying amount of the abovementioned liability component and ‘Capital surplus - share options’.

(22) Derecognition of financial liabilities

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

(23) 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.

(24) 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 expenses 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 Company 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 government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

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.

(25) 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-market 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 Company 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 Company and the Company must refund their payments on the stocks, for new shares with restricted rights issued to employees for a fee after October 11, 2024, the price paid by employees on the date of issuance shall be recognized as a liability; for new shares with restricted rights issued to employees for a fee before October 10, 2024,the Company 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 - restricted stock'.

(26) 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 parent company only balance sheet. 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 Company 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.

(27) Share capital

A. 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.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their carrying amount and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(28) 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.

(29) Revenue recognition

Sales of goods

A. The Company 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 customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer'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 customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

B. Revenue from these sales of produce is recognized based on the price specified in the contract, net of the estimated sales discounts. Sales discounts and allowances provided to customers are calculated based on different contract terms, 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 days to 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 Company 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.

(30) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Company 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 Company 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.

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

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company'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. The related information is addressed below:

A. Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Company must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company 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. Evaluation of inventories might be material changes to the evaluation.

As of December 31, 2024, the carrying amounts of inventories was $1,430,172 thousand.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2024		December 31, 2023	
Cash on hand and revolving funds	$	218	$	161
Checking accounts and demand deposits		4,745,129		2,510,335
Time deposits		1,400,000		-
	$	6,145,347	$	2,510,496

A. The Company 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, 2023, time deposits maturing in excess of three months were all classified as financial assets at amortized cost; As of December 31, 2024 : None.

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(2) Financial assets and liabilities 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	$ 590,190	$ 200,000
- Forward exchange contract	7,603	13,166
- Call options of convertible bonds	600	-
- Stocks	20,965	20,480
- Bonds	-	280,000
Valuation adjustment	15,305	10,934
	$ 634,663	$ 524,580
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 gains on financial assets at fair value through profit or loss	$ 23,902	$ 29,907

B. The Company 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 sell	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 Company 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 Company 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	$ 706,708	$ 895,048
Valuation adjustment		
- through other comprehensive income	(596,149)	(625,027)
Total	$ 110,559	$ 270,021

A. The Company 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 $216,469 thousand and $375,227 thousand as at December 31, 2024 and 2023, respectively.

B. On November 7, 2023, the Company increased its investment in DONPON PRECISION INC., which resulted in changes in group's ownership and had influence over changes in its business model. Therefore, the Company transferred financial assets at fair value through other comprehensive income to 'Investments accounted for under equity method' in Note 6(7).

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	Years ended December 31, 2023
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	($ 22,889)	$ 4,100
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 recognized in profit or loss	$ -	($ 8,925)
Fair value change recognized in other comprehensive income	$ -	$ 2,687
Cumulative other comprehensive (loss) income reclassified to profit or loss		
Interest income recognized 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 Company were $216,469 thousand and $375,227 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	$ 8,009,663	$ 6,913,598
Less: Allowance for uncollectible accounts	(1,425)	(3,780)
	$ 8,008,238	$ 6,909,818

A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	December 31, 2024	December 31, 2023
Not past due	$ 7,973,778	$ 6,860,051
Up to 30 days	35,808	52,318
31 to 90 days	77	816
91 to 180 days	-	413
Over 180 days	-	-
	$ 8,009,663	$ 6,913,598

The above ageing analysis was based on past due date.

B. As of December 31, 2024 and 2023, and January 1, 2023, the balances of receivables from contracts with customers amounted to $8,009,663 thousand, $6,913,598 thousand and $6,137,661 thousand, respectively.

C. The Company took out a credit insurance on the accounts receivable since December 2020. 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 $4,593,682 thousand and $5,634,671 thousand, respectively.

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

E. The Company 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, 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.

As of December 31, 2024 and 2023: None.

B. Transferred financial assets that are not entirely derecognized.

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

(b). 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 slow-moving and valuation losses	Book value
Finished goods	$ 1,265,765	($ 43,708)	$ 1,222,057
Semi-finished goods	9	(5)	4
Raw materials	244,290	(36,179)	208,111
	$ 1,510,064	($ 79,892)	$ 1,430,172

	December 31, 2023		
	Cost	Allowance for slow-moving and valuation losses	Book value
Finished goods	$ 1,138,758	($ 42,498)	$ 1,096,260
Semi-finished goods	12	-	12
Raw materials	141,979	(1,683)	140,296
	$ 1,280,749	($ 44,181)	$ 1,236,568

The cost of inventories recognized as expense for the year:

	Years ended December 31,	
	2024	2023
Cost of goods sold	$ 31,029,501	$ 24,935,701
Loss (gain) on slow-moving inventories and decline in market value	35,711	(77,407)
	$ 31,065,212	$ 24,858,294

The Company reversed from a previous inventory write-down because inventories with decline in market value were partially sold by the Company on December 31, 2023.

(7) Investments accounted for using equity method

	2024	2023
At January 1	$ 13,690,685	$ 13,416,962
Addition of investments accounted for using equity method	25,600	483,584
Disposal of investments accounted for using equity method	(430,463)	-
The return of capital from investment accounted for using equity method	-	(243,600)
Share of profit or loss of investments accounted for using equity method	2,079,349	1,389,335
Earnings distribution of investments accounted for using equity method	(261,967)	(1,287,678)
Impairment loss	(64,973)	(65,510)
Changes in capital surplus	13,245	26,955
Changes in other equity items	567,555	(189,585)
Changes in retain earnings	108	(22)
Transferred from financial assets at fair value through other comprehensive income	135,869	160,244
At December 31	$ 15,755,008	$ 13,690,685

	December 31, 2024	December 31, 2023
Subsidiaries：		
MERRY ELECTRONICS (HK) CO., LTD.	$ 5,427,109	$ 4,803,954
DANNY DYNAMICS LIMITED	3,665,620	3,279,912
MERRY ELECTRONICS (SINGAPORE) PTE., LTD.	2,651,893	1,871,860
MERRY ELECTRONICS (THAILAND) CO., LTD.	1,183,631	866,204
MERRY & LUXSHARE (VIETNAM) CO., LTD.	1,154,813	841,570
INDIGO ENTERPRISE INC.	309,136	535,120
MERRY HEALTHCARE CO., LTD.	301,700	284,579
ASIAN ELITE INTERNATIONAL LTD.	148,143	128,810
MERRY ELECTRONICS (U.S.A.) CO., LTD.	37,730	35,217
MUtek Electronics Co.,Ltd.	12,861	16,005
Merry Capital Inc.	10,660	9,886
Individually Immaterial Associates：		
DONPON PRECISION INC.	482,410	441,257
GUANGDONG LUXSHARE & MERRY ELECTRONICS CO., LTD.	-	422,596
CDIB-Mac Limited Partnership	156,199	114,161
LEOHAB ENTERPRISE CO., LTD.	76,954	39,554
SYNERGY SCIENTECH CORP	136,149	-
	$ 15,755,008	$ 13,690,685

A. Subsidiaries:

(a) Details of the subsidiaries of the Company are provided in Note 4 (3) in the Company's consolidated financial statements as of and for the year ended December 31, 2024.

(b) The cancellation of the Company's second-tier subsidiary, XIAMEN LAIYATE MEDICAL DEVICES CO., LTD., was completed on November 29, 2023.

(c) On July 28, 2022, the investment of CDIB-Mac Limited Partnership was resolved by the Board of Directors. The Company increased its capital in CDIB-Mac Limited Partnership in the amounts of $25,600 thousand, $42,667 thousand and $61,886 thousand on December 23, 2024, May 25, 2023 and September 7, respectively.

(d) On April 27, 2023, the Company's Board of Directors resolved to participate in the cash capital increase of subsidiary, Indigo Enterprises Inc. and the subsidiary reinvested in the second-tier subsidiary, Merry Electronics North America Inc. in the amount of $93,031 thousand.

(e) On November 7, 2023, the Company 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.

(f) Guangdong Luxshare & Merry Electronics Co., Ltd. (MEDG), the Company's investee, established the liquidation committee on April 20, 2022. The liquidation period was between May 1, 2022 and May 29, 2024, with the end of the liquidation period as the dissolution date. The Group wrote off the equity book value amounting to $430,463 thousand, the additional paid-in capital amounting to $1,872 thousand and other equity amounting to ($22,058) thousand based on the liquidation result, and recognized the loss on disposal of investment amounting to $12,653 thousand. The disposal proceeds amounted to RMB $98,581 thousand (equivalent to NT$439,576 thousand) and the liquidation was completed.

(g) On December 30, 2024, the Company's subsidiary, MERRY ELECTRONICS (HK) CO., LTD., repatriated earnings in the amount of HKD 58,393 thousand (approximately NTD 240,855 thousand) as resolved by the Board of Directors. As of February 26, 2025, the proceeds have not yet been received.

(h) For the year ended December 31, 2024, the Company received cash dividends of $21,112 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.

(i) On June 5, 2023, the Board of Directors of the Company's subsidiary, MERRY ELECTRONICS (HK) CO., LTD., resolved to reduce its capital and refund shares in the amount of HKD 60,000 thousand (approximately NTD 243,600 thousand), and resolved to repatriate earnings amounting to and RMB 49,000 thousand (approximately NTD 213,003 thousand), respectively.

(j) On December 29, 2023, the Company's subsidiary, MERRY ELECTRONICS (Singapore) CO., LTD., repatriated earnings in the amount of USD 35,000 thousand (approximately NTD 1,074,675 thousand) as resolved by the Board of Directors.

(k) 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 Company 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.

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

IAS 36.As of December 31, 2024 and 2023, the recoverable amount of all cash-generating units calculated using the value-in-use did not exceed their carrying amount, so an impairment loss to investments accounted for using equity method was recognized amounting to $64,973 thousand and $65,510 thousand, respectively. The investments accounted for using equity method after the recognition of impairment loss amounted to $309,136 thousand and $535,120 thousand, respectively. The key assumptions used for value-in-use calculations are provided in Note 6 (11) in the Company's consolidated financial statements.

B. The recognized share of (loss) profit of subsidiaries and associates accounted for using equity is as follows:

	Years ended December 31, 2024	Years ended December 31, 2023
Subsidiaries：		
MERRY ELECTRONICS (HK) CO., LTD.	$ 683,230	$ 468,780
DANNY DYNAMICS LIMITED	251,049	64,066
MERRY ELECTRONICS (SINGAPORE) PTE. LTD.	640,649	721,374
MERRY ELECTRONICS (THAILAND) CO., LTD.	247,690	172,949
MERRY & LUXSHARE (VIETNAM) CO., LTD.	296,582	109,675
INDIGO ENTERPRISE INC.	(157,496)	(45,083)
MERRY HEALTHCARE CO., LTD.	11,814	(97,627)
ASIAN ELITE INTERNATIONAL LTD.	10,346	(6,015)
MERRY ELECTRONICS (U.S.A.) CO., LTD.	125	145
MUtek Electronics Co.,Ltd.	(3,144)	(11,671)
Merry Capital Inc.	2,233	1,647
Individually Immaterial Associates：		
DONPON PRECISION INC.	39,291	(4,172)
GUANGDONG LUXSHARE & MERRY ELECTRONICS CO., LTD.	2,682	23,081
CDIB-Mac Limited Partnership	16,462	(8,529)
LEOHAB ENTERPRISE CO., LTD.	36,985	715
SYNERGY SCIENTECH CORP	851	-
	$ 2,079,349	$ 1,389,335

(8) Property, plant and equipment

	Year ended December 31, 2024				
Cost	Opening balance	Additions	Reductions	Transfers	Ending balance
Land	$ 759,583	$ -	$ -	$ -	$ 759,583
Buildings and structures	516,410	10,556	(829)	1,529	527,666
Machinery	135,655	15,205	(348)	-	150,512
Transportation equipment	4,082	-	-	-	4,082
Office equipment	114,296	1,673	(2,717)	-	113,252
Others	17,133	15,619	-	3,056	35,808
Unfinished construction	2,980	446	-	(2,980)	446
	1,550,139	43,499	(3,894)	1,605	1,591,349
Accumulated depreciation					
Buildings and structures	($ 43,268)	($ 12,410)	$ 571	$ -	($ 55,107)
Machinery	(77,505)	(9,828)	348	-	(86,985)
Transportation equipment	(3,598)	(214)	-	-	(3,812)
Office equipment	(55,300)	(12,457)	2,717	-	(65,040)
Others	(9,954)	(3,554)	-	-	(13,508)
	(189,625)	(38,463)	3,636	-	(224,452)
	$ 1,360,514				$ 1,366,897

	Year ended December 31, 2023				
Cost	Opening balance	Additions	Reductions	Transfers	Ending balance
Land	$ 759,583	$ -	$ -	$ -	$ 759,583
Buildings and structures	353,222	6,074	(157)	157,271	516,410
Machinery	138,856	8,566	(11,767)	-	135,655
Transportation equipment	4,082	-	-	-	4,082
Office equipment	83,387	9,835	(935)	22,009	114,296
Others	19,572	336	(3,774)	999	17,133
Unfinished construction	117,839	62,482	-	(177,341)	2,980
	1,476,541	87,293	(16,633)	2,938	1,550,139
Accumulated depreciation					
Buildings and structures	($ 33,481)	($ 9,944)	$ 157	$ -	($ 43,268)
Machinery	(80,264)	(9,008)	11,767	-	(77,505)
Transportation equipment	(3,015)	(583)	-	-	(3,598)
Office equipment	(43,908)	(12,327)	935	-	(55,300)
Others	(10,126)	(3,602)	3,774	-	(9,954)
	(170,794)	(35,464)	16,633	-	(189,625)
	$ 1,305,747				$ 1,360,514

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

B. The Company had no property, plant and equipment pledged to others as collateral.

(9) Intangible assets

	Year ended December 31, 2024				
Cost	Opening balance	Additions	Reductions	Transfers	Ending balance
Goodwill	$ 139,735	$ -	$ -	$ -	$ 139,735
Patents	46,033	5,302	-	-	51,335
Computer software	519,970	15,537	(3,871)	-	531,636
	705,738	$ 20,839	($ 3,871)	$ -	722,706
Accumulated amortization					
Patents	($ 37,377)	($ 5,670)	$ -	$ -	($ 43,047)
Computer software	(474,021)	(24,523)	3,871	-	(494,673)
	(511,398)	($ 30,193)	$ 3,871	$ -	(537,720)
	$ 194,340				$ 184,986

	Year ended December 31, 2023				
Cost	Opening balance	Additions	Reductions	Transfers	Ending balance
Goodwill	$ 139,735	$ -	$ -	$ -	$ 139,735
Patents	41,155	4,878	-	-	46,033
Computer software	511,624	11,203	(2,857)	-	519,970
	692,514	$ 16,081	($ 2,857)	$ -	705,738
Accumulated amortization					
Patents	($ 32,000)	($ 5,377)	$ -	$ -	($ 37,377)
Computer software	(423,361)	(53,517)	2,857	-	(474,021)
	(455,361)	($ 58,894)	$ 2,857	$ -	(511,398)
	$ 237,153				$ 194,340

A. The Company does not hold any intangible asset as security.

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

	Years ended December 31,	
	2024	2023
Operating costs	$ 3,627	$ 13,489
Selling expenses	1,801	3,886
Administrative expenses	12,845	25,540
Research and development expenses	11,920	15,979
	$ 30,193	$ 58,894

(10) Impairment of non-financial assets

A. Impairment assessment of goodwill

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

The cash flow projections are based on financial budgets approved by the management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates described below.

Management determined budgeted gross margin based on past performance and their expectations of market development. The weighted average growth rates used are consistent with the projection included in industry reports. 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:

	Years ended December 31,	
	2024	2023
Discount rate	9.44%	6.58%
Growth rate	10%	10%

B. Impairment assessment of investments accounted for using equity method

The Company 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
	Recognised in profit or loss	
Investments accounted for using equity method	$ 64,973	$ 65,510

C. Please refer to Note 6 (7) for the impairment to investments accounted for using equity method.

(11) Short-term borrowings

As of December 31, 2024 : None.

Type of Borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Credit loan	$ 790,000	1.66%～1.84%	None

Interest expense recognized in profit or loss amounted to $11,938 thousand and $8,757 thousand for the years ended December 31, 2024 and 2023, respectively.

(12) Other payables

	December 31, 2024	December 31, 2023
Employees' compensation payable	$ 234,281	$ 232,408
Salary and bonus payable	306,792	191,454
Remuneration due to directors and supervisors	59,771	36,982
Machinery and equipment payable	4,939	1,766
Others	166,693	261,516
	$ 772,476	$ 724,126

(13) 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)
	2,856,278	2,982,261
Less: Current portion	-	(2,982,261)
	$ 2,856,278	$ -

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

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

i. The competent authority has approved the Company's third issuance of domestic unsecured corporate bonds for a total issuance amount of $3,015,000 thousand at a coupon rate of 0%, covering a 3-year period of issuance and a circulation period from August 11, 2021 to August 11, 2024. The bonds will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on August 11, 2021.

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

iii. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. As of August 11, 2024, the conversion price of convertible bonds was $104.9 per share.

iv. The Company may repurchase all the bonds outstanding in cash at the bonds' face value, based on the Company's redemption rights to the bonds under Article 18 of the terms of issuance and conversion, 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 month 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 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 issuance and conversion, all bonds redeemed (including bonds repurchased from the securities trading markets), matured and converted are retired and not to be sold or re-issued; the conversion rights attached to the bonds are also extinguished.

(b) As of August 11, 2024, the bonds totaling $2,996,000 thousand (face value) had been converted into 28,559 shares of common stock. The remaining unconverted bonds (face value) was settled at maturity on August 11, 2024, and the forfeited "capital surplus - share options" amounting to $129 thousand was fully 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 ~38~ are repurchased; (iv) the period from the commencement date of the cessation of conversion of the share certificate and the prior day before the commencement date of trading of the new share certificate. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

iii. The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the antidilution 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, there were no bonds (face value) 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 ~39~ increase to the ex-right date; (iii) the period between the record date of a capital reduction and the prior day before the commencement of stock trading after stocks are repurchased; (iv) the period from the commencement date of the cessation of conversion of the share certificate and the prior day before the commencement date of trading of the new share certificate. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

iii. The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the antidilution 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, there were no bonds (face value) 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.

(14) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2024	
Credit loan	Borrowing period is from 2020/02/20 to 2025/02/20; interest is repayable monthly. Principal is repaid in installments since 2022 (Notes 1、2)	0.93%～1.29%	None	$	20,556
Credit loan	Borrowing period is from 2020/02/20 to 2027/02/19; interest is repayable monthly. Principal is repaid in installments since 2022	1.23%～1.79%	None		334,549
					355,105
Less: Expiring within one year or one operating cycle				(	189,914)
				$	165,191

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023	
Credit loan	Borrowing period is from 2020/02/20 to 2025/02/20; interest is repayable monthly. Principal is repaid in installments since 2022 (Notes 1、2)	0.80%～1.16%	None	$	143,889
Credit loan	Borrowing period is from 2020/02/20 to 2027/02/19; interest is repayable monthly. Principal is repaid in installments since 2022	1.10%～1.85%	None		970,574
					1,114,463
Less: Expiring within one year or one operating cycle				(	359,358)
				$	755,105

Interest expense recognized in profit or loss amounted to $12,301 thousand and $13,191 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.

(15) Pensions

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

(b) The 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:

2024	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	$ 86,576	($ 50,522)	$ 36,054
Current service cost	307	-	307
Interest expense (income)	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

2023	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	$ 80,364	($ 42,745)	$ 37,619
Current service cost	230	-	230
Interest expense (income)	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 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 regard 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 has no right to participate in managing and operating that fund and hence the Company is 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 has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2024 and 2023 were $35,293 thousand and $34,129 thousand, respectively.

(16) Share-based payments

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 conditions
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 employees' 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 did not meet the conditions of vesting for the employees who resign during the vesting period or not meet the condition of vesting by the issuance price.

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

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 options	Weighted-average exercise price (in dollars)	No. of options	Weighted-average exercise price (in dollars)
At January 1	4,071	$ -	3,348	$ -
Restricted Stocks granted	1,949	-	1,645	-
Restricted Stocks vested	(560)	-	(809)	-
Restricted 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

(17) 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 thousnad shares reserved for employee stock options), and the paid-in capital was $2,193,434 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):

	2024	2023
At January 1	219,316	217,783
Employee restricted shares retired	(1,333)	(113)
Issuance of common stock for cash	5,000	-
Employee restricted shares granted	1,949	1,645
Conversion of convertible bonds	28,559	1
At December 31	253,491	219,316

(a) The Company's Board of Directors has resolved to increase cash capital by issuing common stock of 5,000 thousand shares with the subscription price of $95 per share on April 25, 2024. The total raised amount $475,000 thousand has been fully collected, with the record date of this cash capital increase dated on September 24, 2024. The registration process was completed.

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

The Board of Directors Resolution Date	Employee restricted shares retired	Capital Reduction Reference Date
February 26, 2025	2 thousand shares	March 3, 2025
October 24, 2024	1,122 thousand shares	October 24, 2024
July 25, 2024	182 thousand shares	July 25, 2024
April 25, 2024	27 thousand shares	April 25, 2024
February 22, 2024	28 thousand shares	February 26, 2024
October 26, 2023	44 thousand shares	November 6, 2023
July 27, 2023	8 thousand shares	July 27, 2023
April 27, 2023	33 thousand shares	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 shares. Please refer to Note 6(13) for details. The record date of new shares issuance of 11,317 thousand shares, 16,154 thousand shares and 1,089 thousand shares were dated on October 25, 2024, July 26, 2024 and April 26, 2024, respectively by the Board resolution on October 24, 2024, July 25, 2024 and April 25, 2024, respectively. The capital reduction through retirement of employee restricted shares was completed.

(d) On April 28, 2022 and April 28, 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. The Company issued 1,949 thousand common shares with the effective date set on July 26, 2024. The subscription price is $0 per share and 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 Company issued 1,645 thousand common shares with the effective date set on July 28, 2023. The subscription price is $0 per share and 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.

(f) The Company issued the third unsecured convertible bonds on August 11, 2021. As of December 31, 2023, the face value of the convertible bonds of $100 thousand had been converted into common shares amounting to 953 shares. On February 22, 2024, the Board of Directors of the Company resolved to set February 27, 2024, as the reference date for the issuance of new shares. The capital reduction through retirement of employee restricted shares was completed. ◦

(18) 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
Proceeds from issuing shares	445,241	-	-	-	445,241
Convertible bonds converted into common shares	-	280,733	-	-	280,733
Ordinary shares converted from convertible bonds	2,804,134	(96,725)	-	-	2,707,409
Redeemed of convertible bonds at maturity	-	(129)	-	129	-
Issuance of restricted shares to employees	-	-	222,186	-	222,186
Restricted stocks vested	52,909	-	(52,909)	-	-
Employee 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
Change 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
Ordinary shares converted from convertible bonds	93	(3)	-	-	90
Issuance of restricted shares to employees	-	-	134,725	-	134,725
Restricted stocks vested	77,432	-	(77,432)	-	-
Employee 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

(19) 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. After the provision or reversal of special reserve, the appropriation of the remaining earnings along with the unappropriated earnings of prior year shall be proposed by the Board of Directors and approved by the shareholders. The Board of Directors may, based on financial, business and operating perspectives, propose a distribution of earnings within an amount at least 30% of the new distributable earnings and not more than 80% of the accumulated distributable earnings for the current period. The dividends shall be preferably distributed in the form of cash, and can be appropriated in the shares. The ratio of cash dividends shall account for at least 30% of the total dividends distributed. All or partial of dividend and bonus that are distributed in the form of cash will be resolved and reported to the shareholders if more than 2/3 of the directors attend the Board of Directors' meeting and more than 1/2 of the directors present at the meeting have agreed.

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

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 Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land and reversed over the use period if the assets are investment property other than land. As of December 31, 2024, the balance of capital surplus 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 at the Board of Directors on February 26, 2025 is 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	

(20) 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	-	-	(22,889)	-	(22,889)
Revaluation – subsidiary	-	-	12,305	-	12,305
Revaluation – associates	-	-	(2,705)	-	(2,705)
Currency translation differences:	-	-	52,471	-	52,471
- 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	-	2,687	4,100	-	6,787
Revaluation – subsidiary	-	-	3,268	-	3,268
Revaluation – associates	-	-	(35)	-	(35)
Currency translation differences:	-	-	(60,254)	-	(60,254)
- 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)

(21) Operating revenue

	Years ended December 31, 2024	Years ended December 31, 2023
Revenue from contracts with customers	$ 33,063,291	$ 26,701,755

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services at a point in time in the following geographical regions:

Year ended December 31, 2024	Electronic devices					
	Taiwan	Europe	US	Mainland China	Others	Total
Timing of revenue recognition						
At a point in time	$ 513,958	$ 14,150,488	$ 17,734,480	$ 147,898	$ 516,467	$ 33,063,291

Year ended December 31, 2023	Electronic devices					
	Taiwan	Europe	US	Mainland China	Others	Total
Timing of revenue recognition						
At a point in time	$ 613,940	$ 11,241,138	$ 14,452,774	$ 131,134	$ 262,769	$ 26,701,755

B. Contract assets and liabilities:

(a) The Company has recognized the following revenue-related contract assets and liabilities:

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities	$ 758,067	$ 872,696	$ 1,015,721

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

	Years ended December 31, 2024	Years ended December 31, 2023
Revenue recognized that was included in the contract liability balance at the beginning of the period	$ 224,581	$ 374,972

(22) Interest income

	Years ended December 31, 2024	Years ended December 31, 2023
Interest income from bank deposits	$ 128,168	$ 69,744
Interest income from financial assets not at fair value through profit or loss	841	4,754
	$ 129,009	$ 74,498

(23) Other income

	Years ended December 31,	
	2024	2023
Sample income	$ 72,427	$ 79,179
Dividend income	4,004	7,775
Grants revenue (Note)	140	8,135
Rent income	46	46
Other income	22,527	4,807
	$ 99,144	$ 99,942

Notes: This refers to the government subsidies for Industrial Technology Foresight Research Program on AI Health Monitoring from Industrial Development Administration, Ministry of Economic Affairs and Subsidy Project of Advocating for Work Life Balance and Multi-beneficiary Vocational Training Program from Ministry of Labor, applied for by the Company during 2024 and 2023.

(24) Other gains and losses

	Years ended December 31,	
	2024	2023
Foreign exchange gains (losses)	$ 233,950	($ 84,182)
Impairment loss recognized in profit or loss		
Impairment loss recognized in profit or loss, others	(64,973)	(65,510)
Net gains on financial assets at fair value through profit or loss	23,902	29,907
(Losses) gains on disposal of property, plant and equipment	(258)	71
(Losses) gains on disposals of investment	(15,469)	16,500
Other losses	(2,775)	(62)
	$ 174,377	($ 103,276)

(25) Expenses by nature

	Years ended December 31,	
	2024	2023
Employee benefit expense	$ 1,302,929	$ 1,212,058
Depreciation charge - property, plant and equipment	38,463	35,464
Depreciation charge - right-of-use assets	3,854	4,143
Amortization charge	30,193	58,894
	$ 1,375,439	$ 1,310,559

As of December 31, 2024 and 2023, the Company had 832 and 770 employees, respectively. For the years ended December 31, 2024 and 2023, there are 6 non-employee directors.

(26) Employee benefit expense

	Years ended December 31, 2024	Years ended December 31, 2023
Wages and salaries	$ 1,017,295	$ 894,083
Share-based payments	62,123	132,310
Labor and health insurance fees	71,159	68,444
Pension costs	36,020	34,833
Directors' remuneration	60,941	37,942
Other employee benefit expense	55,391	44,446
	$ 1,302,929	$ 1,212,058

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be from 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	Years ended December 31, 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% for employees' compensation 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	Years ended December 31, 2023
Current tax:		
Current tax on profits for the year	$ 205,531	$ 286,375
Tax on undistributed surplus earnings	-	10,810
Prior year income tax overestimation	6,644	(6,150)
Total current tax	212,175	291,035
Deferred tax:		
Origination and reversal of temporary differences	274,499	15,859
Income tax expense	$ 486,674	$ 306,894

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

	Years ended December 31, 2024	Years ended December 31, 2023
Exchange differences changes on translation of foreign financial statements	$ 73,332	$ 19,648
Exchange differences changes on translation of foreign financial statements - associates	38,603	18,613
Remeasurement of defined benefit obligations	1,327	1,269
	$ 113,262	$ 39,530

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B. Reconciliation between income tax expense and accounting profit:

	Years ended December 31, 2024	Years ended December 31, 2023
Current tax:		
Tax calculated based on profit before tax and statutory tax rate	$ 525,986	$ 325,442
Expenses disallowed by tax regulation	554	4,051
Tax exempt income by tax regulation	(21,861)	(1,555)
Temporary differences not recognised as deferred tax assets	41,212	13,102
Effect from investment tax credits	(48,546)	(44,303)
Controlled Foreign Corporation Income Tax	-	4,243
Tax on undistributed surplus earnings	-	10,810
Prior year income tax overestimation	6,644	(6,149)
Others	(17,315)	1,253
Income tax expense	$ 486,674	$ 306,894

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

	2024			
	Janurary 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax assets:				
Temporary differences:				
Remeasurement of defined benefit obligations	$ 16,431	$ -	($ 1,327)	$ 15,104
Allowance for bad debts	3,762	-	-	3,762
Unrealized impairment loss	966	(75)	-	891
Accumulated unused compensated absences	5,597	287	-	5,884
Allowance for inventory valuation losses and loss on obsolete and slow-moving inventories	9,192	6,787	-	15,979
Amortisation of discounts on corporate bonds	31,140	7,863	-	39,003
Unrealized exchange loss	12,227	(12,227)	-	-
Cumulative translation adjustment of long-term equity investments	27,447	-	(27,447)	-
	$ 106,762	$ 2,635	($ 28,774)	$ 80,623

	2024			
	Janurary 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax liabilities				
Temporary differences:				
Gain on overseas long-term investment	($ 1,501,203)	($ 524,670)	$ -	($ 2,025,873)
Cumulative translation adjustment of long-term equity investments	-	-	(84,488)	(84,488)
Unrealized exchange gain	-	(8,438)	-	(8,438)
Unrealized gain on valuation of financial instruments	(3,930)	157	-	(3,773)
Others	(800)	-	-	(800)
	($ 1,505,933)	($ 532,951)	($ 84,488)	($ 2,123,372)

	2023			
	Janurary 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax assets:				
Temporary differences:				
Remeasurement of defined benefit obligations	$ 15,162	$ -	$ 1,269	$ 16,431
Allowance for bad debts	6,118	(2,356)	-	3,762
Unrealized impairment loss	1,041	(75)	-	966
Accumulated unused compensated absences	5,303	294	-	5,597
Allowance for inventory valuation losses and loss on obsolete and slow-moving inventories	24,318	(15,126)	-	9,192
Amortisation of discounts on corporate bonds	25,723	5,417	-	31,140
Unrealized exchange loss	-	12,227	-	12,227
Unrealized loss on valuation of financial instruments	784	(784)	-	-
Cumulative translation adjustment of long-term equity investments	-	-	27,447	27,447
	$ 78,449	($ 403)	$ 28,716	$ 106,762

	2023			
	Janurary 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax liabilities				
Temporary differences:				
Gain on overseas long-term investment	($ 1,476,469)	($ 24,734)	$ -	($ 1,501,203)
Cumulative translation adjustment of long-term equity investments	(10,814)	-	10,814	-
Unrealized exchange gain	(13,208)	13,208	-	-
Unrealized gain on valuation of financial instruments	-	(3,930)	-	(3,930)
Others	(800)	-	-	(800)
	($ 1,501,291)	($ 15,456)	$ 10,814	($ 1,505,933)

D. 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

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

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

(28) Earnings per share

	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares 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

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares 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

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

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(29) Supplemental cash flow information

A. Investing activities with partial cash payments

	Years ended December 31, 2024	Years ended December 31, 2023
Purchase of property, plant and equipment	$ 45,104	$ 90,231
Add:		
Opening balance of payable on equipment	244	7,875
Ending balance of prepayments for equipment	546	1,604
Less:		
Ending balance of payable on equipment	(1,400)	(244)
Opening balance of prepayments for equipment	(1,604)	(12,894)
Cash paid during the year	$ 42,890	$ 86,572

B. Financing activities with no cash flow effects:

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

(30) Changes in liabilities from financing activities

	Short-term borrowings	Lease liability	Convertible bonds	Long-term borrowings (including those matured within one year)	Dividends payable	Total liabilities from financing activities
At January 1, 2024	$ 790,000	$ 3,532	$ 2,982,261	$ 1,114,463	$ -	$ 4,890,256
Changes in cash flow from financing activities	(790,000)	(4,315)	3,114,036	(759,358)	(1,030,914)	529,449
Additions	-	9,579	-	-	1,030,914	1,040,493
Redemption of corporate bond	-	-	(4,000)	-	-	(4,000)
Amortisation of discounts on corporate bonds	-	-	40,752	-	-	40,752
Changes in capital surplus	-	-	(280,733)	-	-	(280,733)
Changes in other non-cash items	-	754	(2,996,038)	-	-	(2,995,284)
At December 31, 2024	$ -	$ 9,550	$ 2,856,278	$ 355,105	$ -	$ 3,220,933

	Short-term borrowings	Lease liability	Convertible bonds	Long-term borrowings (including those matured within one year)	Dividends payable	Total liabilities from financing activities
At January 1, 2023	$ 1,378,960	$ 5,146	$ 2,953,838	$ 1,005,809	$ -	$ 5,343,753
Changes in cash flow from financing activities	(587,600)	(4,470)	-	108,654	(981,235)	(1,464,651)
Additions	-	-	-	-	981,235	981,235
Impact of changes in foreign exchange rate	(1,360)	-	-	-	-	(1,360)
Amortisation of discounts on corporate bonds	-	-	28,523	-	-	28,523
Changes in other non-cash items	-	2,856	(100)	-	-	2,756
At December 31, 2023	$ 790,000	$ 3,532	$ 2,982,261	$ 1,114,463	$ -	$ 4,890,256

7. RELATED PARTY TRANSACTIONS

(1) Relationship of related parties

Names of related parties	Relationship with the Company
MERRY ELECTRONICS (SHENZHEN) CO., LTD. (“MECL”)	Subsidiary of the Company
MERRY ELECTRONICS (HK) CO., LTD. (“MEST”)	Subsidiary of the Company
Merry Electronics (Thailand) Co., Ltd. ("METC')	Subsidiary of the Company
MERRY ELECTRONICS (U.S.A) CO., LTD. (“MECA”)	Subsidiary of the Company
MERRYTECH (HK) CO., LTD. ("MTHK")	Subsidiary of the Company
MERRY ELECTRONICS (SINGAPORE) PTE. LTD. (“MESG”)	Subsidiary of the Company
FuliCare (Xiamen) Co., Ltd. (“FUXM”)	Subsidiary of the Company
ASIAN ELITE INTERNATIONAL LIMITED (“MSCS”)	Subsidiary of the Company
MERRY & LUXSHARE(VIETNAM) CO., LTD.("MEVN")	Subsidiary of the Company
Seas Fabrikker ("SENM")	Subsidiary of the Company
MUtek Electronics Co.,Ltd. ("MUTT")	Subsidiary of the Company
Merry Electronics （Suzhou）Co., Ltd. (“MECE”)	Affiliated company
MERRY ELECTRONICS (HUIZHOU) CO., LTD. (“MECH”)	Affiliated company
GUANGDONG LUXSHARE & MERRY ELECTRONICS CO., LTD. (“MEDG”)	Affiliated company
Merry Fuling Co., Ltd. Taiwan Branch ("MHNCTW")	Other related party
Luxshare Precision Industry Co., Ltd. (Luxshare Precision Industry)	Other related party (Note 1)
Taiwan Reading Culture Foundation	Other related party (Note 2)

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

Note 2: The chairman of the Company and of the foundation is the same person.

(2) Significant related party transactions

A. Operating revenue

(a) Technical service revenue

	Years ended December 31, 2024	Years ended December 31, 2023
MESG	$ 6,898	$ 14,710
MUTT	7,590	23,359
	$ 14,488	$ 38,069

i. The Company collects service revenue from related parties based on the current expenses related to providing services, such as manufacture and technology consultant of electroacoustic products as well as design and development of audio module products.

ii. The credit term of aforementioned transactions was 60 to 65 days after the end of the month.

B. Purchases

(a) Purchases of goods

	Years ended December 31, 2024	2023
MECL	$ 11,026,896	$ 8,942,206
MECE	10,225,885	9,439,736
MEVN	5,089,107	2,510,464
MECH	4,615,142	2,707,870
Subsidiary of the Company	241,034	121,284
	$ 31,198,064	$ 23,721,560

The prices of goods for the aforementioned purchase transactions charged by the companies are based on the different product's profitability and adjusted annually. The credit terms to the Company was 60 to 65 days after the end of the month and 30 to 120 days after the end of the month to third parties.

(b) Administrative service fee

	Years ended December 31, 2024	2023
MECA	$ 64,281	$ 55,998
MESG	-	9,641
Subsidiary of the Company	3,170	3,102
	$ 67,451	$ 68,741

The above administrative service fees were charged for marketing management services provided by the subisidiaries during the period with an additional 1% of service fees less government grants from the local governments for the years ended December 31, 2024 and 2023. The credit term was 60 to 65 days after the end of the month.

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C. Receivables from related parties

(a) Accounts receivable

	December 31, 2024		December 31, 2023	
Subsidiary of the Company	$	386	$	5,604
Other related party		12		20
	$	398	$	5,624

The receivables arise mainly from sale transactions and services provided for granting licenses of manufacturing, technology and intellectual property of electroacoustic products and revenue charged from technology development and provided design and development of audio module products.

(b) Other receivables

	December 31, 2024		December 31, 2023	
METC	$	1,406,216	$	1,415,361
MESG		-		1,074,675
MECH		96,618		92,149
Subsidiary of the Company		218,986		56,251
	$	1,721,820	$	2,638,436

Other receivables mainly consisted of the receivables of sale of miscellaneous payments paid on behalf of associates, raw materials purchased on behalf of related parties and dividends receivable.

D. Payables to related parties

(a) Accounts payable

	December 31, 2024		December 31, 2023	
MECL	$	3,711,978	$	3,353,058
MECE		1,951,430		2,000,045
MEVN		1,947,949		1,040,713
Subsidiary of the Company		62,119		75,011
Affiliated company		591,514		495,467
	$	8,264,990	$	6,964,294

(b) Other payables

	December 31, 2024		December 31, 2023	
MECL	$	15,510	$	176,694
MECE		43,169		15,050
Subsidiary of the Company		9,046		8,278
Affiliated company		37,016		7,414
	$	104,741	$	207,436

The other payables arise mainly from accounts receivable collected and miscellaneous payment made on behalf of the related parties.

E. Endorsements and guarantees provided to related parties

Please refer to table 13 (1) B.

F. Key management compensation

	Years ended December 31,	
	2024	2023
Salaries and other short-term employee benefits	$ 137,344	$ 93,017
Post-employment benefits	204	199
Share-based payments	17,746	31,997
	$ 155,294	$ 125,213

8. PLEDGED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Refer to Note 6 (19) F. for details of the appropriation of 2024 retained earnings.

12. OTHERS

(1) Capital management

In view of the industrial characteristics and future development status and considering the external environment changes, the Company’s capital management objective 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 following year.

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

	December 31, 2024	December 31, 2023
Total debt	$ 17,784,934	$ 17,227,781
Total assets	35,803,779	29,849,028
Debt ratio	50%	58%

(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	$ 677,738	$ 570,408
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ 216,469	$ 375,227
Financial assets at amortised cost/Loans and receivables		
Cash and cash equivalents	$ 6,145,347	$ 2,510,496
Accounts receivable (including accounts receivable due from related parties)	8,008,636	6,915,442
Other receivables (including other receivables due from related parties)	1,762,647	2,780,300
Guarantee deposits paid	659	1,059
	$ 15,917,289	$ 12,207,297

	December 31, 2024	December 31, 2023
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	$ -	$ 1,726
Short-term borrowings	-	790,000
Accounts payable (including accounts payable to related parties)	10,119,857	8,322,603
Other payables (including other payables to related parties)	877,217	931,562
Lease liabilities	9,550	3,532
Corporate bonds payable	2,856,278	2,982,261
Long-term borrowings (including current portion)	355,105	1,114,463
	$ 14,218,007	$ 14,146,147

B. Financial risk management policies

(a) The Company'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) The Company's treasury identifies, evaluates and hedges financial risks in close co-operation with the Company'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

<u>Foreign exchange risk</u>

i. The Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD, RMB, HKD, THB and VND. Exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

ii. The Company treasury is responsible for hedging the entire foreign exchange risk exposure. Exchange rate risk is measured through a forecast of highly probable USD and RMB income and expenditures. The Company treasury uses natural hedge to decrease the risk exposure in the foreign currency.

iii. The Company hedges foreign exchange rate by using forward exchange contracts. However, the Company 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 Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2024						December 31, 2023				
	Book value						Book value				
	Foreign currency amount (In thousands)		Exchange rate	(NTD)		Foreign currency amount (In thousands)		Exchange rate	(NTD)		
(Foreign currency: functional currency)											
Financial assets											
Monetary items											
Cash in banks											
USD : NTD	$	82,587	32.7850	$	2,707,619	$	42,943	30.7050	$	1,318,572	
RMB : NTD		120,235	4.4780		538,412		93,713	4.3270		405,495	
Receivables											
USD : NTD	$	300,448	32.7850	$	9,850,188	$	341,093	30.7050	$	10,473,261	
RMB : NTD		44,100	4.4780		197,480		13,011	4.3270		56,299	
Non-monetary items											
Investments Accounted for Using Equity Method											
USD : NTD	$	212,478	32.7850	$	6,966,079	$	195,626	30.7050	$	6,006,688	
HKD : NTD		1,285,436	4.2220		5,427,109		1,222,691	3.9290		4,803,954	
THB : NTD		1,230,002	0.9623		1,183,631		960,634	0.9017		866,204	
RMB : NTD		33,082	4.4780		148,143		127,434	4.3270		551,406	
VND : NTD		894,510,457	0.0013		1,154,813		663,698,738	0.0013		841,570	
Financail Liabilities											
Monetary items											
Payable											
USD : NTD	$	287,084	32.7850	$	9,412,049	$	245,106	30.7050	$	7,525,980	
RMB : NTD		237,938	4.4780		1,065,486		255,054	4.3270		1,103,619	

	December 31, 2024			December 31, 2023		
	Sensitivity analysis			Sensitivity analysis		
	Degree of variation	Effects on profit or loss	Effect on other comprehensive income	Degree of variation	Effects on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
Cash in banks						
USD : NTD	3%	$ 81,229	$ -	3%	$ 39,557	$ -
RMB : NTD	3%	16,152	-	3%	12,165	-
Receivables						
USD : NTD	3%	$ 295,506	$ -	3%	$ 314,198	$ -
RMB : NTD	3%	5,924	-	3%	1,689	-
Non-monetary items						
Investments Accounted for Using Equity Method						
USD : NTD	3%	$ -	$ 208,982	3%	$ -	$ 180,201
HKD : NTD	3%	-	162,813	3%	-	144,119
THB : NTD	3%	-	35,509	3%	-	25,986
RMB : NTD	3%	-	4,444	3%	-	16,542
VND : NTD	3%	-	34,644	3%	-	25,247
Financail Liabilities						
Monetary items						
Payable						
USD : NTD	3%	$ 282,361	$ -	3%	$ 225,779	$ -
RMB : NTD	3%	31,965	-	3%	33,109	-

Total exchange gain (loss), including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2024 and 2023 amounted to a gain of $233,950 thousand and a loss of $84,182 thousand, respectively.

Price risk

i. The Company'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. The Company'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 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 $6,494 thousand and $11,257 thousand, respectively, as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

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

ii. If the borrowing interest rate had increased/decreased by 0.25% and with all other variables held constant, profit, net of tax for the years ended December 31, 2024 and 2023 would have decreased/increased by $710 thousand and $3,809 thousand, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

iii. If the debt instrument 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 $1,253 thousand and $787 thousand, respectively. The main factor is that changes in interest expense result in floating-rate debt instrument.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company 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 Company 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 Company 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 Company signs with banks and financial institutions after all documents are examined by counsel or legal advisor profession. The Company periodically checks the credit rating, conditions and quality of service as well as transactions. According to the Company'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 Company adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.

v. The Company adopts the following assumption 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 Company classifies customers' accounts receivable and contract assets in accordance with credit rating of customer. The Company applies the simplified approach using provision matrix to estimate expected credit loss under the provision matrix basis.

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

ix. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and lease payments receivable. On 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	0.01%	$ 7,973,778	$ 1,015
Up to 30 days	1.12%	35,808	401
31 to 90 days	11.22%	77	9
91 to 180 days	100.00%	-	-
		$ 8,009,663	$ 1,425

December 31, 2023	Expected loss rate	Total book value	Loss allowance
Not past due	0.02%	$ 6,860,051	$ 1,482
Up to 30 days	3.02%	52,318	1,579
31 to 90 days	37.56%	816	306
91 to 180 days	100.00%	413	413
		$ 6,913,598	$ 3,780

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

	2024	2023
	Accounts receivable	Accounts receivable
At January 1	$ 3,780	$ 2,657
Reversal of impairment loss	(2,355)	1,123
At December 31	$ 1,425	$ 3,780

xi. There was no loss allowance on investments in debt instruments measured at fair value through other comprehensive income for the years ended December 31, 2024 and 2023.

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

	December 31, 2024	December 31, 2023
	Life Time	Life Time
	12 months	12 months
Financial assets at amortized cost		
Debt instruments designated as investment grade.	$ 50,000	$ -

(c) Liquidity risk

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

ii. Company 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 Company'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. As of December 31, 2024 and 2023, the Company has $13,373,480 thousand and $11,305,220 thousand undrawn borrowing facilities, respectively.

Non-derivative financial liabilities:

December 31, 2024	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Accounts payable	$ 1,455,474	$ 399,393	$ -	$ -	$ -	$ 1,854,867
Accounts payable to related parties	8,264,990	-	-	-	-	8,264,990
Other payables	755,432	17,044	-	-	-	772,476
Other payables to related parties	104,741	-	-	-	-	104,741
Lease liabilities	981	2,943	3,892	6,184	-	14,000
Long-term borrowings	57,216	136,792	154,398	12,520	-	360,926
Corporate bonds payable	-	-	-	3,000,000	-	3,000,000

Non-derivative financial liabilities:

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
Short-term borrowings	$ 792,935	$ -	$ -	$ -	$ -	$ 792,935
Accounts payable	1,089,056	269,253	-	-	-	1,358,309
Accounts payable to related parties	6,964,294	-	-	-	-	6,964,294
Other payables	720,377	3,749	-	-	-	724,126
Other payables to related parties	207,436	-	-	-	-	207,436
Lease liabilities	1,024	2,374	196	163	-	3,757
Long-term borrowings	74,482	299,674	301,050	472,314	-	1,147,520
Corporate bonds payable	-	2,999,900	-	-	-	2,999,900
Derivative financial liabilities						
Forward exchange contracts	1,726	-	-	-	-	1,726

(3) Fair value

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 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 Company'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 Company's investment in certain derivative instruments and equity investment is included in Level 2.

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

B. Financial instruments not measured at fair value

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

	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	$ -

(b) 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 are 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
-Funds	609,561	-	-	609,561
-Stock	16,899	-	-	16,899
-Call options of convertible bonds	-	-	600	600
Financial assets at fair value through other comprehensive income				
-Equity securities	105,910	-	110,559	216,469
	$ 732,370	$ 7,603	$ 154,234	$ 894,207

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
-Debt securities	-	-	280,000	280,000
-Forward exchange contracts	-	13,166	-	13,166
-Funds	213,574	-	-	213,574
-Stock	17,840	-	-	17,840
Financial assets at fair value through other comprehensive income				
-Equity securities	105,206	-	270,021	375,227
	$ 336,620	$ 13,166	$ 595,849	$ 945,635
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
-Forward exchange contracts	$ -	$ 1,726	$ -	$ 1,726

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

(a) The instruments the Company 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

(b) 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.

(c) Forward exchange contracts are usually valued based on the current forward exchange rate.

(d) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs. In accordance with the Company'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:

	2024	2023
At January 1	$ 595,849	$ 608,444
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	(2,153)	(1,456)
Losses recognised in other comprehensive income	(34,858)	(31,139)
At December 31	$ 154,234	$ 595,849

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	$ 36,358	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
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	$ 37,385	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	15.6%~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 Company 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%	$ -	$ -	$ 3,636	($ 3,636)

			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%	$ -	$ -	$ 3,739	($ 3,739)

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 NT$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: 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

Not applicable.

MERRY ELECTRONICS CO., LTD.

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 MECL'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 MESG's and MECL's business transactions, limit on loans granted for a single party is the amount of the transactions.
(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) For MESG's business transactions.
(2) For short-term financing.

MERRY ELECTRONICS CO., LTD.

Provision of endorsements and guarantees to others

Year ended December 31, 2024

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

		Party being endorsed/guaranteed												
Number (Note 1)	Endorser/ guarantor	Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount 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.
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 Number of shares	Book value (in thousands)	Ownership (%)	Fair value (in thousands)	Note
The Company	Fund - 76324296A KGI Taiwan Multi-Asset Income Fund A TWD	-	Financial assets mandatorily measured at fair value through profit or loss - current	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	-	16,400	
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	
					611,155		$ 626,400	
			Valuation adjustment		15,305			
					$ 626,460			
The Company	Fund - JAFCO	-	Non-current financial assets mandatorily measured at fair value through profit or loss - non-current	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 - non-current	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	-	Equity instruments measured at fair value through other comprehensive income - current	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	7.61%	$ 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			
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.

Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more

Year ended December 31, 2024

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

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

MERRY ELECTRONICS CO., LTD.

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	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance (Note 2)	Percentage of total notes/accounts receivable (payable)	Note
The Company	MECL	A subsidiary of the Company	Purchases	$ 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%	
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	Same ultimate 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	Same ultimate 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%	(Note 3)
MESG	MECH	Affiliated company	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	Affiliated company	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	Affiliated company	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	Affiliated company	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	Affiliated company	(Sales)	1,093,244	2%	60~120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	440,299	4%	
MEVN	Luxshare Precision Limited	Affiliated company	(Sales)	175,585	0%	60~120 days end of month after offsetting with accounts receivable	(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.

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: General ledger	Balance of accounts receivable due from related party: Amount	Turnover rate	Overdue receivables: Amount	Overdue receivables: Action taken	Amount collected subsequent to the balance sheet date (Note 2)	Allowance for doubtful accounts	Note
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	METC	A subsidiary of the Company	Other Receivable	1,490,410	-	-	-	911,436	-	(Note 1、Note 3)
The Company	MEVN	A subsidiary of the Company	Other Receivable	166,021	-	-	-	86,816	-	(Note 1、Note 3)
The Company	MEST	A subsidiary of the Company	Other Receivable	218,903	-	-	-	201,603	-	(Note 1、Note 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、Note 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.

Significant inter-company transactions during the reporting periods
Year ended December 31, 2024

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Transaction: Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
0	MEHO	MECL	1	Purchases	$ 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.
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: Balance as at December 31, 2024	Initial investment amount: Balance as at December 31, 2023	Shares held as at December 31, 2024: Number of shares (in thousand shares)	Shares held as at December 31, 2024: Ownership (%)	Shares held as at December 31, 2024: Book value	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
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 sales 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	Sales of medical device	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) of the consolidated statements for details.

MERRY ELECTRONICS CO., LTD.

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: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the year ended December 31, 2024: Remitted back to Taiwan	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 5)	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Note
MEDG	Research and development of sound equipment, earphones, mobile power supply, charging box, cable, connector, electronic components, plastic hardware, mould and antenna	$ 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	-	(Note 3)
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.

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 5)	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.

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%	-	-	-	-	-	-	-

MERRY ELECTRONICS CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 1

Item	Description		Amount
Cash on hand			$ 218
Cash in banks			
Checking accounts			335,210
Demand deposits			1,153,244
Time Deposits			1,400,000
Foreign exchange deposits	USD	82,587 thousand ; exchange rate: 32.785	2,707,619
	EUR	5 thousand ; exchange rate: 34.140	163
	RMB	120,235 thousand ; exchange rate: 4.478	538,412
	HKD	205 thousand ; exchange rate: 4.222	865
	SGD	398 thousand ; exchange rate: 24.130	9,608
	JPY	37 thousand ; exchange rate: 0.210	8
			$ 6,145,347

MERRY ELECTRONICS CO., LTD.
STATEMENT OF TRADE RECEIVABLES
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 2

Client Name	Description	Amount	Note
A		$ 2,983,645	
B		1,725,798	
C		1,430,341	
Others		1,868,454	The balance of each customer has not exceeded 5% of the accounts receivable
		$ 8,008,238	

MERRY ELECTRONICS CO., LTD.
STATEMENT OF INVENTORIES
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 3

Item	Description	Amount: Cost	Amount: Net Realizable Value	Note
Finished goods		$ 1,265,765	$ 1,350,075	Net realizable value
Raw materials		244,290	244,290	Value replacement
Semi-finished goods		9	11	Net realizable value
		1,510,064	$ 1,594,376	
Less: Allowance for slow moving inventories and valuation loss		(79,892)		
		$ 1,430,172		

MERRY ELECTRONICS CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 4

	Beginning Balance		Addition		Decrease		Ending Balance			Market Value or Net Assets Value			
Name	Number of shares (in thousand)	Amount	Number of shares (in thousand)	Amount	Number of shares (in thousand)	Amount	Number of shares (in thousand)	Percentage of Ownership	Amount	Unit Price (in dollars)	Total Amount	Pledged as collateral	Note
MERRY ELECTRONICS (HK) CO., LTD	19,658	$ 4,803,954	-	$ 864,010	-	($ 240,855)	19,658	100%	$ 5,427,109	276.08	$ 5,427,109	None	
DANNY DYNAMICS LIMITED	48,005	3,279,912	-	385,708	-	-	48,005	100%	3,665,620	76.36	3,665,620	None	
LEOHAB ENTERPRISE CO., LTD.	4,986	39,554	-	37,400	(950)	-	4,036	14%	76,954	19.07	76,954	None	
MERRY ELECTRONICS (U.S.A.) CO., LTD.	999	35,217	-	2,513	-	-	999	99.9%	37,730	37.77	37,730	None	
MERRY ELECTRONICS (SINGAPORE) PTE., LTD.	800	1,871,860	-	780,033	-	-	800	100%	2,651,893	3,314.87	2,651,893	None	
MERRY ELECTRONICS (THAILAND) CO., LTD.	5,060	866,204	-	317,427	-	-	5,060	99.99%	1,183,631	233.92	1,183,631	None	
MERRY HEALTHCARE CO., LTD.	27,992	284,579	-	17,121	-	-	27,992	100%	301,700	10.78	301,700	None	
GUANDONG LUXSHARE & MERRY ELECTRONICS CO., LTD.	-	422,596	-	7,867	-	(430,463)	-	0%	-	-	-	None	Note
ASIAN ELITE INETERNATIONAL LTD.	-	128,810	-	19,333	-	-	-	100%	148,143	-	148,143	None	Note
INDIGO ENTERPRISE INC.	-	762,396	-	-	-	(161,011)	-	100%	601,385	-	601,385	None	Note
MERRY & LUXSHARE (VIETNAM) CO., LTD.	-	841,570	-	313,243	-	-	-	51%	1,154,813	-	1,154,813	None	Note
MUtek Electronics Co.,Ltd.	3,060	16,005	-	-	-	(3,144)	3,060	51%	12,861	4.20	12,861	None	
Merry Capital Inc.	800	9,886	-	2,233	-	(1,459)	800	100%	10,660	13.33	10,660	None	
CDIB-Mac Limited Partnership	-	114,161	-	42,062	-	(24)	-	43%	156,199	-	156,199	None	Note
DONPON PRECISION INC.	19,723	441,257	-	60,782		(19,629)	-	15.31%	482,410	24.46	482,410		
SYNergy ScienTech Corp.	-	-	7,300	136,149		-	7,300	7.79%	136,149	18.65	136,149		
Accumulated impairment	-	(227,276)	-	(64,973)	-	-	-	-	(292,249)	-	(292,249)	None	
		$ 13,690,685		$ 2,920,908		($ 856,585)			$ 15,755,008		$ 15,755,008		

Note: It is a limited company without shares.

MERRY ELECTRONICS CO., LTD.
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 5

	Beginning Balance					Ending Balance		
ITEM	Initial Cost	Revaluation Increment	Addition	Decrease	Transfer	Initial Cost	Revaluation Increment	Collateral

Note: "Property, Plant and Equipment": Please refer to Note 6 (8)

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MERRY ELECTRONICS CO., LTD.
STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 6

Item	Beginning Balance	Addition	Decrease	Ending Balance	Note

Note:"Property, Plant and Equipment": Please refer to Note 6 (8)

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MERRY ELECTRONICS CO., LTD.
STATEMENT OF BONDS PAYABLE
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 7

					Amount							
Bonds Name	Trustee	Issuance Date	Interest Payment Date	Coupon Rate	Total Issuance Amount	Repayment Paid	Ending Balance	Unamortized Premiums (Discounts)	Carrying Amount	Repayment Term	Collateral	Note
Merry Electronics Co., Ltd. The Third Domestic unsecured convertible	Taipei Fubon Commercial Bank Co., Ltd.	2024.07.10	-	0.00%	$ 2,500,000	$ -	$ 2,500,000	($ 119,339)	$ 2,380,661	Amortized with cash by bond's face value at maturity	None	
Merry Electronics Co., Ltd. The Third Domestic unsecured convertible	Taipei Fubon Commercial Bank Co., Ltd.	2024.07.22	-	0.00%	500,000	-	500,000	(24,383)	$ 475,617	Amortized with cash by bond's face value at maturity	None	
Less: Current portion of corporate bonds payable									-			
									$ 2,856,278			

MERRY ELECTRONICS CO., LTD.
STATEMENT OF DEFERRED TAX LIABILITIES
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 8

Item	Description	Amount	Note

Note: "Deferred Tax Liabilities": Please refer to Note 6 (27)

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MERRY ELECTRONICS CO., LTD.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 9

Item	Quantity	Amount	Note
Telephone receivables / speakers	212,548	$ 10,719,081	
Headset speakers	11,868	13,792,892	
Wireless electronic products	2,844	6,174,343	
Others	1,426,936	2,487,977	
		33,174,293	
Less: Sales returns		(75,850)	
Sales discounts and allowances		(49,640)	
Net sales revenue		33,048,803	
Technical service revenue		14,488	
Net operating revenue		$ 33,063,291	

MERRY ELECTRONICS CO., LTD.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 10

Item		Amount
Raw material at beginning of year	$	141,979
Add: Raw material purchased during the year		5,012,295
Less: Raw material at end of year	(	244,102)
Used raw materials transferred to expenses	(	42)
Raw material sold	(	4,910,130)
Consumption of raw materials for the year		-
Semi-finished goods at beginning for the year	$	-
Add: Semi-finished goods cost purchased during the year		5,638
Less:Materials at end of year	(	188)
Less: Supplies sold	(	5,450)
Consumption of raw materials for the year		-
Semi-finished goods at beginning for the year		12
Less: Finished goods at end of year	(	9)
Semi-finished goods transferred to expenses	(	3)
Semi-finished goods sold		-
Finished goods cost		-
Finished goods at beginning of year		1,138,758
Add: Finished goods cost purchased during the year		26,241,650
Less: Finished goods at end of year	(	1,265,765)
Finished goods transferred to expenses	(	722)
Cost of sales		26,113,921
Cost of raw materials sales		4,910,130
Cost of supplies sales		5,450
Loss on slow-moving inventories and valuation loss		35,711
Operating costs	$	31,065,212

MERRY ELECTRONICS CO., LTD.
STATEMENT OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 11

Item	Selling expenses	Administrative expenses	Research and development expense	Total	Note
Wages and salaries	$ 129,293	$ 465,650	$ 634,205	$ 1,229,148	
Administrative service fee	64,281	-	-	64,281	
Freight	13,845	1,453	806	16,104	
Travel expenses	12,217	4,460	16,622	33,299	
Insurance expense	12,132	22,496	42,271	76,899	
Service expense	229	33,839	2,198	36,266	
Material cost	-	-	62,226	62,226	The balance of each expense account has not exceeded 5% of the total expense
Other expenses	28,672	120,789	118,952	268,413	
	$ 260,669	$ 648,687	$ 877,280	$ 1,786,636	

MERRY ELECTRONICS CO., LTD.
STATEMENT OF FINANCE COOST
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 12

Item	Description	Amount	Note
Amortisation of discounts on bonds		$ 40,752	
Bank borrowings		24,239	
Lease liability		754	
		$ 65,745	

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MERRY ELECTRONICS CO., LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 13

Function / Nature	Year ended December 31, 2024			Year ended December 31, 2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense						
Wages and salaries	$ 9,349	$ 1,007,946	$ 1,017,295	$ 7,585	$ 886,498	$ 894,083
Shared-based payment	122	62,001	62,123	3,315	128,995	132,310
Labor and health insurance fees	491	70,668	71,159	470	67,974	68,444
Pension costs	205	35,815	36,020	231	34,602	34,833
Directors' remuneration	-	60,941	60,941	-	37,942	37,942
Other personnel expenses	378	55,013	55,391	345	44,101	44,446
Depreciation Expense	-	42,317	42,317	494	39,113	39,607
Amortization Expense	3,627	26,566	30,193	13,489	45,405	58,894

Note:

1. As at December 31, 2024 and 2023, the Company had 832 and 770 employees, there are 6 non-employee directors.
2. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information:
   (1) Average employee benefit expense in current year was $1,504 thousand ((Total employee benefit expense of current year- Total directors' remuneration of current year)/ (Number of employees of current year - Number of non-employee directors of current year)).
   Average employee benefit expense in previous year was $1,537 thousand ((Total employee benefit expense of previous year - Total directors' remuneration of previous year)/ (Number of employees of previous year - Number of non-employee directors of previous year)).

Statement 13

(2) Average employee salaries in cureent year were $1,232 thousand (Total wages and salaries of current year/ (Number of employees of current year - Number of non-employee directors of current year)).
Average employee salaries in previous year were $1,170 thousand (Total wages and salaries of previous year/ (Number of employees of previous year - Number of non-employee directors of previous year).

(3) Adjustments of average employee salaries were 5.28% ((Average wages and salaries of current year - Average wages and salaries of previous year)/ (Average wages and salaries of previous year).

(4) The Company set up an audit committee and therefore, it has no supervisors.

(5) The Company's Compensation Policy is as follows:

A. The directors' and managers' emoluments are distributed in accordance with 'Director and Manager Remuneration Management Regulation', except for the regulations stipulated in the laws or the Company's Articles of Incorporation.

B. The directors' and managers' performance assessment and salary compensation, which is determined based on the general pay levels in the same industry, also take into consideration the correlation between the individual's performance and the Company operational performance and future risk exposure.

C. The Remuneration Committee regularly assesses the degree to which performance goals for the directors and managers have been achieved, and sets the types and amount of their individual salary compensation based on the results of the reviews conducted in accordance with the performance assessment results, and reports it at a shareholders' meeting.

D. The managers' compensation is conducted in accordance with the Company's revelant management system such as ' Employee Compensation Distribution Regulations'.

E. Directors' emoluments include remuneration and transportation allowance.

F. Managers' and employees' emoluments include salaries, bonuses, employee compensation, restricted stocks and employee stock ownership trust, etc.

G. Managers' and employees' emoluments are calculated based on the general pay levels in the same industry, and by taking into account the individual work experience and performance, previous salaries and individual performance assessed in accordance with the 'Employee Performance Assessment Management Regulations'.

H. Directors' and managers' emoluments will be reviewed by the Remuneration Committee and resolved by the Board of Directors.